

Steenhuisen's budget speech promises positive outlook for agriculture

Agriculture Minister John Steenhuisen reaffirmed the government's commitment to the Agriculture and Agro-processing Master Plan (AAMP) in his first [Budget Vote Speech](#) at the National Assembly, emphasising its role in fostering inclusive growth in South Africa's agricultural sector.



Source: [Instagram](#)

Wandile Sihlobo, chief economist at Agbiz, commended the minister's focus on consistency with the sixth administration's policies and the determined push for the AAMP's implementation. Steenhuisen highlighted the widespread support the AAMP has received since its 2022 adoption, emphasising his plan to accelerate its objectives rather than introducing new ones.

"The AAMP adoption process has enjoyed broad sectoral support, and I wish to clarify that I have no intention of reinventing the wheel. Instead, the focus will rather be on accelerating the

implementation of the objectives of the AAMP and ensuring that my department upholds its commitments contained in the plan," said Steenhuisen.

Sihlobo praised this approach, underscoring the importance of the AAMP's detailed examination of each commodity's value chain, addressing specific challenges and opportunities, and identifying interventions to promote growth.

Regional development and inclusive growth

The AAMP's commodity corridor approach aims to unlock agricultural potential in previously neglected regions such as the Eastern Cape, Limpopo, and KwaZulu-Natal. The plan also targets underutilised government-owned farms acquired through the Pro-active Land Acquisition Strategy (PALS). Sihlobo emphasised the need for clear communication and collaboration with stakeholders at all government levels to ensure that AAMP's goals are widely supported and understood.

He also highlighted the importance of partnerships between the private sector, labour, and other social partners in achieving the AAMP's objectives. Steenhuisen echoed this sentiment, stating, "The collaborative approach we need involves leveraging the skills, resources, and knowledge already available in the private sector, industry, and agribusiness to work hand in hand with the government."

Financial support for emerging farmers

A critical element for the success of the AAMP is financial support, particularly for new and emerging farmers. Steenhuisen acknowledged the financial barriers these farmers face and pointed to the blended finance scheme, administered by Land Bank, as a solution. This scheme combines state-provided grants with loans from private financial institutions, including development banks, to increase access to affordable finance for black producers in the agriculture and agro-processing sectors.

Innovation and biosecurity

Innovation, research, and development were highlighted as key drivers for technological advancement and best practices within the sector. Sihlobo welcomed the minister's prioritisation of these areas and called for deeper engagement with scientists on new breeding technologies to establish a fit-for-purpose regulatory framework.

Additionally, biosecurity, particularly animal health, remains a primary focus due to its critical importance to the livestock and poultry industries, which constitute roughly half of South Africa's farming economy. The minister emphasised the ongoing collaboration between the private sector

and the government to enhance biosecurity measures and support the country's ambitions to expand its red meat and wool exports.

Collaboration with land reform

Sihlobo stressed the importance of collaboration with the Department of Land Reform and Rural Development for the AAMP's success. He urged the continued release of over two million hectares of state land to beneficiaries with title deeds, an initiative already underway by former Minister Thoko Didiza. The Land Reform Agency proposed by President Ramaphosa was identified as a pivotal instrument for efficiently managing land release, while the Department of Land Reform and Rural Development should focus on critical policy issues like communal land tenure reform.

Positive outlook for agricultural sector

Sihlobo concluded that Minister Steenhuisen's budget vote speech is a positive development for the agricultural sector, emphasising the importance of collaboration and clear communication in achieving the AAMP's goals. The emphasis on financial support, innovation, and biosecurity, along with the collaborative efforts with the private sector and other government departments, bodes well for the future of South Africa's agricultural sector.

