



2019

AGRI SYMPOSIUM



ABOUT THE SYMPOSIUM

The Agri Symposium is an event that was initiated by the state-owned entities that service the agricultural sector in South Africa namely, the Agricultural Research Council (ARC), the Land and Agricultural Development Bank of South Africa (Land Bank), the National Agricultural Marketing Council (NAMC), the Onderstepoort Biological Products (OBP) and the Perishable Products Export Control Board (PPECB). The 2019 Agri Symposium marks the first time that all the five entities jointly hosted the event since its inception in March 2017.

THE PURPOSE OF THE AGRI SYMPOSIUM IS TO BRING TOGETHER STATE-OWNED ENTITIES (SOE'S) FOR COLLABORATIVE WORK, SEEKING TO FIND SOLUTIONS TO AGRICULTURAL CHALLENGES, IN TURN BENEFITING THE AGRICULTURAL SECTOR. THE SYMPOSIUM INVITES STAKEHOLDERS ACROSS THE SECTOR NAMELY ACADEMIA, FINANCIAL INSTITUTIONS AND AGRICULTURAL ORGANISATIONS. THE THEME FOR THE 2019 AGRI SYMPOSIUM WAS "EFFECTIVE NATIONAL AGRICULTURAL SUPPORT SYSTEM TOWARDS A VIBRANT SECTOR."



OPENING REMARKS

The welcoming and the opening remarks of the 2019 Agri Symposium were done by Dr. Joyce Magoshi Chitja. In her opening remarks, she indicated the purpose of the 2019 symposium and also introduced partner organisations namely, the Agricultural Research Council (ARC), the Land and Agricultural Development Bank of South Africa (Land Bank), the National Agricultural Marketing Council (NAMC), Onderstepoort Biological Products (OPB) and lastly, Perishable Products Export Control Board (PPECB). Dr Chitja highlighted that the symposium was to discuss important issues within the agricultural sector and also find solutions.



DR. JOYCE CHITJA



KEYNOTE SPEAKER

Prof. Mandi Rukuni was introduced by Dr. Joyce Chitja as the keynote speaker. Prof. Rukuni is a development analyst and strategist in several sectors including agriculture. His presentation provided a framework and a way of thinking about international trends in agricultural support, within an African context. Prof. Rukuni indicated that globally, the World Bank and the United Nations have simplified the categorisation of countries into the following: high-income, middle-income and low-income countries. He noted that Africa is the only continent without a high-income country and South Africa has been Africa's best chance of a high-income country, however it is plagued by the "middle-income trap" where there is a low economic growth rate, rising unemployment rate, worsening inequality, and urbanisation with no jobs. With regards to agriculture, he argued that there is no generic solution to farmer support, it depends largely on the categorisation of the country, and it also depends on how the countries are trying to get to the next level of categorisation i.e. accelerated growth and innovative ways to get into industrial strength (faster economic growth through acceleration of land reform).



PROF. MANDI RUKUNI

KEYNOTE ADDRESS

THEORY OF CHANGE

Prof. Rukuni highlighted that in order for South Africa to get to where it needs to go, it needs to apply the theory of change. It is important to understand the problem, the causes, diagnoses and the current solutions. The following were his considerations:

- Firstly, it is important to analyse what is the problem? The rising equilibrium rate of unemployment which has not dropped for more than 20 years and worsening inequality are the existing problems. The existing problems in South Africa result in urbanisation due to large rural population trying to run away from poverty and also seeking for employment opportunities in the urban areas.
- Secondly, what is the cause to the existing problem? He identified the cause as the hard-wired dual economy- having limited domestic market for manufacturing products which forces countries to rely on exporting to achieve new sources of growth. In other words, such countries have incomplete conversion between rural and urban manufacturing sector. The countries with limited domestic market are to remain in the middle-income trap and the largest economies in the world consume their own products.
- Thirdly, what is the diagnosis? South Africa is in the middle-income trap, with an unorthodox structural transformation.

- Lastly, what is the solution that can be developed to deal with different problems that might arise? There is a need for major policy shifts to expand domestic markets for locally produced products.

Proposed solution

He further indicated that the state and private sector have roles to play to improve the agricultural support programmes to farmers in the right way. Therefore, this requires the above-mentioned sectors to deal with three (3) categories of farmers and to deal with issues at macro, middle and micro level.

- Macro level looks at the four (4) ingredients of the economy; the fiscal policy must be adjusted to drive rural-agrarian transformation, market and (trade) policy has to change to promote a strong rural financial support services sector, and the Land Bank could play a key role.
- At a middle level, the state-owned entities are very important. Aggregation of products and agro-logistics is the most important role for the SOEs because the only difference between small and commercial farmers is aggregation and agro-logistics.
- Some of the lessons learned include the importance of more family farms policy being translated into legislation and also a need for innovative policy research (such as public procurement, subsidy and investment).



SESSION 1: INTERNATIONAL TRENDS AND BEST PRACTICES



FROM LEFT TO RIGHT: DR JOYCE MAGOSHI CHITJA (UKZN), DR THEO DE JAGER (WFO PRESIDENT), DR FANCESCO PIERRI (FAO SOUTH AFRICAN REPRESENTATIVE) AND PROF MANDI RUKUNI

The first session highlighted significant observations on the best practices and basic standards for farmer support globally. The panel made an observation that policies to improve farmers productivity and alleviation of rural poverty are critical, and such policies are being implemented by developing countries to arrive at a level of agricultural productivity and food security. Additionally, proper implementation of policies would allow South African smallholder farmers to graduate to being commercial farmers and participate in the value chain. Therefore, different policies need to cater for different needs of the beneficiaries; special policies need to focus on the needs of the smallholder and family farms to achieve food security. Such policies need budget and incentives to involve the private sector.

INTERNATIONAL EXAMPLES OF FARMER SUPPORT PROGRAMMES

It was argued that there are two approaches to farmer support and the majority of countries support farmers to enhance profitability (sustainability) and to ensure that farmers are competitive in local and international markets. The following observations were presented:

- ▶ Farmer support programmes in Africa are largely for welfare purposes, to address issues such as hunger and poverty, and they should focus on empowering smallholder farmers to compete in the markets. South Africa was said to have the least level of farmer support.
- ▶ Global politics with regards to GMOs and protectionism are negatively influencing the competitiveness of African farmers. Larger economies support their farmers directly (marketing boards) or indirectly (research and development) to make them more competitive, however there is no efficient global referee of the playing field.
- ▶ Countries such as New Zealand and Brazil provide research and development support to make their farmers more competitive and sustainable.

- ▶ Other countries such as Nigeria, the Gambia and Germany support farmers by enhancing market access, subsidizing finance, providing easy access to inputs, providing loans over longer periods of time at lower interest rates, insurance subsidies and providing cheaper access to technology.
- ▶ Tanzania and Ethiopia strengthen cooperatives by pooling resources together and reaping benefit they would not have otherwise realised. These case studies are successful in growing their agricultural sector.

Inclusion of youth and women

- ▶ The panel suggested that in order to attract youth in agriculture, palatable jobs for the youth need to increase.
- ▶ The panel also mentioned that if agriculture is profitable and is treated like a business, youth will be attracted to agriculture.
- ▶ The importance of a balanced sector, including women is important for the development of the sector and the economy.

SUMMARY

The key message was that farmer support looks different for each country and depends on the needs of the country and its agricultural sector but it is crucial for the growth of the agricultural sector and in turn, the economy. Therefore, it is important to diagnose the problem properly, starting at a structural level and moving backwards. What worked in the past might not necessarily work today. Chapter 6 of the National Development Plan for instance already provides possible solutions for new entrants in agriculture through partnerships. South Africa needs to learn intelligently from other countries but use what works specifically for the country.



SESSION 2: NEW INNOVATIONS FOR THE FUTURE



FROM LEFT TO RIGHT: MR TSHILOLO R. RAMABULANA (OLIVE BLACK INVEST CEO AND OWNER), DR LITHA MAGINGXA (LAND BANK), MS JOYENE ISAACS (WESTERN CAPE DEPARTMENT OF AGRICULTURE), MR KHATHUTSHELO MASHAU (FARMER) AND MS GWYNNE FOSTER (TRACEABILITY SPECIALIST)

The second session looked at some of the new innovations that are required or available to sustain the agricultural sector. The session further looked at some of the challenges that smallholder farmers face to access some of the best cultivars and technologies in the continent and the world.



MATCHING AGRICULTURAL NEEDS WITH INNOVATIONS

From the panel discussion, it was indicated that it is impossible to solve a problem with the same thinking that created it and there is no one-size-fits-all. The following are solutions and suggestions arising from the discussions;

- ▶ From a Land Bank perspective, it is important to identify key drivers to innovation and technology and big data is one of the innovations that can be developed as it provides myriad opportunities to better understand what we are dealing with and to better inform decision making.
- ▶ There are a number of interventions that need to look at things such as putting investment in research for technology development which lead to significant improvement in agricultural production and the thinking about the solution in the agricultural sector needs to occur across the value chain, starting with the development of technology.
- ▶ Furthermore, development policies are critical to assist farmers to get everything right, but these should be specific to challenges faced by farmers. Therefore, the development of a legislative framework is vital to realise the impact of agricultural policies such as interest rate subsidy.
- ▶ Farmer data is becoming important and it is necessary to know where the black farmers are situated in each province for advisory services, as well as what extension workers get up to on the field.
- ▶ The availability of data requires investment in technology through developing tracking applications and free online datasets. This will enable farmers to operate sustainably.
- ▶ State-owned Entities (SOEs) need to invest in technology development, to have a database to know what each entity is doing. An assessment of the Fourth Industrial Revolution (4IR) is key, especially with respect to people. New agriculturalists need to be trained on drone operation, farmers need to be taught how to use cell-phones if new applications are being developed and radio is still the best communication for farmers to receive information because of their geographical location and poor network. These are key developmental issues that needs to be considered when designing policies.
- ▶ Furthermore, from the farmers' side, it was highlighted that the ARC's developed technologies need to be utilized and practical for agricultural production.





- ▶ The ARC needs to develop pesticides that cater for specific areas or pests
- ▶ Farmers need to go back to the basics of farming, such as making sure they have the main resources for farming including implements, the right cultivars, water rights, land and pesticides.
- ▶ Moreover, some pests need to be declared natural disasters in order to assist struggling farmers, as well as financial institutions need to change ways of funding smallholder farmers, i.e. financial institutions need to allocate a portion of their funding to new technologies.
- ▶ Marketing capacity needs to be improved and sharing of information about the alternative cultivars, pesticides and implements needs to be improved.

- ▶ Industries used to finance various activities including technical extension, training and research, but after the deregulation of the agricultural sector, this aspect disappeared, which disadvantaged new farmers (“emerging farmers”) in the country.
- ▶ Therefore, those new farmers came into an environment where technical barriers to trade were not successfully addressed, which include record keeping, labour safety, environmental issues.
- ▶ The ability to provide an enabling environment for communication with emerging farmers and coherence of information to address traceability issues in silos, abattoirs, etc. is needed.
- ▶ In addition, information at the ground level to understand food safety, traceability and consumer protection is lacking.



THE OVERVIEW

The take home message from the session was that the agricultural sector needs to go back to the basics of farming- the lack of infrastructure and resources is still prevalent- while also looking to integrate new innovations and technologies. The financial institutions like the Land Bank will need innovative finance models for farmers going forward. Government needs to understand the rules of engagement at the local level as people come from different spaces, therefore even as the 4IR gets promoted, understanding what people on the ground need is paramount for the development of the country. Additionally, the country needs to implement, measure and reflect on what has worked and what has not worked. The sector needs partnerships, from all stakeholders in order for the industry to grow. Part of the process of learning for government is also the need to monitor and evaluate so that changes can be made. Lastly, state-owned entities need to share information and disseminate information to their clients more effectively.



CLOSING REMARKS

Mr Mkhululi Mankazana, the Acting Deputy Director General: Economic Development, Trade and Marketing of the Department of Agriculture, Forestry and Fisheries (DAFF) delivered closing remarks. Mr Mankazana noted that, since we are living in a global village, the emergence of online marketing is something to consider, where traditional markets are becoming outdated. He also noted that the issues beyond agriculture such as land reform, rural development, energy, transportation that arise because of doing business need to be looked at holistically and partnerships formed with such sectors. Water licensing issues and cost of compliance are still challenge within agriculture. Mr Mankazana highlighted that DAFF has developed the Comprehensive Producer Support Policy to respond to different categories of farmers through a blended finance model with the Land Bank, together with the Department of Trade and Industry. This is a vehicle to simplify the processing of applications, as well as shorten the turnaround time of applications. He also mentioned that we need to start looking at agriculture from an agribusiness development perspective, as a sector that has a part to play in industrialisation because for manufacturing to grow, it will depend on agriculture. There is also a need to broaden the scope and look at the commodities that need to be prioritised. In closing, he noted that the SOE's have work to do, emanating from the discussions and to put the recommendations into practice.



Key considerations from the symposium

The key messages that came out of the symposium are aligned to the theme of the symposium. There was consensus about the following key points;

- ▶ National agricultural support is crucial for an economy to grow and compete in the global markets by supporting its farmers so that they can be profitable.
- ▶ Agricultural support is different across countries but it has to speak to the needs and objectives of each country. South Africa has to address its structural problems.
- ▶ In order for South Africa to escape the middle-income trap, it needs to focus on expanding locally produced products and growing local consumption of those products.
- ▶ Agriculture needs to be treated as a business and a sector that has the potential to create economic growth across the value chain.
- ▶ Farming needs to go back to the basics of farming, while also looking to integrate new innovations and technologies.
- ▶ Financial institutions like the Land Bank will need innovation finance models for farmers going forward.
- ▶ Government needs to understand the rules of engagement at the local level as people come from different spaces, therefore even as the 4IR gets promoted, understanding what people on the ground need is paramount for the development of the country.
- ▶ The country needs to implement, measure and reflect on what has worked and what has not worked in order to achieve its objectives.
- ▶ The sector requires partnerships, from all stakeholders in order for the industry to grow.
- ▶ Information sharing among the five (5) institutions and the symposium platform poses opportunities for the institutions. The institutions need to refine their aim to work together beyond project collaboration, where each institution needs to come with its own information and suggestions. Ultimately, institutions need to integrate systems to be able to respond to critical issues affecting the agricultural sector or its clients.
- ▶ State-owned entities also have to share information and disseminate information to their clients more effectively.



ADDRESSES

ARC

1134 Park street | Hatfield | Pretoria
P.O. Box 8783 | Pretoria | 0001
SOUTH AFRICA

GPS Coordinates:

S 25° 44' 55. 8" E 28° 14' 14. 0"
Tel: +27 (0)12 427 9700
Fax: +27 (0)12 430 5814
nkami@arc.agric.za
www.arc.agric.za

Land Bank

420 Witch Hazel Avenue | Block D Eco Glades 2 | Ecopark
| Centurion 0157
Switch Board: 012 686 0500
Toll Free: 0800 00 52 59
Central Email: info@landbank.co.za
www.landbank.co.za

OBP

Onderstepoort Biological Products SOC (Ltd),
Co. Reg. No. 2000/022686/06
Postal address:
Private Bag X07 | Onderstepoort | 0110 | South Africa
Physical address:
100 Old Soutpan Road | Onderstepoort | 0110
Tel: +27 (0) 12 522 1500
Fax: +27 (0) 12 522 1591

NAMC

536 Meintjiesplein Building | Block A | 4th Floor | Steve
Biko & Francis Baard | Arcadia | Pretoria
Postal address: NAMC, Private Bag X 935, Pretoria, 0001
Tell: 012 341 1115
Fax: 012 341 1811
E-mail: info@namc.co.za
www.namc.co.za

PPECB

45 Silwerboom Avenue,
Plattekloof, 7500
T +27 21 930 1134
F +27 21 939 6868
www.ppecb.com