

SOUTH AFRICA Yearbook 2021/22

Agriculture,
Land Reform and
Rural Development

## Agriculture, Land Reform and Rural Development

The mandate of the Department of Agriculture, Land Reform and Rural Development (DALRRD) includes developing agricultural value chains, providing agricultural inputs, and monitoring production and consumption in the agriculture sector, as well as facilitating comprehensive rural development.

Chapter 6 of the National Development Plan (NDP) envisions an integrated and inclusive economy that involves the expansion of agricultural activity, the need for effective land reform and the promotion of sustainable rural development. This vision is expressed specifically in terms of Priority 1 (economic transformation and job creation) of government's 2019 – 2024 Medium Term Strategic Framework, with which the work of the DALRRD is directly aligned.

The nature and extent of the department's interventions are, therefore, underpinned by reducing poverty and inequality, and creating employment by allocating adequate resources and requisite skills to address the persistent challenges associated with agriculture, land reform and rural development in South Africa.

Over the medium term, the department will continue to focus on improving agricultural production and revitalising essential agricultural infrastructure; accelerating land reform and finalising land restitution claims; and increasing its research and development capacity to improve the agricultural value chain and increase the safety and quality of agricultural products.

## Improving agricultural production and revitalising infrastructure

Extension officers support farmers with decision-making by providing them with information on effective and sustainable farming practices based on current research. They are essential in providing a link between farmers and new markets and are therefore central to economic transformation and job creation in this sector.

In recognition of their vital role, the department plans to employ 10 000 extension officers over the medium term, which is set to result in a five-fold improvement in the ratio of extension officers to farmers. This is expected to result in expenditure of R936 million over the medium term through the Comprehensive Agricultural Support Programme Grant.

This investment will be complemented by a focus on revitalising enabling agricultural infrastructure. To this end, the department plans to upgrade 21 fresh produce markets across the country and revitalise five irrigation schemes to make production schemes functional.

It will also continue to assess the viability and allocation of state land (including communal land) for production. Spending for these activities is within an allocation of R2.1 billion over the period ahead in the Rural Infrastructure Development subprogramme in the Rural Development programme.

## Accelerating land reform and finalising land restitution claims

The department aims to acquire 130 687 hectares of productive land for land reform purposes at a projected cost of R3 billion over the medium

term in the Food Security, Land Reform and Restitution programme to address social injustice and inequality through accelerated land reform. To fund this, the department has adopted a blended finance model comprising grant and loan portions.

The department is responsible for funding the grant component and prospective applicants are expected to finance the loan component of their total requirements. To fulfil its responsibility, the department has allocated R1.2 billion over the MTEF period

# Increasing research and development capacity to improve agricultural outputs

Over the period ahead, the department plans to enhance capacity in research and development to improve logistics, market access, and the safety and quality of agricultural products. This entails streamlining the policy and legislative framework related to quarantine and regulated plant pest surveillances to improve market access through surveillance and export certification.

As part of its efforts to strengthen biosecurity, sanitary and phytosanitary standards for agricultural products – and thereby protect existing international markets and open new ones – R1.3 billion is allocated over the medium term in the Agricultural Production, Biosecurity and Resources Management programme.

This includes an allocation of R47 million over the medium term to, among other things, commission studies to inform biosecurity decision-making, particularly on the management and control of pests and diseases.

## Legislation and frameworks

The DALRRD executes its legislative mandate by implementing, managing and overseeing the following key pieces of legislation, among others:

- Restitution of Land Rights Act, 1994 (Act 22 of 1994), which makes
  provision for the restitution of rights to land to people or communities
  dispossessed of such rights after 19 June 1913 as a result of racially
  discriminatory laws or practices of the past. To administer this task,
  the Act established a Commission on the Restitution of Land Rights
  and a Land Claims Court;
- Provision of Land and Assistance Act, 1993 (Act 126 of 1993), which
  makes provision for the designation of certain land, the regulation
  of the subdivision of such land and the settlement of persons
  thereon. It also provides for the acquisition, maintenance, planning,
  development, improvement and disposal of property, and the
  provision of financial assistance for land reform purposes;
- Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013), which seeks to enable the transformation of South Africa's settlement patterns by adopting a new approach to spatial planning and land use management;
- Agricultural Product Standards Act, 1990 (Act 119 of 1990), which
  provides for control over the sale and export of certain agricultural
  products, and the sale of some imported agricultural products; and
- · Conservation of Agricultural Resources Act, 1983 (Act 43 of 1983),

which makes provision for control over use of the country's natural agricultural resources to conserve soil, water sources and vegetation.

## Budget and funding

For the 2021/22 financial year, the DALRRD was allocated R18 billion. Expenditure is expected to increase at an average annual rate of 0.3%, from R18 billion in 2021/22 to R18.2 billion in 2024/25. Transfers and subsidies are the department's largest cost driver, accounting for an estimated 52.1% (R28.2 billion) of total expenditure over the MTEF period.

These include transfers to provinces for conditional grants (the comprehensive agricultural support programme grant, the land care programme grant and the Ilima/Letsema projects grant), transfers to public entities, and land reform and restitution grants. Compensation of employees accounts for an estimated 22.7% (R12 billion) of total spending over the MTEF period.

## Agriculture

The NDP identifies the latent potential of the agricultural and agroprocessing industries, to spur inclusive economic growth and mitigate the triple challenge of inequality, poverty and unemployment. Despite challenges brought by the COVID-19 pandemic, the agricultural sector has shown tremendous resilience, growing by 8.3% year-on-year in 2022.

This growth follows on a buoyant growth of 13.1% year-on-year in 2020. Such growth also had a pull effect on the interlinked industries such as the agricultural machinery industry. For instance, the combined harvester sales amounted to 268 units in the same period, an increase of 46% from 2020.

According to the Quarterly Economic Brief published in March 2022, the agriculture sector grew by 12.2% and contributed 0.3 percentage points to GDP growth. This growth was driven by increased production of animal products.

The agriculture, forestry and fishing sector grew by 3.3% in real value added over the first three quarters of 2021 compared with the same period in 2020. Good summer and winter rains, coupled with favourable prices, will sustain a second consecutive year of growth despite the third-quarter contraction.

Although summer field crops and horticulture expanded over this period, the livestock sector confronted several animal disease outbreaks. Agriculture is expected to continue growing during 2022 in response to broadly favourable conditions. Trade and logistics disruptions, and ongoing animal-health concerns, are risks to the sector.

## Agriculture's role in the national and international economy

According to the Agriculture Survey, 2019, published in May 2021, total income earned in the agriculture and related services industry was R351.4 billion in 2019, compared with R314.0 billion in 2017.

The total income figures reflect an annualised increase of 5.8% between 2017 and 2019. In 2019, animals and animal products

generated the largest sales (R153.1 billion), followed by horticultural crops and products (R86.3 billion) and field crops (R61.9 billion).

The highest annualised percentage increase was recorded for income earned from the sale of animals and animal products (9.1%), followed by horticultural crops and products (8.0%) and field crops (2.2%). The total number of persons employed in the agriculture and related services industry as at the end of June 2019 was 768 171, compared to 764 428 in June 2017, an annualised increase of 0.2%.

According to the Economic Review of the South African Agriculture 2020/21, the value of agricultural production in South Africa increased by 11.6% and is estimated at R346 035 million in 2020/21, compared to R310 179 million in 2019/20, largely because of the increase in values of field crops (23.9%), horticultural products (8.0%) and animal products (7.2%).

The South African primary agricultural sector grew by an average of 6.1% per year since 2011, while the contribution of agriculture's value added to GDP increased from 2.2% in 2011 to 2.3% in 2020.

Gross farming income from all agricultural products increased significantly by 20.4% to R369 418 million for the year ended 30 June 2021, from R306 798 million in the previous period. This was mainly as a result of the increase in income from field crops by 68.5%.

The weighted average price received by farmers for their agricultural products increased by 6.7% as the result of the increase in prices of field crops and horticultural products by 15.7% and 7.0%, respectively.

The 15.7% increase in weighted average price of field crops was the result of the increase in prices of oilseeds by 34.8%, tobacco by 34.1%, sugarcane by 15.3%, hay by 15.2%, summer grains by 14.2%, dry beans by 12.6% and winter grains by 8.2%. The prices of cotton decreased by 1,9%.

The weighted average price of horticultural products increased by 7.0% due to the increase in the prices of vegetables and fruit by 16.5% and 4.2%, respectively. The prices of viticulture showed a decrease of 5.7%

The weighted average price of animal products increased by 2.0%, largely because of the increase in prices of milk by 17.6%. The prices of pastoral products decreased by 3.5% and poultry meat slightly by 0.2%, while those of slaughtered stock remained unchanged.

The prices paid for farming requisites, including machinery and implements, material for fixed improvements, as well as intermediate goods and services, increased by 4.8%, compared to 2.8% the previous period. The prices of building material increased by 8.0%, seeds (7.4%), feeds (7.2%), fencing material (4.8%), trucks (4.5%), packing material (4.1%), fertilisers (3.9%), animal health and plant protection (3.8%) and tractors (1.9%). The prices of maintenance and repairs of machinery and implements decreased by 15,5% and fuel slightly by 0.6%.

The domestic terms of trade increased by 1.0% due to the higher prices earned from agricultural products by the farmers. The net farming income increased drastically by 46.0% and is estimated at R157 360 million for the period ended June 2021, compared to R107 780 million the previous period.

## Volume of agricultural production

The estimated volume of agricultural production in 2020/21 was 3.7% more than the previous year. The field crop production volume for 2020/21 increased by 11.7%, mainly as a result of increases in the production of summer crops (maize and sorghum), winter crops (wheat, barley, canola and oats) and the oilseed crops (soya bean and groundnuts).

Maize production increased by 1.1 million tons (7.1%) and sorghum by 52 880 tons (29.1%) from 2019/20. Wheat production increased by 587 598 tons (38,1%), barley by 243 000 tons (70.4%), canola by 70 200 tons (73.9%) and oats production increased by 40 500 tons (245.4%), compared to the previous season. Furthermore, the production of soya bean increased by 672 650 tons (54.0%) and groundnuts by 9 980 tons (17.6%) as compared to 2019/20.

Horticultural production for 2020/21 increased by 2.4% from the previous season, which can mainly be attributed to increases in the production of deciduous and citrus fruit. The production of apples increased by 78 123 tons (7.9%), table grapes by 45 096 tons (13.7%), plums by 30 154 tons (46.2%), pears by 29 941 tons (7.1%), apricots by 17 811 tons (115.1%) and peaches by 6 413 tons (4.0%), which all contributed to an increase in the production of deciduous fruit as compared to 2019/20. Furthermore, the production of lemons increased by 154 169 tons (30.1%), soft citrus by 120 953 tons (37.0%) and grapefruits by 37 492 tons (9.9%), which all led to an increase in the production of citrus fruit from the previous season.

Animal production increased by 0.7%, mainly as a result of increases in the production of stock slaughtered (cattle and calves, pork and goats) and poultry meat for 2020/21 as compared to 2019/20. The production of stock slaughtered for cattle and calves increased by 18 606 tons (2.2%), pork by 15 844 tons (5.7%) and goats by 23 tons (1.6%) as compared to 2019/20. Furthermore, the production of poultry meat increased by 38 043 tons (2.1%) as compared to the previous season.

## Farming income

According to the Crops and Markets Fourth Quarter 2021, gross income from all agricultural products increased by 11.3% and is estimated at R367 875 million for the period ended 31 December 2021, compared to R330 598 million the previous year.

This was mainly driven by the increase in income earned from all agricultural products. The income from field crops increased by 27.0%, mainly because of the increases in income from soya beans by 74.1%, grain sorghum by 51.9%, maize by 37.0%, tobacco by 34.9%, sunflower seed by 30.4%, groundnuts by 22.7%, canola by 19.1%, wheat by 12.6% and sugar cane slightly by 0.8%.

The income from animal products increased by 7.6% due to the increase in income from pigs slaughtered by 30.4%, cattle and calves slaughtered by 14.1%, milk by 12.2%, poultry meat by 2.8%, sheep slaughtered by 1.3% and eggs slightly by 0.9%.

The income made from horticultural products increased by 3.8% due to the decrease in income from deciduous and other fruit increased by

16.9%, viticulture by 8.9% and subtropical fruit by 7.9%. The prices of citrus fruit and vegetables decreased by 3.7% and 1.6%, respectively.

## Consumer prices

The consumer prices of all agricultural products increased by 3.5% for the year ended June 2021, compared to 3.7% the previous period. The consumer prices of food increased by 5.7% and non-food items by 3,2%. The consumer prices of meat showed an increase of 6.6%, milk, eggs and cheese (6.3%) and grain products (5.7%).

The consumer prices of fats and oils increased by 12.2%, sugar by 7.9%, fruit by 6.1%, fish by 5.4%, coffee and tea by 5.2%, vegetables by 3.4% and other food by 3.1%.

## Imports and exports of agricultural products

The estimated value of imports for 2020/21 amounted to R87 646 million, an increase of 2.2% from R85 788 million for 2019/20. The value of exports increased by 7.4%, from R134 776 million in 2019/20 to R144 687 million in 2020/21. According to the 2020/21 export values, citrus fruit (R26 731 million), dried grapes (R12 773 million), grape must (R10 528 million), apples (R9 692 million) and maize (R7 565 million), were the most important agricultural export products.

Rice (R9 002 million), palm oil (R6 435 million), offal of fowls (R4 893 million), gin (R3 830 million) and oil cake (R3 203 million) accounted for the highest imports in terms of value.

During 2020/21, Afghanistan, with exports to the value of R18 754 million, Albania (R13 70 million), Algeria (R10 781 million), American Samoa (R7 942 million) and Andorra (R7 398 million) were the five largest trading partners of South Africa in terms of export destinations for agricultural products.

The five-largest trading partners for South Africa's imported agricultural products during 2020/21 were Thailand (R5 759 million), Indonesia (R5 142 million), Argentina (R3 015 million), Brazil (R2 902 million) and India (R2 902 million).

#### Products

#### **Crop estimates**

According to the first production forecast for summer crops by the Crop Estimates Committee for the 2022 production season, the expected South African maize crop was 14,528 million tons, which was 11.0% less than the 16.315 million tons of the 2021 season and 0.6% or 83 950 tons more than the five-year average of 14.444 million tons up to 2021.

The estimated area that South African commercial producers planted to maize during the 2022 season was 2.613 million ha. This was 5.1% or 141 900 ha less than the 2.755 million ha planted in the previous season. Of this area, 1.221 million ha (46.7%) were in the Free State, 540 000 ha (20.7%) in the North West and 515 000 ha (19.7%) in Mpumalanga.

The plantings of maize in the Free State decreased by an estimated 8.0%, from 1 328 million ha in 2021 to 1,221 million ha in 2022 and in the North West, it decreased by 6.9%, from 580 000 ha to 540 000 ha.

Plantings in Mpumalanga decreased by an estimated 1.9%, from 525 000 ha in 2021 to 515 000 ha in 2022.

The ratio of white to yellow maize plantings for 2022 is 60:40, as against 61:39 the previous season. The estimated white maize plantings were 1.571 million ha, which were 7.1% less than the previous season's 1.692 million ha, while the yellow maize plantings were estimated to be 1.043 million ha—2.0% less than the 1.063 million ha for 2021.

Most of the country's maize crop was produced in the Free State (41.9%), Mpumalanga (23.0%) and the North West (16.5%). The production forecast for white maize was 7.535 million tons, which was 12.4% or 1,065 million tons less than the 8.600 million tons of 2021 and 294 600 tons less than the average of the five years up to 2021.

The expected yield for white maize was 4.80 t/ha, as against 5.08 t/ha the previous season. In the case of yellow maize, the production forecast was 6.993 million tons, which was 9.4% or 722 150 tons less than the 7.715 million tons of the previous season and 378 550 tons more than the five-year average up to 2021. The yield for yellow maize was expected to be 6.71 t/ha, as against 7.25 t/ha in 2021.

The expected sunflower seed crop was 914 350 tons, which was 34.9% more than the 678 000 tons of the previous season and 17.8% more than the average of 776 100 tons for the five years up to 2021. The area planted to sunflower seed was estimated at 655 700 ha, which was 37.2% more than the 477 800 ha planted in 2021. The expected yield was 1.39 t/ha, as against 1.42 t/ha the previous season.

The production forecast for soya beans was 1.821 million tons, which was 4.0% less than the 1.897 million tons of the previous season.

The estimated area planted was 915 300 ha, which was 10.7% or 88 200 ha more than the 827 100 ha planted in 2021. The expected yield was 1.99 t/ha, as against 2.29 t/ha in 2021. The expected groundnut crop was 69 200 tons, which was 7.6% or 4 900 tons more than the 64 300 tons of the 2021 season and 12 634 tons more than the five-year average of 56 566 tons per annum up to 2021.

The area planted to groundnuts was an estimated 44 900 ha, which was 16.5% or 6 350 ha more than the 38 550 ha planted the previous season. The expected yield was 1.54 t/ha, as against 1.67 t/ha in 2021. The production forecast for sorghum was 146 590 tons – 31% less than the 215 000 tons of the previous season. The area planted to sorghum was estimated to be 37 700 ha, which was 23.4% or 11 500 ha less than the 49 200 ha planted in 2021. The expected yield was 3.89 t/ha, as against 4.37 t/ha the previous season.

The production of dry beans was expected to be 59 690 tons, which was 3.5% or 2 018 tons more than the 57 672 tons of the previous season and 5 652 tons less than the five-year average of 65 342 tons per annum up to 2021. The estimated area planted was 42 900 ha, which was 9.5% less than the 47 390 ha planted the previous season. The expected yield was 1.39 t/ha, as against 1.22 t/ha for 2021.

#### Grains

The DALRRD announced that South Africa would have sufficient staple grains supply in the 2020/21 marketing year, which started in May 2020 and ended in April 2021.

Data released by the DALRRD, in May 2020, showed that the 2020 summer grains harvest could amount to 17.5 million t, which is the second-biggest harvest in the history of this country.

South Africa will continue to export agricultural commodities and products, which are crucial for generating foreign exchange. The largest contributor towards the gross value of field crops for the past five seasons is maize (46.7%), followed by sugar cane (13.3%), wheat (9.8%), soya beans (8.8%) and sunflower seed (6.2%). The gross value of maize for 2019/20 amounted to R40 238 million, which is 42.8% more than in the previous year.

Despite the impact of COVID-19 and the measures imposed to flatten the curve, 2020 was a very good year for summer crops. By the time the lockdown measures were imposed, the crop was almost ready for harvest and weather conditions had been favourable, particularly in the western production regions.

#### Maize

Maize is the most important grain crop in South Africa, being both the major feed grain and the staple food of the majority of the country's population. The maize sector comprises both commercial and noncommercial farmers; the latter mostly in the Eastern Cape, Limpopo, Mpumalanga and northern KwaZulu-Natal provinces.

According to the Trends in the Agricultural Sector 2021, 53.1% of maize produced in South Africa is white and the remaining 46.9% is yellow. White maize is primarily used for human consumption, while yellow maize is mostly used for animal feed production. The gross value of agricultural production is determined by the quantity produced and prices received by producers.

The two main white maize-growing provinces in South Africa – the Free State and North West, produced about 77% of the white maize harvest in 2021, whereas the Free State and Mpumalanga produced about 69% of the yellow maize harvest.

Maize is planted during late spring/early summer, with optimal planting times in November and December. However, planting can start as early as October and extend to January. In a particular season, the rainfall pattern and other weather conditions determine the planting period as well as the length of the growing season. Most of the maize is harvested from late May up to the end of August.

## Sorghum

Sorghum is an indigenous crop in Africa, and is regarded as the fifth most important cereal in the world. There are two types of sorghum, namely bitter and sweet sorghum cultivars. Preference is given to the sweet cultivars. Bitter sorghum is planted in areas where birds are a problem because it contains tannin, which gives a bitter taste and consequently birds tend to avoid feeding on it.

Sorghum for commercial purposes is mainly produced in the western Free State, Mpumalanga, the drier parts of the North West and Limpopo provinces. Sorghum, like other grains, has two basic markets that it serves – the human component and the animal feed component. It is consumed mainly in the human food market and, as in the case

of maize, consumers tend to replace sorghum-based products with preferred products as the household income increases.

During the 2021 production season, sorghum contributed only approximately 0.9% to the gross value of field crops. The commercial sorghum crop for the 2021 season was estimated at 209 980 tons, which is 32.9% more than the 158 000 t of the previous season. The yield for 2021 is estimated at 4.27 t/ha.

#### Wheat

In terms of value of production, wheat is the fourth most important field crop produced in South Africa and plays an important role in national food security. Most of the wheat produced in the country is bread wheat. Small quantities of durum wheat, used to make pasta, is produced in certain areas. In South Africa, wheat is mainly used for human consumption (including bread, biscuits, breakfast cereals and rusks) and the remaining as seed and animal feed.

Other non-food uses include the reduction of alcohol for ethanol, absorbing agents for disposable diapers, adhesives and industrial uses, such as starch on coatings.

Wheat is mainly planted between mid-April and mid-June, in the winter rainfall area, and between mid-May and the end of July, in the summer rainfall area. The crop is harvested from November to January.

Wheat is generally classed as hard or soft. Hard wheat tends to have higher protein content than softer wheat and is used mainly for bread. Soft wheat, on the other hand, is more suitable for confectionery.

The estimated area planted to wheat for the 2020 season was 509 800 ha. The estimated area planted to wheat for the 2021 season is 523 500 ha, which is 2.7% more than the 509 800 ha of the previous season. The area planted to wheat in the Western Cape is 360 000 ha (69%), which is 34 000 ha more than the 326 000 ha planted in the previous season. In the Free State, the area planted is 70 000 ha (13%), which is 24 000 ha less than the previous seasons' area of 94 000 ha. The decrease in wheat plantings in the Free State is mainly due to dryland producers who have moved from wheat plantings to the planting of summer crops such as maize, sunflower seed and soya beans.

Based on conditions prevailing towards the end of October 2021, the expected commercial wheat crop for 2021 was 2.099 million t, the second-largest wheat crop in a decade.

South Africa, a net importer of wheat, relies on imports from Australia, Lithuania and Poland, amongst other countries, to meet its domestic demand.

A quota of 300 000 t can be imported duty free from the European Union (EU) under the Economic Partnership Agreements. South Africa is expected to import almost two million t by 2026. South Africa remains the largest wheat producer in Sub-Saharan Africa, after Ethiopia.

#### **Barley**

Barley is one of the most important grain crops in South Africa, surpassed only by wheat and maize, and is following wheat, the most important small grain type.

The cultivation area for malting barley under dryland conditions is at present restricted to a very specific region, namely the southern Cape, which stretches from Bot River in the west to Heidelberg in the east. It would not be economically viable to cultivate malting barley on dryland in an area that does not receive 350 millimetres of well-distributed rainfall during the growing season (April to October). Currently, five varieties are recommended for malting barley production in the Southern Cape, viz., SabbiErica, SabbiNemesia, Disa, Agulhas and Hessekwa.

The concentration of the production of a relatively minor commodity, for instance malting barley, in a specific area, has various advantages, for example, it facilitates transport, storage, control, extension and research, which also implies cost advantages.

However, because of the risk of unpredictable weather conditions in the southern Cape, barley production has also been introduced to the cooler central irrigation areas in the Northern Cape. There are also farmers in other areas of South Africa, such as North West, Limpopo and the Free State, who plant small quantities of malting barley under irrigation.

Malting barley under irrigation has a higher yield and is more stable than in the southern Cape, where the crop is dependent on rainfall. The area planted to malting barley for the 2021 season was estimated at 94 730 ha. Of the 94 730 ha planted in 2021, 85 000 ha (89.7%) are in the Western Cape, 5 700 ha (6.0%) are in the Northern Cape, 1 300 ha (1.4%) are in Limpopo, 1 650 ha (1.7%) are in North West, 1 000 ha (1.1%) are in Free State, and only 80 ha (0.1%) are in Gauteng. A total crop of 339 800 tons of malting barley was expected for the 2021 season.

Barley is mainly used for the production of malt (for brewing beer), animal feed and pearl barley.

#### Dry beans

Dry beans are warm-season annual legumes. Gross returns from dry beans can easily be higher than for soya beans. While yields are typically lower, dry beans fetch a relatively higher price.

South Africa has a dry bean deficit and relies on imports. This provides an opportunity for the whole of southern Africa to increase production. The crop is mainly produced in the Free State, KwaZulu-Natal, Limpopo, North West and the Northern Cape. Producers sell directly to the trade or to wholesalers and cooperatives.

An estimated amount of 68 799 t of dry beans was expected to be consumed locally during the 2021/22 marketing season, which is 15. 0% more than the 59 844 tons in 2020/21. The projected per capita consumption for 2021/22 is 1 kg, 19. 0% more than the 0. 84 kg in 2020/21.

#### Oilseeds

#### Groundnuts

The normal planting time for groundnuts is mid-October to mid-November. Groundnuts are a high value crop produced mainly in the north-western regions of South Africa, particularly the western and north-western parts of the Free State, in North West and in the Northern Cape. Groundnuts are also produced in Limpopo, KwaZulu-Natal and Mpumalanga, but to a lesser extent.

Oil made from groundnuts can be used for cooking and to make peanut butter. It can also be used to manufacture soap, massage oil, and shaving and hair creams.

According to the Trends in the Agricultural Sector 2021, the local commercial consumption of groundnuts for 2021/22 is estimated at 63 050 t - 100 t for oil and oilcake, 36 000 t for peanut butter, 26 500 t for the direct edible market and 450 t as pods. Other consumption (released to end consumers, seed, etc.) amounts to 2 700 t. The projected exports during 2021 are 6 000 t. Carry-over stocks on 28 February 2022 are expected to be approximately 15 600 t.

In South Africa, groundnuts are mainly consumed in two forms — as edible nuts and processed peanut butter. The local commercial consumption of groundnuts for 2020/21 was estimated at 73 300 t — 700 t for oil and oilcake, 40 500 t for peanut butter, 31 800 t for the direct edible market and 300 t as pods. Other consumption amounts to 2 100 t. The projected exports for 2020 were 8 600 t.

#### Sunflower seeds

Sunflower seeds can be planted from the beginning of November to the end of December in the eastern parts of the production areas, and up to the middle of January in the western parts. Sunflowers grow best when planted in midsummer, to ensure that less moisture is lost from the soil during the crucial growing phases.

The Free State and North West are the major producers of sunflower seeds, followed by Limpopo, Mpumalanga and Gauteng. The seed is used for the manufacturing of sunflower oil and oilcake. The oil is marketed in the form of refined oil for domestic and industrial cooking and baking purposes and is also processed into margarine and other consumer products.

During the 2021 production season, the bulk of the crop was produced in the Free State (49.2%), North West (32.9%) and Limpopo (16.0%). Commercial seed production during 2021 is approximately 677 240 t, which is 14.1% less than the previous season (788 500 t) and 14.4% less than the average of 791 500 t for the previous five years. Non-commercial agriculture contributed an estimated 26 899 t (3.8%) to the total sunflower seed production in South Africa in 2021.

Compared to other crops, sunflower performs well under dry conditions. This is probably the main reason for the crop's popularity in marginal production areas in South Africa. A close link exists between the area planted to maize and the area planted to sunflower seed because farmers can easily switch to sunflower if the normal period for maize planting has passed.

Major exporters of sunflower seeds to South Africa are Romania, Botswana, Bulgaria and Argentina. Importing from the Southern African Development Community (SADC) countries uses the SADC Free Trade Agreement, which facilitates the flow of commodities among countries in the region at no tariff charges.

The sale of sunflower seeds is mostly to the domestic market, with very small quantities destined for the export market. Mostly, South Africa remains a net importer of sunflower seeds.

#### Soya beans

Soya beans are produced mainly in Mpumalanga, the Free State and KwaZulu-Natal. Small quantities are also produced in Limpopo, Gauteng and North West. Various soya bean cultivars have adapted quite well to South African conditions. Depending on prevailing local conditions, soya beans are usually planted in November and December.

In South Africa, soya beans are mainly used for animal feed. The local demand for soya bean meal, as the preferred source of protein for animal feed, has increased in correlation with the increase in poultry production in South Africa and more than doubled over the past decade.

The plantings of soya beans ranged between 100 130 ha and 827 100 ha over the past 20 years. During the 2021 season, an estimated 827 100 ha were planted for commercial use, compared to an estimated 705 000 ha the previous season. The crop of an estimated 1,890 million tons in 2021 (the highest on record) represents an increase of 51.8% from the 2020 crop of 1.246 million tons.

From being one of the most dynamic sectors in the South African agriculture sector over the past decade, the soya bean industry is now maturing and further expansion is expected to occur at a much slower rate. Total soya bean processing capacity in South Africa (crush and full fat) is derived from a combination of dedicated soya bean processing facilities, as well as plants with the ability to switch between soya beans and sunflower seeds.

The local commercial consumption of soya beans for 2021 was projected at 1.696 million tons – 165 000 tons for feed (full-fat soya), 1.475 million t for oil and oilcake and 21 500 t for human consumption. Other consumption was estimated at 12 700 tons. The projected exports for 2021 was 22 000 t. Carry-over stocks on 28 February 2022 were expected to be approximately 207 303 tons.

#### Canola

Almost the entire canola crop in South Africa is produced in the Western Cape. Over time, farmers in areas such as the Eastern Cape, KwaZulu-Natal, Limpopo and North West also started to plant small quantities of canola. Canola competes on the local market with other oilseeds, such as sunflower seeds and soya beans.

Local and international investors in the oilseed crushing sector are boosting South Africa's capacity to process oilseed crops, such as soya beans, canola and sunflower seeds. This forms part of efforts to meet growing domestic demand for proteins and to be less dependent on imports of these crops.

Canola is primarily used for the manufacturing of canola oil and oilcake. It is the healthiest commodity oil available to consumers, the food service industry and food processors. Canola meal is used as an animal feed for dairy cows, pigs and poultry. Its unique characteristics are especially valuable in the dairy industry, where it has been shown

that by including 20% canola meal in a feed ration improves milk production by one litre per cow per day.

For the 2021/22 marketing season, the total supply of canola was estimated at 207 340 tons (the estimated canola crop of 190 000 tons, together with carry-over stocks of 17 340 tons). Domestic demand for canola is estimated at 126 020 tons, while carry-out stocks at the end of September 2022 was expected to reach 81 330 tons.

#### Cotton

In South Africa, cotton is grown in the warm regions of Limpopo, Mpumalanga, Northern Cape, North West and KwaZulu-Natal, where minimum night temperatures are at least 15 °C during the growing season.

The cotton industry is labour-intensive and provides work for roughly one worker per hectare of cotton planted. Oil extracted from cotton seed can be used for cooking and salad dressings. Extracted seed can also be used as a fertiliser or as feed for livestock, poultry and fish.

As part of the cotton industry's objective to broaden participation by emerging farmers, a training programme has been established by Cotton South Africa and other stakeholders, including the private sector and government. Lack of knowledge and expertise among smallholder cotton farmers are among major constraints that impede success in the emerging cotton farming sector.

#### Tobacco

Tobacco is tropical in origin, but is grown successfully under tropical, subtropical and temperate climates. Normally, it requires about 100 to 120 days, in a frost-free climate, with an average temperature of 20  $^{\circ}\text{C}$  to 30  $^{\circ}\text{C}$  between transplanting and harvesting.

In South Africa, tobacco is grown in five provinces – Limpopo (Lephalale, Mokopane, Mookgophong and Sterkrivier); North West (Brits, Groot Marico and Rustenburg); Mpumalanga (Loskop, Groblersdal and the Lowveld: Mbombela and Barberton); the Eastern Cape (Gamtoos Valley); and the Western Cape (Oudtshoorn). The areas are classified according to the production of different types of tobacco.

Flue-cured tobacco is produced mainly in Limpopo, Mpumalanga and North West, while air-cured tobacco is produced in the Eastern Cape, Western Cape, Limpopo and North West.

#### Sugar

Sugar cane is a ratoon crop, which means that after cropping, new shoots emerge from the roots. It yields up to 10 crops from the original rootstock, after which it is uprooted and the field is replanted. This is done on a rotational basis, with approximately 10% of the area under cane being replanted each season. Planting usually coincides with the first spring rains.

South Africa produces cost-competitive, high-quality sugar. The sugar sector is a diverse industry, combining the agricultural activities of sugar cane cultivation with the industrial factory production of raw

and refined sugar, syrups and specialised sugars, as well as a range of by-products. The R14 billion South African sugar industry is cost-competitive, consistently ranking in the top 15 out of approximately 120 sugar producing countries worldwide. The industry makes a positive difference to the lives of more than a one million people and is a catalyst for economic growth and development. Sugar cane is a strategic crop for Kwazulu-Natal and Mpumalanga, where sugarcane production is located, comprising nearly 50% of field crop gross farming income across the two provinces.

Sugar cane is grown by approximately 21 926 registered growers, farming predominantly in KwaZulu-Natal, with substantial operations in Mpumalanga, and some sugar cane production in the Eastern Cape. Employment within the industry is estimated at 435 000 people (direct and indirect) and the industry produces an average of approximately 2.2 million t of sugar per season.

Government and stakeholders in the sugar industry have signed the Sugar Industry Master Plan, which seeks to take urgent action to protect thousands of jobs, rural livelihoods and businesses. The plan also aims to create a bold new ambition for the future, which seeks to create diversified revenue streams for sugar producers and create new job opportunities.

As part of the master plan, industrial users and retailers agreed to a minimum offtake of sugar for a period of three years; with at least 80% of sugar consumption to come from South African farms and millers during the first year, increasing to 95% by 2023. During this period, the sugar industry has agreed to price restraint, and to begin a process of managed restructuring for the industry to help diversify revenue sources.

Employment within the industry is estimated at 435 000 people (direct and indirect) and the industry has produced an average of approximately 2. 2 million t of sugar per season. Production for the 2021/22 season at 17. 9 million t was expected to be 2.3% lower than in 2020/21.

## Deciduous fruit

The deciduous fruit industry in South Africa, including fresh, dried and canned fruit for local consumption and export, is a multimillion-rand industry. The exporting of deciduous fruit is a major earner of foreign exchange for South Africa.

Deciduous fruits grown in South Africa include apples, pears, apricots, nectarines, peaches, plums, grapes, olives, figs and cherries.

Although some producers grow fruit both for processing (canning, juice and drying) as well as fresh consumption, it is estimated that in South Africa there are about 1 152 producers of fruit for fresh consumption, 1 066 producers of dry and table grapes, 887 producers of stone fruit and 624 producers of pome fruit.

The main deciduous fruit producing areas in South Africa are situated in the Western Cape and Eastern Cape, mostly in areas where warm, dry summers and cold winters prevail.

## Dried fruit

Dried fruit is produced mainly in the western and southern parts of the Western Cape and the Lower and Upper Orange River areas in the Northern Cape. Tree fruit, as opposed to vine fruit, is dried mainly in the Western Cape.

The most important dried fruit products in terms of volume are Thompson seedless raisins, golden sultanas, unbleached sultanas, currants, peaches, pears, apricots and prunes.

Apricots are grown mainly in the Little Karoo and prunes are produced almost exclusively in the Tulbagh District in the Western Cape.

Most raisins are produced in the area along the Lower Orange River and currants are mainly from the Vredendal District in the Western Cape. Expectations were that most subtropical fruit types' production would increase during the 2021/22 production season.

## Honeybush and rooibos tea

Honeybush production is a young, growing industry that is unique to South Africa. Honeybush is part of the fynbos that grows wild in the Western Cape and is not produced anywhere else in the world. The plant grows naturally on the wetter and cooler southern slopes of mountains. Some species are mostly harvested in the wild, while others are cultivated commercially.

The cultivated tea comes from a few farmers who have established successful honeybush plantations, as well as a handful of community-based projects. Rooibos tea is exclusively farmed in the Cederberg and Sandveld areas of the Western Cape. On average, South Africa produces about 15 000 t of rooibos tea a year. According to the South African Rooibos Council, out of the 15 000 t of rooibos tea produced a year, 50% of it is consumed in South Africa.

In June 2021, rooibos became the first African food to be registered by the European Commission as having a protected designation of origin and protected geographical indications. This means South Africa is acknowledged as the designation of origin for rooibos. For tea to be labelled as rooibos, it has to be made using leaves that were cultivated or wild-harvested in designated local municipalities of the Western and Northern Cape provinces.

The registration will also allow South Africa's Rooibos industry to use the EU logo that is well recognised by consumers in Europe, which will indicate its value as a unique and exclusive product.

#### Wine

South Africa is the eighth-largest wine producer in the world, with a contribution of 4.0% to the world's wine production.

The wine industry is labour intensive and provides employment to approximately 296 000 people directly and indirectly. The number of primary wine grape producers in South Africa is estimated at 2 778. Wine is produced mainly in the Western Cape and along parts of the Orange River in the Northern Cape. The traditional wine-growing areas along the coastal zone benefit from its cooling breezes that moderate the summer temperatures. The Cape mountain ranges form a backdrop to what is internationally recognised as one of the most beautiful

wine-producing areas of the world. The vineyards lie in valleys and mountain foothills in some areas, and in flatter plains in others. One of the potential competitive advantages of the Cape winelands is a great variety of soils.

Nietvoorbij, the internationally acclaimed research farm of the ARC, is synonymous with quality research in oenology and viticulture. Annually, 1 000 different wines (10 - 20 l) are made for research purposes in the modern experimental cellar. Next door, in the old, thatched roof cellar, traditional and modern winemaking methods are combined to create unique wines for enjoyment.

## Citrus and subtropical fruit

Citrus is one of South Africa's most important subsectors in the agricultural sector. It provides a significant contribution to job creation and economic activity in South Africa's rural communities.

Government is committed to working with the industry and other stakeholders to expand market access to destinations such as the United States of America, China and India, and the EU and other countries that already enjoy South African citrus.

The growth projections for soft citrus, lemons and Valencia oranges alone indicate an expected additional R6.8 billion in foreign exchange earnings and the creation of 22 250 sustainable jobs over the next three years.

Citrus fruit is grown in Limpopo, the Eastern Cape, Mpumalanga, the Western Cape and KwaZulu-Natal, in areas where subtropical conditions (warm to hot summers and mild winters) prevail. The area under citrus production is estimated at 81 638 ha.

The Western Cape and Eastern Cape are considered cooler citrus growing areas and production is focused on Navel oranges and lemons. The cooler climate enables farmers to respond to consumer demand for easy peelers like clementines and satsumas. Farm sizes are also smaller and most citrus in the Western and Eastern Cape is packed by privatised cooperatives in facilities that are amongst the largest in the world.

In Mpumalanga, Limpopo and KwaZulu-Natal, the climate is warmer and better suited to the cultivation of grapefruit and Valencia oranges. Farms in these regions are larger and many farmers pack in smaller privately-owned facilities. Pineapples are grown mainly in the Eastern Cape and northern KwaZulu-Natal.

Subtropical crops, such as avocados, mangoes, bananas, litchis, guavas, papayas, granadillas and macadamia and pecan nuts, are produced mainly in Mpumalanga and Limpopo, as well as in the subtropical coastal areas of KwaZulu-Natal and the Eastern Cape.

The largest contributors to the sales of subtropical fruit on the major fresh produce markets are bananas, pineapples and avocados, followed by mangoes and papayas. The cultivation of some types of subtropical fruit is only possible in specific areas of the country because of particular climatic requirements.

In general, subtropical fruit types need warmer conditions and are sensitive to large temperature fluctuations and frost. Fruit types such as granadillas and guavas are also grown in the Western Cape, while pineapples are cultivated in the Eastern Cape and KwaZulu-Natal.

The ARC Infruitec-Nietvoorbij is responsible for managing nine genebanks. The genebanks include field collections of various deciduous tree fruit crops, grapevines, olives, indigenous flowers of the Proteaceae and honeybush, in vitro collections of yeasts, fungi and bacteria as well as some tree fruit and berry crops in medium term cold storage.

The main purpose of the field genebanks is to conserve genetic diversity of fruits, grapes and indigenous crops, particularly in support of breeding programmes; the yeast collection contributes to oenological research; and the fungal and bacterial collections provide for research and diagnostics.

## Vegetables (excluding potatoes)

Vegetables are produced in most parts of the country. However, in certain areas farmers tend to concentrate on specific crops, such as green beans that are grown mainly in Kaapmuiden, Marble Hall and Tzaneen; green peas, grown in George and Vaalharts; and asparagus, grown mainly in Krugersdorp and Ficksburg.

Tomatoes are produced countrywide, but on the largest scale in Limpopo, the Mpumalanga Lowveld and Middleveld, the Pongola area of KwaZulu-Natal, the southern parts of the Eastern Cape and the Western Cape. In Limpopo, South Africa's main tomato-growing area, most of the crops are found in Letaba, Mooketsi and Musina.

Onions are grown mainly in Mpumalanga, certain areas of the Western Cape and the southern Free State and in all areas of Limpopo, with the main production areas being Polokwane and Mokopane.

Cabbages are grown countrywide, but the largest crops are in Mpumalanga and the Camperdown and Greytown districts of KwaZulu-Natal.

#### Potatoes

There are 16 distinct potato-production regions in South Africa, which are spread throughout the country. The main regions are situated in the Free State, Western Cape, Limpopo and Mpumalanga.

Potatoes are planted at different times because of climate differences in the production areas, resulting in fresh potatoes being available throughout the year.

In the early 1990s, there was a major shift in production from dryland to irrigation and, currently, almost 80% of plantings are under irrigation.

## Livestock

Extensive livestock farming is vast in the country, appropriating fourfifths of the agricultural land in South Africa. However, livestock is also found in areas where there is a combination with other farming enterprises.

Below normal rainfall over recent years has meant that the area involved in cattle, sheep and goat farming, which is approximately 590 000 square kilometres, has been negatively affected. Representing

53% of all agricultural land in the country, this badly affected grazing area has not recovered in the past year as near normal to normal rainfall has not been recorded in most provinces.

Livestock conditions recorded were reasonable to good in most provinces over the same period. Commercial sheep farming also takes place in other areas, such as Kgalagadi, the winter rainfall area and the grasslands of Mpumalanga, as well as the eastern Free State and KwaZulu-Natal, with challenges of wild animals and stock theft threatening the successful farming thereof.

Foot-and-Mouth disease is still prevalent in some parts of KwaZulu-Natal, as of October 2021, with movement restrictions in place for identified locations. As such, practices for biosecurity are encouraged in order to curb further spread of the disease. Other diseases that continue to affect the industry are African Swine Fever and Brucellosis.

#### Cattle

Cattle are found throughout the country, but mainly in the Eastern Cape, KwaZulu-Natal, the Free State and North West. Herd sizes vary according to type of cattle, ranging between less than 50 and 300 for dairy cattle, while beef cattle herds range from fairly small (less than 20 head of cattle) to large farms and feedlots (more than 4 000).

Some farms in North West and Gauteng have been found to have some of the largest cattle herds in in the country. The production of weaners for the feedlot industry is the main form of cattle farming – feedlots account for approximately 75% of all beef produced in the country.

The total number of cattle in South Africa at the end of August 2021 is estimated at 12.10 million, comprising various international dairy and beef cattle breeds in addition to indigenous breeds such as the Afrikaner and the Nguni. Beef cattle contribute approximately 80% to the total number of cattle in the country, while dairy cattle make up the remaining 20%. Holstein-Friesian, Jersey, Guernsey and Ayrshire are the four major dairy breeds found in South Africa.

Although milk is produced in all the areas of South Africa, the coastal areas are the most suitable because of their mild temperatures and good rainfall conditions, which lead to improvements in animals and pasture conditions.

The industry comprises various economic activities, with significant differences in farming methods, and the processing of dairy products, including the production and marketing of raw milk, pasteurised milk and cream, fermented milk, long-life milk and cream, yoghurt, and cheese and its by-products.

#### Sheep

Although sheep farms are found in all provinces, these are concentrated in the more arid parts of the country. Flock sizes vary between less than 50 and 1 800 animals. Sheep flocks in the Eastern, Western and Northern Cape provinces tend to be much larger than those in other provinces.

The animals are kept mainly for wool and mutton production and the

industry is therefore represented by organisations from the mutton and the wool industry. The sheep breed with the highest wool production per head is the South African Merino, followed by other dual-purpose Merino breeds, such as the Dohne Merino, South African Mutton Merino, Afrino and Letelle breeds. Dual-purpose breeds are bred with the specific aim of maximising wool and mutton produce. Limited numbers of indigenous fat-tailed and Karakul sheep are still found in the more arid areas.

The total number of sheep in South Africa at the end of August 2021 were estimated at 21.30 million. For August 2021, the largest numbers of sheep were estimated to be in the Eastern Cape (30%), Northern Cape (24%), Free State (20%) and Western Cape (12%).

#### Goats

Goats are found mainly in the Eastern Cape, Limpopo, KwaZulu-Natal and North West. The indigenous meat-producing Boer goat accounts for about 40% of all goats in South Africa.

Herds of goats intended for meat production are usually smaller than sheep flocks, averaging approximately 300 goats per farm. Angora goats are kept primarily for mohair production, while Boer goats are mainly for meat production. According to the SA Milch Goat Breeders' Society, there are also farmers who have adopted a market differentiating strategy by producing goat milk and these are increasing in numbers.

Through selective breeding and farming techniques, the Angora goat farmer plays a crucial role in promoting the constant availability of quality natural fibres. Most of the world mohair production is imported to South Africa for further processing, after which it is exported together with locally (including Lesotho) produced mohair. China remains the leader in mohair imports from South Africa, followed by Italy and Taiwan.

Estimates indicate that the number of goats decreased from 5.170 million in August 2020 to 5.118 million in August 2021.

#### Pigs

The South African pork industry is small in terms of the overall South African agricultural sector. It contributes 2.2% to the primary agricultural sector. Pigs are found predominantly in Limpopo, North West, Gauteng and the Western Cape. There are approximately 400 commercial pork producers and 19 stud breeders in South Africa. It is estimated that pig numbers decreased from 1.357 million in August 2020 to 1.328 million in August 2021, a drop of 2.13%.

The gross value of pork production is dependent on the quantity produced and the price farmers receive. The trend in gross value follows a pattern of prices, because the industry is characterised by volatile prices.

Pork is produced throughout South Africa, with Gauteng and Western Cape being the largest producers, contributing to 40% and 21%, respectively, to total production. There are about 132 commercial, four stud and about 400 smallholder pig farmers.

They own about 120 000 sows (100 000 commercial and 10 000 smallholder sows) and employ about 3 005 workers, comprising about 2 200 farm workers and 805 workers in the abattoir sectors. The 145

registered pig abattoirs use modern technology to ensure a streamlined slaughtering process. The total number of employees in the formal pork production industry in South Africa is estimated to be approximately 10 000, comprising about 4 000 farm workers and 6 000 workers in the processing and abattoir sectors.

## Poultry farming

The poultry industry consists of the day-old chick, broiler and egg supply. The broiler industry continues to dominate the agricultural sector in South Africa as the main supplier of animal protein. The distribution of broiler birds (including broiler breeders) per province is as follows: North West (24.5%), Mpumalanga (22.5%), the Northern and Western Cape (14.2%), the Free State (13.4%), Gauteng (9.7%), the Eastern Cape (6.6%), KwaZulu-Natal (5.8%) and Limpopo (3.3%). During the first six months of 2021, an average of 24.0 million broilers were slaughtered per week.

The distribution of layers per province is as follows: Gauteng (33.5%), the Free State (15.9%), the Northern and Western Cape (14.0%), KwaZulu-Natal (10.5%), the North West (10.3%), Limpopo (7.5%), Mpumalanga (6.3%) and the Eastern Cape (2.8%).

## Poultry Master Plan

For the past decade, poultry production in South Africa has been static despite the fact that consumption has continued to grow. This was due to the fact that imported poultry has come into the economy in large quantities, displacing South African meat, especially at the lower end.

In an effort to address threats to the local production of poultry, government, together with a number of stakeholders in the industry, including poultry producers, farmers, processors, exporters, importers and organised labour, developed the Poultry Master Plan.

The plan provides a framework for a determined effort to grow jobs in the industry through a number of measures that will be implemented over a number of years. Signed during the second South African Investment Conference in November 2019, the plan is also expected to ensure that locally produced products make up an increasingly larger proportion of consumption over time.

As of March 2021, the poultry industry had invested R870 million to upgrade production and grow poultry production by 5%. The money would also create markets for 50 black contract growers and facilitate exports to create local jobs. The industry had also paid for business studies for 19 black farmers who were in a programme with the DALLRD. A year after the plan was signed, 13 black contract grower farmers were established and 960 jobs were created.

The industry was also assisting a further 40 independent black farmers by providing them with poultry-related advice and training.

Since the master plan was signed, government has implemented higher tariffs on certain cuts of poultry, and has further triggered an investigation into the structure of tariffs to provide a more effective trade environment for poultry.

Chicken producers have committed to R1.5 billion in fresh investment in their own production facilities within the next four years towards the

investment drive. This is expected to result in nearly 4 000 additional jobs in the production of chicken in pursuit of these outcomes.

In addition, the industry and various government agencies will invest R1.7 billion in the establishment of 50 commercial scale contract farmers.

## Information for international travellers

Pests and invasive species are not only introduced through formal trade, but are also brought into South Africa by tourists.

Once a pest has entered South Africa, climate change may influence its establishment and spread, as well as the damage it causes. When travelling to South Africa, tourists should make sure that they do not bring in prohibited agricultural products. These products may harbour pests that occur in other countries and their introduction may endanger South Africa's competitiveness in trade and agricultural productivity.

Animals and animal products such as meat and dairy products, plants and plant products, honey and honey products as well as other regulated goods, are all potentially high-risk materials. These materials may only be imported into South Africa by means of an import permit, unless exempted, and must be declared with the DALRRD inspectors for inspection at ports of entry before entering South Africa. Inspectors from the department conduct luggage and consignment inspections at the ports of entry, with the help of sniffer dogs to ensure compliance with the import permit requirements.

Prohibited products will either be confiscated, destroyed or returned to the country of export and those found carrying them may face a fine of up to R20 000 or imprisonment.

## Food import and export standards

Internationally, standards for food imports and exports are harmonised through various international standard-setting bodies subscribed to under the World Trade Organisation, to which South Africa is a signatory. This includes the Sanitary and Phytosanitary Measurements Agreement, the World Organisation for Animal Health, Codex Alimentarius Commission and the Intergovernmental Panel on Climate Change. These requirements aim to protect consumer rights, the environment, animal life and public health.

The DALRRD collates information regarding the standards for sanitary and phytosanitary measures applicable to trade in animal and plant products. The department also coordinates promotion and awareness programmes addressing crosscutting standards and legislative requirements for food safety, quality, and plant and animal health.

The DALRRD and the Perishable Products Export Control Board (PPECB) work closely to assist South Africans to export their products successfully in a highly competitive global arena.

## National Analytical Services (NAS)

There are two in-house laboratories within NAS – one situated in Stellenbosch and the other in Pretoria.

The laboratories provide and coordinate the analysis of certain

agricultural products (fresh fruit and vegetables, grains, wines and spirits, dairy products and processed food) in support of the enforcement of the food safety and quality standards and requirements as laid down in the Agricultural Product Standards Act of 1990 and the Liquor Products Act, 1989 (Act 60 of 1989).

## Disaster and risk management

The National Agricultural Disaster Risk Management Committee provides strategic guidance on policy and advises government on issues relating to agricultural disaster risk management.

The committee comprises members from provincial departments of agriculture, organised agriculture, such as the National African Farmers' Union of South Africa (NAFU SA), Agri SA, Transvaal Agricultural Union of South Africa (TAU SA) and the ARC and relevant directorates within the DALRRD.

The National Drought Task Team, chaired by the DALRRD, advises the National Disaster Management Advisory Forum on drought management. The task team comprises provincial disaster management centres, organised agriculture and relevant directorates within the department.

The DALRRD frequently responds to hazards such as droughts, veld fires, floods and outbreaks of pests and disease, which includes the control of migratory pests such as locusts and quelea. It is also responsible for the control of blackfly.

# Weather and climate Climate change

The agricultural sector in South Africa faces considerable impact from climate change, which affects the livelihoods of most people, especially those who are vulnerable to food insecurity. South Africa responds to international obligations regarding climate through various government departments.

The Climate Change Programme implemented by the DALRRD includes programmes on raising awareness, policy development, the development of sector mitigation and adaptation plans, conducting vulnerability assessments countrywide, and identifying and coordinating climate-related research projects. The Climate Change Adaptation and Mitigation Plan outlines useful mitigation and adaptation options promoting soil, water and nutrient conservation for agricultural production.

The DALRRD's Crop Suitability programme is aimed at promoting best adaptation management practices and enhancing adaptive capacity and resilience of the agricultural systems to minimise the risk of the negative impacts of climate change as drastic increases in temperature have a negative impact on crop growth and crop yields.

South Africa is a full member of the Global Research Alliance which, among other objectives, aims to enhance collaborative research into reducing agricultural emissions and increasing support and resourcing for agricultural emissions research. South Africa has already been involved in stock takes and regional workshops run by the Livestock Research Group.

## Early warning unit

The increasing risk of disaster is reduced by strengthening early warning systems and disseminating early warnings, as well as raising awareness through campaigns. This helps to build resilient farming communities.

The DALRRD has, therefore, developed and implemented an Early Warning System (EWS) that disseminates extreme weather warnings to farming communities. The EWS communicates monthly advisories and daily extreme weather warnings, in support of reducing disaster risk. The implementation of the EWS is continuously monitored and evaluated to identify and address gaps in the system. National Agro-Meteorological Committee meetings are held quarterly.

Other risk reduction activities include continuous research to identify areas and measures in addressing and improving disaster risk management, including awareness campaigns and education and training so as to strengthen disaster risk management. In addition, the DALRRD continues to encourage integration of disaster risk management into all departmental programmes and projects.

The DALRRD also encourages the strengthening of EWS by all relevant role players to be prioritised, including the creation of disaster units in provinces.

## Sustainable resource management and use

The DALRRD and the ARC's Institute for Soil, Climate and Water have developed an inventory of soils, terrain forms and climate (land types). The National Land Type Survey, available for use at a 1:250 000 scale, aims to assist and guide land-use planning and decision making at national level.

All available natural resource spatial information and other required data sets, including the latest Spot-5 satellite imagery and agricultural information, are found on the internet-based Agricultural Geo-Referenced Information System (Agis). Using interactive web-based applications, Agis provides access to spatial information, industry-specific information and decision-support tools.

The Advanced Fire Information System tracks all fire outbreaks in the SADC region through the use of Moderate- Resolution Imaging Spectroradiometer satellite imagery. The information may be viewed at *afis.meraka.org.za*.

## Soil degradation

Soil degradation is largely related to the decline in organic soil matter. Monoculture cereal production, intensive tillage, short-term fallow periods and limited crop rotation have contributed to this in the commercial sector.

Excessive fuel-wood collection, inappropriate land use, population density and overgrazing are the main causes of soil degradation in communal areas. South African soils are extremely prone to serious soil compaction, particularly under intensive mechanised cultivated agriculture, in both dryland and irrigated land. It is a problem throughout the country and much more widespread and serious than the global norm.

Human-induced soil acidification is a major problem. Its effect is

severe since it impacts on the country's scarce, arable land, especially the limited high-potential agricultural land. In commercial agriculture, there has been capital-building of some nutrients, especially phosphorus and zinc. In some cases, phosphorus has built up to excessive levels, where it starts to reduce crop yields.

## Genetically modified organisms (GMOs)

GMOs provide a way to meet the growing demand for food without placing greater pressure on scarce resources. South Africa has commercialised three different genetically modified crops, namely maize, cotton and soya beans. The country is also the ninth-largest producer of genetically modified crops in the world and remains the pioneer for the adoption of genetically modified crops. This is aligned to Section 24 of the Constitution, which advocates for sustainable use of biodiversity.

## National LandCare Programme

This is a government-supported community-based initiative, which is active throughout the country. Driven by both the public and private sectors through partnerships and cooperation, it seeks to:

- · conserve natural resources;
- · use them in a sustainable way;
- create a conservation ethic through education and awareness; and
- create jobs and address poverty by launching various natural resource rehabilitation, improvement and conservation projects.

Serious concerns about land and water degradation are identified in each province and specific projects address these issues. Projects have been implemented in all nine provinces through the LandCare Conditional Grant, whereby ring-fenced funding is transferred to provinces.

The National LandCare Programme is aligned with government's broader objective of job creation. The temporary jobs created under the programme are funded through the Expanded Public Works Programme (EPWP). The programme adheres to the target of 55% women, 40% youth and 2% people with disabilities as specified by the EPWP.

Funding for these projects is transferred quarterly to the respective provincial departments as implementing agents, as conditional grants under the Division of Revenue Act, 2013 (Act 2 of 2013). Assessment and reporting requirements are specified in the Act, as well as by the EPWP. The provincial departments use the reporting tools provided by the EPWP to report on the number of jobs created.

Provincial departments forward additional quarterly and annual reports to the DALRRD to monitor performance and the impact of the programme on the state of the natural agricultural resources.

## Extension and advisory services

The National Policy on Extension and Advisory Services for the agricultural sector recognises and calls for the involvement of a wide array of stakeholders involved in the delivery of extension and advisory services through a pluralistic and integrated approach. The

implementation process of the National Policy on Extension and Advisory Services commenced with the establishment of the Provincial Extension Coordinating Forum (PECF). The PECF is operational in all provinces and meetings are held on a quarterly basis. The DALRRD provides support to the PECF to ensure provincial integrated service delivery.

## **Training**

The agricultural sector boasts state-of-the-art training and research facilities. South Africa has a number of regular schools offering a range of agricultural subjects as well as specialised agricultural high schools, such as Bekker High School in North West, Harry Oppenheimer Agricultural High School in Limpopo and Boland Agricultural High School in the Western Cape.

Prospective farmers and technicians are trained at the country's colleges of agriculture, such as Grootfontein Agricultural Development Institute in the Eastern Cape, Cedara College of Agriculture in KwaZulu-Natal and Madzivhandila College of Agriculture in Limpopo.

In September 2020, Cabinet approved the establishment of agricultural colleges as the competency of higher education colleges in terms of the Higher Education Act, 1997 (Act 101 of 1997), as amended.

The relocation of these colleges to the Department of Higher Education and Training will align them to the prescribed Higher Education Act of 1997 and improve their governance and management.

Universities, some with designated faculties of agriculture, offer degree courses. Veterinary surgeons are trained at the University of Pretoria's Faculty of Veterinary Sciences at Onderstepoort.

## Research and innovation

It is only through proper research that the country can be able to increase productivity, come up with disease resistant plants and animals, and alleviate the impact of climate change.

The ARC, several universities and various private-sector organisations, as well as some provincial departments of agriculture, which are responsible for technological development and transfer aimed at improving managerial efficiency on farms, conduct agricultural research.

Through the Agricultural Science, Technology and Innovation Activities Coordination Committee, the DALRRD engages with the Department of Science and Innovation on joint issues of national importance within the National System of Innovation.

The research unit is also involved in the development and implementation of national research policies and strategies, such as the National Agricultural Research and Development Strategy. This encompasses the national priority-setting process, developing guidelines, administering a national research and technology fund and overall monitoring and evaluation.

The National Agricultural Research Forum (NARF) provides a platform for stakeholder consultations on research and development while the Government Agricultural Research and Development Action Group provides a platform for government and state-owned entities to plan research and technology development within the national agricultural

research system. The NARF facilitates consensus and makes recommendations to government on the coordination of research, development and transfer of technology to enhance national economic growth, social welfare and environmental sustainability.

## Animal identification

Any owner of cattle, sheep, goats or pigs is compelled by law to mark their livestock. The registered mark is put on the National Register of Animal Identification System. This register is available to the South African Police Service (SAPS) to help it trace individual animals in cases of stock theft.

However, this can only be implemented successfully if all cattle, goats, pigs and sheep are marked in accordance with the Animal Identification Act. 2002 (Act 6 of 2002).

## Pest control

The South African Pest Control Association (SAPCA) is the official representative of the pest, termite and woodborer-control industries. All SAPCA-qualified inspectors have to register with the DALRRD.

South Africa regularly liaises with other countries and international organisations to ensure the transfer of pest-control technology.

To respond comprehensively to the management of regulated plant pests and diseases, the DALRRD, in close collaboration with the South African fruit industries, has developed an early warning surveillance programme for the quarantine of fruit flies. The technical forum continues to identify, prioritise and manage quarantine pest risks, such as the African invader fruit fly.

## Rural Development

Rural development creates and maintains an equitable and sustainable land dispensation, and acts as a catalyst in the development of rural areas, to ensure sustainable rural livelihoods, decent work and continued social and economic advancement for all South Africans. Approximately 33.7% of the South African population lives in rural areas. This figure is below the global average of 44.7%, and has been declining gradually over the past ten years, owing to rapid urbanisation.

While rural areas were a key development priority in the early 2000s, an increasing global focus on cities through the development of the New Urban Agenda and Sustainable Development Goal 11 focusing on sustainable cities, has meant that rural areas have been deprioritised to a certain extent. This has been a contributing factor to the state of rural poverty and underdevelopment.

In South Africa, rural areas have the highest poverty concentration. It is estimated that 59.7% of the population living below the poverty line is found in rural areas. This is illuminated when the provincial distribution of poverty is analysed. There is a correlation between low poverty levels and highly urbanised provinces, such as Gauteng and the Western Cape – and conversely, between high poverty levels in provinces where the majority live in rural areas, such as the Eastern Cape and Limpopo. This illustrates that there are spatial patterns of economic development in South Africa, which result in acute poverty

in rural areas. While the disconnected nature of rural areas may be an explanatory factor of this phenomenon, the spatial configuration of national value chains and broader economic climate are also key factors.

The characteristically poverty-stricken nature of rural South Africa is both a cause and effect of poor performing socio-economic indicators, including education, healthcare and employment. The majority of rural South Africa fell under the homelands system during colonialism and apartheid, emphasising their historic exclusion from service delivery.

Limited access to quality education and healthcare is an acute challenge in rural areas because of undeveloped infrastructure and limited economic activity. There are 11 252 schools in rural areas across South Africa, many of which face infrastructural challenges, teacher shortages and other critical challenges.

While there are a number of factors affecting this disparity, the ruralurban divide is chief among them. A contributing factor to rural poverty and underdevelopment is the rapid rate of rural-urban migration that is taking place in South Africa.

The rate of rural-urban migration has almost doubled over the past two decades, increasing from 15 people per 1 000 to 28 people per 1 000.23. Both economic and non-economic reasons cause citizens to move from rural areas to urban areas, including hopes of employment and higher wages, better access to social services, such as healthcare and education, and to reunite with family living in cities. While the promise of the city may seem appealing to rural residents, prosperity in urban areas is not necessarily guaranteed, as the rapid influx of people into the cities has put pressure on social services and housing requirements.

In rural areas, the outflow of citizens who constitute the majority of the economically active population exacerbates underdevelopment. This results in decreased economic activity and investment in rural areas. It is within this context that the DALRRD is mandated to serve residents in rural areas by providing economic stimulation in a three-pronged manner by stimulating the agricultural sector, coordinating rural development and promoting access to and productivity of land.

In the face of rapid rural-urban migration, the DALRRD plans to focus specifically on stimulating economic activity and uplifting social conditions in rural areas through its mechanisms of agricultural support, land administration and tenure, and rural development coordination.

## Economic structure of rural South Africa

Agriculture and mining are traditionally thought to be the foundations of rural economies, as these sectors tend to be the

key drivers of external investment into rural areas. While this chiefly refers to commercial agriculture, it is worth noting that subsistence agriculture plays an important role in meeting the needs of residents in rural areas.

Beyond agriculture and mining, there are also a number of other components of the rural economy, which can be leveraged for rural development.

While secondary sector activities such as manufacturing, processing and construction are most often developed in urban or peri-urban settings, they also form an important economic driver in rural and semi-rural areas. In terms of the tertiary sector, there are critical activities that support rural communities, in the form of both local business and chain stores.

Overall, all of these components of the rural economy are interconnected and connected to industrial activity and the urban economy. There are two key inflows of support for social infrastructure aside from external investment – international or local aid and government programmes. In terms of aid, there are a myriad of multilateral, bilateral and local non-governmental organisations, such as the United Nations Development Programme, the Belgian Development Agency and the Rural Development Support Programme, which have programmes in areas that contribute to rural development.

Government has various schemes and programmes that support the rural economy. One of government's largest contributors to the social infrastructure of rural areas is the Social Grant Scheme, which includes financial stipends for old-age pensions, child support, care dependency, war veterans, foster child support and disabilities. A total of 44.3% of households in South Africa are receiving at least one grant, the majority of which reside in rural areas.

Provinces with a higher rural population such as the Eastern Cape, Northern Cape and Limpopo have a higher proportion of households receiving social grants. This illustrates that social grants play an important role in supporting the social infrastructure of rural economies.

Rural development remains a strategic and important element of national economic development. As outlined in the NDP, the country is working towards achieving an inclusive and integrated rural economy. The DALRRD plays a fundamental role in coordinating national efforts in order to reduce rural poverty and create gainful socio-economic development in rural South Africa.

However, as the face of rural South Africa is rapidly changing, there are certain considerations that need to be taken into account, specific to challenges and trends emerging in the sector. Key considerations for the DALRRD are:

The decreased profitability of the mining sector may result in less investment in rural communities and potential job losses.

Agricultural productivity challenges threaten existing and new farmers, resulting from climate change, increased water scarcity and a lack of training available for new farmers. A decreased economically active population in rural areas further limits economic activity.

Decreased funding and social programmes for South Africa and rural areas — while South Africa experienced a boom in foreign aid post-1994, this has declined as there is currently increasing competition for aid globally. This coupled with decreasing contributions from donors and implementing regulations that are more rigorous will have adverse effects on funding for rural areas in South Africa.

The commercialisation of the retail sector in rural areas has increased competition for previously owner-run businesses. The department is

uniquely positioned to tackle these challenges strategically through the coordination of rural development efforts in the private and public sectors. Over the medium term, the department will prioritise the inclusion of rural areas in the economic activities of this country by providing social and economic opportunities to overcome the triple challenges associated with poverty, unemployment and inequality. It requires better planning and coordination in the provision of basic services, food security and rural town development.

## The land reform landscape

One of the most critical areas of redress in South Africa is the issue of land. Throughout South Africa's history, dispossession of land has been systemic, embodied in policies such as the Native Land Act, 1913 (Act 27 of 1913), and the Group Areas Act, 1950 (Act 41 of 1950), during the apartheid era.

In 1994, it was estimated that 83% of agricultural land was owned by white capital. Therefore, from the onset of democracy, land reform as a mechanism for redress has been a focus of the South African Government, historically carried out by what is currently the DALRRD.

Over the past 25 years, there have been a number of policies and legislation put in place in order to implement land reform in South Africa. Predominantly, the national position on land reform has been a willing buyer-willing seller model mediated by government, coupled with a legal restitution process.

Despite headway made by both the restitution and redistribution programmes, it is estimated that only 9% of South African agricultural land has been redistributed, well below the initial target set of 30%.

While this target was adjusted down to 16.5 million ha (approximately 20%) in the NDP, there is still substantial work to be done by government to acquire land and redistribute it. To accelerate the land reform process, there has been a political shift to allow land expropriation without compensation.

In April 2021, government handed over 764 000 ha of land to the Covie community, in the Western Cape, after a successful land settlement claim – as part of efforts to accelerate land reform. The land is expected to positively impact 411 households' ability to gain financial freedom.

During the same month, over two million land claimants benefitted from land restitution, resulting in the transfer of around 2.7 million ha.

As of May 2021, a total of 436 563 ha of the 700 000 ha vacant stateowned land earmarked for the Land Distribution Programme had been released and approved for allocation, and over 5 540 ha of the land had been approved for disposal and the remainder for leasing.

The releasing of the state-owned land aims to address development pressures around urban and rural human settlements, agricultural production and industrial development. The process is targeted at vulnerable groups, and is expected to empower women, youth and people with disabilities.

To ensure that the land is productively used by beneficiaries, government is paying attention to the provision of effective post-

settlement support. It is focusing on improving the coordination of integrated post-settlement packages to beneficiaries of land, including finance, infrastructure and access to water resources for development.

## Land Court Bill

In 2021, Cabinet approved the submission of the Land Court Bill to Parliament for processing. The Bill establishes a specialist Land Court, with its judgements, orders and decisions appealable at the proposed specialist Land Court of Appeal.

The Bill will resolve the challenges that were experienced under the Restitution of Land Rights Act of 1994, such as backlogs in land claims and dispute resolution mechanisms when disputes arise. It will also contribute immensely in the implementation of the Land Reform Programme.

The Bill seeks to ensure stronger judicial oversight over claims, which is expected to lead to better settlements, reduce the scope for corruption and avert the bundling of claims into dysfunctional megaclaims that lead to conflict. It also seeks to address the systemic hurdles that make it difficult for land claimants to obtain land restitution.

For instance, the Bill allows for hearsay evidence for families who have to rely on oral history and the existence of elders with knowledge of description, location and extent of land which their descendants previously occupied. It allows for expert evidence regarding historical and anthropological facts relevant to any particular land claim.

The Land Court Bill gives effect to the mandate of the Sixth Administration, namely; to ensure the country's approach to land reform is based on three elements – increased security of tenure, land restitution and land redistribution.

This Bill is a concrete intervention to improve the functioning of all three elements of land reform. It creates a policy framework to ensure that land reform is guided by sound legal and economic principles and contributes to the country's investment objectives and job creation initiatives.

# Programmes and projects Agricultural Production, Biosecurity and Natural Resources Management

The programme oversees livestock production, game farming, animal and plant health, natural resources and disaster management. Its objectives include managing biosecurity and related sector risks.

Over the medium term, this will be achieved by conducting nine countrywide surveys of plant pests and diseases, in particular the exotic fruit fly, citrus greening disease and banana bunchy top virus, to manage their spread and incursion, and eradicating them, as well as conducting nine planned animal risk surveillance exercises on footand-mouth disease, ovine rinderpest and Newcastle disease.

In addition, the programme plans to ensure access to primary animal healthcare services through the implementation of compulsory community services by deploying 100% of veterinary graduates to rural areas by 2023/24. It will enforce an animal disease regulatory framework

to reduce the level of disease outbreaks and reduce interception at export channels in production areas to a minimum level by conducting three planned animal risk surveillance exercises on foot-and-mouth disease and goat plague in each year over the medium term.

Furthermore, the DALRRD will implement regulatory compliance and monitoring interventions to prevent plant and animal pest and disease outbreaks through quarantine inspections, surveillance, and testing and registration of products used in agriculture by 2023/24.

## Food Security, Land Reform and Restitution

Under the programme, the DALRRD aims to acquire and redistribute land, and promote food security and agrarian reform. The programme's objectives include:

- redressing equitable access to land by conducting research and finalising land claims;
- coordinating the implementation of the National Policy on Food and Nutrition Security by providing production inputs such as seeds and fertilisers, and cultivating underused land in communal areas over the medium term.
- improving delivery capacity in support of sustainable growth in the sector by implementing policies to develop capacity in agricultural sectors, such as the National Policy On Extension and Advisory Services, facilitating collaborations with commodity organisations to build the capacity of extension officers by the end of 2023/24 and providing strategic leadership and support, such as research, training and extension services, to targeted subsistence and smallholder producers by transforming all agricultural colleges into agricultural training institutions by the end of 2023/24.
- coordinating comprehensive support systems and programmes provided to producers by supporting subsistence and smallholder producers, supporting the commercialisation of smallholder producers through the blended finance model, placing unemployed agricultural graduates in farms and further supporting access to resources for agribusiness development.

The National Food and Nutrition Security Plan (NFNSP) 2017 – 2022 embodies a collective response by government to the challenges of food insecurity and malnutrition in the country. It reflects a common vision across government departments and entails a unified set of national goals and objectives, indicators and targets for monitoring progress and a common budget for implementation of activities.

It enables the country to address problems, such as hunger, malnutrition and micronutrient deficiencies that affect physical growth and cognitive development, especially among children, as directed by the NDP 2030.

The goal of the NFNSP is to implement a priority set of actions and establish the necessary institutional architecture to lead, coordinate, budget and monitor the implementation of these actions to deliver significant improvements in food and nutrition status by 2030.

The NFNSP actions are guided by six strategic objectives which were derived from a consultative process aimed at establishing a

governance and leadership system, to review current policies and strategies, reform the current duplicated and uncoordinated delivery of food and nutrition security (FNS) interventions and ensure the implementation of strategic and comprehensive FNS initiatives in a coordinated manner.

It also took into account the recommendations from Cabinet; the Policy on FNS, and the diagnostic/implementation evaluation of nutrition interventions for children from conception to five years, which compared South Africa to Brazil, Colombia, Malaysia, Malawi and Mozambique.

The DALRRD also worked with the private sector to develop the Agricultural Policy Action Plan (APAP), which plans to bring one million ha of underused land into full production over the next few years.

Through the APAP, the DALRRD aims to bring more smallholders into the mainstream as envisaged in the NDP.

However, the effective participation of the previously excluded black majority in agriculture and food production will only occur meaningfully when they have access to land and the means to work it.

An inclusive and scientific process will be used to assess the situation in terms of land capability for different commodities and in different localities, so as to inform land acquisition and allocation for different categories of producers across the country.

## Rural Development

The purpose of the programme is to facilitate rural development strategies for socio-economic growth. Its objectives include promoting an integrated and inclusive rural economy through the coordination and implementation of rural development strategies over the medium term.

## Economic Development, Trade and Marketing

The purpose of the programme is to promote economic development, trade and market access for agriculture products; and foster international relations for the sector. The programme's objectives, over the medium term, include:

- upskilling 600 agro-processing entrepreneurs by training them on food manufacturing norms and standards;
- increasing market access and maintaining existing markets by certifying and accrediting producers of fresh produce for exports through good agricultural practice certification and an accreditation programme;
- building national skills capabilities in international market research by providing for the transfer of marketing skills to small and medium agro-processing entrepreneurs;
- providing technical sector leadership in trade negotiations and implementing trade agreements to improve market access by linking producers to high-value markets; and
- ensuring shared growth by developing the agricultural value chain and improving market access.

#### Land Administration

The purpose of the programme is to provide and maintain an inclusive, effective and comprehensive system of planning, geospatial information and cadastral surveys; legally secure land tenure; and conduct land administration that promotes social, economic and environmental sustainability.

Over the medium term, the programme aims to ensure spatial transformation and efficient land administration by rolling out and implementing the electronic deeds registration system and reducing the number of days taken to process general plans, sectional plans and diagrams to 14 days.

The Braille atlas for the visually impaired is a first in South Africa and is primarily intended to give visually impaired people access to geospatial information.

## Deeds registration

The core responsibility of South Africa's deeds registries is to:

- · register real rights in land;
- maintain a public land register;
- · provide registration information; and
- · maintain an archive of registration records.

There are deeds registries in Bloemfontein, Cape Town, Johannesburg, Kimberley, King William's Town, Mthatha, Nelspruit, Pietermaritzburg, Pretoria and Vryburg.

These offices register deeds and documents relating to real rights in more than eight million registered land parcels consisting of township erven, farms, agricultural holdings, sectional title units and sectional title exclusive-use areas in terms of the Deeds Registries Act, 1937 (Act 47 of 1937), and the Sectional Titles Act, 1986 (Act 95 of 1986).

The Deeds Registry is open to any member of the public to access information regarding:

- · the registered owner of a property;
- · the conditions affecting such property;
- interdicts and contracts in respect of the property:
- the purchase price of the property:
- · rules of a sectional title scheme;
- a copy of an antenuptial contract, deeds of servitude and mortgage bonds;
- a copy of a sectional title plan;
- · township-establishment conditions; and
- · information relating to a property or deed.

## Entities

## **Agricultural Land Holding Account**

The Agricultural Land Holding Account was established in 2009 in terms of the Provision of Land and Assistance Act of 1993. The Act authorises the Minister of Agriculture, Land Reform and Rural Development to purchase land to enable the DALRRD to accelerate the land redistribution process, acquire land in nodal areas and other areas of high agricultural potential, improve the process of identifying and selecting beneficiaries

and the planning of land on which people could be settled, and ensure the maximum productive use of land acquired.

Over the medium, the entity will focus on promoting equitable land redistribution and agricultural development by acquiring 110 850 ha of strategically located land, of which 50% is set to be allocated to women, 40% to young people, and 10% to people with disabilities.

Expenditure and revenue are both expected to amount to R3.5 billion over the period ahead, increasing at an average annual rate of 0.8%, from R867.1 million in 2021/22 to R888.4 million in 2024/25. The entity expects to derive 84.8% (R3 billion) of its revenue over the MTEF period through transfers from the department and the remainder through lease of land to farmers.

#### **Agricultural Research Council**

The ARC was established in terms of the Agricultural Research Act, 1990 (Act 86 of 1990) and is the main agricultural research institution in South Africa. The council's primary mandate is to conduct research and development, and effect the transfer of technology to promote agriculture and industry, contribute to a better quality of life, and facilitate and ensure the conservation of natural resources.

Over the medium term, the council will focus on generating knowledge and technologies that will enhance the efficiencies of crop production, animal production and health, the management of natural resources, and research and development. Accordingly, it will prioritise the development of a foot-and-mouth disease vaccine production facility at an estimated cost of R235 million over the MTEF period to address the limited supply of these vaccines. Additional focus areas include maintaining national public goods assets such as gene banks, biobanks, natural science collections and vast living collections; and providing diagnostic and analytical services.

Total expenditure is expected to increase at an average annual rate of 2.5%, from R1.4 billion in 2021/22 to R1.5 billion in 2024/25. Compensation of employees accounts for an estimated 56.3% (R2.4 billion) of this spending, increasing at an average annual rate of 1.2%, from R783.2 million in 2021/22 to R811.3 million in 2024/25. Expenditure on goods and services constitutes an estimated 38.9% (R1.7 billion) of total expenditure over the period ahead.

Transfers from the department account for a projected 66.9% (R3.1 billion) of the council's total revenue over the medium term. Remaining revenue is generated through analytical services, research services, and the sale of farm products and rentals of premises.

## The KwaZulu-Natal Ingonyama Trust Board

The KwaZulu-Natal Ingonyama Trust Act, 1994 (Act 3KZN of 1994) makes provision for the 2.8 million ha of land spread across the province to be held in trust and managed on behalf of communities. The affairs of the trust are administered by the KwaZulu-Natal Ingonyama Trust Board, which was established in terms of the Act.

Over the medium term, the board will focus on improving the administration of land tenure, protecting land from illegal occupants

with assistance from traditional leaders, and encouraging spatial planning for integrated development, in line with government's service delivery priorities.

The board is responsible for providing land tenure rights to an estimated 4.5 million people living on 2.8 million ha of land under the jurisdiction of 241 traditional councils. It expects to grant 3 000 land tenure rights in the form of leases for commercial purposes at an estimated cost of R73.2 million over the MTEF period. This accounts for an estimated 81% of its expenditure over the period ahead.

The board expects to derive 81% (R73 million) of its revenue over the MTEF period through transfers from the department and the remainder through income grants received from the Ingonyama Trust.

#### The Office of the Valuer-General

The Property Valuation Act, 2014 (Act 17 of 2014) prescribes that the Office of the Valuer-General must be impartial in exercising its powers and performing its functions, and be accountable to the Minister of Agriculture, Land Reform and Rural Development. The Act states that the office must value all land to be acquired for the purpose of land reform in accordance with a defined set of criteria based on Section 25(3) of the Constitution.

The act states that the office must value all land to be acquired for land reform purposes in accordance with a prescribed set of criteria based on section 25(3) of the Constitution. Over the medium term, the office will continue to focus on valuing all land for land reform purposes and completing all requested valuations.

Compensation of employees accounts for an estimated 47.4% (R182.9 million) of expenditure over the MTEF period, decreasing at an average annual rate of -5.4%, from R74.8 million in 2021/22 to R63.4 million in 2024/25. Total expenditure is expected to increase at an average annual rate of 7.2%, from R131.8 million in 2021/22 to R162.2 million in 2024/25. The entity derives all its revenue, amounting to R424.7 million over the medium term, through transfers from the department.

#### **Onderstepoort Biological Products**

The entity was established as a public company in terms of the Onderstepoort Biological Products Incorporation Act, 1999 (Act 19 of 1999). Its mandate is to prevent and control animal diseases that affect food security, human health and livelihoods by developing, manufacturing and commercialising animal vaccines, and ensuring food security through the promotion of animal health.

Over the medium term, the entity will continue to focus on developing and manufacturing vaccines and other related products to prevent and control animal diseases that impact on food security and animal health; and maintaining a reserve stock of vaccines for government, to be used in the event of an outbreak of animal diseases.

Total expenditure is expected to increase at an average annual rate of 2.4%, from R172.4 million in 2021/22 to R185 million in 2024/25. Compensation of employees accounts for an estimated 58.1% (R312

million) of this spending, increasing at an average annual rate of 5%, from R94.3 million in 2021/22 to R109.1 million in 2024/25. The entity generates revenue mainly from the sale and supply of livestock vaccines and uses it to fund its business operations. Revenue is projected to increase at an annual average rate of 5.5%, from R183.7 million in 2021/22 to R216 million in 2024/25, as the entity expects smallholder farmers to require greater access to vaccines and that there will be an increase in the sale of vaccines in the export market because of improved production and marketing.

#### National Agricultural Marketing Council

The National Agricultural Marketing Council derives its mandate from the Marketing of Agricultural Products Act, 1996 (Act 47 of 1996), which provides for the authorisation, establishment and enforcement of regulatory measures to intervene in the marketing of agricultural products, including the introduction of statutory measures on agricultural products.

The council is primarily involved in conducting research and development in areas such as the cost of food, commodity value chains, trade policy, market opportunities, and models to integrate smallholder farmers into formal agricultural markets. As the council employs highly skilled personnel such as agricultural economists, scientists and researchers for this work, compensation of employees is the main cost driver, accounting for an estimated 67% (R105.6 million) of total expenditure over the medium term. Expenditure is expected to increase at an average annual rate of 3.2%, from R50.2 million in 2021/22 to R55.1 million in 2024/25.

The council expects to derive 94.6% (R150.6 million) of its revenue over the MTEF period through transfers from the department, increasing at an average annual rate of 3.4%, from R47.3 million in 2021/22 to R52.3 million in 2024/25.

#### **Perishable Products Export Control Board**

The PPECB is an independent service provider for quality assurance, food safety and cold chain management services for producers and exporters of perishable food products.

It is mandated by government in terms of the Perishable Products Export Control Act, 1983 (Act 9 of 1983), which broadly requires the board to ensure the orderly export of perishables and monitor the proper maintenance of a continuous cold chain for exports; and the Agricultural Products Standards Act, 1990 (Act 119 of 1990), which broadly requires the board to monitor the minimum quality standards of perishable exports as required by government and bilateral agreements with importing countries.

To create cost and operational efficiencies over the MTEF period, the board will focus on developing its mobile platform to conduct electronic export certification and introduce an integrated enterprise resource plan system. Total expenditure is expected to increase at an average annual rate of 6.1%, from R532.2 million in 2021/22 to R636.3 million in 2024/25. Expenditure is mainly driven by compensation of

employees and goods and services as the board continues to develop its technology in mobile electronic export certification. Compensation of employees accounts for 68.2% (R1.3 billion) of this expenditure over the MTEF period to support a workforce that is multiskilled, competent and consistent in its inspection activities.

The board expects to derive all its revenue, amounting to R1.8 billion over the medium term, through levies and tariffs charged on the export of perishable products, inspection services, laboratory services and export certification services.

#### The Registration of Deeds Trading Entity

The Deeds Registries Act of 1937 makes provision for the administration of the land registration system and the registration of rights to land.

The Act requires that deeds and documents are prepared and lodged in the deeds registry by a conveyancer or public notary and are scrutinised for accuracy and compliance with common law, case law and statutory law. The entity's main goal is to contribute to effective land planning, administration and property registration.

Over the medium term, the entity will seek to create a more secure, accessible, integrated, innovative, scalable, cost-effective and self-sustainable deeds registration system by implementing digital processes to provide accurate and reliable land administration and information. The system will also accommodate the registration or recording of other insecure land tenure rights, and lead to enhanced confidence in the country's land registration process. The development of the system is driven by the Electronic Deeds Registration Systems Act (2019).

Expenditure and revenue are expected to increase at an average annual rate of 1.2%, from R955.5 million in 2021/22 to R991.4 million in 2024/25. As the entity's work is labour intensive, compensation of its 1 529 employees accounts for an estimated 68% (R2.1 billion) of expenditure over the medium term, increasing at an average annual rate of 3.7%, from R657.9 million in 2021/22 to R734.3 million in 2024/25. The entity generates revenue mainly through selling deeds information and registering properties.

## Role players

## **Commission on the Restitution of Land Rights**

The Restitution of Land Rights Act of 1994 created the Commission on the Restitution of Land Rights under a chief land claims commissioner and seven regional commissioners. In addition, the Act established the Land Claims Court to address land claims and other land-related issues though later amendments enabled an administrative process of settling claims with court referrals only in cases of dispute.

The DALRRD is authorised to administer the Act, including by negotiating on behalf of the State, acting as a respondent before the court, and managing the implementation and finances of the restitution process. Legally, all land claims are against the State and not against past or current landowners.

Consultants are extensively used as part of the pre-settlement of claims, and are a major cost driver in the restitution programme.

#### Agri-parks

The agri-parks initiative supports rural enterprises, develops rural industries and facilitates the efficient movement of rural produce to markets. The initiative develops networked systems of agro-production, processing, logistics, marketing, training and extension services in district municipalities and developments on underused land.

Each agri-park supports smallholder farmers by providing capacity-building, mentorship, farm infrastructure, extension services, and production and mechanisation inputs. Smallholder farmers own 70% of an agri-park, while the remainder is owned by government and commercial farmers.

Agri-parks are expected to contribute to government's targets of creating one million new jobs in rural economies by 2030.

## **Communal Property Associations (CPAs)**

The CPAs Act, 1996 (Act 28 of 1996) is aimed at enabling communities to form juristic persons, to be known as CPAs – to acquire, hold and manage property on a basis agreed upon by members of a community in terms of a written constitution and to provide for matters connected therewith.

The DALRRD has facilitated the establishment of CPA district forums to assist in the provision of support to the associations and serve as a platform for them to share experiences, approaches and lessons on how to handle matters.

#### Credit and assistance

#### Land and Agricultural Development Bank of South Africa (Land Bank)

Established in 1912, the Land Bank is a government-owned development finance institution with the mandate of financing agricultural development to achieve food security, and to drive economic growth and development in South African agricultural sector.

The bank is a specialist agricultural bank guided by a government mandate to provide financial services, including crop insurance, to established commercial farmers, developing farmers and agrienterprises.

Through its direct lending, the Land Bank currently supports approximately 1 500 black farmers and relinquished approximately R74 million of its profits to subsidise interest rates to these farmers.

The bank provided support to farmers impacted by the drought, disbursing more than R240 million in loans under its drought relief programme, administered in conjunction with the Industrial Development Corporation.

As part of its transformation objective, the Land Bank Insurance Company subsidiary launched and implemented the Agricultural Insurance Assessors Development Programme to train agricultural economist graduates (or equivalent) in crop insurance assessment protocols to service the agricultural sector. It is charged with promoting

agricultural and rural development, as well as providing a range of financial products and services, including crop insurance to farmers and agribusinesses.

# Micro Agricultural Financial Institutions of South Africa (MAFISA)

The MAFISA provides production loans to smallholder operators within the agriculture sector. The scheme's operations are guided by the MAFISA Credit Policy. Loans are provided at a low interest rate and accessed through a network of institutions accredited by the DALRRD as retail intermediaries.

Intermediaries submit monthly and quarterly reports to the DALRRD as part of its monitoring process. Regular workshops and inspection visits to intermediaries are also conducted as part of monitoring.

The scheme offers production loans of up to R500 000 per person, with the repayment terms structured according to the income cycle of the enterprise. The loans are limited to South African citizens who meet the eligibility criteria set in the MAFISA Credit Policy.

The MAFISA loans are available for the entire value chain of agriculture though most of the loans are still in respect of primary production and largely in agriculture. To date, most of the loans are in respect of livestock, sugar cane, vegetables and grain crops.

Currently, the MAFISA is accessed through the following intermediaries:

- National Emergent Red Meat Producer Organisation livestock in all provinces.
- South African Sugar Association sugar cane in KwaZulu-Natal and Mpumalanga.
- Peulwana Agricultural Financial Services grains, vegetables, sugar cane and fruits in KwaZulu-Natal.
- Mpumalanga Economic Growth Agency various agricultural commodities in Mpumalanga.
- Eastern Cape Rural Development Agency various agricultural commodities in the Eastern Cape.

## Farmers' organisations

## Agri SA

Agri SA was established in 1904 as the South African Agricultural Union. Its mission is to promote the development, profitability, stability and sustainability of agriculture in South Africa by means of its involvement and input on national and international policy and the implementation thereof.

Agri SA, through its affiliated membership, represents a diverse group of individual farmers. Agri SA's policy advocacy includes work on trade negotiations, industrial policy, taxation, financing, land reform, labour laws, training, farmer development, environmental affairs, water rights and water pricing, other input-related issues, farm safety, law and order, infrastructure, technology development and transfer, statistical information and local government. Furthermore, the organisation maintains an extensive communication network with its members and

other affected communities, organisations and individuals. Agri SA is a member of high-level business, trade and agricultural entities that includes Business Unity South Africa, the International Chamber of Commerce, the World Farmers' Organisation, the Southern African Confederation of Agricultural Unions and the Cairns Group Farm Leaders.

Agri SA is committed to ensuring a safe environment for all people involved in the agricultural sector. A sound working relationship has been established with the SAPS at both policy and operational level, with a view of addressing the relevant rural safety problems.

## **Agricultural Business Chamber (Agbiz)**

The Agbiz is a voluntary, dynamic and influential association of agribusinesses operating in South Africa and southern Africa. The function of Agbiz is to ensure that agribusiness plays a constructive role in the country's economic growth, development and transformation, and to create an environment in which agribusinesses of all sizes and in all sectors can thrive, expand and be competitive.

The Agbiz is the only organisation that serves the broader and common overarching business interests of agribusinesses in South Africa. It addresses the legislative and policy environment on the many fronts that it impacts on the agribusiness environment. The Agbiz facilitates considerable networking opportunities so that South African agribusinesses can play an active and creative role within the local and international organised business environment.

The strategic intent of the Agbiz is to advocate for and facilitate a favourable agribusiness environment in order for its members to perform competitively and sustainably.

#### **Transvaal Agricultural Union of South Africa**

The TAU SA was established in 1897 as the Transvaal Agricultural Union. In 2002, the union reorganised to become a national agricultural union serving commercial farmers. It also renders services to its members in terms of property rights, economic issues, and safety and security. The TAU SA conducts various projects to enhance the concept of successful agriculture.

#### **National African Farmers' Union of South Africa**

The NAFU SA is an independent, autonomous farmers organisation governed by and representing farmers in South Africa, united for the purpose of analysing their problems and formulating action to achieve economic emancipation and development through production efficiencies, access to market opportunities and education.

It was formed in 1991 as part of the broader process of economic liberation and empowerment of, mainly, black farmers who were excluded from mainstream economic landscape of South Africa. Its predecessor, the National African Chamber of Commerce and Industry, for many years had fought against economic oppression and marginalisation of African people in this country.

Over many years, the union has acted as an advocacy and pressure group calling for policy reforms and the support and development of

farmers. Through its interventions and contribution to policy formulation, the NAFU SA has contributed to the following:

- · access to productive land being made available to farmers;
- · access to finance and other support for farmers;
- · access to markets and information for farmers; and
- · skills development and technical support.

The NAFU SA pursues these items by implementing the following broad programmes:

- · advocacy, lobbying and policy research,
- · cooperatives and commodity group development, and
- · farm enterprise development.

## African Farmers' Association of South Africa (AFASA)

The objectives of AFASA are to create a sustainable united body of African farmers with capacity to influence policies through lobbying and advocacy, to facilitate development of competencies of African farmers in order for them to participate meaningfully in formal and informal markets, and to mobilise resources for the benefit of African farmers.

#### **Grain SA**

Grain SA was established in June 1999. Its mission is to provide commodity strategic support and services to South African grain producers, as well as to support sustainability.

Grain SA is a voluntary association of grain farmers established to represent the interests of its members. It aims to be recognised as an autonomous and independent grain producers' organisation.

The organisation also aims to be involved in all matters bearing on the well-being of the industry and to be consulted about policy issues relating to the industry. The association is controlled by farmers and structured to ensure members' democratic control over their elected office bearers.

#### **Female Entrepreneur Awards**

The Female Entrepreneur Awards are a joint venture between the provincial departments of agriculture and key partners in the sector. They honour female farmers and recognise their role in the sector and their entrepreneurial skills in mainstream agriculture, forestry and fisheries. The major thrust of the awards is to underline the fact that women play a significant role in food security, job creation, economic growth and poverty alleviation.

#### **World Food Day**

World Food Day provides an occasion to highlight the plight of 870 million undernourished people in the world. Most of them live in rural areas where their main source of income is agriculture. Global warming and the biofuel boom are now threatening to push the number of hungry even higher.

South Africa joins the world in marking World Food Day on 16 October every year, to highlight the plight of millions of undernourished people in the world. World Food Day is commemorated annually around the world in remembrance of the founding of the Food and Agriculture

Organisation in 1945. In South Africa, October has been declared Food Security Month. The objective of Food Security Month is to create a platform for heightening public awareness on issues pertaining to food security in the country. World Food Day 2021 w celebrated under the theme; "Our actions are our future. Better production, better nutrition, a better environment and a better life".

# Regional and international cooperation and trade Regional cooperation

South Africa has strong and mutually dependent economic links with countries in southern Africa through the SADC and the Southern African Customs Union (SACU) regions.

As a contribution to the African regional development, the DALRRD continues to implement South Africa's foreign policy objectives, through the facilitation of the SADC and African Union engagements and implementation of the South-South Cooperation.

The International Relations Strategy is an instrument put into place to interact with various sector stakeholders at regional and international level in support of producers to access international markets.

#### Regional trade

South Africa, as a member of the SACU and a signatory of the SADC Treaty, is committed to sharing its objectives with other nations in the region. The SACU opened its markets to the countries of the SADC region by implementing its tariff reduction commitments under the SADC Trade Protocol.

The signatories to the SADC Trade Protocol are Botswana, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, the Seychelles, Eswatini, Tanzania, Zambia and Zimbabwe. Angola and the Democratic Republic of Congo are still in the process of acceding to the protocol.

The first objective of the trade protocol is to remove both tariff and non-tariff barriers to trade between SADC countries The SADC has set up an electronic reporting system for non-tariff barriers, in which the DALRRD is involved as a contact point to receive traders' complaints.

South African agriculture products continue to benefit from the Tripartite Free Trade Area Agreement of the SADC, Common Market for Eastern and Southern Africa and the East African Community.