



agriculture, forestry & fisheries

Department:
Agriculture, Forestry and Fisheries
REPUBLIC OF SOUTH AFRICA

Address by

Hon. Tina Joemat-Pettersson

Minister of Agriculture, Forestry and Fisheries

On the occasion of the Agri SA Congress

Misty Hills: MULDERSDIFT

08 October 2010

President of Agri SA Mr Johannes Möller,

Members of the AgriSA,

Representatives from the financial sector,

Distinguished guests,

Ladies and gentlemen,

Goeie more, good morning!

Programme Director, two weeks ago; world leaders assembled in New York under the auspices of the United Nations; to evaluate the path travelled towards achievement of a world without hunger as called for in the Millennium Development Goals. What came out of that gathering was that although some progress has been achieved, a lot still needs to be done. In what still has to be done, agriculture occupies a special place.

It is amongst others, through you the farmers together with your farm workers that the prospect of a world without hunger can be achieved. In other words, only a growing, prosperous, ecological and equitable agriculture can guarantee food to the billions that inhabit our planet.

That is also true for our country. That is why as a department we are convinced that we should equally be concerned about the competitiveness and vigour of our agricultural sector and the sustained welfare of its workforce. I know that a lot has been achieved in this regard, but a lot more still needs to be done.

Global Food Crisis

Current world food production is affected by drought, floods and outbreaks linked to climate change. This has resulted in some major producers of staple crops holding back their harvest to satisfy their own local consumption. According to the World Bank's ***Joint Notes: Issue 54: September 2010 – Agriculture and Rural Development & Development Economics***, the recent banning of wheat exports by Russia will lead to price spikes of almost 70% of this commodity. This is just one example that will affect the whole world, especially the poor who depend on bread for their daily meal.

Programme Director, countries that rely on food imports are on the lookout for markets to secure food. Inadvertently, it has made arable land more sought after; pushing investor interest in agriculture. This

trend has the potential of making food production enterprises more profitable whilst making land very expensive.

Government Priorities

The government has elevated food security and rural development into the top five Key Priority areas. Led by our sister Department of Rural Development and Land Reform; a Comprehensive Rural Development Plan was developed to determine, among others, the level of investment required to achieve development objectives and also to improve the level of production in the countryside.

Ecological Agriculture

Agriculture is undertaken in the context of new possibilities. It is no longer only about food. It is also about energy. That is why government supports the concept of green industries and especially their ability to create jobs. This includes a move towards renewable energy and bio-fuels.

The economic and sustainability issues of bio-fuels are influenced by global realities rather than local issues. The development of a bio-fuel industry requires a national spatial plan to ensure that food is produced closer to the point of consumption and that the bio-fuels are also cultivated as close as possible to the point of processing and refinement. The benefits include a reduction in the cost of food transportation and less gas emissions.

Agro-Infrastructure and Skills Development

Programme Director, our role, will evolve towards providing scientific and economic supportive research and development data; provision of infra-structure such as fencing, irrigation as well as agro-logistics infrastructure. In addition, government has emphasized skills development and has prioritized the country's need for trained and skilled workforce.

I am fully aware that a lot still needs to be done to overhaul our extension Service. Central in this challenge is to ensure that we have an efficient service that can offer real value to the needs of both commercial and smallholder farmers. This will require tremendous

attention to the provision of relevant skills and capacities to our Extension Officers. I am happy to say that the Department of Higher Education has allocated and committed considerable resources to us for this purpose.

Challenges of Land Ownership

Programme Director, ownership is critical in securing a sustainable livelihood and income. Lack of these rights is one of the main sources of economic insecurity and this fact is expressed by a document produced by the Food and Agriculture Organisation of the United Nations - ***Principles for responsible Agricultural Investment: January 2010***. It is clearly expressed that ownership and control of resources comes with increased decision-making power. Therefore, to empower a nation to be able to provide for itself, resources should be allocated and managed well.

As South Africa, it is necessary that we collectively deal with the issue of land reform so that we can move on with the important

business of food production. We should not find ourselves still discussing this issue in years to come.

Integrated Growth and Development Plan

Programme Director, in order to develop a common vision for our three sectors, namely; agriculture, forestry and fisheries, an integrated growth and development plan is currently being developed. This Plan, which we launched last month, is part and parcel of a tight consultation framework which should be concluded ahead of our 2011 January Cabinet Lekgotla.

I invite Agri SA to play a central role in the elaboration and refinement of this Plan.

New Growth Path

Programme Director, I will be failing in my duty if I do not address this august gathering on the emerging national economic framework for the country. This growth path is driven by the economic cluster under

the leadership of the Department of Economic Development. I can safely share with you that its central focus will be on rural development. This is the first time in a long time that rural economy is being looked at as an engine of growth, job creation and a potential central player for the entire economy.

Market Access

South African agriculture has always been part of the world economy. We simply cannot consume all that we produce. We need other markets! That is why the present surplus maize is something that we are involved in finding a market for. This Department will not rest until a market is found for our surplus maize.

That is why it is so important for us as a country to diversify our export portfolio. We have to find other markets in other parts of the world beyond Europe and USA. Of course, we need Europe and the USA, but for our long term interests, we will be better off with diverse and more differentiated trade relations. Thus the strategic importance of participating in the Brazil, Russia, India and China (BRIC) economic axis.

Supportive Financial Framework

It is important that the challenge faced by our maize farmers is appreciated by our country, and by that I mean all of us including the banks. It cannot be that at this difficult period in which we have to find markets for our maize, we also have to look behind our backs wondering whether we will finance for the next planting season.

We need a banking system that is sympathetic to the developmental challenges of our country; which affect both commercial and smallholder agriculture. It might be important for this conference to attend to the challenge of appropriate financial instruments and models for the sector.

Tariff

Now that significant work is unfolding with regard to the Integrated Growth and Development Plan, it is time for all us to get to work on devising ways to increase the level of protection of our agricultural

products where necessary. At the same time, we should together, re-look at the tariff lines that are excluded from tariff concessions under our bilateral agreement. We must review each line on its own merit and establish space for our commodities.

Farm Safety

I am well aware that the security of farm owners and workers remains a challenge. This is an issue that enjoys attention both from myself and the Minister of Police. It is also an effort that our President has taken an interest in. We are working hard under the leadership of the Minister of Police to increase the visibility and efficacy to ensure a safer countryside.

DAFF and Outcome Based Performance System of Government

Programme Director, our President Mr Jacob Zuma has introduced a new way of how government should do business (the Outcome Based Performance Management System). Our Department together

with the sector is directly responsible for three of these outcomes.

These are;

- The creation of decent employment through inclusive growth,
- The establishment of vibrant, equitable, sustainable communities contributing towards food security for all, and
- The protection and enhancement of our environmental assets and natural resources.

We are also indirectly linked to other outcomes but these three are what I will primarily be measured on. To achieve these outcomes, this governance system directs and enjoins us to enter into service delivery agreements with stakeholders such as yourselves. I am confident that the partnership that we have already built will stand us in good stead.

I thank you,

Baie dankie!