

18 July 2024

AgriSA welcomes budget to strengthen agricultural sector

AgriSA welcomes the recent budget allocation dedicated to strengthening the agricultural sector, with a focus on supporting smallholder farmers, boosting agricultural exports, and enhancing biosecurity measures as presented by Minister John Steenhuisen in his budget vote speech, says AgriSA CEO Johann Kotzé.

“However, there are several key areas for enhancement, particularly in ensuring accountability in grant allocation, improving extension services, modernising legislation, and enhancing interdepartmental collaboration.”

He says the allocation of R1,741 billion to support approximately 6 023 smallholder producers across all nine provinces is a commendable effort. “This initiative aims to create about 3 000 jobs, significantly contributing to rural development. Additionally, the Ilima/Letsema programme will allocate R448 million to support 67 492 vulnerable households with food production, aiming to create 9 461 jobs.”

The budget underscores the robust growth in agricultural exports, achieving an annual increase of 5% in US dollar terms and 12% in rand terms over the past five years, says Kotzé. “The opening of new markets for avocados to Japan, China, and India, and fresh beef and lamb to Iran, exemplifies the proactive approach towards expanding South Africa’s agricultural footprint globally.”

“The blended finance scheme (BFS) and the Agro-Energy Fund (AEF) are critical in increasing access to affordable finance and supporting energy-intensive agricultural activities. These schemes, in partnership with financial institutions, have already made significant investments, facilitating the purchase of capital equipment and infrastructure for farming and agro-processing.”

He says the budget’s allocation of R10 million for the National Biosecurity Hub Programme is a vital step towards enhancing sanitary and phytosanitary capacities. “The proposed track-and-trace system for livestock will improve biosecurity measures and help combat stock theft, ensuring the safety and quality of agricultural products.”

Recognising the impact of natural disasters on agriculture, the budget emphasises the need for improved disaster preparedness and response. “This focus will help mitigate risks associated with veld fires, floods, and other natural calamities, safeguarding the agricultural sector’s resilience.”

However, there are areas requiring more focus. “Oversight reports indicate concerns about the misallocation of funds intended for farmers. The budget acknowledges the need for better planning, accountability, and proper reporting against targets. Ensuring rigorous monitoring and evaluation will be essential to guarantee that grants reach the intended beneficiaries and are utilised effectively.”



Kotzé says, while the importance of extension officers is recognised, there is a pressing need to improve both the quantity and quality of these services. “The budget suggests exploring public-private partnerships to enhance extension services, providing farmers with the necessary support and guidance.”

Furthermore, many statutes governing the agricultural sector are outdated, hindering progress. “The budget highlights the need to modernise the policy and regulatory environment, aligning it with international standards and harnessing new technologies to ensure global competitiveness.”

Effective agricultural development relies on robust infrastructure, such as roads, railways, and ports, which fall under various departments. Improved collaboration with these departments is crucial to support the agricultural sector adequately and unlock its full potential, says Kotzé.

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Enquiries:

Johann Kotzé

ifk@agrisa.co.za

