

Pocket Guide to South Africa 2016/17

Agriculture, Forestry and Fisheries



The mandate of the Department of Agriculture, Forestry and Fisheries (DAFF) includes value chains, inputs, production and consumption in the agriculture, forestry and fishery sectors. The department's mandate is derived from a range of legislation, including the Sea Fisheries Act of 1988, the National Forests Act of 1988, the Agricultural Products Standards Act of 1990, and the Conservation of Agricultural Resources Act of 1993.

The DAFF was expected to focus on improving food security, creating decent jobs, and sustainably increasing the contribution of the agriculture, forestry and fisheries sectors to GDP.

By pursuing these objectives, the department contributes to the realisation of the goal of the National Development Plan (NDP) to eliminate poverty and reduce inequality by 2030, and Outcome 4 (decent employment through inclusive growth), Outcome 7 (comprehensive rural development and land reform) and Outcome 10 (protect and enhance our environmental assets and natural resources) of government's 2014-2019 Medium Term Strategic Framework (MTSF).

The DAFF continues to work with local business and labour to rebuild confidence, promote investment and improve prospects for more inclusive growth. Broad-based economic transformation in the agriculture, forestry and fisheries sectors is deemed essential to create jobs and business opportunities, reduce inequality and boost income growth.

Improving food security

Over the medium term, the department plans to support around 435 000 subsistence and smallholder farmers through: providing farm equipment, fencing, fertilisers, seedlings and other essentials; disbursing a grant through the comprehensive agricultural support programme; and repairing flood-damaged infrastructure.

The DAFF will support the agri-park initiative, in collaboration with the Department of Rural Development and Land Reform. The initiative aims to establish and maintain producer support infrastructure such as markets and agro-processing facilities; create networks and provide logistical services for producers and input suppliers; and coordinate activities for producer support and development to create jobs and develop rural economies.

Through the Comprehensive Agriculture Support Programme Grant, the DAFF will play a crucial role in

supporting smallholder farmers who will supply produce to agri-park initiatives across South Africa. It will also provide support to farmers by putting one million hectares of land into production, and provide farmers with advisory services and training on the basic components of food security.

The department plans to increase financial support to emerging producers and increase their participation in the agriculture, forestry and fisheries sectors.

The department planned to conduct an agricultural census, in collaboration with Statistics South Africa (Stats SA), to create a registry of subsistence, smallholder and commercial farmers, and gather baseline information. The gathered information will be used to properly target support to farmers, avoid duplicating support to emerging farmers, and allow for a proper ratio of extension officers to ensure the productivity of emerging farmers.

The department aims to deploy at least 150 veterinarians each year over the medium term, to strengthen primary animal healthcare, support smallholder animal production, and contribute to productivity and food security.

According to Stats SA's General Household Survey 2016, only 14,8% of South African households were involved in agricultural production. Most crop production took place in backyard gardens and households involved in agricultural activities were mostly engaged in the production of food.

Food production consisted of fruit and vegetables (50,8%), grains (45,5%), livestock farming (36,0%) and poultry (33,1%). Only 11,1% of the households involved in agriculture reported getting agricultural-related support from the government. Nationally, 2,2% of the households reported receiving training and 7,0% received dipping/livestock vaccination services.

Creating jobs

The Revitalisation of the Agriculture and Agro-Processing Value Chain (RAAVC), is one among the plans to drive economic growth and create jobs.

Informed by the NDP, the RAAVC sets a target of one million jobs by 2030. A sizeable portion of these jobs reside within the Agro-Processing sector and through the support of smallholder producers.

Positive signs are emerging as the number of people employed in the agricultural sector increased by 6.9% in the fourth quarter of 2016. The number increased from 860 000

persons in the fourth quarter of 2015 to 919 000 persons in the fourth quarter of 2016.

Key focus areas of RAAVC for 2017/18 include Land Reform, Market Access and Trade, Producer Support, Research and Innovation, and Production. A further focus of RAAVC will be to provide support to strategic industries such as the fruit and vegetable, poultry, red meat, grains and aquaculture industries

To contribute to the creation of 60 000 job opportunities over the medium term, the DAFF plans to spend more than R1,7 billion on the Ilima/Letsema projects grant, which is transferred to provinces for food production initiatives.

The department's LandCare Programme Grant promotes sustainable land and soil management practices, and the prevention of land degradation and desertification in rural areas, thereby contributing to job creation through the establishment of more arable farmland.

The programme is projected to create job opportunities through refurbishing forested and deforested plantations; rehabilitating hectares of land by reducing the spread of invasive alien plants, erecting fencing and protecting agricultural land from degradation.

The Oceans Economy Operation Phakisa is expected to increase the production of fish from 4 000 tonnes per year to 20 000 tonnes per year, over the medium term.

This is expected to create 2 500 direct new jobs and 15 000 jobs in the fisheries value chain by 2020.

An additional 1 674 jobs in the fisheries sector were expected to be created over the medium term in the Expanded Public Works Programme through the Working for Fisheries project, which is implemented by the Marine Living Resources Fund.

Some of the animal improvement schemes to be implemented include *Kaonafatso ya Dikgomo*, a programme that assists poor farmers; and the poultry scheme, which assists poor poultry farmers to identify and manage risks associated with poultry diseases by 2018.

Drought

The impact of the nationwide drought has had a devastating effect on the agriculture sector and its value chain.

The drought conditions in 2015 and 2016 have had a devastating impact on agriculture production throughout the country.

However, in the summer planting season, South Africa received much higher levels of rainfall recorded for 2016/17 season, compared to the previous years.

The Minister of Finance, in collaboration with the department and the private sector, was working on initiatives to ensure higher agricultural production, efficient water licensing, the facilitation of agricultural exports, and increased efficiency to increase agriculture's contribution to GDP. Crop and livestock production decreased sharply in 2016/17.

Maize production, for example, decreased by 24%, from 7,54 million tonnes in 2015/16 to 5,7 million tonnes in 2016/17. Higher yields were expected in 2017/18 as the drought is predicted to end.

The department would spend R644 million on infrastructure projects over the medium term, R75,4 million of which is allocated for the maintenance and erection of fences along the borders of the Kruger National Park.

The erection of these fences plays a critical role in the management of the incidence and the spread of foot-and-mouth disease, which has a negative impact on the export of red meat products.

Agricultural production by households

Less than one-fifth of South African households (16,9%) were involved in agricultural production activities in 2015, according to the results of the General Household Survey released by Stats SA in June 2016.

Of these, 11,8% cultivated farmland while 91,3% created backyard gardens.

Food production consisted of grains (51,6%), fruit and vegetables (50,8%), livestock farming (34,3%) and poultry (33,7%). Only 12,1% of the households involved in agriculture reported getting agricultural-related support from the government.

Nationally, 2,1% of the households reported receiving training and 6,8% received dipping/livestock vaccination services.

#Youth in Agriculture, Forestry and Fisheries Awards (#YAFF Awards)

The #YAFF Awards is one of the delivery mechanisms of the Young Producers and Entrepreneurs Strategy. It is implemented in conjunction with existing departmental programmes aimed at supporting youth-owned and managed enterprises.

The awards recognise top achievers involved in activities along the value chain of the key components; namely livestock and poultry production, crop production, fisheries/aquaculture production, forestry and agro-processing.

The programme was launched in June 2016 in Tshwane, Gauteng, under the name #Agristars Awards. The awards ceremony is an annual celebration staged during the month of June as the premier youth engagement in commemoration of the Youth Month. This has become a flagship programme alongside the DAFF Female Entrepreneur Awards.

In line with the National Youth Policy 2020, the department has developed the Young Producers and Entrepreneurs Strategy. The strategy aims to support the establishment of youth-owned and/or managed enterprises.

Role players

Credit and assistance

The six major sources of credit for farmers are banks (56%), agricultural cooperatives and agribusinesses (9%), the Land and Agricultural Development Bank of South Africa (the Land Bank) (30%), private creditors (3%), and other creditors and financial institutions (2%).

Land and Agricultural Development Bank of South Africa

The Land Bank is a specialist agricultural bank guided by a government mandate to provide financial services to the commercial farming sector and agribusiness, and makes available financial products to new entrants to agriculture from historically disadvantaged backgrounds. Today, the bank is a true South African development finance institution that serves all farmers equally.

Micro-Agricultural Financial Institutions of South Africa (MAFISA)

MAFISA is a scheme that provides production loans to smallholder operators within the agriculture, forestry and fisheries sectors.

The maximum loan size offered by MAFISA is R500 000 per client with special provision for up to R1 million for special projects.

The loans are solely for use in agriculture, forestry or fisheries enterprises. They are also for purposes of covering production input, small equipment, livestock purchase,

harvesting (in the case of fruit, forestry, aquaculture and artisanal fisheries) and agro-processing.

AgriBEE Fund

The AgriBEE Fund was established to provide support to businesses owned by black South Africans to advance the transformation agenda in the agriculture, forestry and fisheries sectors.

The objective of the fund are to promote entry and participation of black people in the entire value chain by providing funding for equity deals, to acquire interest in existing commercially viable and sustainable enterprises and advance enterprise development through agro-processing and value-adding activities.

For the maximum loan of R5 million, applicants are required to contribute 10% to demonstrate their level of commitment. However, the Land Bank and DAFF may approve applications of more than R5 million and applicants will be required to contribute 20%.

Agri South Africa (Agri SA)

Agri SA promotes the development, profitability, stability and sustainability of agriculture in South Africa by means of its involvement and input on national and international policy, and the implementation thereof.

Agricultural Business Chamber (ABC)

The ABC is a voluntary, dynamic and influential association of agribusinesses. Its mission is to negotiate and position for a favourable agribusiness environment where members can perform competitively and profitably.

The ABC is the only organisation that serves the broader and common business interests of agribusinesses in South Africa. The chamber facilitates considerable networking opportunities so that South African agribusinesses can play an active and creative role within the local and international organised business environment and be closely involved in the legislative and policy environment on many fronts.

Transvaal Agricultural Union South Africa (TAU SA)

TAU SA renders services to its members in terms of property rights, economic issues, and safety and security.

National African Farmers' Union of South Africa (NAFU)

The aim of NAFU is to create a “home” for thousands of black farmers who had previously been excluded from the mainstream of agriculture. It focuses on advocacy and lobbies for access to critical resources such as land, credit, information, extension and other support services.

African Farmers' Association of South Africa (AFASA)

AFASA's aim is to promote competent and successful commercial South African farmers, and to ensure the long-term sustainability of the agricultural sector. Its values are to facilitate the development of African farmers to increase their meaningful participation in the agricultural sector.

Agricultural Research Council (ARC)

The ARC contributes to improved productivity, competitiveness and sustainability for animal and crop production; national biodiversity and the integrity of the ecosystem; and an increased number of smallholder farmers who have access to agriculture technologies and extension services.

Forestry

Forestry contributes a modest 0,7% to the GDP and supports manufacturing subsectors such as sawmilling and paper and pulp production, as well as mining and construction. Of the total land area of 122,3 million ha in South Africa, only (1% or 1,273 million ha) is used for forestry.

The forest products industry ranks among the top exporting industries in the country. Paper and paper board, wood pulp, wood and articles of wood, and charcoal are some of the leading export products.

There are 47 protected tree species in terms of the National Forests Act of 1998, which may not be cut, destroyed, damaged or removed. Neither may the trees or their products be collected, removed, exported or donated, unless the DAFF has granted a licence. The Act also protects live trees occurring in natural forests.

National Arbor Week, which is celebrated annually in September, serves to promote awareness for the need to plant and maintain indigenous trees throughout South Africa. Every Arbor Week celebration highlights two specific trees – one common and one rare species. The theme for the 2017 Arbor Week Campaign was: “Forests and Water”.

The South African Forestry Company was established in 1992 to ensure the sustainable management of the state's forestry plantation assets. The company was established in terms of the Management of State Forests Act of 1992. The company's mandate is to ensure the sustainable management of plantation forests, increase downstream timber processing and play a catalytic role in rural economic development and transformation. The company's work includes research and development, plantation management and timber processing. Revenue is generated from the sale of forest products, sawn timber and value-added products. The company operates in the rural areas of Mpumalanga, Limpopo and KwaZulu-Natal and provides opportunities for economic development and rural economic transformation through providing social infrastructure for basic services such as health and education. This is aligned with Outcome 7 (comprehensive rural development and land reform) of government's 2014-2019 MTSF.

Woodlands

The woodland, also known as savannas, constitute a forest resource of major importance in South Africa. It is the most accessible forest resource for poor communities and contributes in the region of R2 000 to R5 000 to poor households annually. While natural forests cover less than one million ha of land in total, and plantation forestry covers less than 1,3 million ha and the woodlands collectively cover about 29 million ha to 46 million ha.

Several protected tree species of the savanna, such as camel thorn and leadwood, contribute substantially to the lucrative braai wood market, and guidelines have been set for licensing processes to assist with the control of their use.

Kathu Forest in the Northern Cape is the first woodland area to be declared protected woodland under the National Forests Act of 1998.

The woodlands are a valuable source of fuel, building material, craft timber and a variety of non-timber products. These include fruit, fodder, medicinal compounds, honey, meat and mushrooms. They form the backbone of the livelihoods of millions of people.

Fisheries

The fisheries industry is estimated to provide about 27 000 direct jobs in the industry (16 000 in the primary sector and 11 000 in the secondary and tertiary sectors), while an

additional 81 000 people are indirectly employed in industries that are at least partially dependent on the fishing sector.

Fisheries output is determined by catch volumes, which, in turn, depend on the health and management of fish stocks, varying according to ecological changes and subjected to overexploitation through illegal, unreported and unregulated fishing activities.

The aquaculture (fish farming) sector is considered underdeveloped and as a result has been prioritised due to declining wild stocks.

Government aims to ensure the conservation, protection, rehabilitation and recovery of depleted and degraded natural resources by, among other things, developing recovery plans in prioritised areas of fish stocks such as abalone, west coast rock lobsters and deep water hake by 2018/19.

Inshore species are especially vulnerable to stock depletion, as they are easily accessed, especially illegally. For the Fishing Rights Allocation Process (FRAP) for 2015/16, the DAFF had by May 2017 started processing appeals for the Hake Inshore Trawl, Horse Mackerel, KwaZulu-Natal Beach Seine, Large Pelagic Longline, Netfish, Patagonian Toothfish, Seaweed and for the Fish Processing facilities.

The department was expected to finalise the FRAP 2020 process for the 12 fishing sectors that were allocated in 2005 and 2013, which expires on 31 December 2020.

Allocations for the West Coast Rock Lobster and Abalone sectors were finalised by 31 July 2017. The DAFF planned to establish the Fisheries Transformation Council, in accordance with the Marine Living Resource Act of 1998.

Aquaculture

Aquaculture is one of the fastest growing food production sectors in the world. In South Africa, marine and freshwater aquaculture presents a good opportunity to diversify fish production to satisfy local demand; contribute to food security, job creation, economic development and rural development, and improve export opportunities. The sector also presents an opportunity to bring in the youth, women and historically disadvantaged people into the sector.

Aquaculture incorporates the breeding, trading or rearing of aquatic organisms in a controlled or selected aquatic environment for recreational, commercial or subsistence purposes. It is divided into fresh-water culture and mariculture.

South Africa's aquaculture sector has been given a boost through its inclusion in Operation Phakisa (Big Fast Results

programme) in 2014, and R40 million of the R125 million budget will fund 24 aquaculture projects over the medium term.

The projects are expected to increase current production of 4 000 tonnes of fish per year to 20 000 tonnes per year over the period, significantly contributing to food production. In addition, 210 000 jobs are expected to be created by 2030.

Species being farmed include dusky kob, abalone, Pacific oysters, Mediterranean mussels and black mussels, among others. Abalone fishing is severely restricted in South African waters, however, poaching is rife, as it is a lucrative trade.

Poaching has caused the decline in abalone numbers over the years. The species is highly coveted and fetches high prices, especially in the Far East.

As a contracting party member to three tuna regional fisheries management organisations – the Commission for the Conservation of Southern Bluefin Tuna, the International Commission for the Conservation of Atlantic Tunas and the Indian Ocean Tuna Commission – in 2016 South Africa successfully negotiated for an increased Southern Bluefin and Atlantic Albacore tuna allocations. In 2017, the focus was on the allocation of the Swordfish.

International agreements

In June 2016, the European Union (EU) signed an Economic Partnership Agreement with the Southern African Development Community group comprising Botswana, Lesotho, Mozambique, Namibia, South Africa and Swaziland.

The agreement includes, among others, a bilateral protocol between the EU and South Africa on the protection of geographical indications and on trade in wines and spirits.

The geographical indications protocol implies that the EU will protect South African names such as Rooibos, Honeybush, Karoo Meat of Origin and 102 wine names like Stellenbosch and Paarl.

In return, South Africa will protect more than 250 EU geographical indication names spread over food, wines and spirits. A major benefit that was negotiated for the wine industry is that the zero tariff quota increased from 50 to 110 million litres per year.

This implies that all the South African bottled wine could potentially be exported duty free to the EU and therefore enable those wines to be competitive in the foreign market.

