

SOUTH AFRICA: Briefing

Minister for Agriculture and Land Affairs, Ms Thoko Didiza's
parliamentary media briefing, February 2000

The portfolio of Agriculture and Land Affairs is clearly critical to the achievement of the Government's objectives of reversing the poverty of our rural areas and simultaneously providing economic opportunities for those who have been held back for so long by discrimination and neglect.

In June last year, I undertook to focus on aligning the work of the two departments. This I have started to do on the basis of their status reports on current programmes. Clearly, it became necessary to refine some of the approaches and system in order to execute this important task.

The process of assessment has gone parallel with improving service delivery to those that we need to serve. If one has to mention a few of these in the two departments, it can be highlighted as follows:

Within the **Agriculture Department**, we have made progress on the following areas:

Food security – Training in food security policy development, which is linked to work attachments in the SADC region, is ongoing. At the same time, we have worked with the Food and Agricultural Organisation to establish a Special Programme on Food Security in South Africa. I am pleased to announce that next week we will have our first major activity to launch the programme in the Northern Province. The aim of this programme is to identify sites in poor rural areas where through training, facilitating technology transfer and market access we can improve the economic opportunities for the people. This programme is implemented within the context of the Integrated Rural Development Programme. We will focus in the first year in the three provinces identified in the State of the Nation address.

Irrigation – We are in the process of rehabilitating the publicly established irrigation schemes inherited from the pre-1994 systems of governance. Work is currently focussed on three schemes in the Arabie Olifants river where we intend improving the infrastructure of the schemes, resolving the land access issues and improving the linkages to markets by improving the productivity and technology access constraints.

Other developments have happened in the areas of

- co-operatives
- biotechnology and biosafety
- research and development on new varieties
- soil mapping
- land care

In the **Department of Land Affairs**, we have made strides on the *Restitution* process. The number of settled cases from June last year is 1,586. There are other cases which are due for settlement in Gauteng, such as Paynville and Sophiatown, Eastern Cape – Westbank, Northern Cape – Loahla and Schmidtdrift, and Madimbo in the Northern Province.

Within the *Redistribution* project, work has also gone ahead such as distribution of land for settlement, establishment of commonages and share equity schemes. This refers to those projects that were in the pipeline at the time of my appointment, which will be concluded in April this year.

The plan of implementation is:

- To accelerate the transfer of state land to unlock the economic potential of rural communities whilst simultaneously addressing current inequalities in access to commercial agriculture by black farmers;
- To introduce new legislation on land tenure which provides for statutory rights to property and protection for the use of land for productive purposes;
- To provide for a more focussed and effective grant system in support of land redistribution so that the differing needs of beneficiaries are reflected in the grants approved;
- To introduce new grant system designed to assess smallscale and emergent farmers into market-oriented agriculture;
- To strengthen mechanisms for spatial planning of the district and municipal level as part of the Governments more integrated approach to rural development;.
- To strengthen our focus on integrated joint planning in the implementation of policy.

Let me deal with each in turn.

Transfer of State Land

Agricultural State Land will be transferred to Land Reform beneficiaries as a matter of urgency.

Institutions are to be created at national and provincial level to ensure co-operation and joint planning between the relevant stakeholders at local level to ensure a meaningful disposal of land to beneficiaries and enhance their access to services such as credit facilities, water supply, agricultural support and receive input from traditional institutions. These institutions will work in close collaboration with the Ministry. This process will entail entering into leasehold arrangements with options to buy with land reform beneficiaries.

In the policies of the past governments all tribal land was held in trust by the State. There is a need to redress this. To this effect, transfer of land to tribes and communities will be done. To facilitate the disposal of land to tribes work is underway to address changes to

the legislative framework and the drafting of regulations under the Upgrading of Land Tenure Rights Act of 1991.

This process will receive priority to unlock the developmental potential for these communities socially and economically. There will however be consultation with the relevant stakeholders

Land Tenure

The programme of Land Tenure Reform has been and is intended to extend security of land tenure rights to all South Africans. It particularly targets those “whose tenure of land is legally insecure as a result of past racially discriminatory laws and practices”.

In order to achieve this the Ministry together with the Department has embarked on work to consolidate and rationalize national land administration and also devise a system for registration of land tenure rights in the rural former homelands.

In relation to farm dwellers the short-term movement has been to introduce amendments on the Extension of Security of Tenure Act in order to minimize the rate of eviction of farm workers without any alternative accommodation being available.

In the long term, the developmental aspect of ESTA, which clearly forms our constitutional obligation, will receive primary focus.

The time within which labour tenants may submit their claims has been extended to March 2001 to achieve the same purpose of security of tenure. We committed ourselves to the Portfolio of Land and Agriculture to intensify the campaign to inform labour tenants of this extension. We further committed ourselves to ensure that we have completed our campaign by September this year.

The committee has requested us to submit a report by September this year on the progress made.

Land Reform Grant

The review of the current application based system of Settlement/Land Acquisition Grants (or SLAGs) has revealed a number of limitations in delivery and serious limitations in terms of agricultural development, rural development and poverty eradication. The failure of the land redistribution programme to make any significant contribution to black market-orientated agriculture requires a special response which I describe later.

The other limitations of SLAG are largely due to overemphasis on market forces as the core redistributive factor have failed to produce the desired effect and impact, thus limiting the level of choice, suitability and quality of land parcels acquired for land reform beneficiaries. The structuring of SLAG has also impacted on land prices and we

have had to pay inflated prices for marginal land; a confusion over objectives and a lack of co-ordination over the requirements to support land reform beneficiaries.

These evident weaknesses led me to introduce a moratorium on new projects last August which I am now happy to lift as we have much clearer guidelines available on the ways that Land Reform Grants (LRGs) the term we shall use will be awarded.

These are some of the changes:

- The Department of Housing will now work with us to administer LRGs principally for residential housing and settlement.
- LRGs for settlement and food security for poor sections of the communities will be treated separately from grants to assist in establishing market-based agriculture.
- LRGs for equity purchase are to be review.

In order to address the problem of grants inflating land prices, the total amount available for purchases of individual properties will be capped. The total grant contribution to cost of purchase price is to be reduced to either a ceiling or a fixed per hectare amount.

New Approach

A new supply led system will be piloted with a more proactive approach to managing the allocation of land, coupled with a more strategic use of grants to support the Government's integrated rural development strategy. The District (or possibly new municipal) Council will play a key role in planning by identifying land redistribution opportunities and needs in collaboration with local authorities and other relevant departments.

Commonage

The Grant for the Acquisition of Municipal Commonage will also be subjected to some changes, which amongst others include:

- The total amount available for purchases of individual properties will be subjected to a ceiling.
- Municipalities are to make own contribution in funding balances where properties exceed the stipulated ceiling.

Agricultural Redistribution Grants

A new grant section will be introduced with the aim of redistributing at least 15% of farmland in five years to emergent black farmers. This is an essential component of removing inequalities in the country's agricultural sector as well as a component of rural economic development.

Grants will only be available to those with a clear commitment to creating commercially viable and sustainable farming enterprises and every grant will need to be matched by a significant own resources contribution in terms of capital and loan finance.

There are different levels of emergent farmer as well as differing costs across the country in acquiring and developing land and farm businesses. Three grant windows are proposed, therefore, covering small, medium and large-scale emergent farmer with total project cost determining the windows to be considered.

We shall be working on the details of this new grant mechanism in the coming months and will consult with farmer organisations, the Land Bank and others.

Integrated Development Planning

The Integrated Rural Development Policy of the government as a whole is intended to concentrate public investment and service delivery improvements in areas within the poorest provinces, which have the best prospect for significantly increasing production and employment among the disadvantaged. This requires much closer co-ordination between government departments and the strengthening of district and municipal level planning, and this will be one of our priorities in land reform delivery.

In the near future I also expect to engage the department in the pursuit of a more integrated approach to land redistribution which, among other things, would seek to address more closely the issues of development and the challenging of settlement patterns of the past. A White Paper on Development and Planning will be produced in the course of the year.