



# agriculture, forestry & fisheries

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Department:  
Agriculture, Forestry and Fisheries  
**REPUBLIC OF SOUTH AFRICA**

**SPEECH BY THE MINISTER OF AGRICULTURE, FORESTRY AND FISHERIES,**

**MS TINA JOEMAT-PETTERSSON**

**THE AGRI – SA POLICY CONFERENCE ON THE SA GOVERNMENT’S EXPECTATIONS OF AND  
APPROACH TO AGRICULTURAL DEVELOPMENT IN AFRICA**

**SOMERSET WEST -22 FEBRUARY 2011**

**MR EBRAHIM PATEL: MINISTER OF ECONOMIC DEVELOPMENT;**

**MR JOHANNES MÖLLER: PRESIDENT AGRI-SA;**

**MR NEELS FERREIRA: CHAIRPERSON AGRI-SA COMMODITY CHAMBER;**

**MR ROBIN BARNESLEY: AGRI-SA GENERAL AFFAIRS CHAMBER;**

**MR ANDRÉ JOOSTE: NATIONAL AGRICULTURAL MARKETING COUNCIL;**

**MR OUPA BODIBE: COMPETITION COMMISSION;**

**MR NIC VINK: UNIVERSITY OF STELLENBOSCH;**

**MR HANS BALLYAMUJURA: ABSA;**

**MR CHARL SENEKAL: PRO-AGRI FORUM;**

**MR JAMES REELER: C4 EcoSOLUTIONS;**

**THEO DE JAGER: DEPUTY PRESIDENT AGRI-SA;**

**LADIES AND GENTLEMEN;**

I wish to express my deepest gratitude to AGRI-SA for inviting us to partake in this auspicious policy conference. It is always a pleasure and an honour to constructively engage a stakeholder such as AGRI-SA on a topical matter regarding the government's expectations of, and approach to, Agricultural development in Africa.

This symbiotic relationship is destined to grow from strength to strength. For this relationship between the Department of Agriculture, Forestry and Fisheries (DAFF) and AGRI-SA to be sustained and nurtured, we need to continue along a path of an open door policy that is characterised by dialogue that is open, robust and frank – so that we are able to talk to one another and not through one another.

There will be matters on which we agree and disagree, which is natural in any relationship however the test would be on how we manage those disagreements in a civil and mature manner.

This administration, under the stewardship of President Jacob Zuma, has elevated Agriculture from being a junior partner in cabinet to being one of the key players in the economic development of the country and the African continent at large.

The invitation by the COP 17 of the United Nations Framework Convention on Climate Change (UNFCCC) to have Agriculture placed high on the agenda at its upcoming conference in Durban this year is indicative of the seriousness and significance with which the UN appreciates the role of Agriculture in world affairs.

To confirm the importance that the United Nations attaches to Agriculture, we have been approached to lead a delegation of African Agriculture Ministers to COP 17 in Durban this year.

The focus of South Africa's engagement on the African continent is to promote development, contribute to the resolution of conflicts and the building of an environment where socio-economic development can take place. A number of issues that are of concern to us include:

- Africa is a diverse continent in terms of resources and production capacity. African countries are all exposed to high oil prices and food price inflation more than other developing regions, primarily because of low levels of financial reserves and product diversification. Due to high transportation costs and weak international competitiveness, landlocked African countries are more vulnerable to food shortage and poverty
- The entrepreneurial drive and potential of businesswomen to contribute towards economic growth and export development is still widely untapped in many countries of Africa. Support to women in agriculture business and trade is a key driver towards food security and poverty alleviation in Africa. Increasing women's access to land, finances and trade opportunities helps to increase their share in food production, wage employment and contributes significantly to their economic empowerment
- Building productive capacity for trade and exports, whether at the smallholder or micro-enterprise level, is essential for reducing poverty. But without markets there can be no basis for sustainable livelihoods. Regional economic integration that South Africa is pursuing with the rest of Africa is the key to the sustainable development of the smaller economies of Africa through access to larger markets. The programs of development of agriculture in these countries, therefore, have to be driven by the demand in the regional markets
- Intra-African (including intra-regional) trade has been around 10 per cent of the continent's total exports for the past two decades. We want to see that this percentage grow, which means that trade among African countries should grow at a much higher pace than with the rest of the world

There is no doubt that enhanced regional trade integration can play a positive role to foster diversification in Africa. Indeed, African producers – and in particular, small and medium enterprises (SMEs) - are more likely to be able to compete favourably and diversify their production at the regional level than they are on international markets where the competition is much more fierce.

South Africa's policy with regards to trade in agricultural products aims at:

- Improving the efficiency and competitiveness of SA agriculture
- Creating employment opportunities
- Stabilising / reducing food prices
- Creating opportunities for new farmers; particularly small-scale farmers
- Improving food security, i.e. accessibility and nutrition

South Africa, as a member of Southern African Customs Union (SACU) and a signatory of the Southern African Development Community (SADC) Treaty, is committed to share its objectives with the other nations in the region. Free trade within Southern Africa under SADC Trade Protocol started between SACU and Mauritius in September 2000. SACU opened its markets to the countries of the region by implementing the first phase of tariff reduction.

Since 2000 SADC tariffs have declined steadily making it possible to trade at a lower cost among the participating members. SACU can import at zero duty from the region over 80 percent of agricultural products. All other countries will have the same advantage at different deadlines between 2012 and 2015.

The signatories to the SADC Agreement are Angola, Botswana, DRC, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia, and Zimbabwe. However, Angola, DRC and Madagascar have not participated in the preferential trade as yet.

The main objectives of SADC Trade Protocol are:

- a. To create an environment of free flow of trade within the region, and therefore, to provide diverse markets for the countries to exploit their comparative and competitive advantages
- b. To establish co-operation and participation in the economic development of the region through consultation and policy harmonisation

Harmonisation of sanitary and phyto-sanitary standards within SADC is in progress. It will take some time for a number of member countries to establish the necessary infrastructure for the efficient implementation of the standards. SA has already offered technical assistance to member countries for this purpose. In the meantime SA standards, in accordance with the WTO regulations, are applicable to all imports of fresh commodities.

An annex on SPS as part of the Trade Protocol was signed in 2008, based on which the member states are establishing national legislation to match the required standards of the WTO. The faster the SADC countries achieve this, the easier it will be for SA to trade in agriculture with them.

The first objective of the Trade Protocol is to remove both tariff and non-tariff barriers to trade among SADC countries. SADC has set up an electronic reporting system for non-tariff barriers in which the department is involved as a contact point to receive traders' complaints.

Trade relations with African states are politically important, and of growing economic importance to South Africa. SA has strong and mutually dependent economic links with Southern African states through SACU and SADC. The New Growth Path Framework has also embraced intra-Africa trade as an important strategic focus in the context of developing and strengthening relations with our neighbouring countries.

SA's trade relations with the rest of Africa, excluding SADC and SACU, are taking place through bilateral cooperation agreements with individual countries. The focus of Africa multilateral economic work in the department, with respect to the WTO, is aimed at strengthening continental processes that seek to diversify and build capacity for agriculture and industrial production in African economies.

The department is positioning itself in Africa by special interventions to expand the availability of South African services in the SADC region and improving the trading environment; e.g. agricultural trade information, technical cooperation, interventions to mitigate production and trade risks, and efforts to standardize SPS measures where the national regulations allow.

Across the African continent, growth-oriented macroeconomic reforms, good conditions for business as well as clear efforts to liberalise markets, increased legal protections for investors, have come together in support of a favourable external environment. In addition to that, increased aid and debt relief mostly by the Asian and Latin American emerging economies have helped to attract high net private capital inflows.

SA's approach in achieving its continued prioritisation of the continent is to continue active participation in deepening bilateral relations and strengthening the multilateral bodies such as the AU, SADC and NEPAD to further deepen the continental integration agenda.

South Africa will be hosting two important summits this year to deepen the integration. They are the Southern African Customs Union (SACU) Summit and the Tri-partite Summit of the Southern African Development Community (SADC), East Africa Community (EAC) and the Common Market for East and Southern Africa (COMESA). The agenda items hinges on the promotion of intra-trade, economic growth and development.

The intra-Africa trade makes up less than 10% of the global trade and South Africa is dominating. In the case of addressing these skewed and/or unbalanced trade relations, most of the African countries' economic development is still at primary and secondary level, and trade mainly in agricultural commodities and mineral resources. In terms of agricultural products, post-harvest management remains a challenge which can be turned into a potential opportunity if properly addressed.

The recent visit by the Ugandan delegation led by President Yoweri Museveni has already presented an opportunity where South African farmers and businesses can access agro-processing opportunities in the Eastern African country. My office is facilitating a trip to Uganda where we will take a delegation of South African farmers and business people in the near future to explore these opportunities.

We hope that AGRI -SA can also partner with us here.

Other macro-economic factors such as agro-processing and agro-industry development agenda, financing and land use rights, still play a hindrance to agriculture development and growth. Government, through the Department of International Relations and Cooperation facilitates and co-ordinates bilateral engagements at different political levels.

Bilateral agreements and/ or Memorandum of Understanding is negotiated, concluded, signed and implemented on specific areas of cooperation.

Agriculture tops the agenda of negotiations in that there is a need for development assistance with regard to the commercialization of agriculture.

To highlight some of the challenges, the Democratic Republic of Congo is hosting some commercial South African farmers. The government has managed to address the basic needs of the farmers and one major issue that is being picked up to now is the inadequate infrastructure. Hopefully, the matter will be resolved through the urgent implementation of the NEPAD Programme for Infrastructure Development in Africa (PIDA).

The African Union Commission, in collaboration with the NEPAD/Comprehensive African Agricultural Development Programme (CAADP), are in the process of consulting with Member States in promoting CAADP roundtables, signing of CAADP Compact and reviewing progress in terms of agriculture investment.

The NEPAD/CAADP Compact facilitates a process whereby Member States identify high areas of agriculture investment. Investment package is then developed and made available to prospective investors to invest. Thus far, 24 African Union Member States have signed the NEPAD/CAADP Compact and the agriculture production has since improved.

South African Agriculture, agro-business and/or agri-business can play a meaningful role in championing the country's foreign policy agenda. Government, as always, will level the playing field for such investors to take part in such countries as agreed and meeting the development agenda.

There should be a feedback mechanism of monitoring each party's activities in the continent. In many instances some Member States approach individual prospective investors without establishing if the necessary legal framework is in place to venture into such activities.

This usually leads to potential investors losing their hard-earned assets. The South African government has put in place appropriate legal framework such as the Bilateral Agreement on the Protection of Investment, Avoidance of Double Taxation, in order to protect prospective investors.

The post 2007/08 Financial, Fuel and Food crisis (3xF) has opened up investment opportunities in agriculture, agri and/or agro business in the continent. African governments are also aware of the sectors' potential in promoting economic growth and development.

Appropriate and transparent legislation and policies are being developed and implemented. This opportunity comes also with stiff competition from investors and countries with high levels of food insecurity such as the Middle East and Asia.

In order to foster diversification and enterprise development, as well as regional economic stability, African countries, including South Africa, must step up their efforts to foster regional trade integration. Import duties have to be effectively eliminated where they are still applied, and other barriers such as deficient physical, procedural and institutional infrastructures also have to be improved.

This is the reason that we participate in regional trade negotiations to reduce tariffs and non-tariff barriers and address various aspects of capacity building, technical and institutional issues through bilateral cooperation agreements.

It is also important to align the work in the department with the ongoing national initiatives that are structured around a tripartite of COMESA-EAC-SADC FTA. The developmental integration approach will guide our engagement in facilitating economic activities of South Africans in the continent.

The work in this area has already started with national consultations in all the regional blocks that form part of the tripartite. The tripartite summit will take place in South Africa in March 2011 to give political guidance about the framework of the negotiations. The department will continue to engage the industry in this regard.

Although the challenges to promote trade and investment in Africa remain significant they are not insurmountable. A determined and coordinated effort to invest in the productive industries and allocating resources efficiently, developing quality infrastructure and enabling environment are critical if greater trade is to be realized.

In the absence of efforts on the part of both the government and industry to be partners on African agenda, this trend of trade imbalance will persist.

Africa has almost 60% of the global arable land that is under-utilized. It is imperative that the South African Government works together with the private sector and civil society to champion South African Foreign Policy Agenda in the continent.

Thank You!