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ADDRESS BY PRESIDENT JG ZUMA ON THE LAUNCH OF OPERATION PHAKISA ON AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT, ROODEPLAAT, PRETORIA

Honourable Ministers and Deputy Ministers,

Vice- Minister of the General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China, Mr Mr LI Yuanping and your delegation,

Representatives of the agriculture and land sectors, business, labour and academia,

Members of the diplomatic corps,

Ladies and gentlemen,

It is my great pleasure to welcome you to the official Launch of Operation Phakisa for Agriculture, Land Reform and Rural Development.

The central theme, “Transforming the Agricultural Sector towards an Inclusive Rural Economy”, captures critical elements of our socio-economic blueprint the National Development Plan and our 2017-2019 road map which is radical economic transformation.

The 2017 State of the Nation Address focused on the critical importance of radical economic transformation.

Land reform is a central pillar of the radical economic transformation programme. Let me reiterate what I said in the SONA: true reconciliation will be impossible to achieve if the land question is not addressed.

If we do not radically change the patterns of land ownership, control and management in South Africa we will be creating problems for ourselves in future.

We need to take bold steps that will transform our economy, including land ownership, very fast.



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It is partly because of the urgency of transforming our society that in July 2011, we introduced Operation Phakisa, the Big Fast Results Methodology which was adapted from a similar programme from Malaysia. Phakisa is a seSotho word which means hurry up.

Through the Operation Phakisa programme we wish to hurry up the delivery of services to the people and the transformation of our society as a whole.

We have launched Operation Phakisa in areas such as the Oceans Economy, in health focusing on the ideal clinic, in education focusing on information communication technology, and now in agriculture, rural development and land reform.

We will soon launch Operation Phakisa in the mining sector.

Programme Director, despite many challenges the agricultural sector has faced over the past few years, recent trends suggest that we are beginning to turn the corner.

Over the past six years, employment in the agricultural sector has risen by almost three hundred thousand, even while farmworker wages were increasing.

Over the past 15 years, the share of households experiencing hunger has declined by more than half. And there are signs of economic vibrancy in the former homeland areas, including impressive declines in unemployment rates since 2001.

We seek to build on these achievements, and to strengthen the role of Agriculture, and its intrinsic relationship with Land Reform and Rural Development, in further defining an inclusive rural economy for South Africa.

The challenges we face that we seek to correct with this programme include the fact that rural areas are still characterised by poverty and inequality.

Farm workers still earn the lowest wages among those formally employed in the country.

In addition, despite increased spending on overall support programmes for smallholder farmers and Land Reform, the overall performance and productivity of



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the sector remains low. The opportunities for producers to participate in the broader agro-food system are limited.

Through the Operation Phakisa programme, government has created a platform of engagement for all stakeholders in the agriculture sector to discuss the challenges and find solutions during the five-week Laboratory process through which Operation Phakisa is executed.

I am happy to report back today on the preparatory work that has been done in the various labs and to officially launch the programme.

One hundred and sixty one participants worked tirelessly in understanding the obstacles and solutions to greater inclusivity for our rural economies, and growth in the Agricultural sector.

The deliberations of the Lab participants were organised according to seven work streams. The seven work streams were Land Reform; Producer Support; Livestock; Grains; Horticulture; Labour, and Rural Development.

Collectively, the seven work stream teams identified and detailed twenty seven initiatives.

The Land Reform Work Stream, for instance, has identified the establishment of District Land Reform Delivery Centres; fast tracking of the settlement of outstanding restitution claims; promoting and protecting the rights of persons living under insecure tenure; and accelerating land development and redistribution as key priorities.

The three commodity-based work streams, namely Grains, Livestock and Horticulture, focused their initiatives on expanding the potential for trade in both domestic and export markets, developing and strengthening our value chains, sharpening our research and innovation systems, and making the most of our limited water resources.

The Horticulture work stream, for example, developed three initiatives, one of which is called Trade Promotion, Retention and Optimisation. This initiative aims to



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increase South Africa's Horticultural trade potential from an estimated fifty four billion rand in 2015 to ninety billion rand by 2030.

The Livestock work stream, on the other hand, looked at the need for a national livestock census, and an animal identification and traceability system. They are looking at the need to strengthen meat exports, improve disease control mechanisms and ultimately ensure adherence to international trade protocols.

The Grain work stream developed a programme called Unlocking Finance for Grains through Private Public Partnerships. This initiative attempts to address the limited impact that grant based financial models are having on growth in the Grain industry. It seeks to use grant funding as collateral to unlock much needed financial support from development finance institutions and commercial banks.

This initiative will link farmers to buyers and processors of grain using contractual innovations which mitigate the risks for both parties. The estimated impact is an added five hundred and seven thousand hectares under production, in turn creating about fifty-three thousand new jobs.

Initiatives to improve support to producers generally include the Harmonization of the Legislative Framework Affecting the Agri Value Chain. This initiative is designed to address the cumbersome nature of existing legislation housed within different departments. It aims to eliminate hurdles at all levels, speeding up decision-making processes and facilitating opportunities, particularly for new entrants across the value chain.

The impact of this initiative is expected to be an improved turn-around time of 50% for approval of certain kinds of applications, such as water and environmental authorisations, land change applications and export standard applications.

The greatest challenge raised by farmers at the Lab was the fragmented nature of support services.

As a solution, the Ndimoko Desk initiative is a centralised, virtual platform linking producers to services offered by participating public and private sector institutions.



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Another initiative by the Producer Support work stream is the Re-engineering Agricultural Development Finance. This initiative will develop blended financial products from public and private funds to lessen the current reliance on grant funds.

The financial products will be designed to cover both long and medium term loans for buying farms, equipment and machinery, as well as short term loans for production inputs. The new blended financial products will consist of a grant component from government, and a loan component from commercial banks, Development Finance Institutions and other financiers.

Land Reform and various kinds of agricultural development must contribute to a more inclusive and vibrant rural economy. However there are other measures that must also be taken into account in order to promote rural development.

Accordingly, the Rural Development work stream identified Strategic Leadership and Coordination for Structural Transformation; Augmentation of Existing Essential Basic Service Roll-out Programmes; and Rural Enterprise Development as key initiatives.

The slow delivery of rural transformation due to ineffective coordination, planning, execution and implementation has kept rural households trapped within the triple challenges of poverty, inequality and unemployment.

The initiative Strategic Leadership and Coordination for Structural Transformation seeks to address the fragmentation of budgets and programmes aimed at rural development.

The ruling party at its 52nd National Conference in 2007 resolved that government should establish an appropriate institution with the resources and authority to drive and coordinate an integrated programme for rural development. This could be initiated by establishing an inclusive Rural Development Agency. This Operation Phakisa initiative has endorsed this idea.

The proposal is that the agency will be established at national level to “mobilise, coordinate and manage resources; finance rural development projects; and, coach and train participating co-operatives in business and managerial skills”.



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It will further function as a monitoring and evaluation oversight structure for all rural development programmes, hence ensuring proper reporting and thus accountability.

The Augmentation of Existing Essential Basic Service Roll-out Programme proposal, aims to fast track off-grid solutions to deliver universal access to essential basic services at a faster pace and at lower cost than would have been realised were conventional grid solutions applied.

The Labour work stream came up with various initiatives, including the National Decent Work Programme, which aims to develop and implement a Decent Work Programme for the Agricultural Sector.

There is also the Farm Worker House and Land Ownership Programme, which is an initiative based on the innovative SMART village concept that seeks to secure title deeds and basic public infrastructure and services.

This will be supplemented by the provision of support for the farming of the land, through skills and access to the market.

Compatriots, what has been achieved by the Labs over the past five weeks underscores the importance of a strong partnership between business, labour, and civil society.

We congratulate the participants on their hard work.

The next step is to seek public private partnerships with business, organised labour and civil society in the implementation of the initiatives identified by this Operation Phakisa. In July 2017 the main stakeholders in the sector will sign agreements committing themselves to the implementation of these initiatives.

However, before signature bear in mind this is the year of radical economic transformation. We must see it in this Phakisa.

I want to see a segment looking at the acceleration of the entry of more black farmers into the sector and their effective support.



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The African Farmers Association of South Africa marched to the Union Buildings last year and gave us a memorandum last year detailing what will constitute the transformation of the sector.

They called for the declaration of 2017 as the year of the commercialisation of the black smallholder farming sector. They should not march to my office again.

This Phakisa provides AFASA and all other organisations seeking the transformation of agriculture a platform to raise their issues so that they can be discussed and find expression in government policy and programmes.

The participation of young people in farming is also a critical imperative. It is the future of agriculture in South Africa.

How do we promote agriculture in our schools? How do we support young black farmers and encourage young women as well to take up farming. The Department of agriculture, forestry and fisheries runs a successful annual competition recognising women farmers. Phakisa is an opportunity to take the empowerment further.

The expansion of programmes promoting food production by households and subsistence farmers is also critically important. We need to see how we are going to further support the Fetsa Tlala/Xoshindlala food production production programmes by women in rural areas to promote food security.

Organisations such as the Rural Women's Movement may offer good perspectives as well in this regard.

As we finalise the Phakisa work plan, let us also ensure that the land reform segment talks to the current policy imperatives on land reform.

The State of the Nation Address and the makgotla of government and the governing party, the ANC made it clear that this is year of land reform and of taking land back to the people. We need to see this gaining expression in the Phakisa which is our implementation programme.

How are we going to achieve all the goals mentioned in the State of the Nation Address and all the laws and policies that we are busy amending to enable faster



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land reform, including land expropriation without compensation as provided for in the Constitution.

I sent the Land Expropriation Act back to parliament for further consideration, in particular to enable more public participation.

The stakeholders in this Phakisa should ensure participation in those discussions and the outcome must feature in the work of the Phakisa segment. There are other Bills and policies being processed by the Department of Rural Development and Land Reform whose implementation must find expression in the Phakisa.

I have also directed the Black Economic Empowerment Advisory Council headed by the President and located in the Department of Trade and Industry to ensure synergy between its work and that of this Phakisa.

Importantly, there must be synergy between policy and implementation. We will then move forward successfully.

We are all determined to change the face of agriculture and land reform. We must move beyond business as usual and seek new ways of doing things which will change the economic landscape in our country and ensure that the black majority shares in the wealth. Only then can we have true reconciliation and an expanded economic cake.

Working together, it will happen.

It is important that we have already begun working together as various sectors, seeking solutions in a constructive and comprehensive manner. We are almost there. By July we should have a programme ready for implementation, a programme that will be inclusive and bring everyone on board in the transformation of agriculture and land reform.

Ladies and gentlemen

International trade is a powerful tool of economic diplomacy and we welcome the opportunities provided by our strategic partners in opening up their markets to our products.



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In this regard, we are very pleased that at this launch the Minister of Agriculture, Forestry and Fisheries and the Vice- Minister of the General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) Mr LI Yuanping of the People's Republic of China, will sign a Protocol agreement on the Export of South African Beef to China and a Memorandum of Understanding on the entry and exit animal and inspection quarantine.

The agreement will give effect to the exports of South African beef to China and unlocks opportunities for our black smallholder farmers to access the Chinese market. This agreement further enhances the strategic partnership and warm relations between South Africa and China. We thank President Xi Jinping for prioritising relations with South Africa in this manner.

We look forward to further deepening of cooperation in other areas between the two countries.

Ladies and gentlemen,

Through the Operation Phakisa initiative, we have set in motion a new growth path for Agriculture, Land Reform and Rural Development.

We congratulate the teams that have worked hard over a period getting this Phakisa off the ground. I am convinced that we will make progress together in implementing these initiatives.

I thank you.