



SA YEARBOOK 2007/08 | AGRICULTURE AND LAND AFFAIRS



The Department of Agriculture aims to lead and support sustainable agriculture and promote rural development by, among other things, ensuring access to sufficient, safe and nutritious food; eliminating skewed participation and inequity in agriculture; maximising growth, employment and income in the sector; and improving the sustainable management of natural agricultural resources and ecological systems.

Strategic Plan for South African Agriculture

The department, through its socio-economic development initiatives, is committed to reducing poverty in South Africa and on the continent, broadening access to agriculture, and increasing productivity and profitability within the agricultural sector.

The Strategic Plan for South African Agriculture, adopted in 2001, consists of three core objectives:

- equitable access and participation
- global competitiveness and profitability
- sustainable resource management.

The plan is the result of collaboration between government, Agri South Africa (Agri SA) and the National African Farmers' Union (Nafu).

Agricultural economy

South Africa's dual agricultural economy comprises a well developed commercial sector and a predominantly subsistence-oriented sector in the rural areas. About 12% of South Africa's surface area can be used for crop production. High-potential arable land comprises only 22% of total arable land. Some 1,3 million hectares (ha) are under irrigation. This amounts to about 1,5% of South Africa's agricultural land.

The most important factor limiting agricultural production is the availability of water. Rainfall is distributed unevenly across the country. Almost 50% of South Africa's water is used for agricultural purposes.

The country can be subdivided into a number of farming regions according to climate, natural vegetation, types of soil and the type of farming practised.

Agricultural activities range from intensive crop production and mixed farming in winter-rainfall and high summer-rainfall areas, to cattle-ranching in the bushveld, and sheep-farming in the more arid regions. Owing to its geographical location, some parts of South Africa are prone to drought.

Primary commercial agriculture contributes about 2,5% to South Africa's gross domestic product (GDP) and about 8% to formal employment. However, there are strong backward and forward linkages into the economy, so that the agro-industrial sector is estimated to comprise about 15% of GDP.

Today, South Africa is not only self-sufficient in virtually all major agricultural products, but in a normal year it is also a net food exporter. Major import products include wheat, rice and vegetable oils.

Despite the farming industry's declining share of GDP, it remains vital to the economy and the development and stability of the southern African region.

For the past five years, agricultural exports have contributed on average about 8% of total South African exports.

Normally, South Africa is a net exporter of agricultural products in rand value. The largest export groups are wine; citrus; sugar; grapes; maize; fruit juice; wool; and deciduous fruit such as apples, pears, peaches and apricots. Other important export products are non-alcoholic beverages, food preparations, meat, avocados, pineapples, ground-nuts, preserved fruit and nuts, hides and skins, and dairy products.

Genetically modified organisms (GMOs)

South Africa does not have ideal conditions for crop production. Less than 12% of its land is arable and serious climatic constraints, such as periodic droughts, limit agricultural production.

Genetic modification (GM) provides a way of meeting the growing demand for food without placing even greater pressure on scarce resources.

The GMO Act, 1997 (Act 15 of 1997), which was implemented on 1 December 1999, provides for the regulation of GMO activities in South Africa, particularly biosafety assessments being conducted for every proposed GMO activity. In terms of the Act, permits are issued for a specific GMO activity, such as trials for commercial release in the country. The permits may also specify conditions under which a particular activity with GMOs should take place.

The Act promotes the responsible application of GMOs in South Africa without negatively affecting human or animal health, the environment or biodiversity. In terms of the GMO Act, 1997, the Advisory Committee (AC), comprising scientific experts, evaluates risk assessments to determine if a particular GMO is safe for humans, animals and the environment.

The Executive Council (EC) consists of members from the departments of agriculture, of health, of environmental affairs and tourism, of science and technology, of trade and industry, and of labour.

The EC considers the recommendations of the AC, comments from members of the public or interested parties, and compliance with various policies before taking a decision to permit an activity or not.

South Africa has commercialised three different GM crops, namely maize, cotton and soya-beans. Field trials and contained experiments are still being undertaken for soya-bean, potato, maize, sugar cane and cotton.

Sustainable resource management and use

Most of the time, South Africa is able to meet its own food requirements with substantial food exports. The Agricultural Research Council's (ARC) Institute for Soil, Climate and Water (ISCW) has compiled an inventory of soils, terrain forms and climate (land types). The National Land Type Survey, completed in 2001, assists and informs land-use planning and decision-making. Data from this and other more detailed soil and climate surveys are integrated into the comprehensive Agricultural Geo-Referenced Information System (AGIS), which provides access to information, via the Internet, on agricultural potential and land suitability.

Although it is generally recognised that soil degradation is a problem, little reliable data has been collected systematically over time. Soil degradation is largely related to the decline in soil organic matter. Monoculture cereal production, intensive tillage, short-to-no 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. In addition, it is estimated that about 60% of the cropland area is moderately to severely acidic, and probably at least 15% is affected by subsoil acidity.

The World Catalogue for Natural Resources has been successfully incorporated onto the AGIS. The Agricultural Fires Information System that tracks all outbreaks of fire in the Southern African Development Community (SADC) region, has been implemented and can also be viewed at www.agis.agric.za.

Physical degradation

Physical degradation of South Africa's agricultural land results in soil erosion by both water and wind.

It has been estimated that water erosion affects about 6,1 million ha of cultivated soil in South Africa, and wind erosion about 10,9 million ha. Another degradation problem is compaction within the soil profile, especially with fine sandy soils where, for example, maize yields can be adversely affected by some 30% to 40%.

Urban spread, industrialisation and mining (such as opencast coal mining in Mpumalanga) also affect the sustainable use of agricultural land.

In accordance with the Conservation of Agricultural Resources Act, 1983 (Act 43 of 1983), the Department of Agriculture exercises control over the use of South Africa's natural agricultural resources. The Act provides for the conservation of these resources by maintaining the land's production potential, eliminating and preventing erosion and bush encroachment, protecting vegetation, and combating weeds and invader plants. The Act generally applies to agricultural land in South Africa, except for the sections dealing with weeds and invader plants, which also apply to urban areas.

Irrigation

Irrigation is by far the biggest single user of run-off water in South Africa and has substantial potential to make a significant socio-economic and social impact on rural society. Irrigation is an important factor in the South African economy. Irrigated agriculture contributes more than 30% of the gross value of the country's crop production.

About 90% of the country's fruit, vegetables and wine is produced under irrigation. The Department of Agriculture has identified irrigation development as one of the five priority areas for the Accelerated and Shared Growth Initiative for South Africa (AsgiSA) and aims to expand irrigation by 50%.

This goal will be achieved by:

- increasing the water-use efficiency of irrigation systems and future irrigated land
- revitalising underused irrigation schemes/areas based on a sustainable and area-wide planning approach
- promoting mini-scale irrigated agriculture for household- and community-level food security through efficient irrigation technologies
- identifying and developing new commercial irrigation areas in co-operation with the Department of Water Affairs and Forestry.

Production

During 2006, the estimated total volume of agricultural production was 2,9% lower than during 2005.

The total gross value of agricultural production (total production during a season valued at the average basic amount received by producers) for 2006 was estimated at R76 146 million (R68 222 million in 2005) – representing an increase of 11,6%.

Prices

Producer prices of agricultural products increased, on average, by 18,2% from 2005 to 2006, compared with a decrease of 7,5% during the previous year.

In 2006, the producer prices of field crops rose by 31,8%, against a decrease of 18% the previous year. This increase was mainly the result of a 50% increase in the price of summer grains, and increases of 33,7% and 39,1% in the prices of winter cereals and dry beans, respectively.

Producer prices of horticultural products increased by 4,7% in 2006 compared with 2005. Prices of vegetables increased, on average, by 12,8% during 2006, while the prices of fresh fruit decreased by 0,8%.

The producer prices of animal products were 23,2% higher in 2006 than in 2005. Prices received for slaughtered stock increased by 5,3%. The price of beef increased by 26,7%, while that of mutton increased by 19,6%.

Prices received for pastoral products increased by 22,5%. The price farmers received for milk was 6,1% higher.

Prices received for poultry products rose by 7,4%.

Farm income

The gross income of producers (the value of sales and production for other uses plus the value of changes in inventories) for 2006 amounted to R76 146 million, compared with R68 222 million in 2005 – an increase of 11,6%.

In 2006, the gross income from field crops increased by 8,5% to R16 792 million, compared with R15 470 million in 2005. This was mainly because of the higher prices that farmers received for summer crops during 2006.

Gross income from horticultural products increased by 5,5%, from R19 669 in 2005 to R20 748 million in 2006.

Income from deciduous and other summer fruit decreased by 7,3% to R4 538 million, while that of citrus fruit increased by 23,9% to R3 132 million.

The income from vegetables amounted to R7 570 million – an increase of 10,8%. Income from potatoes, which made a contribution of about 39% to the gross income from vegetables, increased by 2,5%, from R2 889 million in 2005 to R2 962 million in 2006.

Gross income from animal products was 16,7% higher and amounted to R38 604 million. Producers earned R11 331 million from slaughtered cattle and calves – representing an increase of 42,4%. Income from slaughtered sheep increased by 18,9% and amounted to R2 121 million.

Income from poultry and egg production amounted to R15 729 million – resulting in an increase of 10,4%. Income from ostrich feathers and products dropped by 21,6% to R336,2 million.

Exports

| | 2002 | 2003 | 2004 | 2005 | 2006 |
|--|---------|---------|---------|---------|---------|
| Total South African products (R'000 000) | 314 927 | 273 127 | 292 079 | 327 125 | 393 047 |
| Total agricultural products (R'000 000) | 25 460 | 22 794 | 22 074 | 25 458 | 26 978 |
| Agriculture as % of total exports | 8,1 | 8,3 | 7,6 | 7,8 | 6,9 |

Source: Directorate: Agricultural Statistics, Department of Agriculture

Field crops and horticulture

The largest area of farmland planted with field crops is maize, followed by wheat and, to a lesser extent, sugar cane and sunflowers.

The grain industry is one of the largest in South Africa and is a very strategic one.

In 2006, field crops accounted for 22% of the total gross value of agricultural production.

Grain South Africa represents a total of approximately 17 000 grain producers, of whom 11 000 are from disadvantaged communities. These farmers produce roughly 90% of all grain in South Africa. Other major role-players include the silo, milling, baking and animal-feed industries.

Maize

Maize is the largest locally produced field crop, and the most important source of carbohydrates in the SADC for animal and human consumption.

South Africa is the main maize producer in the SADC, with an average production of about 8,9 million tons (mt) a year over the past 10 years.

It is estimated that more than 8 000 commercial maize producers are responsible for the major part of the South African crop, while the rest is produced by thousands of small-scale producers.

Maize is produced mainly in North West, the Free State and Mpumalanga. A total of 6,9 mt of maize was produced in 2005/06 on two million ha of land (developing agriculture included).

Wheat

Wheat is produced mainly in the winter-rainfall areas of the Western Cape and the eastern parts of the Free State. In 2006, production was the highest in the Free State, but there are considerable fluctuations between and within the two provinces. Average wheat production has been about 2 mt a year over the past 10 years. There was a distinct downward trend in the area planted to wheat over the past few years. Extra wheat is imported to meet local requirements.

Barley

Barley is produced mainly on the southern coastal plains of the Western Cape. The area of barley planted totalled 89 700 ha in the 2006 production season. Production totalled 239 260 t.

Ground-nuts

Ground-nuts are grown mainly in the Free State, North West and the Northern Cape. Ground-nut plantings increased by 21% from 40 000 ha in 2004/05 to 48 550 ha in 2005/06. Some 106 000 t

of ground-nuts were available for use during the 2006/07 marketing year.

Sunflower seed

South Africa is the world's 12th-largest producer of sunflower seed, which is produced in the Free State, North West, on the Mpumalanga Highveld and in Limpopo. An area of 472 480 ha was planted in 2005/06, producing 520 000 t.

Lucerne

The area planted with lucerne totals about 30 000 ha.

Sorghum

Sorghum is cultivated mostly in the drier parts of the summer-rainfall areas such as Mpumalanga, the Free State, Limpopo, North West and Gauteng.

In 2005/06, production of sorghum totalled 96 000 t on 37 150 ha of land.

Soya-beans

Soya-beans are mainly produced in Mpumalanga, the Free State and KwaZulu-Natal. Small quantities are produced in Limpopo, Gauteng and North West.

Soya-beans contribute about 3,9% to the gross value of field crops. The estimated average gross value of soya-beans for the past five seasons amounts to R451 million.

Soya-bean production has increased steadily during the past decade, partly as a result of an increase in yield per hectare.

In 2005/06, soya-bean production totalled 424 000 t on 241 000 ha.

Canola

Canola is an oilseed crop that is mainly grown in the Western Cape. However, since the 2001 production season, smaller quantities have also been planted in the northern production areas.

Canola competes with other oilseeds such as sunflower seeds and soya-beans on the local market. For the 2006/07 marketing season, the total supply of canola was estimated at 54 540 t (the estimated canola crop of 41 640 t, together with carry-over stocks of about 12 900 t).

Dry beans

Dry beans are produced mainly in Mpumalanga, the Free State, Gauteng and North West. Small quantities are reported to be produced in KwaZulu-Natal, Limpopo, the Western Cape and Northern Cape. Local demand is substantially higher than local production and therefore large quantities of

dry beans are imported each year. As China is the main import source, the present high cost of imports from China and the drop in the exchange rate of the Rand may lead to lower imports.

Average yield for 2004/05 was 1,4 t per hectare and a higher yield of more than 1,5 t per hectare is expected in the near future.

Sugar

The South African sugar industry is one of the world's leading cost-competitive producers of high-quality sugar. It 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, and a range of by-products.

The industry produces an estimated average of 2,5 mt of sugar per season. About 50% of this sugar is marketed in the Southern African Customs Union (Sacu). The remainder is exported to numerous markets in Africa, the Middle East, North America and Asia.

The South African sugar industry makes an important contribution to the national economy, given its agricultural and industrial investments, foreign-exchange earnings, its high employment rates and its linkages with major suppliers, support industries and customers.



South Africa, through the Ministry of Agriculture and Land Affairs, hosted the fourth World Congress of Rural Women (WCRW) at the International Convention Centre in Durban from 23 to 26 April 2007. The congress was preceded by an African Consultation of Rural Women held at the same venue.

The WCRW is an international gathering of rural women, which occurs at four-year intervals. The aim of the congress was to discuss universal and wide-ranging issues confronting rural women and to share concrete experiences of successes in addressing these worldwide. These included globalisation, trade, sustainable development (social, economic and environment), gender equality, food security, and rural housing, women's health, governance and the impact of public policies on rural women.

The theme of the congress was *United in our Diversity: Working Together towards the Total Emancipation of Rural Women from Poverty and Hunger*.

Direct employment within the sugar industry totals about 85 000 jobs. Direct and indirect employment is estimated at 350 000 jobs, including employment in rural areas. The South African Cane Growers' Association and the milling companies undertake development projects and are involved in Black Economic Empowerment (BEE) through a range of initiatives.

The approximately 47 000 registered sugar-cane growers annually produce on average 22 mt of sugar cane from 14 mill-supply areas, extending from northern Pondoland in the Eastern Cape to the Mpumalanga Lowveld. More than 45 500 are small-scale growers, of whom 23 471 produced 11,16% of the total cane crop in 2006/07.

Deciduous fruit

Deciduous fruit is grown mainly in the Western Cape and in the Langkloof Valley in the Eastern Cape. Smaller production areas are found along the Orange River and in the Free State, Mpumalanga and Gauteng.

In 2005/06, apples made up the largest percentage of the crop (39%), while grapes totalled 25% and pears 19%. About 73% of the total crop was produced in the Western Cape, 12% in the Northern Cape, 11% in the Eastern Cape and 2% in Limpopo.

Horticulture represented 73% of the total value of agricultural exports, while deciduous fruit made up 33% of horticultural products.

About 73% of the total crop was produced in the Western Cape, 15% in the Northern Cape, 8% in the Eastern Cape and 2% in Limpopo.

Income from deciduous fruit decreased by 4% from R4 439 million in 2004/05 to R4 266 million in 2005/06.

The industry is relatively organised, with the umbrella body, Fruit South Africa, and its four shareholders, the Fresh Produce Exporters' Forum (FPEF), the Deciduous Fruit Producers' Trust, the Citrus Growers' Association and the South African Subtropical Growers' Association. The FPEF is a section 21 company that represents 72 out of about 300 fresh-fruit export companies in South Africa.

The FPEF played a significant role in stabilising and unifying the export sector, particularly in the latter half of deregulation. Fruit South Africa has

drawn up an extensive business plan to create a unified, non-racial and progressive fruit industry.

Wine

Internationally, South Africa's wines are highly competitive, with the industry showing a sustainable and increasingly positive trend in recent years.

The wine industry contributes R163 billion a year to South Africa's GDP and employs 257 000 people directly and indirectly, while an additional R4,2 billion is generated annually through wine tourism.

The area planted under wine grapes has increased constantly since 1990, and totalled 102 146 ha in 2006. The 2006 harvest amounted to 1 301 578 t.

In May 2007, the South African Wine Industry Information and Systems estimated the 2007 wine harvest, including grape juice and grape-juice concentrate, and wine for brandy at 1 049,4 million litres (1 355 876 t), and an average of 774 litres per ton of grapes. This was an increase of 4,2% compared with the 2006 crop.

Citrus and subtropical fruit

Citrus production is largely limited to irrigation areas and takes place in Limpopo (16 255 ha), Mpumalanga (11 681 ha), the Eastern Cape (12 923 ha), KwaZulu-Natal (4 004 ha), the Western Cape (9 524 ha) and Northern Cape (639 ha).

A total of 2,2 mt of citrus were produced in 2006/07, which was a 10% increase compared with 2005/06.

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

In 2006, South Africa produced 686 582 t of subtropical fruit, which was 81 585 t or 10,6% less than in 2005.

Potatoes

North-West recently started with the production of seed potatoes. The Northern Cape is one of the six largest seed-potato production areas in South Africa. The new South African varieties Darius and Eryn constitute a large percentage of the seed grown in this region.

The KwaZulu-Natal Midlands form the heart of the seed-production area in this province. Some seed is also produced in the north near Louwsburg,

a traditionally virus-free area. This region is one of the largest seed-producing areas in South Africa.

About 40% of the country's potato crop is grown in the high-lying areas of the Free State and Mpumalanga, Limpopo, and the Eastern, Western and Northern Cape. The high-lying areas of KwaZulu-Natal are also important production areas. About two thirds of the country's total potato crop are produced under irrigation.

Of the total crop, 50% is delivered to fresh-produce markets and a further 19% is processed. The South African potato-processing industry has grown tremendously over the past few years. This growth took place primarily in the crisps, chips and French fries disciplines. Frozen French fries comprise 39% of total processed potato products in South Africa.

| Gross value of agricultural production, 2006 (R'000) | |
|--|-------------------|
| Field crops | |
| Maize | 6 760 352 |
| Wheat | 2 993 449 |
| Hay | 2 228 198 |
| Grain sorghum | 119 425 |
| Sugar cane | 2 268 719 |
| Ground-nuts | 233 648 |
| Tobacco | 262 787 |
| Sunflower seed | 987 446 |
| Cotton | 90 251 |
| Other | 1 654 116 |
| Total | 17 598 391 |
| Horticulture | |
| Viticulture | 2 783 216 |
| Citrus fruit | 3 132 249 |
| Subtropical fruit | 1 513 233 |
| Deciduous and other fruit | 4 538 608 |
| Vegetables | 4 608 090 |
| Potatoes | 2 961 671 |
| Other | 1 211 532 |
| Total | 20 748 590 |
| Animal products | |
| Wool | 886 754 |
| Poultry and poultry products | 15 729 909 |
| Cattle and cattle slaughtered | 11 331 213 |
| Sheep and goats slaughtered | 2 198 484 |
| Pigs slaughtered | 1 427 699 |
| Milk | 5 114 218 |
| Other | 1 916 505 |
| Total | 38 604 782 |
| Grand total | 76 951 763 |

Preliminary source: Directorate: Agricultural Statistics, Department of Agriculture

In terms of gross income to the grower, potatoes are by far the most important vegetable crop, contributing 39% to the total income derived from vegetables. This is almost equal to the 40% derived collectively from the next four major crops, i.e. tomatoes, onions, green mealies and sweetcorn.

Income from potatoes increased by 2,5%, from R2 889 million in 2005 to R2 962 million in 2006.

Tomatoes

Tomatoes are produced countrywide, but mainly 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 2005/06, 451 000 t of tomatoes were produced.

Onions

Onions are grown in Mpumalanga; in the districts of Caledon, Ceres and Worcester in the Western Cape; and at Venterstad and adjoining areas in the southern Free State.

Onions have an estimated planting of 6 500 ha to 7 000 ha and retail value of R200 million a year. In 2005/06, 397 000 t of onions were produced. Exports from South Africa (8 000 t a year) to Europe are relatively small compared with exports to that

of New Zealand (106 000 t a year), Australia and Tasmania (80 000 t a year) and Argentina (20 000 a year).

Cabbages

Cabbages are also grown countrywide, but are concentrated in Mpumalanga and the Camperdown and Greytown districts of KwaZulu-Natal. In 2005/06, 154 000 t of cabbages were produced.

Cotton

Cotton is cultivated in Mpumalanga, Limpopo, the Northern Cape, KwaZulu-Natal and North West. It constitutes 74% of natural fibre and 42% of all fibre processed in South Africa. Cotton is grown under irrigation as well as in dry-land conditions.

Since 2004, about 60% of cotton has been produced under irrigation. During 2005/06, 18 114 ha were dedicated to cotton in South Africa, with 9 720 ha under irrigation and 8 394 ha under dry-land conditions.

The greatest quantities of cotton lint for the 2006/07 marketing year were produced in Mpumalanga totalling 36 608 bales, followed by Limpopo with 12 332 bales and Northern Cape with 11 103 bales. The least cotton was produced in the Eastern Cape with 132 bales of cotton lint (each bale weighs 200 kg). About 75% of local production is harvested by hand.

Tobacco

Virginia tobacco is produced mainly in Mpumalanga, Limpopo and North West. The production of Oriental tobacco ceased in 2001.

Flue-cured leaf tobacco contributes more than 80% of total production, with hectares cultivated for flue-cured tobacco being about six times the land cultivated for air-cured leaf tobacco. In 2005/06, 14 000 t of flue-cured tobacco were produced on 6 000 ha.

The industry employs 23 580 workers. About 50% to 60% of leaf tobacco is exported annually. Excise duties and value-added tax on tobacco amount to R6 billion a year.

Tea

The tea industry has seen an improvement in the quality of tea and the establishment of export

Production of important field crops and horticultural products, 2006 ('000 t)

| | |
|--------------------------------|--------|
| Maize | 6 923 |
| Wheat | 2 172 |
| Sugar cane | 20 275 |
| Grain sorghum | 110 |
| Ground-nuts | 84 |
| Sunflower seed | 541 |
| Deciduous and other soft fruit | 1 536 |
| Citrus fruit | 1 945 |
| Subtropical fruit | 684 |
| Vegetables | 2 151 |
| Potatoes | 1 854 |

Preliminary source: Directorate: Agricultural Statistics, Department of Agriculture

standards, the construction of a large processing and packaging facility in Mossel Bay in the Western Cape, increased consumer awareness, the appearance of several brand names on supermarket shelves and a growing foreign market.

Honeybush tea grows mainly in the coastal and mountainous areas of the Western Cape, but also in certain areas of the Eastern Cape. Honeybush has grown into a commercial crop, with 2006 production exceeding 300 t of processed tea.

The area planted with honeybush exceeds 230 ha, with about 10 commercial farmers contributing some 30% to the total annual production. It is estimated that honeybush grows on about 30 000 ha in South Africa.

About 300 t of honeybush tea were exported in 2005, with Germany being the major export market. Rooibos tea is indigenous to the Cederberg area of the Western Cape, which is about 200 km north of Cape Town. Although the main centre for tea production remains in this area, recent developments have seen production expand to other regions. Rooibos tea is only produced locally and efforts to keep it that way are ongoing.

Floriculture

The South African floriculture industry has the opportunity to grow into a significant player on the international stage. The total floriculture industry employs about 17 500 people. In terms of products and markets, there is a strong demand for South African floriculture worldwide. In particular, Germany, the United Kingdom, Japan and the Netherlands represent the greatest opportunities in the short term.

South Africa's indigenous flowers such as gladioli, nerine, freesias and gerberas, have undergone many years of extensive research in Europe, and have become major crops worldwide. South Africa is the leading exporter of protea cut-flowers, which account for more than half of the proteas sold on the world market. South African proteas and so-called Cape greens (fynbos) are marketed in Europe and are mainly concentrated in the Western Cape.

Livestock

About 80% of agricultural land in South Africa is suitable for extensive livestock-farming. Livestock are also kept in other areas, usually in combination with other farming enterprises. Numbers vary according to weather conditions. Stockbreeders concentrate on developing breeds that are

well adapted to diverse weather and environmental conditions.

By mid-2007, there were 13,5 million cattle, 24,9 million sheep and 6,4 million goats being bred. South Africa generally produces 85% of its meat requirements, while the remaining 15% is imported from Namibia, Botswana, Swaziland, Australia, New Zealand and Europe.

The livestock industry is the largest national agricultural sector. The local demand for products, which generally outstrips production, creates a dependence on imports, even though there are untapped production reserves in the communal farming sector.

National Livestock Development Strategy (NLDS)

The NLDS aims to enhance the sustainability of animal agriculture in South Africa across the entire production, processing and supply chain. By mid-2007, it was being implemented by the relevant national, provincial and local governments and organised agriculture structures.

Implementation includes establishing sector working groups, mobilising rural stock owners and keepers towards economic production, and supporting systems for the conservation of veld and livestock resources through sustainable use.

Dairy-farming

Dairy-farming is practised throughout South Africa, with the highest concentration of dairy farms in the eastern and northern Free State, North West, the KwaZulu-Natal Midlands, the Eastern and Western Cape, the Gauteng metropolitan area and the southern parts of Mpumalanga.

The ARC participates fully in the Multiple Across-Country Evaluation for all four major dairy breeds in South Africa, namely Holstein, Jersey, Guernsey and Ayrshire.

A recent initiative to train and deploy milk recorders has led to an increase in participation in the National Milk Recording Scheme.

Livestock numbers, 2005 – 2006 (million)

| | 2005 | 2006 |
|--------|------|------|
| Cattle | 13,8 | 13,5 |
| Sheep | 25,3 | 25,0 |
| Pigs | 1,7 | 1,6 |
| Goats | 6,4 | 6,4 |

Preliminary source: Directorate: Agricultural Statistics, Department of Agriculture

Milk South Africa co-ordinates industry matters, including the information and research functions, and is financed by statutory contributions. Market forces determine prices. The dairy industry is an important employer, as some 3 850 milk producers employ about 50 000 farmworkers and indirectly provide jobs to some 38 000 people. Milk production for 2004/05 for commercial markets was estimated at 2 657 million litres (ML).

Beef cattle

Cattle ranches are found mainly in the Eastern Cape, parts of the Free State and KwaZulu-Natal, Limpopo, North West, Mpumalanga and the Northern Cape. The indigenous Afrikaner and Nguni and the locally developed Bonsmara and Drakensberger are popular beef breeds. The Angus, Hereford and Sussex; Charolais, Simmentaler and Brahman; and Santa Gertrudis breeds are respectively from Britain, Europe and America, and are maintained as pure breeds or used in cross-breeding.

The gross income from animal products during 2006 was estimated at R38,6 million.

Small stock (sheep and goats)

Sheep-farming is concentrated mainly in the arid and extensive grazing areas of the country. As a result, most of the 25 million sheep in South Africa are found in the Eastern Cape, followed by the Northern Cape, Free State, Western Cape and Mpumalanga. Most sheep (18 million) are woolled or dual-purpose sheep.

The sheep breed with the highest wool production per head in South Africa is the South African Merino, followed by other dual-purpose Merino breeds, of which the Dohne Merino, South African Mutton Merino, the Afrino and Letelle are the most popular. Dual-purpose breeds are bred with the specific aim of maximising wool and mutton income. These breeds have better body conformation than the Merino, but produce slightly less wool per kilogram (kg) of body weight.

Average Merino fleece weights vary from 4 kg to 5 kg per year in the semi-arid regions, and up to 8 kg per year from sheep grazing on cultivated pastures. The total wool production for the 2005/06 season was 42,2 million kg, which was sold for R689 million.

Mutton sheep are mostly found in the semi-desert areas of the Northern and Western Cape.

The most popular mutton breed is the locally developed Dorper. Limited numbers of indigenous fat-tailed sheep and Karakul sheep are still found.

The Merino and Dorper account for most of the 5,5 million sheep slaughtered annually in South Africa. A large proportion of the 6,4 million goats in South Africa occur in communal grazing areas. The Eastern Cape has the most goats (39%), followed by Limpopo (17%).

Karakul sheep are farmed in the more arid areas. The gross value of Karakul pelts for 2006 was estimated at R6,2 million.

The indigenous meat-producing Boer goat accounts for about 40% of all goats in South Africa. Almost all of South Africa's Angora goat (mohair) farmers are located in the Eastern Cape, where they farm with about a million Angora goats. The South African mohair clip of four million kg accounts for 60% of the world's mohair production.

About 63% of all goats in South Africa are so-called indigenous goats.

Poultry- and pig-farming

The poultry and pig industries are more intensive than the sheep and cattle industries, and are located on farms near metropolitan areas such as Gauteng, Durban, Pietermaritzburg, Cape Town and Port Elizabeth.

The predominant pig breeds are the South African Landrace, the Large White, the Duroc and the Pietrain.

South Africa's annual poultry meat production is estimated at 930 000 t. Broiler production contributes about 80% to total poultry-meat production, with the rest made up of mature chicken slaughter (culls), small-scale and backyard poultry production, ducks, geese, turkeys and other specialised white-meat products.

Commercial producers slaughtered an estimated 628 million broilers in 2005 and an estimated 645 million in 2006.

South Africa accounts for 68% of world sales of ostrich products, namely leather, meat and feathers. The income from ostrich products is derived as follows: leather (50% – 70%), meat (20% – 30%) and feathers (20% – 30%).

The gross value of ostrich products during 2006 was estimated at R336 million.

Aquaculture industry (freshwater and marine)

South Africa is still in the developing phase of aquaculture, which is an underused market with great potential for job creation and food security. The total aquacultural production from South Africa is insignificant compared with African and global production.

The growth in aquaculture and aquaculture interest in South Africa is likely to lead to the rapid expansion of the sector during the next decade. This expansion depends on the integrated use of natural resources, funding, government support and human resource development.

Game ranching

Game ranching in South Africa is one of the fastest-growing branches of the agricultural industry.

Since the 1970s, there has been a huge shift from cattle-farming to game ranching. By 2001, there were 10 000 registered game ranchers in the country covering more than 11 million hectares. Provided they observe approved game-fencing rules, registered game ranches have permission to hunt throughout the year.

Some 49,04% of registered game ranches with an area of 3 325 652 ha are found in Limpopo. The Northern Cape has the second-highest number of game ranches (19,48%), covering 4 852 053 ha.

The Eastern Cape has 12,33% of the total game ranches, covering 881 633 ha. The Western Cape has the fewest game ranches (1,62%, and covering 265 205 ha).

Owing to the expansion of game ranches, the total area covered by these privately owned ranches exceeds that of all national parks and provincial nature reserves put together. Game ranches also have growing numbers of game.

In terms of game ranching, game is considered to be an agricultural product as defined in the Marketing of Agricultural Products Act, 1996 (Act 47 of 1996).

The South African game-farming industry incorporates various subsectors, ranging from extensive wildlife ranching (with minimal human intervention) to intensive wildlife ranching (with supplementary feeding), wildlife breeding and eco-tourism.

The Range (Veld) and Forage Section of the Directorate: Animal and Aquaculture Production Systems (AAPS) of the Department of Agriculture

has, as its primary objective, the sustainable management, use and ecological protection of range and forage resources, as used by both livestock and wildlife (game) production systems, across provincial boundaries.

The Directorate: AAPS has developed the National Game-Farming Policy, which aims to:

- support the effective management of viable game-farming systems
- ensure the sustainable management of natural resources
- facilitate the development of norms and standards for sustainable game-farming
- promote and support equitable access to health management
- establish a national game-farm and animal database
- facilitate promotion and marketing
- deal with relevant food-safety issues
- promote research, training and support services.

The National Game-Farming Working Group consists of all relevant stakeholders in the game-farming industry to ensure that all the parties concerned are represented and participate fully.

Bee-keeping

The bee-keeping industry contributes directly and indirectly to South Africa's GDP. At least 80% of the country's fruit and other vegetation is pollinated by honey bees. Many fruit growers obtain up to 100% greater yield of a crop by using the services of bee-keepers in the pollination process.

By mid-2007, there was a domestic deficit of honey production, necessitating an increase in bee-keepers. The income from honey- and hive-related products is estimated to be around R25 million.

However, the impact that bee-keeping has on commercial crop production is estimated to be worth more than R3 billion and involves some 250 000 jobs.

Indigenous food crops

The Directorate: Plant Production in the Department of Agriculture has developed the Draft Policy on Indigenous Food Crops. The policy was approved by the Departmental Executive Committee (Dexco) and recommended for consultation with various stakeholders.

A mini survey on knowledge of indigenous crops among the rural communities in eight provinces took place between October 2006 and January 2007.

It was envisaged that input received would be incorporated into the policy and that this would

assist in prioritising the common intervention measures and giving direction on which area to best focus on for the intended promotion and awareness programmes.

The ARC has been commissioned to undertake research projects on the following:

- 2004/05: millet, cowpeas, bambara ground-nuts and cassava
- 2005/06: amaranthus and amadumbe
- 2006/07: *Dovyalis caffra*, *Mimusops zeyheri*, *Engelophytum magalimontanum*, *Vangueria infausta*, *Parinari curatellifolia*, *Ximenia caffra* and *Garcinia livingstonei*.

Veterinary services

State Veterinary Services constantly guards against the introduction of animal diseases from outside South Africa. Existing animal diseases, which may be detrimental to South Africa's economy and to human and animal health, are also controlled and combated. Stock in the high-risk areas is inspected at short intervals.

The Directorate: Animal Health of the national Department of Agriculture sets norms and standards for the delivery of veterinary services in South Africa.

Legislation provides the necessary powers to control diseases such as foot-and-mouth disease (FMD), swine fever, rabies and anthrax. South Africa, excluding the Kruger National Park and surrounding game reserves, is recognised as an FMD-free zone by the *Office International des Epizooties* (OIE), the world animal-health organisation.

The Department of Agriculture has created a new biosafety and biosecurity unit and a new branch to deal with all emerging diseases and improve on biosecurity and food-safety measures.

Animal-disease control is an important factor in ensuring the productivity of the livestock sector and in promoting international trade in agricultural products.

Surveillance systems are in place to ensure that all agricultural products entering and leaving the country are disease-free and therefore safe for human consumption. All ports are thoroughly monitored to make sure that imported and exported goods are disease-free.

Particular emphasis is placed on the control of borders with neighbouring countries to prevent the introduction of FMD.

Onderstepoort Biological Products (OBP)

The OBP is a state-owned public company. It has the capacity and technology to produce veterinary vaccines and related biological products for local and international markets.

The OBP is the sole or main producer of a number of vaccines for African and tropical animal diseases. The OBP provides vaccines to combat major outbreaks of diseases such as CBPP (lung-sickness in cattle), lumpy-skin disease, rift valley fever, bluetongue, horsesickness and anthrax.

The OBP has joined the Pan-African Vaccine Network and contributed to the control of diseases, such as rinderpest and CBPP, through the supply of appropriate vaccines.

The OBP was also involved in projects with the Food and Agriculture Organisation (FAO) to supply vaccines to African countries, and has worked with the European Union (EU).

In the cutting-edge area of biotechnology, the research and development work by the OBP has led to the successful creation of new and innovative vaccines, such as the doublesure vaccine, which is a combination treatment for the prevention of anthrax and blackquarter disease.



The Agricultural Marketing Information System was launched in Pretoria on 2 March 2007. The system will enable farmers and traders to make informed decisions about selecting which crops to grow, when to harvest, to which markets the produce should be sent, and whether or not to store produce.

The web-based system (www.agis.agric.za/mis) will be complemented by other technologies such as cellphones, to ensure maximum access by all.

To broaden the information base, the system is hyperlinked to more than 60 other domestic and international sources of market information on field crops, livestock and horticultural industries.

The system offers data such as daily price information on the qualities and quantities of fresh produce sold; fresh-produce market-related information, including market fees and market agents; and information on fresh-produce facilities.

The ARC and the OBP have signed a co-operation agreement for the diagnosis of diseases and the development and manufacturing of vaccines.

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 Department of Agriculture.

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

Migratory pest control

In terms of the Agricultural Pests Act, 1983 (Act 36 of 1983), the Department of Agriculture is obliged to control the registered national pests, namely, red-billed quelea, locust and blackfly. These are migratory pests and individual farmers cannot be expected to control them to prevent damage in areas away from their own farms.

The ARC provides research support to the department to optimise control procedures in terms of efficacy, cost and environmental considerations. Technical advice is also provided to neighbouring countries during locust-control campaigns.

The Information Core for Southern African Migrant Pests (Icosamp) has been developed and endorsed by the SADC. This is a computer-based information centre for the SADC region that provides a "hub" for reporting the distribution of migratory pests in the region, and a platform for technical co-operation and the sharing of research information.

By providing early warning information on cross-border invasions of migratory pests, such as army worm, locust and red-billed quelea, Icosamp enhances the forecasting efficiency of control organisations, thereby assisting national crop-protection agencies to ensure food security.

Marketing

South Africa's agricultural marketing has undergone transformation since 1994 with the introduction of the Marketing of Agricultural Products Act, 1996.

This Act has changed agricultural marketing policy and practice dramatically to ensure that it occurs in a free environment.

The deregulation process was aimed at ensuring that farmers and agribusinesses position themselves as players in the globally competitive environment.

The deregulation process entailed closing agricultural marketing boards, phasing out import- and export-control measures, eliminating subsidies and introducing tariffs to protect the domestic agricultural industry value chains against unfair international competition.

The Directorate: Marketing in the Department of Agriculture works closely with the National Agricultural Marketing Council (NAMC) on agricultural marketing matters. The directorate develops, promotes and facilitates the implementation of programmes and measures aimed at supporting equitable access to competitive and profitable agricultural markets on a sustainable basis. This broad mandate is achieved through the following:

- administering market-access measures in the form of trade (imports and exports)
- facilitating fair, open, efficient and competitive domestic markets
- developing policies and strategies, and facilitating the implementation of programmes and measures to facilitate equitable access to mainstream the domestic market
- liaising with other government departments and relevant parties to enhance the efficiency of the agricultural marketing value chains.

The directorate comprises three subdirectorates, namely Marketing Administration, Commodity Marketing, and Marketing Development and Support.

The Subdirectorates: Marketing Administration administers the issuing of import and export permits to enhance trade and market access. It also facilitates the participation of new entrants in the trading environment. The Subdirectorates: Commodity Marketing profiles key agricultural commodity marketing value chains and undertakes further analyses of market structures to determine market-access qualifiers. It further investigates the behaviour of commodity and non-commodity markets to recommend policy options, thereby ensuring equitable access to mainstream markets by all.

The Subdirectorates: Marketing Development and Support implements programmes and measures to enhance the development of a vibrant domestic market.

National Agricultural Marketing Council

The NAMC was established by the Marketing of Agricultural Products Act, 1996 to provide the Minister of Agriculture with strategic advice on agricultural marketing to ensure improved market access for all participants, marketing efficiency,

optimisation of export earnings and the viability of the agricultural sector.

The NAMC investigates agricultural marketing and marketing policy, reviews statutory levies collected by various industries, and provides guidelines on such levies so that a portion thereof may fund the empowerment of people from previously disadvantaged communities in the areas of training, exposure and market access.

The NAMC, in collaboration with the Maize Trust, the Oilseed Trust and the Winter Cereals Trust, developed the summer grains marketing scheme to support 5 000 growers from black farming communities over five years.

Land administration

The primary goal of the Directorate: Land Settlement and Development is the internal administration of state agricultural land to achieve farmer settlement and ownership reform.

It also aims to facilitate the implementation of land and agrarian reform projects and promote sustainable growth in the agricultural sector for improved livelihoods by supporting projects, developing policy guidelines and ensuring the disposal of agricultural state land.

The directorate ensures farmer support by developing policies such as the Farmer-to-Farmer Mentorship Policy, implementing programmes such as the Comprehensive Agriculture Support Programme (CASP) and other land-reform revitalising programmes. The directorate manages and controls 125 227 ha of state land, which consists of:

- land already leased: 57 154 ha
- vacant land: 13 811 ha
- land for restitution: 54 262 ha.

Food security

The Integrated Food Security and Nutrition Programme (IFSNP) aims to achieve physical, social and economic access to safe and nutritious food for all South Africans. Its goal is to eradicate hunger, malnutrition and food insecurity by 2015.

The IFSNP recognises the broad regional food-security framework that the Regional Indicative Sustainable Development Programme highlighted, and that prompted South Africa to respond to the humanitarian appeal by the United Nations (UN) World Food Programme for emergency food relief in the SADC region.

In South Africa, by May 2007, more than six million learners in public primary schools had access to quality meals. Some 6 000 food-production projects and 7 429 vegetable gardens were in place in nodal schools.

By May 2007, the agricultural production packages aimed at improving food security among vulnerable communities in all nine provinces had reached over 66 000 beneficiaries. More than 5 000 small and micro agro-enterprises had received financial assistance amounting to R41 million.

Regional issues

South Africa participates in the Regional Advisory Committee (RAC) of the Regional Food Security Training Programme (RFSTP).

The RFSTP was developed over a five-year period as endorsed by the RAC. The activities of the RFSTP focus on three main areas: strengthening the supply of food-security training services, strengthening the effective demand for training and development, and sustaining regional markets for food-security-related training services.

The SADC has instituted the Subcommittee for Plant Protection, which is tasked with harmonising phytosanitary requirements in southern Africa. South Africa is also a member of the Inter-African Phytosanitary Council, which was established in 1954.

Regional plant-protection organisations such as these are able to provide valuable co-ordination for



In December 2007, Cabinet approved the Biofuels Industrial Strategy. It will be implemented in phases with the first phases of development being from 2008 to 2013, a five-year period. The strategy proposes a 2% biofuels production by 2013, which is a revised target from the initial 4,5% target proposed in the draft strategy. The revision on the target is in consideration of the agricultural concerns.

The strategy further proposes that the use of maize be excluded in the development of the biofuels in the initial stages of this industry development. This is largely due to food security concerns, fears around price increases, and the fact that maize is a staple food source for the majority of the poor in the country.

the activities and objectives of the International Plant Protection Convention (IPPC) at local level.

International issues

As a signatory to the Rome Declaration, South Africa has committed itself to the implementation of the World Food Summit Plan of Action. For this purpose, South Africa reports annually to the World Committee for Food Security. South Africa is also collaborating with the FAO on the implementation of the Special Programme for Food Security, within the context of the Integrated Sustainable Rural Development Programme.

South Africa is an active participant in other international standard-setting bodies that are vital to its global market share, such as the IPPC and Codex Alimentarius.

Risk management

Disaster risk management

Natural hazards which affect agriculture in South Africa include floods, hail damage, drought, runaway fires, cold spells, pests and diseases. While disaster risk is inevitable, the Department of Agriculture believes that it can be managed and reduced through appropriate policy and actions.

The department, in accordance with the Disaster Management Act, 2002 (Act 57 of 2002), emphasises prevention, mitigation and adaptation strategies such as the strengthening of an early warning system for the sector and research on climate change, including large-scale epidemics and hazards; as well as the provision of information to farmers on agricultural markets and climate.

The development and strengthening of institutions, mechanisms and capacities at all levels, particularly at community level, can systematically contribute to building resilience to hazards.

The Department of Agriculture has established the National Agrometeorological Committee, comprising provincial departments of agriculture, the ARC, the South African Weather Service, relevant directorates within the department and certain academic and scientific institutions with a mandate to provide an early warning advisory role to the sector.

The committee meets quarterly to review conditions in the country, look at the expected weather conditions and issue advisories to the agricultural sector. This committee is chaired by the Directorate: Agricultural Disaster Risk Management.

The department has produced a document on climate change and the agricultural sector in South

Africa. During 2006, the department organised a successful climate-change sector workshop and drafted climate-change sector plans that will be discussed further with stakeholders.

Agricultural drought management

Drought in South Africa has become a normal condition in the recent past. Climatic change has induced drought interspersed with flooding, resulting in lower average yields in various agricultural commodities.

While the drought has been continuing unabated nationally since April 2006, the farming communities are facing the problem of possible inflationary pressures on food prices and other agricultural products.

The department discussed the Agricultural Drought Management Plan with all stakeholders at national and provincial levels during the 2006/07 financial year. The plan was expected to be finalised in 2007/08.

The plan will respond to drought-related disasters that affect farmers and will provide for animal feed and water. Long-term interventions by the department include improved research, a fully functional early warning system, and agricultural strategies to address disaster risk-management issues.

Credit and assistance

The six major sources of credit for farmers are banks (50%), agricultural co-operatives and agribusinesses (12%), the Land Bank (21%), private creditors (8%), other creditors and financial institutions (9%), and the State (1%).

Business and Entrepreneurial Development (BED)

The Directorate: BED of the Department of Agriculture is responsible for promoting and providing strategic support in the development of viable and empowered businesses, stimulating growth and promoting unity through partnerships and niches.

The ultimate aims are to:

- unlock the economic potential of idle-to-underused resources of emergent groups through empowerment efforts
- facilitate restructuring and the expansion of existing farming/agribusinesses to enhance their competitiveness and contribution to the sector and the economy at large.

The directorate has three units. The Business Development Unit works closely with industries/

commodity groups to develop inclusive, enhanced and harmonised commodity strategies and joint action plans.

It assists marginalised groups in creating, expanding and rehabilitating businesses to become profitable and sustainable in the long term, focusing on growth and wealth creation based on mutual gains in the sector. It also encourages and facilitates win-win partnerships for niche enterprises at all levels in the agricultural value chains.

Through the directorate, the department has contributed towards the development of the National Emergent Red Meat Producers' Organisation's database, the Grain Industry Strategy, the Fruit Industry Plan and the implementation of the Cotton Industries Strategy.

The directorate renders support and guidance to the cotton, grain and fruit industries in the implementation of their developed strategies. It is facilitating and supporting the potato industry in developing a potato industry strategy.

The unit is working jointly with industry role-players and other relevant parties in operationalising the Agri Black Economic Empowerment (BEE) Entrepreneurial Programme in floriculture. The aim is to develop market/business opportunities for BEE enterprises across the value chain to grow and become globally competitive and sustainable, contributing to employment creation and economic development.

The unit has been working with Nafu and emerging farm leaders to mobilise increased participation of emerging farmers into commodity groups.

The unit is in alignment with the objectives of the Accelerated and Shared Growth Initiative for South Africa (ASGIISA) and supports Operation Gijima, Women in Agriculture and Rural Development and National Movement for Rural Women projects, as well as programmes involving people with disabilities, youth and farm labourers.

In July 2007, the Minister of Agriculture and Land Affairs, Ms Lulama Xingwana, received the draft AgriBEE Charter and indicative scorecards for consideration before it was gazetted.

The AgriBEE Charter aims to enhance participation in agricultural opportunities, deracialise land and

enterprise ownership, and unlock the full entrepreneurial potential in the sector.

To facilitate and guide implementation, the directorate will facilitate the performance and maintenance of baseline research, which will inform the status of BEE implementation in the agricultural sector and allow for benchmarking progress in economic empowerment.

In stimulating the participation of previously disadvantaged individuals (PDIs), the directorate has partnered with institutions to support the cause to transform ownership- and management-control profiles in the sector.

Plans are in place for continuous engagement and consultation with subsectors regarding their BEE implementation strategies and plans. The partnership with the floriculture industry is doing well, as part of an industry-specific BEE programme that will assist with driving transformation imperatives in this industry.

Similar initiatives are envisaged for other industries during the next few years. These will be based on empowerment strategies that are currently being formulated for designated groups (women, youth, people living with disabilities and labour) under the AgriBEE Charter Framework.

LandCare Programme

The LandCare Programme is a community-based and government-supported approach to the sustainable management and use of agricultural natural resources.

The vision of the LandCare Programme is for communities and individuals to adopt an ecologically sustainable approach to the management of South Africa's environmental and natural resources, while improving their quality of life. It implies that cultivation, livestock grazing and the harvesting of natural resources should be managed in such a manner that no further degradation (such as soil erosion, nutrient loss, loss of components of the vegetation and increased run-off) occurs.

The overall goal of the LandCare Programme is to optimise productivity and sustainability of natural resources, resulting in greater productivity, food security, job creation and better quality of life for all.

The LandCare Programme has been expanded into additional subprogrammes. The department

has initiated the integrated Soil Protection Strategy (SPS) in support of growth and sustainable development in the agricultural sector.

The project aims to improve agricultural productivity and contribute to economic growth by focusing on erosion, declining soil acidity, soil fertility and organic matter, and veld rehabilitation.

This initiative arose from the Minister of Agriculture's request that a strategy for addressing the erosion problem in South Africa be developed. The SPS focuses on high- to moderate-potential agricultural land with high erosion status (about three million ha) and will initially identify three priority tertiary catchment areas.

LandCare themes are grouped into two areas, namely, focused investment (WaterCare, VeldCare, SoilCare, Eco-Technology, the Agritourism Programme [ATP], Infield Rainwater Harvesting [IRWH] and Junior LandCare) and small community grants.

Focused investment

WaterCare

The WaterCare theme targets Limpopo in particular, because of water shortages and the importance of water for irrigation. This theme establishes a framework for managing land and preventing the silting up of dams for irrigation. WaterCare works in partnership with the community to develop action plans for managing and restoring irrigation schemes.

The rehabilitation of irrigation schemes increases water supply and household food security. WaterCare promotes the development of techniques for water-resource management and encourages opportunities for training in this field.

VeldCare

This theme promotes best grazing systems and erosion-prevention practices to improve production. It develops and maintains agricultural activities in accordance with the principles of ecologically sustainable development. Economic and social-development opportunities are realised by improving grazing areas and maintaining viable grazing areas throughout rural communities.

SoilCare

The SoilCare theme encourages rural farmers in KwaZulu-Natal, the Eastern Cape and Mpumalanga to build innovative structures to combat soil erosion. This includes reducing the depletion of soil fertility and acidity. Through SoilCare, sustainable agricultural production systems such as

diversification, management of input and conservation tillage are introduced.

Eco-Technology

The objective of the Eco-Technology theme is to identify, adapt, demonstrate and spread promising and appropriate eco-technologies locally (e.g. conservation, farming, water harvesting, etc.), which will provide resource-poor farmers with social, economic and environmental benefits. The expected outcomes of this theme are to see a number of promising appropriate eco-technologies identified and evaluated on-farm; an increasing number of farmers adopting eco-technologies; and improved social, economic and environmental (e.g. employment) benefits.

Eco-technology projects will initially be implemented in presidential nodal areas where water is very scarce, e.g. KwaZulu-Natal (Umkhanyakude and Zululand) and Limpopo (Sekhukhune and Bohlabela).

Agritourism Programme

Some 56 ATPs had been identified and were expected to be implemented in 21 nodal areas in collaboration with partners such as the Development Bank of Southern Africa, the Industrial Development Corporation, Umsobomvu Youth Fund, Eskom Foundation, Sasol, Anglo Platinum and others.

The ATPs will be extended with support from the Independent Development Trust. The partnership was expected to create about 2 500 jobs.

The ATP aims to accelerate economic (employment) benefits by promoting agritourism and implementing identified projects in phases. It also aims to take advantage of the fast-growing tourism sector to create an increased demand for agricultural products and services in nodes and other poverty-stricken areas.

The programme intends providing training and capacity-building to women and youth, particularly in agritourism-related ventures through registered learnerships by the Tourism and Hospitality Sector Education and Training Authority (Seta).

The ATP also aims to promote agricultural operations in rural and urban areas as preferred destinations that would offer local and foreign tourists with a unique experience.

The expected outcomes of the ATP are the expansion of agritourism nationwide, involvement of targeted groups, improved socio-economic status, and more enterprises owned by PDLs.

Infield Rainwater Harvesting

IRWH technology, which improves the efficiency of water-use and increases yields with a suitable choice of crop combinations under low and erratic rainfall conditions on low-potential clay soils, has been transferred with great success to numerous communities in the Free State and Eastern Cape.

Using IRWH in croplands, community members have increased maize and sunflower yields by between 26% and 40% compared with conventional practices. Socio-economic studies on vegetable gardens have shown that IRWH can secure household food security for nine out of 10 years, compared with three out of 10 years using conventional cropping methods.

Transfer of technology, training and extension are used to implement IRWH, with consequent improvement of household livelihoods in rural communities where the majority of members live below the poverty line.

Junior LandCare

Junior LandCare encourages young people to develop a sense of responsibility towards the land and other natural resources, in order to conserve these for future generations.

The objectives of Junior LandCare are to empower previously disadvantaged youth by providing training in facilitation and leadership skills.

This includes the promotion of food security at home and in schools, promoting awareness of sustainable agriculture, and stimulating the formation of youth clubs and projects that aim to promote other components of LandCare. Junior LandCare addresses the needs of young people in an integrated way and involves interdisciplinary approaches. This is done for youth both in and out of school.

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

The Land Bank operates as a development-finance institution within the agricultural and agribusiness sectors and is regulated by the Land and Agricultural Development Bank Act, 2002 (Act 15 of 2002).

It provides a range of finance options to a broad spectrum of clients within the agricultural sector,

including wholesale and retail financing for commercial and developing farmers, co-operatives and other agriculture-related businesses.

It provides long-, medium- and short-term loans to all agricultural sectors. The bank is the sole shareholder in the Suid-Afrikaanse Verband-versekeringsmaatskappy Beperk, a company which provides mortgage insurance cover to the bank's clients.

The bank also manages the funds transferred from the department to the Micro-Agricultural Financial Institution of South Africa (Mafisa).

By mid-2007, government was intensifying efforts to turn around the Land Bank to ensure it delivers on its mandate and remains sustainable. At the time, the Government had already injected R700 million into the Land Bank and extended a R1,5-billion guarantee.

Micro-Agricultural Financial Institution of South Africa

Mafisa, the first state-owned scheme to provide micro and retail agricultural financial services on a large, accessible, cost-effective and sustainable basis in rural areas, was launched in 2005 in three pilot provinces, namely Ga-Sekhukhune District Municipality in Limpopo, OR Tambo Municipality in the Eastern Cape, and the Umkhanyakude District Municipality in KwaZulu-Natal. Mafisa was launched in the Northern Cape in July 2007.

Many poor and emerging farmers who were previously turned down by financial institutions can now obtain loans of up to R100 000 at an affordable rate.

The 10 million potential beneficiaries include farm and non-farm entrepreneurs such as farm workers, tenants, household producers, landless people, small landholders, food-garden producers, and rural and micro-entrepreneurs.

Mafisa's four products and services for the rural working poor and enterprises are credit, savings, insurance and payment facilities.

It provides basic short- and medium-term loans, with a number of permutations that are available to the poor at the rural district councils of the poorest provinces in terms of the Human Development Index, as determined by Statistics South Africa.

By the end of September 2006, Mafisa had approved 900 loan applications to the value of R24 million.

Agri South Africa

Agri SA promotes, on behalf of its members, the sustainable profitability and stability of commercial agricultural producers and agribusinesses through its involvement in and input at national and international levels.

Agri SA is structured into three chambers, namely the General Affairs Chamber, which deals with general agricultural policy matters on behalf of nine provincial affiliates, the Commodity Chamber, which deals with subsector policy issues on behalf of 25 commodity organisations, and the Agricultural Business Chamber (ABC) with 65 agribusinesses as members.

Agri SA's annual congress, representative of its affiliates, is its highest decision-making body and also elects the organisation's president, deputy president and chamber vice presidents.

Agri SA is a member of Business Unity South Africa, the International Chamber of Commerce, the International Federation of Agricultural Producers, the Southern African Federation of Agricultural Unions and the Cairns Group Farm Leaders.

Agri SA participates in the Presidential Commercial Agriculture Working Group that deals with policy matters specifically in terms of the Strategic Plan for South African Agriculture.

Agri SA's policy advocacy includes work on trade negotiations, industrial policy, labour laws, training, taxation, financing, land reform, farmer development, environmental affairs, water rights, farm safety, law and order, infrastructure, technology development and transfer, statistical information and local government matters.

It publishes a bimonthly magazine and a weekly electronic newsletter, and also runs a regular radio programme in collaboration with the SABC.

Agricultural Business Chamber

The ABC is a sectoral body representing an important component of South Africa's business sector. ABC's members represent total assets of almost R20 billion and an annual agricultural business turnover of about R20 billion.

ABC members operate more than 2 000 service centres countrywide with more than 100 000 employees. In many rural areas, members of the ABC form the business hub of the community and make a key contribution towards maintaining rural infrastructure. There are about 250 agricultural co-

operatives and companies affiliated with the ABC. The ABC is an integral part of the Agri SA Group, and is associated with Business South Africa, various international bodies and the International Agribusiness Management Association.

Agricultural businesses play a significant role in the economy of South Africa as handlers, processors and marketers of agricultural products, and as suppliers of production input and services.

Transvaal Agricultural Union South Africa (TAU SA)

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
- safety and security.

TAU SA conducts a variety of projects to enhance the concept of successful agriculture. The various farmers' markets and the marketing of effective micro-organisms contribute to alternative options available to members and the public.

Agribusiness as an economic sector

Agribusiness can be divided into two categories: non-co-operative business ventures and co-operatives or transformed co-operatives.

Non-co-operative business ventures, also known as profit companies, are involved in the production and distribution of agricultural equipment and production requisites, and the marketing of agricultural products.

Co-operatives dominate the distribution of intermediate requisites and the handling, processing and marketing of agricultural products.

Agricultural co-operatives or agribusinesses are regarded as the farmers' own independent business organisations. There are close to 1 000 primary agricultural co-operatives and agribusinesses throughout the country.

They supply their members with production input such as seed, fertiliser, fuel and repair services. They also provide credit and extension services, and handle a large percentage of their members' produce.

There are more than 15 central co-operatives in the country, which aim to supply the primary co-operatives with specific services such as the processing and marketing of agricultural products, insurance services for crops, short-term cover and farming requisites.

The structure of agribusiness has changed substantially since the deregulation of the agricultural sector into a free-market economy in 1994. Many co-operatives have transformed into private companies, consolidations and mergers have occurred, international groups have entered South Africa, and agribusinesses have listed on the JSE Limited.

Agribusinesses are involved in producing and distributing agricultural equipment and production requisites, and in the marketing and processing of agricultural products.

National African Farmers' Union

Nafu strives to promote the interests of the disadvantaged farming sector by lobbying for access to support services and empowering its members through effective communication and capacity-building programmes.

Institutional capacity-building

The Department of Agriculture has developed a databank for South Africa's agricultural human resource capacity.

In collaboration with the Economic Development Institute of the World Bank, the department has designed and developed training courses for rural restructuring and development.

Comprehensive Agriculture Support Programme

The CASP focuses on on-and-off farm infrastructure, information and knowledge management, financial assistance, technical and advisory services, training and capacity-building, and marketing and business development.

Between 2004/05 and 2006/07, the Government successfully rolled out almost 2 500 projects, supporting over 167 000 beneficiaries.

In 2007/08, 786 projects were expected to be rolled out to benefit an additional 60 000 farmers.

Training and research

South African agriculture has a strong research component. Many of the people involved are world leaders in their respective fields. The ARC, an autonomous statutory body set up in terms of the Agricultural Research Act, 1990 (Act 86 of 1990), is

the largest agricultural research organisation in Africa.

The ARC provides research support to the Department of Agriculture and the nine provincial departments of agriculture. ARC scientific expertise supports most of the Department of Agriculture's regulatory directorates, such as the directorates: animal health, public veterinary health, agricultural production, agricultural resource cultivation and plant health.

The ARC also supports other agricultural institutions such as the Registrar of Livestock Improvement and Identification, the Registrar of Brands, the South African Veterinary Council and the Perishable Products Export Control Board. (See Chapter 17: *Science and technology*.)

South Africa has a number of specialised agricultural high schools and regular schools offering a comprehensive range of agricultural subjects. Prospective farmers can be trained at 11 colleges. Degree courses and B. Tech degrees are offered by the faculties of agriculture at various universities.

Veterinary surgeons are trained at the University of Pretoria's Faculty of Veterinary Sciences at Onderstepoort.

In 2006/07, about 160 graduates were interned in the Department of Agriculture and agricultural-commodity organisations. About 800 emerging farmers received hands-on training in various fields of farm management through the Grootfontein Agricultural Development Institute.

Some 10 000 received commodity-driven mentorship programmes and 2 251 farm workers received Adult Basic Education and Training. During 2006/07, 41 research and development projects costing R42 million were commissioned.

International relations

The Department of Agriculture's Directorate: International Relations facilitates and co-ordinates international activities on both multilateral and bilateral bases.

The department is a member of the FAO; the Consultative Group on International Agricultural Research; the Food, Agriculture and Natural Resources Sector of the SADC; the International Seed-Testing Association; the Organisation for

Economic Co-operation and Development's Seed Schemes; and the Union for the Protection of New Varieties of Plants.

Contributing to the political, social and economic development of Africa is an international priority for the department. Agriculture continues to be the mainstay of African economies and is an important driver for socio-economic growth.

South Africa's agricultural engagement in Africa is guided by a clear sense of the enormous potential for agricultural trade, training, research and technical co-operation opportunities that exist on the continent.

The Directorate: International Relations coordinates, facilitates and supports the promotion of South Africa's agricultural interests internationally through bilateral and multilateral relations.

The directorate developed the International Agricultural Strategy, which sets priorities for international engagement in the medium term. The strategy is guided by South Africa's foreign-policy and economic-development objectives. The priorities are:

- consolidation of the African agenda
- active participation in the African Union (AU)
- active participation in and efficient implementation of the programme of the SADC food, agriculture and natural resources; and trade, finance and investment directorates
- sustainable development and poverty alleviation through the New Partnership for Africa's Development (Nepad)
- implementation of the South African Customs Union (Sacu) Agreement.

The ARC participates in various co-operative research agreements, international organisations and networks.

The ARC also supports various government departments in deliberating international agreements and disputes, for example, the Convention on Biodiversity, the Kyoto Protocol on Global Change, the Montreal Protocol, GMO policy and indigenous knowledge systems issues.

International trade relations

The Department of Agriculture's Directorate: International Trade analyses international trade and related policies, advises on multilateral and bilateral agricultural trade policy, and promotes trade initiatives.

The directorate is responsible for dealing with matters concerning agricultural trade relations with other countries and organisations, such as the

Sacu, the SADC, the World Trade Organisation (WTO) and the International Grains Convention. The directorate participates in exploring possible new trade relations in collaboration with the Department of Trade and Industry.

South Africa maintains bilateral trade agreements with countries in Africa, and will be involved in trade negotiations with India as part of Sacu. Sacu has concluded trade agreements with the EU through the SA/EU Trade Development and Co-operation Agreement (TDCA), South American Common Market (Mercosur), and the European Free Trade Association.

Negotiations have continued with Mercosur in an attempt to balance the agreement in favour of the smaller members of both Sacu and Mercosur. The negotiations with the United States of America (USA) met with some difficulty and both Sacu and the USA have decided to pursue a trade, investment and development co-operation agreement. This framework will enable a series of trade-enhancing agreements. It is individually also involved in the WTO agricultural negotiations, as a member of the G20 Group, the Cairns Group and the Africa Group.

The Directorate: International Trade is responsible for implementing South Africa's commitments in terms of the Agreement on Agriculture as defined under the Doha Development Agenda. South Africa commits itself to comprehensive negotiations aimed at substantial reductions in tariffs, with a view to phasing out all forms of export subsidies, and achieving substantial reductions in all trade-distorting support. In addition, the department is creating market-access opportunities by implementing the minimum market-access commitments contained in the agreement.

South Africa's objectives regarding the agricultural negotiations are to establish a fair and market-oriented trading system through a programme of fundamental reform.

Other objectives will achieve a substantial improvement of market access for South African agricultural exports, to ensure that South Africa's commitment, in terms of domestic support, fully covers the development needs of the country and that special and differential treatment is available for developing countries.

South Africa is developing trade relations with other countries. This includes implementing the agricultural aspects of the Sacu Agreement that came into effect in July 2004, the SADC Protocol on Trade and the South Africa-EU TDCA.

The South Africa-EU TDCA was implemented on 1 January 2000. The department has introduced a system for making full use of opportunities created by the agreement. This includes providing information to potential exporters, as well as the administration of export quotas granted to South Africa under the agreement.

Since 1 January 2000, the department has been issuing export permits for various products such as wine, canned fruit, fruit juice, cut flowers, proteas, cheese and frozen strawberries to be exported to the EU at reduced levels of duty.

With the enlargement of the EU, the agreement was extended to include new members. It provides for reciprocal preferential access for the agreed list of products, including agriculture. The review of the TDCA will be merged with the SADC Economic Partnership Agreement negotiations with the EU.

The South African Government signed the Fixed Preferences Agreement with Mercosur (a treaty establishing a common market between Argentina, Brazil, Paraguay and Uruguay) in December 2004.

The department has reviewed the Trade and Marketing Policy to ensure stronger emphasis on long-term sustainability, and to make certain that policies and implementation are aligned. In addition, the Directorate: International Trade does annual strategic market research to inform the positioning of the agricultural export sector in the global trading environment.

The department is investigating and evaluating export opportunities for agricultural products on world markets. By mid-2007, the directorates: international trade and marketing were further strengthening their capacity to deal with issues relating to the strategic repositioning of the agricultural export sector. Strategic market intelligence and formulating new industry strategies such as cluster formation for exports are priorities.

The Directorate: International Trade facilitates national capacity and the training of role-players in the use of trade tools.

International agreements and conventions

South Africa is a signatory to a number of international agreements and conventions, requiring that the matter of sustainable resource-use and management be addressed in a responsible way.

Agenda 21 is an action plan and blueprint for sustainable development, and was one of five documents adopted by more than 178 governments at the United Nations (UN) Conference on Environment and Development in Rio de Janeiro in 1992. Specific to sustainable resource-use is Chapter 14, which addresses the promotion of agriculture and rural development.

International conventions that apply to aspects of sustainable resource-use include the Convention on Biological Diversity, the UN Framework Convention on Climate Change, and the Convention to Combat Desertification (CCD). The CCD requires that South Africa draws up a national action programme, which will be integrated into a regional programme for the SADC region.

All these activities are receiving attention under the leadership of the Department of Environmental Affairs and Tourism, involving all stakeholders, including the national and provincial departments of agriculture.

Import and export control

The Import Export Policy Unit of the Department of Agriculture's Directorate: Animal Health aims to formulate and support policies to reduce sanitary (health) risks in the import and export of animals and animal products.

Import requirements vary according to the product and the animal-health situation in individual countries.

South Africa is an active member of the OIE. Disease reports are received from the OIE and through direct contact with the veterinary administrations in exporting countries.

Trade in animals and animal products is based on a series of requirements considered appropriate by the importing country to prevent the entry of diseases.

The department is one of the key regulatory state departments with the authority to enforce laws enacted by Parliament to protect the South African consumer, producer and farmer; the environment; and other national interests.

The department's regulatory activities regarding plants and plant products are primarily enforced by the directorates: agricultural products inspection services (APIS) and genetic resources.

In addition, the South African Revenue Service participates in this effort by detaining imported goods when requirements are not met.

The Directorate: APIS is involved in inspections and other related activities aimed at ensuring that imported luggage, cargo, mail, animals and plants and their products are free from quarantine pests and diseases, and comply with genetic resources and quality-assurance prescripts and standards. These border inspections are conducted by the Division: Ports of Entry Point Control at designated ports of entry.

Pre-border inspections are aimed at exports for compliance with international requirements of trading partners, and post-order inspections are intended for those regulated articles that were given extended detentions at inspected borders or escaped the border-control inspections.

These inspections, together with local control inspections, are conducted by the Division: National Plants and Plant Products Inspection Services for compliance with plant-health, plant-improvement, genetic-resources and food- and quality-assurance legislation.

The Directorate: Plant Health's core mandates are to manage the risks associated with plant pests and diseases by developing and amending phytosanitary legislation and facilitating safe trade in plants and plant products.

Control measures are published to prevent or combat the spread of pests to other areas in the country. Import control is vital to prevent the introduction of potentially harmful foreign pests. Prospective importers of plants and plant products have to apply for an import permit for those controlled goods mentioned in the Agricultural Pests Act, 1983.

A pest risk-analysis (PRA) division conducts scientific analyses of risks posed, based on scientific data, and specific phytosanitary requirements set out according to the phytosanitary risk(s) involved. These are stipulated in the permit issued to the importer. Importers are obliged to present the material to the official representative for inspection at the port of entry.

The Directorate: Plant Health's division Plant Quarantine Services manages the risks associated with the importation of plant propagation material.

This is achieved by prescribing a compulsory quarantine detention period for specific high-risk categories as determined by the PRA division. The core function of Diagnostic Services is to prevent the introduction of harmful exotic plant pests through testing and auditing all imported plant material.

The division Early Warning ensures sound plant health-risk management-implementation services through surveillance, detection and rapid response.

Early detection of economically important exotic pests prevents the spread of such pests, thereby maintaining pest-free areas. Hand-in-hand with early detection is proper pest-awareness programmes to ensure the agricultural sector and the general public are kept informed.

The division International Standards aims to facilitate effective and efficient official phytosanitary communication between the Directorate: Plant Health and its international, regional and other national plant-health clients.

This is done through the establishment of a national plant-protection contact point and participation in initiatives of external clients such as the Agreement on Sanitary and Phytosanitary Committee of the WTO-Sanitary and Phytosanitary Measures, the IPPC and its working groups and committees, the Inter-African Phytosanitary Council, other national plant-protection organisations or governments, research institutes, as well as any member of the international agricultural trade sector.

The division Import/Export Protocols' core function is to ensure and maintain market access for South African plants and plant products. This includes exchanging plant-health information and expertise in terms of bilateral engagements, and maintaining bilateral export/import programmes in compliance with trading partner requirements according to established protocols.

Food safety and quality assurance African Stockpile Programme (ASP)

The departments of agriculture, of land affairs and of environmental affairs and tourism are embarking on the ASP, which aims to remove all obsolete pesticide stocks from Africa and put in place measures to prevent the recurrence thereof.

South Africa is one of seven African countries selected for the first phase of the clean-up and disposal operation under this programme. These dangerous chemicals pose a threat to the environment and surrounding communities through the contamination of food, water, soil and air.

Some of the leading partners involved are the AU, FAO, Pesticide Action Network, the World Bank, the World Wildlife Fund and the Global Environmental Fund.

The ASP will also include a strategy to prevent the accumulation of stockpiles. The objectives are to:

- reduce reliance on pesticides for agriculture and public health
- introduce better import controls
- improve storage, stock-management and distribution systems
- improve awareness and training for pesticide users
- establish container and pesticide waste-management systems
- raise public awareness and education.

The ASP will identify and remove all obsolete, unwanted and banned pesticides in public ownership, including those used in the commercial sector, and those from small and emerging farmers, households and government stocks. A complete clean-up will include taking inventory of all obsolete stockpiles, buried pesticides and containers.

While the ASP will be co-ordinated by both the departments of agriculture and of environmental affairs and tourism at national level, the project implementation will be anchored at provincial and local levels.

In March 2007, the collection of obsolete pesticides from farmers and relevant government stakeholders started in Limpopo. By mid-2007, it was estimated that about 30 t of obsolete pesticides had been collected. It was envisaged that a total of 50 t of obsolete pesticides would be collected from Limpopo.

South African Pesticide Initiative Programme (Sapip)

The objective of Sapip is to ensure South African horticultural crops have access to the EU market by complying with EU chemical residue levels for horticultural products. This will be done by focusing on capacity-building among emerging farmers, providing regulatory support for fruit producers, conducting adaptive research, adjusting agricultural practices, relevant intervention by stakeholders, promoting good agricultural practices, conducting mapping research, and pesticide-residue analysis.

In 2006/07, the programme achieved, among other things, the following:

- The capacity-building component was boosted through the sharing of information on chemical maximum residue levels with visiting experts from the EU.
- A workshop regarding the integration of emerging farmers with a commercial-grower association was held. Four integration contracts were signed with Sapip, the Citrus Growers' Association, the Deciduous Fruit Producers' Trust and South African Veg.
- Twenty-four students completed four fundamental modules of a technician course that aims to train PDIs in the inspection of quality and food safety of exported agricultural food products. A new contract was signed by the Perishable Products Export Control Board for sponsorship of a second programme called AgriExport Technologists
- A discussion took place between the Department of Agriculture and National Treasury regarding the possibility of extending the Sapip as recommended in the *Mid-Term Review Report*.
- A new broad-based programme was regarded as the way forward, which will align with the new country strategy and Agricultural Development Programme. It will focus on priorities such as employment creation (especially the development of small, medium and micro-enterprises), social cohesion (the development of infrastructure, health and education) and research and development.

Food-control system

A task team, made up of officials from the departments of agriculture, of health, and of trade and industry, was established to direct the creation of an effective food-control system for South Africa.

A service-provider has been identified to assess the existing food-control scenario.

Wine and Spirits Agreement

The Wine and Spirits Agreement between South Africa and the EU was signed in January 2002.

The agreement improves access for South African wine and spirits to the large European market.

Applying an annual duty-free tariff quota of 42 ML ensures better access for South African wines. In addition, the EU makes available an amount of 15 million euros for restructuring the South African wine and spirits industry. Part of the agreement involves phasing out names traditionally

used in South Africa for specific types of wines. The names “port” and “sherry” will be phased out over five years for exports to non-SADC markets, starting from 1 January 2000.

They must be phased out of all markets after 12 years. South Africa also has to phase out the names “grappa”, “ouzo”, “korn/kornbrand”, “jägertee” and “pacharan” within five years of signing the agreement.

The phasing out of the names “port” and “sherry” to all export consignments, including the non-SADC markets has already commenced.

Some local producers have also started phasing out “port” by renaming products “Cape ruby”, “Cape tawny” and “Cape vintage”.

The final date for phasing out both these names on the local market is 1 January 2012. The phasing out of “grappa” has also commenced on both the local and export markets.

The Wine Online system currently blocks export applications containing any reference to “grappa”, “port” and “sherry”.

Progress at the International Wine Office (OIV)

The OIV was established on 3 April 2001, when a new treaty was signed, which aimed to establish a truly international organisation for wine and vine. Discussions then started on the drafting of a strategic plan for the new OIV.

After inputs were collated by 40 member countries over four years, the first-ever triannual strategic plan was agreed on for the OIV during the October 2005 General Assembly.

South Africa was instrumental in directing the process and assisted in drafting the text of the strategic plan.

During the OIV meetings in March 2006, the activities, timelines and work schedule for each of the expert groups of the OIV were agreed on in line with the guidelines of the strategic plan.

This was a historical achievement for the OIV, as the original International Wine Office was first established in 1924 and had never had a strategic plan to give direction to its activities.

After a strategic plan for the OIV was established, its structure was reviewed. A new structure with novel expert groups and commissions was adopted in October 2006.

South Africa is represented on the Science and Technical Committee and is therefore in a position to influence the scientific agenda of the OIV.

Progress with the Liquor Products Amendment Bill

The Liquor Products Amendment Bill proposes to:

- amend the Liquor Products Act, 1989 (Act 60 of 1989)
- provide for traceability requirements, for example, compulsory particulars on containers of liquor products and gauging of tanks and to comply with South Africa’s international obligations (the EU/South Africa Wine and Spirit Agreement)
- ensure the Act’s compatibility with the Constitution, 1996 and general legal principles
- provide for gender-equal or gender-passive terminology.

The instruction for amending the Liquor Products Act, 1989 emanated from the Minister of Agriculture and Land Affairs, mainly to address the composition of the Wine and Spirit Board and to ensure that equal participatory rights are afforded to all.

By mid-2007, the Liquor Products Amendment Bill had been placed on the Cabinet roll.

National analytical services

Food safety and quality are achieved through the introduction and application of various regulatory programmes and interventions. The analytical laboratories provide quality analytical data by utilising appropriate infrastructure together with highly skilled personnel and international standards.

The analytical laboratories’ service is based on internationally accepted and recognised methods, technologies, procedures and scientific principles. The laboratories assist import and export regulators to ensure that agricultural food products do not pose a health hazard to consumers. They also ensure compliance with norms and standards to achieve the expansion and protection of existing global markets, and the establishment of new markets.

The unit operates in terms of the Agricultural Product Standards Act, 1990 (Act 119 of 1990), and the Liquor Products Act, 1989; also taking into consideration internationally benchmarked standards set by bodies such as the OIV and Codex, importing country requirements (on government level), and other international standards pertaining to food safety and quality assurance as part of an official control system.

Meat safety

In terms of the Meat Safety Act, 2000 (Act 40 of 2000), no person may sell or provide meat for

human or animal consumption unless the animal from which the meat is sourced has been slaughtered at a registered abattoir.

The Directorate: Food Safety and Quality Assurance provides regulations under the Act and, in co-operation with the provinces, ensures that the essential national standards for abattoirs and meat safety required by the Act are implemented countrywide.

The directorate, in conjunction with the Directorate: Animal Health, is responsible for monitoring standards at export abattoirs and the safety of imported meat. The directorate provides inspection services at a number of export abattoirs to ensure compliance with EU requirements.

Land Affairs

The Department of Land Affairs aims to be a global leader in the creation and maintenance of an equitable and sustainable land dispensation that results in social and economic development for all South Africans.

The department's key focus is on providing enhanced land rights to all South Africans, with particular emphasis on PDIs, which will result in increased income levels and job opportunities, productive land-use and well planned human settlements.

South Africa's land reform is premised on three programmes: land-tenure reform, redistribution and restitution. While the Department of Land Affairs implements land-tenure reform and redistribution, the Commission on the Restitution of Land Rights (CRLR) implements the restitution programme.

The department has four branches, namely Land and Tenure Reform (LTR), Restitution, Land Planning and Information (LPI) and Financial Management and Corporate Services.

Branch: Land and Tenure Reform

The Branch: LTR is responsible for implementing redistribution, tenure reform and state-land administration and disposal. It is made up of the Chief Directorate: Land Reform Systems and Support Services (LRSSS) and the Chief Directorate: Land Reform Implementation Management (LRIM).

The Chief Directorate: LRSSS consists of the Directorate: Public Land Support Services, Direc-

torate: Tenure Reform Implementation Systems and the Directorate: Redistribution Implementation Systems. This chief directorate is responsible for developing and refining legislation, systems and procedures to enable provincial land-reform offices (PLROs) to deliver land at scale. It also supports PLROs in the areas of capacity-building, information management and communication.

The Chief Directorate: LRIM is responsible for co-ordinating the actual implementation of the land- and tenure-reform programme and manages state land at provincial level, through the PLROs and at district level through the district land-reform offices.

Land-reform implementation

The department delivered 152 445 ha of land to 8 687 beneficiaries in the 2005/06 financial year. The target is to redistribute 30% of white-owned commercial agricultural land by 2014. To achieve this, 3% has to be redistributed every year.

The envisaged massification programme and the Proactive Land Acquisition Strategy (PLAS) will go a long way towards addressing the concerns raised during the National Land Summit in July 2005 about the slow pace of land delivery. In line with the objective of increasing the pace of land delivery, an implementation framework for the PLAS was developed.

Specific systems were developed for a pilot project in the Free State. The department has since adopted this framework, which was expected to be replicated across the country in 2007. This new approach is one of the interventions the department has developed to respond to the concerns raised at the summit.

The Commonage Subprogramme delivered 55 661 ha in 2006. The department delivered 2 793 ha of land for settlement and slum clearance and plans to revive the bilateral approach to align policies, programmes and resources with those of the Department of Housing.

The details of the National Implementation Framework (NIF) for the Communal Land Rights Act (Clara), 2004 (Act 11 of 2004), were finalised during the 2005/06 financial year. The purpose of the NIF is to clarify the important implementation arrangements for the CLaRA, including the

provision of necessary resources for implementing the Act.

Launched in 2001, the Land Redistribution for Agricultural Development (LRAD) Programme, which is a subprogramme of the Land Redistribution Programme, provides financial support to emerging farmers through a match-funding arrangement in which the beneficiary has to contribute money, labour (sweat equity) or capital equipment.

Depending on the size of the contribution, the beneficiary qualifies for a grant of between R20 000 and R100 000. An investigation into the appropriateness of the LRAD grant size in relation to the escalating land prices and the profile of land-redistribution beneficiaries was conducted.

The grant was found to be not necessarily sufficient for highly intensive projects such as timber or horticulture projects. In line with the recommendations from the Land Summit, all grants are expected to be reviewed to ensure that they achieve their objectives.

Vesting and disposal of state land

A total number of 20 294 land parcels covering 4 476 613 ha was confirmed as vested by 31 March 2006, comprising 18,75% of the total number of 108 222 land parcels to be surveyed.

About 663 344 ha of Department of Land Affairs-controlled land have been disposed of since 1994, of which 53 657 ha were disposed of during the 2005/06 financial year, going mainly to emerging farmers through transfers and options to purchase.

Short-term leases (usually three-year terms and with an option to purchase) are used as an interim measure to support the transfer process of land. In this regard, the Department of Land Affairs manages leases for land areas of up to 35 000 ha with the aim of freeing state land for disposal.

Branch: Land Planning and Information

The Branch: LPI is responsible for the surveying, mapping and registration of land, as well as for spatial planning and information.

The surveys and mapping component is responsible for the national mapping series of the country, as well as for providing the survey-control network, which enables all surveys in South Africa to be spatially co-ordinated. Private land surveyors base their surveys of land and real rights on this control network.

The Surveyor-General examines and approves these surveys, which are then registered by the Register of Deeds. All the information emanating

from these functions is available as hard-copy maps as well as in digital format.

The National Spatial Information Framework, which is responsible for data standards and the exchange of information, is also situated in this branch.

The Chief Directorate: Spatial Planning and Information stores, transmits and uses information relating to land. This information is necessary for land-use purposes and many other land-based or land-related functions (such as the population census, elections, property taxation, telecommunications, water resources, electricity, housing, defence, safety and security, identification of suitable land as part of government's land-reform policy, and national and international co-operation and commitments).

The provision of hands-on support to the municipalities was expected to be one of the major outputs of the Branch: LPI for 2007/08 and it was expected to conduct a land audit as required by the Land Summit.

Deeds registration

The nine deeds registries are located in Pretoria, Cape Town, Johannesburg, Pietermaritzburg, Bloemfontein, Kimberley, King William's Town, Vryburg and Mthatha. These offices register deeds and documents relating to real rights in more than seven million registered land parcels consisting of township erven, farms, agricultural holdings, sectional title units and sectional title exclusive-use areas.

To take deeds-registry services to the people, the department aims to establish a deeds registry in every province. The first phase of this project entails establishing a deeds registry in Nelspruit, Mpumalanga.

The boom in the property market led to an increase of 7% in the volume of work in the Deeds Office in 2006. Despite this, the Deeds Office maintains the turnaround time of their vital registration function of 10 working days from lodgement.

The Deeds Registration Trading Account generated a substantial net surplus of R151 million for the 2005/06 financial year, without having to increase fee tariffs for that period, due to sound financial management of this account, coupled with the significant rise in property values and the increase in transaction volumes.

Botswana and Namibia are two of several southern African countries that adopted the South African model of the deeds registration system, the

Sectional Titles Act, 1968 (Act 95 of 1968), and the Deeds Registries Act, 1937 (Act 47 of 1937), with the necessary adaptations to suit their national circumstances.

Cadastral surveys

The function of approving cadastral surveys is carried out in the five offices of the Surveyor-General, situated in Pretoria, Cape Town, Pietermaritzburg, Bloemfontein and Nelspruit.

In spite of critical staff shortages in the professional category and the increased workload resulting from the boom in the property market, most of the offices of the Surveyor-General managed to maintain, and in some instances even to improve on, the turnaround time of 15 working days.

This was achieved through continued improvement of procedures, restructuring of offices, working overtime and using the enhanced cadastral information system.

Spatial planning information

The department has assisted with the necessary operational requirements of the South African Council for Planners. The council held public hearings in all provinces to obtain public views on the issues affecting the profession in the process of transformation.

By mid-2007, all four committees of the council had started with their respective tasks, namely registration, accreditation, an audit of registered planners and curriculum development for the profession. An audit of all planners in the country confirmed that there were 1 149 registered planners. These consisted of 888 professional planners, 89 technical planners and 172 candidate planners.

Surveys and mapping

The integrated spatial reference framework (national control survey network) provides a unique, highly accurate positioning system across the country.

The network of continuously operating global positioning system stations, TrigNet, has been improved to ensure a reliable service. A real-time TrigNet service is being established and 17 stations were activated during 2006/07 to ensure at least 98% availability of this service.

As part of programmes that seek to contribute to the consolidation of the African Agenda, the department actively participated in the Committee for Development Information. Major strides were made in the Mapping Africa for Africa project.

The Chief Directorate: Surveys and Mapping also played a leading role in the project for the unified African Spatial Referencing System.

An agreement with the Council for Scientific and Industrial Research in 2004 led to the systematic coverage of the SADC region by medium-resolution satellite images. This is provided in support of government policy on poverty alleviation and in line with the broader objectives of Nepad.

This imagery is also required for land-reform support, land-use/land-cover mapping and spatial planning. Other organs of state, in particular the departments of agriculture, of environmental affairs and tourism, of water affairs and forestry, and of minerals and energy, as well as Statistics South Africa and Eskom use the remotely sensed imagery from satellite-borne sensors to achieve their objectives.

This agreement was extended for acquiring satellite imagery in 2006/07. Coverage of the whole country (1,22 million km²) and the SADC region was acquired and is distributed on request.

The Chief Directorate: Surveys and Mapping provided technical training, MapAware workshops and bursaries to targeted groups to embrace government priorities, encourage growth and development, promote job creation and improve the quality of life of all South Africans.

Technical in-service training was provided to students and interns who needed experience to complete their studies towards surveying or cartography diplomas. Twenty-two students completed the programme.

The department sponsors 87 students through the special bursary scheme for surveying/geomatics.

The 1:50 000 topographical map series is the largest-scale map series, providing full coverage of South Africa. Small-scale maps of 1:250 000 and 1:500 000 are produced from the 1:50 000 map series.

The popular large-scale 1:10 000 orthophoto map series provides coverage of predominantly built-up areas, areas of economic importance and areas experiencing rapid development.

The chief directorate is a full member of the National Air Space Committee and produces aeronautical charts for the southern African region that are vital to the interests of air safety. The chief directorate provides up-to-date charts that reflect changes to airspace with respect to the Future Airspace Management Efficiency Programme.

Branch: Restitution

Commission on the Restitution of Land Rights

The CRLR is a statutory body set up in terms of the Restitution of Land Rights Act, 1994 (Act 22 of 1994), as amended. The role of the commission is to provide redress to victims of dispossession of rights in land, as a result of racially discriminatory laws and practices that took place after 19 June 1913.

The commission is led by the Chief Land Claims Commissioner and has nine regional offices headed by regional land claims commissioners.

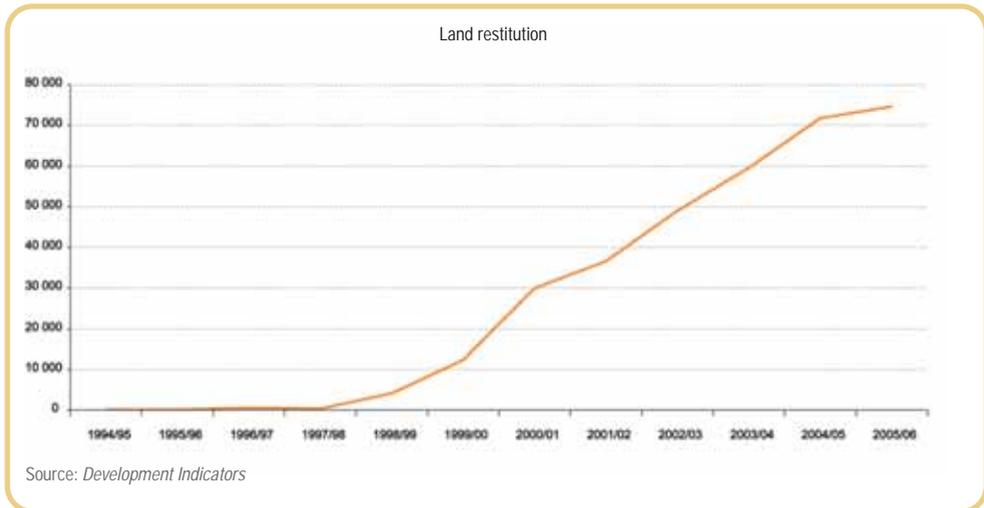
Across the country, out of a total of 79 696 claims lodged, 74 417 claims had been settled by 31 March 2007 (93% of the total number of claims).

The CRLR has delivered on the biggest land claim ever settled in South Africa – the Tenbosch properties with a total value of R1,1 billion involving 32 387 ha of land. Most of the land is used for commercial farming.

Another significant land claim is the St Lucia Wetland Park, a world heritage site. The settlement comprises seven land-restitution claims by the local communities of 1 825 families on the 22 908 ha of land.

The State has committed R89 million towards the finalisation of this claim.

Twenty-five percent of this amount will be allocated to the claimants for development.



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