

# AGRICULTURAL RESEARCH SYMPOSIUM 2018

**Theme:**  
Towards a high-performing agricultural sector through  
accelerated land reform and comprehensive support

13 June 2018  
The Maslow, Times Square, Menlyn, Pretoria

**RESEARCH SYMPOSIUM PROCEEDINGS**







# About the Symposium

The 2018 Research Symposium was convened by three agricultural institutions; Agricultural Research Council (ARC), Land Bank and the National Agricultural Marketing Council (NAMC). The Agricultural Research Council conducts research with partners, develops human capital and fosters innovation to support and develop the agricultural sector, whereas the Land Bank is a specialist agricultural bank that is guided by a mandate from government to provide financial services to the commercial farming sector and to agri-business, and the National Agricultural Marketing Council, among others, exists to increase market access to all market participants and to promote the efficiency of marketing agricultural products.

The purpose of the Research Symposium was to find common and collaborative solutions to prevalent challenges that characterize the agricultural sector. The symposium was a collaborative effort between stakeholders across the sector, including academia, a financial institution and agricultural institutions. The aim was to devise solutions that the three host institutions could integrate into their respective strategic plans.



From left to right: TP Nchoncho (Land Bank CEO), Zama Xalisa (NAMC CEO) and Dr Shadrack Moephuli (ARC President and CEO)

## Opening Remarks

The Symposium was opened by Professor Mzukisi Qobo. Professor Qobo, in his opening remarks, addressed the purpose of the Symposium together with the notion of youth involvement in agriculture given that the issue was addressed by the Minister of the Department of Agriculture, Forestry and Fisheries (DAFF) in his budget vote a week prior to the symposium. Furthermore, he highlighted that the gravity of the challenges plaguing the sector requires a collaborative and concerted effort. Moreover, he highlighted that the government on its own cannot be expected to devise solutions to the prevalent challenges. As such, research institutions have a significant role to play in addressing the present challenges as policy solutions need to be underpinned by knowledge derived from research.

A portrait of Professor Mzukisi Qobo, a Black man with glasses, wearing a dark suit jacket over a light-colored sweater and a blue collared shirt. He is wearing a green lanyard with white text that reads "Agricultural Research Symposium 2018". He is speaking into a small microphone attached to his ear. The background is a blurred indoor setting with orange and white panels.

Professor Mzukisi Qobo



## Structure of the Research Symposium

The Research Symposium was divided into three sessions. The first session was aimed at setting the scene for the deliberations. The CEOs of the three collaborating institutions; ARC, Land Bank and NAMC, gave remarks in the opening session (session 1). The second session (session 2) was led by Professor Ben Cousins with an opening presentation followed by inputs from panelists and a discussion with the panelists together with members of the audience. The third session (session 3) was led by Ms. Nonie Mokose from NAMC who gave the opening presentation to the session and followed by contributions from the rest of the panelists and a discussion with the audience.



## Session 1

Opening addresses by the CEOs from the three collaborating institutions.



Dr. Shadrack Moephuli (AFC President & CEO)



Mr. Zama Xalisa (NAMC CEO)



Mr. TP Nchoncho (Land Bank CEO)

## Session 2

The key questions that had to be addressed in the session were:

- “What is the progress on land reform?”
- “How do we radically accelerate progress without negatively affecting economic growth?”



Facilitator: Mr. Khanti Phayi

# Panelists:



Professor Ben Cousins (PLAAS, University of the Western Cape) – opening presentation



Ms. Annelize Crosby (AgriSA)



Professor Ferdi Meyer (BFAP, University of Pretoria)



Dr. Thulasizwe Mkhabela  
(Agriculture House)

## Session 3

The key question for the session was:

- “Is the agricultural support system conducive for an economically vibrant sector?”



Facilitator: Ms. Thabi Nkosi

# Panelists:



Mr Bonga Msomi



Mr Sydney Soundy,



Ms. Nonie Mokose (Council member:  
NAMC)



Dr Yolisa Pakela-Jezile



Mr Mandla Nkomo

# Deliberations and key points from the various sessions

Opening presentations for session 2 and session 3 were made followed by inputs from other panelists and discussions including the audience. Session 1 was however purely inputs from the panelists.

## Session 1



From left to right: TP Nchoncho (Land Bank CEO), Zama Kalisa (NAMC CEO) and Dr Shadrack Moephuli (ARC President and CEO)

Several key points were made during the session. These key points were made with the cognisance of the challenges the South African society is confronted with. This is an awareness that the agricultural sector does not exist in isolation, but rather it exists within a particular context. Land reform as a point of contention has an impact on the country's entire socio-economic landscape. The challenge of economic growth was chief amongst those identified. Furthermore, the following concerns, which solutions were needed for, were identified:

- The unpredictable nature of the land reform together with the land expropriation without compensation discourse.
- Expropriation of land without compensation seems like a foregone conclusion. As such, a fundamental question arises on how would it be implemented (i.e. the practical implementation)
- Given that South Africa will be holding its general elections in 2019, electioneering might overshadow substantive issues regarding the land question.

Given this context, we should address several questions regarding land reform:

- ◇ What do we as a society seek to attain through land reform?
- ◇ Do we want short-term solutions aligned with electoral gains, or do we need long-term sustainable solutions?
- ◇ Do we need agrarian reform solutions that will transform and diversify the economic patterns?

In addition, the land reform discourse in South Africa is unfolding simultaneously with renewed efforts to get Africa to feed itself. Furthermore, it was noted that historical facts regarding land in South Africa have to be accepted (i.e. the impact of past laws on the nature of land ownership has to be accepted) in order to address the challenges that are a legacy of those laws together with acknowledging that land reform, since 1994, has not been much of a success.



With regards to the financing aspect of land reform, a number of issues and questions need to be addressed. These include the following:

- Bridges need to be built to close the trust gap between the different stakeholders in society.
- Is the current model, the “willing buyer, willing seller” model the best to advance land reform, particularly the indiscriminate buying and redistribution of land despite the sometimes perceived unstrategic nature of the transactions?
- Additionally, does the government continue to pay for land reform or establish more sustainable methods and approaches?
- Without security of tenure, accessing finance is difficult, more so in communal land that is characterised by the absence of title deeds.

There exist as well, the need to interrogate whether freehold of the agricultural land is the only option that stakeholders are willing to pursue as other alternatives such as access to rights of land use exist. Additionally, fundamental questions was raised regarding land ownership and aims of land reform in relation to agriculture:

- Why is land ownership only associated with ability to work the land?

- In advancing transformation and land reform in the agricultural sector, can the focus squarely be on commercial farming despite the economic challenges confronting the country? What about small-holder farming?

For land reform to bear substantive fruits, the focus should be on high impact priorities. The focus should be on the creation of long-term solutions. In the creation of these solutions, Research and Development have a critical role to play. However, to attain an impactful land reform, strong and capacitated institutions are necessary to ensure better outcomes. Moreover, skills development is necessary, particularly for new entrants in the agricultural sector. The skills development should be accompanied by proper support programmes. Most significantly, the private sector needs to play an active role in land reform. The land question needs a collaborative effort to address. Ultimately, irrespective of the policy stance adopted on land reform going forward, the agricultural sector should benefit from that.

## Session 2



From left to right: Mr. Xhanti Payi, Professor Ben Cousins, Ms. Annelize Crosby, Dr. Thulasizwe Mkhabela and Professor Ferdi Meyer.

A number of crucial observations were made in the second session of the symposium. Firstly, it was acknowledged that land reform has dismally failed. Additionally, it was advanced that South Africa does not have a land question, but multiple land questions. It was advanced that the primary focus should be on the ownership of rural land. The argument behind this perspective seeks to suggest that the focus on deracializing the commercial farming sector is narrow and would not necessarily achieve the desired impactful land reform. As such, land reform should focus mainly in rural land with the intention to provide rural dwellers with title deeds. This view posits that private property is the greatest option for land reform. However, it was also acknowledged that this approach might not necessarily work for the poor as it worked for the middle and upper classes.

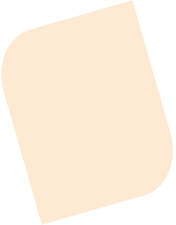
The perspective postulates that of the four classified categories of farmers i.e. Category 1 (subsistence-oriented smallholders), Category 2 (market-oriented smallholders in loose value chains), Category 3 (market-oriented smallholders in tight value chains) and Category 4 (small-scale capitalist farmers). Categories 1 and 2 should be the focus of land reform and transformation in the agricultural sector. The argument is anchored in the fact that the 80 per cent of agricultural value is derived from the Top 20 percent of farmers who are predominately white commercial farmers. This indirectly translates into the Top 20 per cent of farmers providing food security in the country. Therefore, by focusing land reform and transformation efforts in the remaining 80 per cent ensures that food security is not severely impacted. This perspective supports what it refers to as “accumulation from below” through its stance that land reform in the agricultural sector should focus largely on the smallholder farmers in Categories 1 and 2.

It was further deliberated and advanced that a constitutional amendment to address land reform is not necessitated. Moreover, it was argued that the current legal framework is enough to ensure that expropriation can be effected. Also, it was posited that expropriation without compensation will require a new legal framework.



It was also argued that policies are mostly created without proper understanding of the issues on the ground and without proper comprehension of the dynamics that smallholder farmers exist in. Furthermore, it was noted that no proper data on smallholder farmers exists as most of the data used heavily relies on assumptions and this has a negative impact on policy formulation. To rectify this, a proper farming census was required. The lack of understanding of farming dynamics and lack of proper data were cited as some key contributory factors to the failure of land reform, specifically in relation to adopted policies. Empirical research is required to develop evidence-based policies.

Stakeholders were asked to think critically about how land reform can aid in reducing the triple challenges of poverty, inequality and unemployment. Furthermore, in attempting to transform the agricultural sector, a consideration should be given to increasing the value chain so that more participants can be accommodated. The increase in value should focus on agro-processing.

The perception of the inevitability of change in terms of the implementation of expropriation of land without compensation was also advanced in this session. The key issue then becomes the identification of the best possible policy and modality to implement. It was argued that regardless of how best the policy or modality is, adjustment cost are inevitable. Essentially, the best possible policy or modality, will have the least impact on the economy. The agricultural sector has been a key driver of economic growth in the past 24 years.



In implementing land reform, post settlement support, that currently lacks, should be given to new farmers. Furthermore, a commodity analysis should also be conducted in order to ensure that land reform focuses on commodities that are profitable so that it bears a positive impact on beneficiaries. The key question that was raised in Session 1 i.e. why land ownership is associated with ability to work land? was also addressed by seeking to devise mechanisms aims at connecting those who own the land and those who have the ability to work the land. This was chiefly aimed at young people who are skilled in working the land, but do not have the land to work on.



It was also noted that failure is inevitable in terms of new entrants and support programmes do not necessarily guarantee a perfect success rate. It is from this premise that radical support is called for because even with the support some farmers are bound to fail, and as such failure becomes an inevitability without proper, radical support.

Most significantly, it was advanced that disruption to the economy is unavoidable in carrying out radical land reform. The key lies in opting for policies and modalities with the least disruption. Moreover, it was argued that the sole focus on the impact of land reform on the economy is rather narrow as land reform has a social aspect that ought to be addressed too.

## Session 3



From left to right: Ms. Nonie Mokose, Mr Sydney Soundy, Mr Mandla Nkomo, Dr Yolisa Pakela-Jezile & Mr Bonga Msomi

The issue of farmer support was at the centre of discussions of the session. It was highlighted that farmer support is not a new phenomenon, or at least a phenomenon that came with the democratic South Africa. Farmer support was touted as a key ingredient to ensuring transformation in the agricultural sector. Farmer Support Programmes (FSP) are empowerment tool mechanisms and are crucial, more so in the South African context where empowerment tends to be synonymous with transformation. AgriBEE codes are utilised to operationalise empowerment in South Africa as their key objective is to ensure increased access and equitable participation in all levels of the agricultural value chain.

It was further submitted that FSPs have not fulfilled their intended purpose and that they should be one of the vehicles utilised to address inequalities in the agricultural

sector. Commodity focused FSPs were also considered to be important in order to help emerging farmers with market access. The argument put forward was that the current crop of commercial farmers were mostly successful because of the support they have received over the years from institutions such as ARC.

Additionally, farmers' support should be multifaceted going forward as the current intervention mechanisms are not dynamic enough. FSPs ought to produce tangible results and should engender efficiency as South African farmers compete on a global market and should be capacitated enough to do so. In devising and implementing FSPs, the little resources available should be employed optimally to ensure the best possible impact. The FSPs should also take note of the intricacies presented by communal land dynamics.

The DAFF also has a draft policy, the Comprehensive Producer Development Support Policy, which is intended on devising comprehensive and impactful mechanisms to support emerging farmers. This draft policy aims to provide both financial and no-financial support. There was however a clear consensus on the need for government to move away from formulating policies to the actual implementation of policies.

In terms of financial support, it was advanced that a policy shift regarding the Land Bank maybe necessitated in order to adopt a more developmental posture in order to aid the required transformation of the agricultural sector. The policy shift will be aimed at removing the constraints experienced by the Land Bank.

A fundamental question of whether an “economically vibrant sector” translates to a commercialised sector was put forward, and the consensus was that land reform mandate ought to be dual in that it should address food security together with commercialising emerging farmers.

A consensus on the need to collaborate the efforts of all relevant stakeholders was emphasised. Moreover, a coordination of various government entities needs to happen to ensure that the different government entities address the same issues in a consistent and supplementary manner.


Furthermore, the focus on subsistence farming by the DAFF was challenged as it is likely to have insignificant impact. There was an agreement on the need to transform the entire value chain in order achieve true transformation in the agricultural sector.





## Symposium Closing

Dr. Fhumulani Munyai, the Acting Chief Director: Secondary & Tertiary Cooperative at the Department of Rural Development and Land Reform, was invited to deliver the vote of thanks. Dr. Munyai highlighted on the efforts of the government regarding land reform over the past 24 years. A total of 1.2 billion hectares have been redistributed through the government's land reform programme. She further highlighted that despite the challenges and the lack of satisfactory results, the government will continue to employ the current legislative framework to implement land reform until the debate on expropriation of land without compensation is settled. She did however indicate the awareness of government about the need to redesign the land claim process in order to reduce the bureaucracy.



Dr. Fhumulani Munyai, Department of Rural Development and Land Reform

# Key points from the symposium

Several consistent arguments and positions were advanced throughout the symposium throughout the different sessions. These points are as follows:

- The current land reform programme has failed and as such new policy stances and modalities are required.
- Expropriation of land without compensation seems like a foregone conclusion and as such proper policies and modalities should be devised to implement the programme.
- In addressing land reform, long-term solutions, rather than short-term solutions should be prioritized.
- Land reform and the broader transformation in the sector must not solely focus on emerging farmers in rural land, but also address all levels of the value chain in order to attain true transformation.
- Collaboration between different stakeholders is required to address the challenges plaguing the agricultural sector.
- Collaboration and coordination between various government entities is necessary to ensure that government programmes achieve the desired impact.
- Support for emerging farmers, or rather lack thereof, is a challenge.
- Support must be provided both in financial and non-financial terms.
- A policy shift is necessary to reconfigure the mandate of the Land Bank in order to ensure that it serves a developmental mandate and in doing so provide the necessary funding to emerging farmers, particularly black farmers.
- There is a need to gather accurate data on farming in South Africa in order to develop evidence-based policies.
- Research & Development has a pivotal role to play in addressing the challenges in the agricultural sector.
- Commodity focused FSPs are necessary in order to have impactful interventions.

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