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The Agriculture Budget Vote Speech presented a positive message for the sector

- The national government departments, among other things, are primary policy-making bodies. Thus, it is always wise to listen to the leadership of each department when they make significant speeches. Today was one such day where the political leadership of the Department of Agriculture, Minister John Steenhuisen, tabled his [Budget Vote Speech](#).
- We found the speech valuable, underscoring a message of continuity from the sixth administration, with an added focus on relentless implementation. Minister Steenhuisen stated that *"The Agriculture and Agro-processing Master Plan (AAMP), adopted in 2022, is the framework upon which the inclusive growth of the Agricultural sector is premised. 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."* We support this view. The strength of the AAMP is its "value chain deep dives", which is the clear focus on each commodity, unpacking the challenges and opportunities, and notably the interventions to accelerate growth.
- The AAMP also takes a commodity corridor approach, which is crucial in a country like South Africa, where some regions have been at the periphery of the agricultural progress these past few decades. Here, we specifically think of the untapped potential in the Eastern Cape, Limpopo and KwaZulu-Natal regions, along with the underutilized government-owned farms acquired through the Pro-active Land Acquisition Strategy. The relentless implementation of the AAMP, which the Minister alluded to, is critical.
- The necessary step the Department of Agriculture should follow from now on is the clear communication of the AAMP's renewed ambition with all stakeholders across all levels of government. This could happen alongside the engagements with various organized agriculture leaders. The regrouping and assurance that the AAMP is the country's guiding policy is necessary. After that, a delivery process with timelines would be required for the Department of Agriculture to regain confidence, as some may have doubted the implementation. Many of the interventions required by the AAMP also rests on the shoulders of other Government Departments and cabinet Ministers. Inter-departmental cooperation and alignment will be critical to the success of the AAMP.
- The AAMP rests on partnerships with the private sector, labour, and other social partners. The leadership in the Department of Agriculture understands this and states that *"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."*

- Without financial support, the AAMP implementation would not be a success, particularly the support required by new entrant farmers. Minister Steenhuisen stated, *"Access to finance has also proven to have been a significant constraint on the ability of new entrant and small farmers to succeed. This is highlighted starkly by Wandile Sihhlobo in his excellent book "A Country of Two Agricultures". The Department of Agriculture developed the Blended Finance Scheme to increase Access to affordable finance for black producers in the agriculture and agro-processing sector, as part of our commitment to the Agriculture and Agro processing Master Plan (AAMP). Blended finance involves the provision of grants by the state and loans by private finance institutions, including development banks. To date, the department has successfully partnered with the IDC, the Land Bank, and ABSA and is concluding agreements with FNB, Nedbank, and SEFA."* Continuing the Blended Finance and other financial programmes, the Department of Agriculture holds is vital.
- Another less celebrated, yet important catalyst to South Africa's agricultural progress since the dawn of democracy, is the contribution of scientists and breeders. Improved crop and plant yields and better animal genetics have been at the heart of South Africa's agricultural progress. We now have a sector that has more than doubled since 1994 in value and volume, primarily because of the contribution of the scientists, among others. South Africa should intensify its efforts in this area and be more open to adopting new breeding techniques and technologies that will drive productivity in the sector in the coming years.
- The Budget Vote Speech states that the Department of Agriculture will *"prioritize innovation, research, and development to drive technological advancement and best practices within the sector."* We welcome this clarity and would support complementary reform that promotes and supports local innovation. Stakeholders in the value chain want to see more profound engagement with scientists in the Department of Agriculture on new breeding technologies to find a fit-for-purpose regulatory framework.
- Moreover, the importance of a continuous focus on biosecurity, particularly animal health, cannot be overemphasized. The livestock and poultry industries account for roughly half of South Africa's farming economy. Therefore, it makes sense for the Department of Agriculture to maintain this as its primary focus. South Africa is also on its path to growing its red meat and wool exports; the success of this ambition depends on the improvements we can make to animal health. The private sector-government collaboration in this area is encouraging and should continue.
- Overall, we deem the Budget Vote Speech by Minister Steenhuisen to be positive for the agricultural sector. The one area the Minister could have underscored is that the success of the AAMP, particularly in empowering new entrant farmers, also rests on the collaboration with the Departments of Land Reform and Rural Development. This department should continue releasing over two million hectares of state land to beneficiaries with title deeds, as Minister Thoko Didiza has already started. The beneficiaries should be individuals who could benefit from the Blended Finance Scheme. Likewise, the AAMP's objective to open up new markets for South African agricultural products require a concerted effort between the Departments of Agriculture, International Relations, Trade, Industry and Competition.
- We believe the Land Reform Agency, which President Ramaphosa proposed and structured under Minister Didiza, will be an efficient instrument for the land release. It is vital that this Agency, with a primary focus on releasing land, be launched as a matter of urgency while the Department of Land Reform and Rural Development retains its focus on critical policy aspects such as the reform of

communal land tenure, the Ingonyama Trust and communal property associations. This agency will help us achieve fundamental transformation in the agricultural sector of South Africa – transformation in terms of demographics and the size of the farming economy for the good.

