Agricultural Policy Reform in South Africa

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Foreword

AIPA's research programme recognizes the critical role of agriculture in the economic and social transformation of South Africa. The agricultural sector is an engine for growth and development. This is because of the forward and backward linkages that exist between agriculture and the secondary and tertiary sectors, with agriculture supplying these sectors with raw materials and, in turn, providing a market for the goods and services generated.

In *Growth with Equity*, AIPA's macro-economic study of South Africa published in 1997, it is estimated that a 1% direct contribution to GDP by agriculture produces a 2% increase because of its interrelationships and linkages with the rest of the economy. AIPA further estimates that the potential of agriculture for direct and indirect employment creation is very significant: an investment of R1 million in agriculture will generate twice as many jobs as an equivalent investment in the manufacturing sector, and nine out of ten of the country's top employment generators are involved in agri-business. *Agricultural Policy Reform in South Africa*, which is part of AIPA's ongoing research series on the generation of sustainable effective rates of growth, employment expansion and equity, should be read in this context. It brings together analytical discussion papers written by some of South Africa's foremost specialists in the field of agriculture.

In order to explain a variety of complex socio-economic processes embedded in the political economy of the apartheid era and in its legacy, agricultural policy research requires a multi-faceted approach. The socio-economic strategies adopted by the segregationist regimes marginalized black South Africans in the formal economy. The process of introducing anti-black restrictive legislation began in the late 1890s, culminating in the creation of Native Reserves, which were consolidated into black states under the Bantu Self Government Act No.46 of 1959. As a consequence blacks were denied access to resources, arable land, markets and training facilities, while white farmers who owned most of the arable land, were served by comprehensive agri-support systems including physical infrastructure, extension schemes, market access, co-operatives, and skills and capacity development programmes.

The aim of this volume is to provide an analysis that will assist in changing apartheid strategies and create an environment conducive to the development of an efficient and competitive agricultural sector, regionally and internationally a sector that will contribute to economic growth with equity, capacity building in disadvantaged communities and employment expansion.

The book covers five main areas in relation to agricultural policy:

1. An overview of the South African agricultural policy environment
2. Agriculture's contribution and performance
3. Small farmer development
4. Agri-support systems and institutions
5. Southern African aspects

Each of the twenty-six individual chapters discusses and analyses a particular topic and makes policy recommendations for the transformation of the sector. These recommendations cover:

- the equitable distribution of land;
- the improvement of market information;
- the development and, where necessary, the upgrading of agricultural research programmes;
- the development of trade responses;
- the adoption of labour-intensive techniques;
- the development of agricultural and rural self-financing schemes;
- the promotion of food security.

This important volume and its twin report, *The Agricultural Democratisation of South Africa* not only enrich our knowledge of the problems facing South Africa's agricultural sector but also provide solid proposals for their solution. The chapters are well researched and comprehensive and should be read by all policy-makers and students of agriculture and rural development.

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Contents

1 Agricultural policy issues and reform for growth with equity in South Africa  
*(C J van Rooyen)*

2 Reconstruction, development and agricultural change in South Africa  
*(T Fényes, C J van Booyen, S Ngqangweni and B Njobe-Mbuli)*

3 Agriculture: Its role in the economic and social life of South Africa  
*(J Groenewald)*

4 Productivity and equitability issues in agriculture  
*(J Groenewald)*

5 Experiences with small farmer support programmes  
*(C J van Rooyen and S Nene)*

6 Small farmer development in South Africa: Problems and proposals  
*(C J van Rooyen and C A J Botha)*

7 Forces and factors which will influence the entrance of emerging farmers into the red meat industry: Trade and markets, research and development policies  
*(C J van Rooyen and A Jooste)*

8 Farmworker participation schemes as a mechanism for agricultural transformation  
*(S Ngqangweni and C J van Rooyen)*
9 Challenges for the restructuring of small farmer support services
(C J van Rooyen and T J Bembridge)

10 Agricultural land reform in South Africa: Realities, options and strategies
(C J van Rooyen and J van Zyl)

11 Land tenure
(J Groenewald)

12 Mechanisms for creating access to land: Focus on the beneficiaries
(C J van Rooyen and B Niobe-Mbuli)

13 Possible effects of agricultural land-tax in South Africa
(H van Schalkwyk)

14 Rural water supply policy: Reconciling growth with equity
(C J van Booyen)

15 Irrigation policy
(J Groenewald)

16 Rural finance
(K Spio and J Groenewald)

17 The state of agricultural finance transformation in South Africa
(G K Coetzee)

18 Marketing and trade issues
(J Groenewald)

19 An analysis of the Informal food marketing system in Kagiso and Orange Farm
(B F Mavhandu, C J van Rooyen and H D van Schalkwyk)

20 Agricultural education and training in South Africa
(C J van Rooyen, R Barnard and J van Zyl)

21 Returns on human capital development in South African agriculture: Research, extension and training
(C J van Booyen and J van Zyl)

22 Challenges for the South African agricultural cooperative movement
(C J van Rooyen and I M van Rooyen)

23 The impact of market reform and land reform on regional trade and food security in the South African grain market
(N Meyer, T Fenyes and D Louw)

24 Towards regional food security in southern Africa: A new policy framework for the agricultural sector
(C J van Booyen and H Sigwele)

25 Prospects for agricultural co-operation and trade in the southern Africa region
(C J van Rooyen)