

WHITE PAPER ON AGRICULTURE 1995

Department of Agriculture

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PREFACE

When I gave my Department the task of developing a white paper for agriculture, I had two prerequisites:

- it had to reflect the basic principles for successful agriculture and those of the Reconstruction and Development Programme (RDP), and
- the process had to be transparent and inclusive of all the identifiable role-players in agriculture to ensure that their values and norms would be taken into consideration.

I appointed a committee, WITCOM, to develop the White Paper. Its members were from the Department of Agriculture (including the Deputy Minister of Agriculture), the Land and Agriculture Policy Committee (L&APC), the South African Agricultural Union, the National African Farmers' Union, as well as an academic and an executive member of a development corporation.

A three-tier consultative process was chosen to achieve transparency and inclusiveness: the first two tiers were political, namely at provincial and national level, and the third was directed at all the communities concerned.

According to Schedule 6 of the Constitution agriculture is a provincial function. One policy implication thereof is that the Departments of Agriculture at national and provincial levels must develop their own agricultural policies. However, agriculture cannot be divided into separate national and provincial compartments. The overall management of agriculture had to promote policy goals for both levels. WITCOM therefore decided not to develop a traditional white paper, but to develop a mission statement and a set of principles that could be used as the basis for the formulation of agricultural policies.

It was never the intention to confront any farmer or institution with a mission or a set of principles conceived in an office. The mission had to be developed by those mainly concerned in agriculture; it had to be the fruit of their deliberations and mind processes.

To develop a draft working document, WITCOM used the Agricultural Policy Paper of the LAPC (1994) as a basis that would reflect the values and norms of the ANC. WITCOM also used a document on agricultural policy developed by the Department of Agriculture (1993). Both these documents are well researched.

After consultation with the MEC's responsible for agriculture, an open invitation was extended in the press and on the radio to all those concerned to participate in a workshop. The purpose was to debate the principles of the working document in small groups and in a plenary session. The workshop was attended by at least 120 people

representing different constituents of agriculture from grass-roots to political level. The outcome of the workshop was mailed to all the groups that had attended. The results of the workshop and all written comments received, were used to refine the White Paper.

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WHITE PAPER ON AGRICULTURE, 1995

PREAMBLE

The Interim Constitution of the Republic of South Africa requires that a new policy be established for Agriculture. In terms of the Constitution agricultural functions fall within the competence of provincial governments. However, not all such functions are allocated *in toto* to the provinces because of the overriding provisions of section 126(3) of the Constitution. A national agricultural policy is necessary and a distinction should therefore be made between national and provincial responsibilities towards agriculture and its different role-players.

This is a document on principles. It reflects the fact that although agricultural functions are provincialised, agriculture has a national character as an integrated sector. Through wide discussions and consultation in a transparent manner, a package of principles has been developed to reflect the specific needs of agriculture as a vital sector of the economy and of the different role-players in this sector. These principles reflect the opportunities for, as well as the threats to this sector and its role-players, both those that were advantaged in the past and those that were disadvantaged. The principles form the basis of, and serve as a common denominator for an agricultural policy that will create an environment which is accessible to all role-players in agriculture, be it other State departments, farmers, agro-industrialists or farmer organisations, so that they can formulate their respective strategies while taking into account this basis.

A basic tenet for these principles is that agriculture is an important primary component in the national economy and for the community. Not only is agriculture often the major factor in rural economic growth and development, but the necessary programmes to support agriculture play a distinctive role in broadening the economic and social options of rural and urban people, and consequently in improving their quality of life. In the urban context the improvement in food safety standards as well as in the variety and quantity of agricultural products improves consumer satisfaction and induces the processing of products in urban surroundings. The role of agriculture in the rural community must, however, be coordinated with the roles of the other Government Departments, nongovernmental organisations and private enterprise involved in and willing to rebuild and strengthen South Africa's rural communities.

South Africa is a country lacking sufficient water supplies. It is also characterised by a scarcity of high potential agricultural land. The nonagricultural demand for both these resources is increasing. It is imperative for agriculture to utilise these two resources to ensure the sustainable production of agricultural products.

The present structure of agriculture and rural communities is characterised, amongst others, by a very uneven income distribution. This problem can be addressed by broadening access to agriculture *via* land reform and bringing small-scale farmers into the mainstream of the Government's technical and financial assistance to agriculture. However, rural infrastructure needed for agricultural development, eg access roads, telephone services, electricity, etc, is inadequate in many areas.

Agricultural and economic policies encouraged commercial farmers to increase farm size and to substitute labour with capital. Single-channel fixed price marketing schemes and the cross-subsidisation of agricultural product prices and transport costs caused a distortion of price relationships, which resulted in the incorrect allocation of agricultural resources. Such schemes counteract the comparative advantage of many production areas and had serious economic and social implications for the country. Neither was it conducive to the development of small and decentralised agribusinesses in the rural areas that could lead to further growth. It must, however, be acknowledged that the marketing schemes, of which the single-channel fixed price scheme is only one, in combination with sound agricultural research provided the environment encouraging and enabling farmers to produce, under adverse weather, physical and biological conditions, in excess of domestic needs: a phenomenon unknown on the African continent.

In the past, ensuring food self-sufficiency was a goal of agricultural policy and the development of small-scale farming was seen as detrimental to this goal. Within the context of food production, but more in line with food security at national and household level, the potential and role of small-holder farming become important. However, appropriate research will have to be undertaken to develop this potential.

South Africa forms part of Africa and the Southern African region and because of its well-developed infrastructure, it is expected that the country will play a leading and supportive role in the development of the continent and region. Government research institutes or those at universities and in the private sector can make a large contribution. At the same time these institutions can be enriched by newly established links.

Taking all the relevant facts into account—positive as well as negative - a **vision** of a new agriculture in South Africa emerges:

A highly efficient and economically viable market-directed farming sector, characterised by a wide range of farm sizes, which will be regarded as the economic and social pivot of rural South Africa and which will influence the rest of the economy and society.

This vision poses challenges to the sector concerning the managing of potentially conflicting requirements by the different kinds of farmers. Furthermore, the concept of zero budgeting necessitates the reassessing of the role of the Government in this sector, the allocation of resources for implementation of policy as well as the necessary institutional arrangements. To accomplish this, the following critical agricultural policy goals must, *inter alia*, be pursued:

- (i) Developing a new order of economically viable, market-directed commercial farmers, with the family farm as the basis.
- (ii) The broadening of access to agriculture *via* land reform should be enhanced by adequate agricultural policy instruments, and supported by means of the provision of appropriate services.
- (iii) Financial systems should focus on the resource-poor and beginner farmers, enabling them to purchase land and agricultural inputs.
- (iv) Trade in and the marketing of agricultural products should reflect market tendencies.
- (v) Agricultural production should be based on the sustainable use of the natural agricultural and water resources.
- (vi) Developing agriculture's important role in the regional development of Southern Africa and other countries.

The mission statement for agriculture is defined under the next heading. The seven agricultural policy areas in support of the mission and in pursuance of the mentioned critical policy goals, are presented under the

following headings:

Production

Marketing

Sustainable utilisation of natural agricultural resources

Agricultural financing

Institutional infrastructure

Information and

Agricultural technology, research, extension and training.

For each of the policy areas the relevant principles or strategies are given and discussed in a concise manner. To minimise duplication of principles in the different policy areas, principles that are applicable to more than one of these areas are listed in the main body of the document but discussed in ADDENDUM A.

1. MISSION STATEMENT FOR AGRICULTURAL POLICY

Ensure equitable access to agriculture and promote the contribution of agriculture to the development of all communities, society at large and the national economy, in order to enhance income, food security, employment and quality of life in a sustainable manner.

This mission can be achieved by recognising the contribution of all farmers and ensuring equitable access to resources and services and the sustainable utilisation of agricultural resources, production and marketing. Because the agricultural sector operates in a new general policy framework, concepts traditionally used in agriculture changed. By including all agricultural role-players in the new agricultural paradigm, the content of certain existing concepts will change. For the sake of clarity and for the purpose of this White Paper, some of these concepts are defined in the text, while others follow:

Agriculture involves the sustainable and productive utilisation of natural resources and other inputs by people for plant and/or animal production purposes, either for own consumption or for marketing.

A farmer, irrespective of his/her race, gender or scale of production, is a land user who engages productively in agriculture, either on a full-time or on part-time basis and regardless of whether agriculture forms the principal source of income.

Sustainable agriculture refers to farming systems which are productive, economically viable and environmentally sound over time.

Rural areas, from an agricultural point of view, refers to those areas of the Republic where agricultural practices prevail outside the boundaries of any local government that are fixed by law.

Where applicable the overall principles or strategies must be read in conjunction with those discussed under the specific policy areas.

1.1 National and household food security are equally important and must be addressed from a multidimensional point of view.

1.2 Agriculture is an important sector for social and economic growth and development in rural areas, and will be recognised and promoted as such.

1.3 The research and institutional infrastructure of South Africa is important for the development of agriculture in Africa.

1.4 Farming systems and the incentives that drive them change over time, but they should be sustainable, environmentally, economically and scientifically sound, and socially and politically acceptable.

1.5 Agricultural practices which take into account the highly variable weather conditions and limited agricultural potential of South Africa, will continuously be developed and applied in their local context.

1.6 Services to farmers will be rendered in an equitable manner which discourages existing and potentially discriminatory practices and allows the benefits of development to be more widely distributed, taking into account that access to resources, scale of production, use of purchased inputs and volume of marketable produce differ from farmer to farmer.

1.7 The regulatory framework for agriculture will be scale neutral and will facilitate participation in production and marketing by new entrants to farming.

1.8 Affirmative action programmes will be focused on South Africans with a low income who were previously denied access to opportunities in agriculture, and will ensure access to agricultural resources, credit and farmer-support services.

1.9 Government agricultural programmes should contribute to the independence and selfreliance of all participants in the agricultural sector.

1.10 Agricultural support programmes will be designed in such a manner as to improve the quality of life, skills and productivity of farmers and farm workers.

1.11 The contribution of farm workers to agricultural production will be recognised and extended.

1.12 Government agricultural programmes will be scientifically planned and executed.

1.13 Government agricultural programmes will be aimed at specific objectives and will, subject to preassessment, evaluation and monitoring within predetermined time frames, operate on the basis of voluntary participation.

1.14 Agricultural support services will be rendered to farmers who participate in land-reform programmes.

1.15 Social subsidy programmes should not jeopardise the realisation of the economic viability of the agricultural sector.

1.16 Security of land tenure under all land-tenure systems will be promoted as a basis for the effective utilisation of agricultural resources.

In conjunction with the abovementioned general strategies/principles the following agricultural policy areas and their supporting strategies are necessary to fulfil the mission.

2. PRODUCTION

2.1 Comparative advantages within South Africa's borders will be reflected in agricultural production systems and practices

Because of the variation in weather and ecosystems agricultural production varies widely in different parts of the country. The various production areas should capitalise on these differences by optimally utilising their natural resources, distance from markets, technology and labour productivity. These comparative advantages may change over time. Nevertheless, they can be used as a guide to the production systems and practices which are appropriate locally. This will optimise utilisation of the land, increase rural incomes and ultimately increase national income.

However, there are many reasons why some farmers choose not to utilise their comparative advantage, one being the wish to ensure on-farm food production because of uncertain markets. The Government can assist such farmers to use their comparative advantage and increase their income (and food security) by creating an environment that promotes general, consistent and affordable food availability. Farmers can then safely start producing cash crops more suitable to their conditions and to the market. In all cases, the creation of a secure environment and the provision of information and appropriate services will allow farmers to experiment, and to identify their comparative advantages. As comparative advantage is a dynamic concept, and as some farmers are likely to take the lead, it cannot be imposed.

Adherence to comparative advantage in production systems in every region will increase South Africa's international competitiveness.

2.2 Agricultural production systems and practices will be organised in such a manner as to improve national as well as household food security

These two types of security do not necessarily go hand in hand—a country can be a net exporter of food while many of its people live on the poverty line. It is of the utmost importance to strive to attain national as well as household food security. The Government should therefore support the full spectrum of production systems and practices, from urban food gardens and small-scale production for household income and food security to large-scale production systems which can add considerably to national food security.

2.3 Drought will be recognised as a normal phenomenon in the agricultural sector and it will be accommodated as such in farming and agricultural financing systems

In the past drought aid schemes often focused on the disruptive effects of droughts and not on the causes of those effects. Farmers were assisted by the Government without being required to switch to less vulnerable production systems. However, livestock farmers are required to reduce stock numbers to qualify for assistance. Farmers should be encouraged to farm in accordance with the climate in their region and to use hardy seed varieties and suitable farming systems.

The Government should not support measures that soften the negative impact on farm incomes caused by poor risk management as this will cause farmers to use high-risk methods which could endanger resource conservation. Farming systems which make provision for droughts as normal phenomena in South Africa should be developed and used. Unsustainable farming practices create man-made droughts, something which has been common in South Africa.

2.4 In the case of natural disasters the Government will be responsible for giving assistance to

counter unacceptable consequences as far as possible

Natural disasters such as floods, runaway veld fires, severe droughts and untimely frosts can totally disrupt communities and can force farmers, over the whole spectrum of farm sizes, out of business. Such disasters do not include natural phenomena which occur on a regular basis, such as intermittent droughts in the stock-production areas and hailstorms in hail-prone areas. In the case of natural disasters it is in the interest of the country as a whole that the Government should take steps to counter unacceptable consequences for the rural economy. Such steps could include financial assistance to the agricultural sector.

2.5 Agricultural production practices and systems should favour the use of labour wherever it is economically justified

Sustainable production and value-added systems are based on the utilisation of available resources. In South Africa labour is an under-utilised resource. It was ill-conceived to try and circumvent labour problems by means of costly large-scale mechanisation in the 1970s. It is of the utmost importance that ways should be found to optimise the utilisation of labour in agriculture. It will require, amongst others, effective labour organisations, good labour relations, the appropriate training of farm workers and finding a balance between labour and mechanisation by means of appropriate technology.

Mechanisation does not always increase farm profits and economic viability. Labour is a relatively freely available production resource which can be fully utilised in the production system, provided that better training is given. This could create employment opportunities, reduce capital input in agriculture, stabilise rural communities and lead to a better quality of life.

2.6 The addition of value close to the point of production promotes income generation and development in that area, and should be encouraged wherever it is economically justified

The promotion of local farm services and the local processing of farm products will enhance the rural economy, increase the viability of farm production and reduce rural poverty.

2.7 The greater vulnerability of resource-poor farmers to risk will be recognised

It was found in Third-World countries in Africa and Latin America that so-called appropriate technology and improved farming systems developed at research stations for resource-poor farmers without their involvement were often not accepted, or when applied, were not sustainable. More is now known about the vulnerability to risk of resource-poor farmers, which explains many failures of the past. Any involvement in rural development should be participatory, so that the person experiencing the problem as well as outsiders understand the risk of, and develop low-risk alternatives for, envisaged changes, adaptations, and improvements.

3. MARKETING

3.1 The agricultural marketing system should ensure equitable access to the market for all participants

The South African economy has been subjected to a range of regulatory measures that prevented many producers from fully utilising market opportunities. The agricultural marketing system has for a long time been characterised by a statutory framework. Since the late 1980s marketing has been substantially deregulated and reshaped within a framework of norms consistent with those of a market-directed economy and the collective needs of society. Institutions serving the needs of farmers, traders and other affected parties are therefore reassessing their *raison d'être*, their functions and their responsibilities, especially in the case of statutory or mandatory intervention. Although meaningful progress has been made in this area, it is an

ongoing process. The principles embodied in this White Paper will provide guidance in this respect.

The process of deregulation should be so managed that it creates a marketing environment that improves the efficiency of marketing functions in order to reduce costs and increase demand—two basic conditions for realising the full potential of agriculture's contribution to balanced economic development and serving the needs of society. This can be achieved best through improved competition and not necessarily by introducing new regulatory measures.

In many cases the value-adding chain in agriculture is characterised by concentration and other factors, some of a regulatory nature, that limit entrance by new or smaller entrepreneurs. Large-scale enterprises will continue to play an invaluable role in the national economy and on the commercial market where economies of scale, bulk sales and branded products are prerequisites for success. Nevertheless, regulatory measures that are discriminatory and unnecessary and that prevent equitable access to the market for new and smaller participants, should be suspended.

Special attention should be given to the needs of small-scale farmers. Their success depends *inter alia* on infrastructural and marketing support services such as market facilities, information, packing and storage facilities and transport services. Their small output volumes are also often not acceptable to agents or traders.

Equity in access to the market will therefore require reorientation on the part of traders involved in agricultural marketing. The Government accepts that private enterprises must be competitive and profitable to survive. It is furthermore accepted that the necessary marketing services must preferably be rendered by cooperatives or other private enterprises. The Government will assist local communities and private enterprises by creating an environment where small-scale farmers have access to services at an affordable cost. Such development requirements should be dealt with where the need exists, outside marketing price arrangements and preferably by the provincial governments themselves.

3.2 Agricultural marketing arrangements should conform to the basic rights of individuals as stated in the Constitution

Local and international experience has led to the recognition and protection of individual rights as the cornerstones of a just and stable society. Rights of the individual relate to issues such as equality, freedom of economic activity and the right to associate freely. It also implies an orderly society which is so governed that private initiative is promoted by Government policies and preferably not restricted by regulatory measures or competition from Government enterprises.

The Constitution of the Republic of South Africa (Act No. 200 of 1993) endorses this approach and stipulates in section 17 that "every person shall have the right to freedom of association".

It must nevertheless be accepted that there are limits to the extent to which individual rights, such as freedom of association, can be allowed in orderly societies. Section 33 of the Constitution provides for limitations or exceptions in this respect, provided that such limitations are reasonable and justifiable in an open and democratic society based on freedom and equality and do not negate the essential context of the right in question.

Consistent with these stipulations of the Constitution, the Government accepts that freedom of choice and freedom of association should form the cornerstone of its agricultural marketing policy, while also accepting that this basic right may be curbed where deemed reasonable and justifiable in the public interest.

Statutory marketing arrangements must therefore be sufficiently supported by all directly affected parties. These parties should regularly approve business plans, budgets and levies. Control boards, composed of representatives of the affected parties, may at any time request that a marketing measure or scheme be amended or suspended. Marketing schemes must be regularly re-evaluated by the National Agricultural

Marketing Council.

In this way the letter and spirit of constitutional provisions on basic rights will be carried out. Agriculture will still have access to statutory marketing instruments where necessary, but the mandating procedures that provide for inclusiveness, transparency and accountability will ensure that such measures can only be instituted and maintained if they are in the public interest.

3.3 Representation on statutory marketing institutions should be inclusive of all interested affected parties

While statutory marketing measures are retained, it is essential that Parliament, through the Minister of Agriculture, be involved in the sanctioning of measures. Because statutory marketing arrangements may place restrictions on individual rights, such measures may have to be tested in the Constitutional Court. It is therefore appropriate that the Minister's authority be limited to the power to implement measures which have been subjected to objective evaluation and found to meet the needs and have the support of the majority of the involved farmers as well as that of all affected parties.

The Marketing Act should make provision for a National Agricultural Marketing Council which is so constituted that the needs and objectives of affected groups in the community are taken into account in deliberations on the merit of an existing or proposed statutory arrangement. The relevant primary producers will in future not only need adequate support within group context, but will also have to convince other affected parties and obtain their support for the retention of statutory intervention. The point of departure should be for the National Agricultural Marketing Council to take the same factors and points of view into account in its evaluation of the merit of statutory marketing arrangements as would the Constitutional Court.

The National Agricultural Marketing Council must for this purpose be comprised of the following groups: commercial agricultural producers, small-scale farmers, agriculture-related commerce and industry, as well as consumers. These groups must nominate members for appointment by the Minister.

To maintain the integrity of control boards, it is of the utmost importance that their members act in good faith. This entails that a member should exercise an unfettered discretion and avoid a conflict of interests.

The management and administration should accordingly not be vested in or delegated to a separate private legal entity where this would in effect negate the principle of arms-length dealing between the respective bodies.

A deviation from these principles shall be permissible only where this is objectively justifiable in the circumstances.

3.4 In order to enhance the welfare of the nation as a whole, Government intervention in agricultural marketing should

(a) be limited to the correction of market imperfections and socially unacceptable effects;

(b) never be used to rectify socially unacceptable conditions when nonmarket mechanisms are appropriate;

(c) allow for export marketing arrangements which enhance the welfare of the nation as a whole

3.4(a) Government intervention in agricultural marketing should be limited to the correction of market imperfections and socially unacceptable effects

The Government accepts that intervention in agricultural marketing should be confined to those actions which are considered essential and which are largely aimed at addressing shortcomings in the service structure, market environment and market mechanisms.

For this purpose the Marketing Act, which currently provides for many such interventions, should at its outset clearly state its goals and objectives in order to explicitly set parameters within which intervention in the marketing of agricultural products may take place. The National Agricultural Marketing Council will have to play an important role in assessing the merit and support of affected parties for measures aimed at correcting market imperfections or unacceptable social effects.

The net effect of this approach towards statutory marketing arrangements will be a rationalised policy framework promoting comparative and competitive advantages in the allocation of resources, and limiting interventions to cases where they serve the general needs of the community.

3.4(b) Government intervention in agricultural marketing should never be used to rectify socially unacceptable conditions when targeted nonmarket mechanisms are more appropriate

The intention with intervention measures may be to correct a market imperfection which is a socially unacceptable consequence of market performance. By addressing the market imperfection or socially unacceptable consequence with a measure that offsets the negative effects, the cost for society will be minimised. For example, if the market of an export-oriented industry collapses within a short period, farmers and certain rural communities may be adversely affected by the reduced income and expenditure. It will be wrong for the Government to support the prices of the product or commodity in question. This will reflect the wrong price signals. It would be more appropriate to use structural adjustment programmes and targeted assistance to address the consequences.

3.4(c) Government intervention in agricultural marketing should allow for export marketing arrangements which enhance the welfare of the nation as a whole

International trade in agricultural products and commodities is characterised by severe competition and distortions because of subsidies and other unfair trade practices used by other countries. GATT has made these interventions in international agricultural trade more transparent and has condoned certain measures that may be applied by exporting countries. Measures such as export assistance and single-channel or single-desk export arrangements, can therefore still be used without counter-measures being imposed against a country applying these measures.

A country's comparative advantage in the production and marketing of an agricultural product or commodity greatly benefits that country if exports can be maximised through the multiplier and linkage effects of agriculture. Contrary to the trend of liberalising agricultural marketing within a country, many countries therefore still use statutory measures and export subsidies to enhance their agricultural export performance. For this purpose, single-desk export marketing arrangements may often be appropriate.

4. SUSTAINABLE UTILISATION OF NATURAL RESOURCES

4.1 All South Africans are custodians of and should accept responsibility for the country's natural resources

The natural resources of the country constitute a national asset which is essential for the economic welfare of present and future generations. All citizens of the country, both urban and rural, who use and benefit from these resources are its custodians. It is the responsibility of the Government to ensure that policy and economic climate encourage efficient and sustainable resource use.

The Government therefore realises that it must address poverty, especially in the rural areas and especially among rural women. In the former homelands resource degradation was mainly caused by poor living conditions and overpopulation. Poverty is further exacerbated by lack of ownership. It will be the Government's responsibility to ensure that in areas where there have been open access to the natural resources, institutional frameworks with full property rights are established.

4.2 All farmers must be made aware of and accountable for the sustainable utilisation of the natural agricultural resources

South Africa is poorly endowed with high-quality agricultural land and water resources. Agricultural development depends on how these two assets are conserved. Farmers, both large and small-scale, are the principal users and primary custodians of these resources. It is their responsibility to produce food for the nation. The Government will encourage integrated land-use planning and community participation to ensure optimum management and utilisation of the natural resources. The Government will also ensure the transparency and accountability of major development decisions, such as on the repair and building of major dams, roads and urban expansion, that affect natural resource use in the rural areas.

4.3 South Africa's productive agricultural land should be retained for agricultural use

Economic development and national food security depend on the availability of productive and fertile agricultural land, and are threatened by the demand for land for residential and industrial development. Urban and rural planning needs to be integrated rather than sectorial and fragmentary. The use of agricultural land for other purposes should be minimised.

4.4 Land users' responsibility towards the land will include the rehabilitation of mismanaged natural agricultural resources

South African soils are fragile and highly susceptible to erosion, especially if incorrect farming and irrigation techniques are applied. The landuser will bear the cost of rehabilitating mismanaged land, but not that of rectifying damage caused by natural disasters. The Government will discourage the use of marginal land which is sensitive to further erosion or which has been damaged irreparably. Economic as well as legal instruments will be used to penalise those who are irresponsible in the management of land. The Government will assist farmers to develop appropriate land management techniques by means of extension.

4.5 The Government recognises its responsibility to provide assistance and law enforcement for the appropriate management of the natural agricultural resources while maintaining a balance between the basic needs of people and the promotion of an all-inclusive environmental ethic

Environmental damage in rural areas is on the increase as a result of incorrect irrigation methods, the excessive use of pesticides and fertilisers and the pollution of surface and groundwater by industries, power stations and mines. Rural biodiversity is also threatened by the spread of exotic and invasive plant species, the increasing use of land for forestry and the destruction of indigenous forests by agriculture.

New varieties produced by hybrid plant breeding techniques and biotechnology may threaten indigenous species cultivated over generations by traditional farmers. The Government will ensure that the law is enforced so that damage to the indigenous fauna and flora is minimised.

The Government will also promote the establishment of a plant genetic resource programme to protect those plant species in particular that are essential in maintaining national food security and are in the long-term economic interest of the country. The Government will ensure effective liaison between research institutes, extension officers and farmers so that the latest knowledge and technology in managing natural resources are accessible to and affordable by farmers. The Government will use economic and legal instruments to

discourage practices that are harmful to the environment.

4.6 Natural resources (eg water) constituting the agricultural potential of land are national assets

Water in South Africa is a limited resource and is, naturally, essential to both urban and rural areas leading to conflict among users. In the past water tariffs were heavily subsidised by the Government. The Government will ensure that the benefits and real cost of natural resources are reflected in the pricing of resources so as to discourage abuse. The Government will ensure that catchment management committees are fully represented in catchment areas irrespective of the members' gender, class and race, and that management decisions on the use of water are transparent, consultative and accountable. The Government will ensure that all sectors of the South African community have equitable access to resources so that all the inhabitants' basic needs are met, and will set up appropriate mechanisms to resolve disputes concerning the natural resources.

5. AGRICULTURAL FINANCING

5.1 Farmers must be assured of equitable access to efficient financial services

Studies suggest that most financial institutions, whether in the private or public sector, serve only a part of the agricultural sector. Many black farmers, smallholders and part-time farmers therefore did not previously have access to services. A specific problem area that should be addressed is the financing of beginner farmers and those who lacked sufficient power.

The challenge to specialised agricultural financial institutions is to render an effective service determined by demand. This can be accomplished if these institutions can identify the needs of different groups of farmers and the characteristics and needs of rural financial markets.

Reassessing of priorities is necessary in public sector financial institutions. A more flexible approach is needed to aspects such as farm size, production systems and funding arrangements, as well as the time taken to respond to demand. The role of the public sector in this respect requires reassessment. It will be necessary to learn from the experience of other countries such as Bangladesh and Indonesia where it has been shown that these objectives are better achieved by non-governmental and private-sector financial institutions, with government support. A restructured financial support system should above all be effective: it should reach large numbers of clients, improve their income, build up their assets base, mobilise savings, lower transaction costs, reduce financial regulations and implement risk-reducing mechanisms. Government-linked agricultural loans should be supported by well-planned farmer support services from the public sector. Furthermore, it should be subjected to performance auditing and reviewed on a regular basis.

5.2 Financial management by farmers should be improved through training and advice

Farmers wishing to use credit from financial institutions should be trained and advised so that they understand budgets and cash flows, the role of interest rates, and the need to repay to ensure future creditworthiness. The Government has to facilitate and sometimes subsidise the costs of training in order to reduce the burden on financial institutions. Nongovernmental organisations may also be involved in these activities.

5.3 All interest rates on agricultural financing should be market related

It is often argued that a subsidised interest rate benefits the borrower as it reduces the loan-serving cost. However, experience in South Africa and other countries has shown that cheap credit is highly disruptive to agriculture as it increases land and input costs and leads to excessive mechanisation. When interest rates are at very low levels financial institutions are forced to ration credit and this contributes towards the inability of the institutions to recoup lending costs. Low interest rates also act as a disincentive to farmers to repay loans as

the opportunity cost of the funds to repay the loan is much higher. Considering that interest rate subsidies still apply to certain groups of farmers, a change towards market-related rates must be carefully managed with the aim of preventing unnecessary disruptions. Factors such as the timeliness of the provision of credit, the opportunity cost of time in the credit procurement process, the cost of credit administration and the accessibility of institutions to applicants are more important to borrowers than the interest rate level.

Transaction costs can sometimes be subsidised by the Government without interest rates being reduced to below market rates. It is, however, acknowledged that special measures may be required to facilitate the access to agriculture of some categories of farmers. In these cases alternatives to subsidised interest rates such as intensive support measures, should be contemplated, within an affirmative action programme.

5.4 The ability to repay will be the basis for extending credit to farmers

Farmers who do not have title deeds to the land they farm or cannot meet the other conventional commercial bank security requirements, are often excluded from access to agricultural finance. It is suggested that for such farmers the main criterion should be the ability of the borrower to repay rather than the traditional collateral requirements. Repayment guarantees could include loan guarantees and group lending, as well as greater use of character references and incentives. With any of these options, the best incentive to repay a loan will be access to future loans.

Financial institutions need to show greater flexibility in rescheduling loans or adjusting the payback period to suit the cash inflow of the client. With the ability to repay as a major criterion the purpose of the loan and the source of the repayment do not necessarily have to coincide. For example, family income as well as off-farm income can be regarded as potential repayment sources. This approach does not mean that financial institutions will have to refrain from considering concepts such as integrity, purpose of the loan, managerial ability and security. These concepts in fact constitute the main elements of ability to repay.

6. INSTITUTIONAL INFRASTRUCTURE

6.1 An environment will be maintained which is conducive to the development of effective and sound cooperatives without limiting any other initiatives or forms of business

South Africa has a well-developed cooperative infrastructure, which is based on sound cooperative principles such as member participation and responsibility, and which is able and willing to render the required services on a nondiscriminatory basis in most areas. Cooperatives will remain what they are at present: selfhelp enterprises belonging to the private sector and not instruments of the Government or politicians.

Where access to services or membership has been denied for noneconomic reasons, this should be corrected and services expanded where necessary. The precondition will be long-term economic sustainability.

The Registrar of Cooperatives is responsible for guiding and promoting the existing and emerging cooperatives in the provinces. The legislative environment will ensure that the cooperative business is managed in an orderly manner, and that members' assets are well protected.

6.2 Access to agricultural institutions shall not discriminate in respect of race and gender

This principle is formulated in support of the constitutional right of individuals. The statutes and practices of each cooperative will have to be amended; where discrepancies still exist, these will have to be eliminated.

6.3 A supportive environment will be created for the private sector to provide goods and render

services to farmers in the best interests of the community and the environment

Government policy on and physical involvement in the rendering of goods and services to agriculture will promote the development of the private sector. The aim will be to render services which are in the interest of the community and the environment, but which are as a result of their long-term and invisible nature, not rendered for profit and not readily reflected in market returns. The private sector will be encouraged to undertake profitable activities within the normal regulations of the sector, and to extend the services offered to the small-scale sector.

In developing areas the Government will render more extensive services during the initial stages of development, on condition that they are based on community involvement and demand. Public investment in infrastructure in rural areas will supplement such services.

6.4 Specific efforts will be made to promote, facilitate and support institutional development and to enhance the capacity of farm workers, farmers and other rural dwellers at local, provincial and national level to ensure that they have a say in the formulation of policy that affects them

This support will comprise education, information, training and extension, the aim of which will be to activate community organisations and guide them towards self-reliance and the ability to articulate and promote their own interests in policy formulation. Organised agriculture and its local structures will be encouraged to play an initiating and supportive role where this is warranted.

6.5 Government and parastatal services to farmers will be determined by needs in order to be appropriate and efficient

Community involvement in determining real needs is a prerequisite for the efficiency of Government services. Mechanisms to ensure the ongoing involvement of farmers and their elected representatives in the planning and supervision of extension services and in research coordination will be established.

6.6 Institutional arrangements and development should be particularly sensitive to gender and age

Because of the unique role of women in traditional African agriculture, specific attention will be given to their needs in terms of appropriate training and empowerment. While recognising the contribution of children in the small-scale farming sector, parents should be encouraged to ensure that this does not interfere with the children's schooling. Children should never be employed in the large-farm sector at times when they should be attending school.

7. INFORMATION

7.1 Effective data and monitoring principles will be established for the whole country in order to ensure appropriate planning and policy formulation

Comprehensive information about agricultural conditions, including physical and marketing conditions as well as production constraints (such as a lack of access to credit or equipment, or the lack of suitable equipment for small-scale enterprise), is a prerequisite for planning and policy which will support farmers on an ongoing basis. Comprehensive information is also necessary for the formulation of trade policy and to ensure national food security. While information from the large-farm sector is already fairly comprehensive, much more information pertaining to the small-farm sector is needed. Methods such as farming systems research will assist in developing regular sources of useful and affordable data.

Data systems will need to be expanded immediately to include all parts of the country. Data collection systems

are likely to be based on provincial information, but should be linked with national databases.

Data on field and veld condition, soil moisture, pests such as locusts and quelea, agricultural production and food supplies in all parts of the country, should be collected regularly by the Department of Agriculture to monitor national food security. This can then be combined with data from other Departments. Data on the climate, agrometeorological forecasts, dam levels, water availability to households, household food security and nutrition in an "Early Warning System for Food and Water Security" should be included. This will allow for normal planning (for instance in the Reconstruction and Development Programme) and planning in times of natural disasters. Agrometeorological analysis and risk analysis are, for example, of particular importance to farmers, since such analyses allow them to alter production inputs in order to optimise resource utilisation profitably. It is imperative that early warning information be made available quickly to Government departments, nongovernment organisations and the media, so that they can be acted upon.

It will be necessary for the Departments of Agriculture to assume responsibility for the provision of data formerly supplied by the marketing boards, should these boards be abolished or reduce their activities. Even if the marketing boards are retained, it will still be the responsibility of the Departments to ensure that information is made available to all producers.

7.2 Appropriate production and marketing information will be made accessible and readily available

The ready provision of information to all those in the agricultural sector by the Government is one way of maintaining transparency and inclusiveness while policy is being evaluated and developed. Farmers require useful information on production methods and possibilities, on market opportunities, and on making the most of or losing least as a result of agrometeorological conditions each season. It is the Government's responsibility to provide appropriate information, using all the national languages and a wide range of media. Technical information should be appropriate—natural and inexpensive (though labour-intensive) methods of fertilisation and pest control should, for example, be recommended to resource-poor farmers, and even large-scale farmers should be offered a wider range of alternatives than before.

Information supplied *via* the media should be compiled in cooperation with the local agricultural extension staff of an area and should be information that farmers in that area need.

Cooperation with other departments of the Government will be required to ensure that the information they have collected, which is relevant to the agricultural sector, for instance trade statistics collected by the Department of Trade and Industry, is made available. In addition, the Departments of Agriculture will continue to encourage the private sector to provide more specialised information to farmers.

7.3 The management of the collecting and dissemination of information should be based on the objective circumstances of farmers

Collecting appropriate information for farm development will require greater understanding of farmers' circumstances than was previously the case. It is important that the information supplied to farmers corresponds with their actual needs. For this purpose, media officers will be required to work with various groups of farmers in order to get to know their information needs, rather than merely to present technical options which many farmers do not have the financial (or other) capacity to implement, or which are inappropriate to the scale or method of production of some farmers.

8. AGRICULTURAL TECHNOLOGY, RESEARCH, EXTENSION AND TRAINING

8.1 Researchers, extension workers and farmers should be a part of a dynamic, holistic system

In the conventional transfer of technology systems the extension worker passes on scientific information to the farmer. This approach has the limitation that the imparted information may not be relevant to the farmers' conditions, or may only partially address farmers' needs. In a holistic system, researchers, extension workers and farmers are partners seeking solutions to problems facing farmers. Although technological research at research stations does play a role in the holistic approach, the system is much more interactive, and calls for a wider range of skills on the part of researchers and extension workers. In this approach researchers spend more time in the farmers' field, and liaise with farmers far more often than in the conventional model. There is also greater acceptance of the fact that farmers already have useful knowledge, especially of their own conditions and constraints.

8.2 Research programmes and technology development will be planned in collaboration with other support services and farmers

Researchers tend to design programmes centring on technical questions. In the new paradigm, research design takes to a much greater extent account of the social, economic and environmental conditions in which farming takes place. This means that researchers start their programme planning by gaining an understanding of the wider context of farming by consulting farmers as well as extension and other rural support through services. By taking account of the wider context, research can be better focused and produce more effective results. For example, animal production research in resource-poor communities will focus on conception, birth rate and survival, rather than on rates of growth as in more conventional research.

8.3 Resource allocation to agricultural (and basic) research will be appropriately balanced and will take into account farmers' priorities

There is a need for fundamental research, for which South Africa has an excellent capacity and infrastructure. However, resource allocation to this field must be balanced by further research into farming systems and the needs of resource-poor farmers and women farmers. This implies a significant, rapid reorientation in research from the present situation, where the focus is almost exclusively on commercial agriculture, to a situation where the focus is to a large degree on basic research in the context of resource-poor farmers.

8.4 The funding of research, extension and training will be the primary responsibility of the Government and greater priority will be given to small-scale farming

Research and training funds come from many sources. However, if research is seen as a long-term investment, and if research is to be oriented to the needs of small-scale, previously disadvantaged farmers, then the State must accept primary responsibility, both for funding and for ensuring that programmes are oriented towards defined objectives.

8.5 Research must be recognised as a long-term investment and is best achieved by cooperation between the Government, research institutions, farmer organisations and the private sector

Currently, almost all Government-funded research is done by the Agricultural Research Council. University-based research is generally funded by the private sector. Greater cooperation between the Government and a wide range of research organisations, including universities and nongovernmental organisations, would provide greater flexibility than is currently the case. On the other hand, the research establishment in South Africa is without equal on the continent, and the Government should value its capacity to carry out effective research.

8.6 Equitable access to appropriate and effective extension and training must be ensured, with the emphasis on farming communities who lacked access in the past

Previously, the Government had two parallel extension services—one for commercial agriculture and another in the selfgoverning territories. Extension and training have not really been effective in the selfgoverning territories for a number of reasons, including an attempt to model extension services on the system used in commercial farming, and inadequate training and support for extension officers. An integrated extension service will pay attention to the needs of all farmers, especially those who lacked effective services in the past. To achieve this, a new model of participatory extension, in which the extension worker is trained to act as a facilitator, will replace the present transfer-of-technology model.

8.7 The local knowledge of farmers will be recognised and validated and it will be ensured that the existing knowledge of farmers is complemented by research

Farmers in the commercial as well as the noncommercial sector have a wealth of knowledge. Farmers use local varieties of seeds and adapt their practices to local conditions, and this knowledge can be as important a source of research and development material as biotechnology. Researchers need to be more sensitive to the local knowledge of farmers, to check whether this knowledge has applicability and value in the wider system, and to incorporate this knowledge into the design of research programmes. At the same time researchers should acknowledge the source of knowledge used, and give due credit to those who have developed the information base. International conventions on biodiversity draw attention to the importance of recognising indigenous knowledge systems, and to recognising intellectual ownership of material which is utilised in biotechnology and other agricultural research.

8.8 The needs of farmers, especially new entrants and small-scale farmers, will be met through the reorientation and training of extension officers, trainers and researchers

Techniques appropriate to commercial farming will not necessarily be appropriate to small-scale agriculture. Researchers and extension workers will not necessarily be equipped to offer the necessary support without retraining and reorientation. Reorientation has to start at policy level, where an understanding of the role of small-scale farming in agriculture should be developed. Small-scale farming does not have to imply a loss of productivity compared to commercial agriculture—in fact, the experience in other countries suggests the contrary. A well-integrated retraining and reorientation programme needs to be formulated and will require investment, if the capacity of small-scale farming is to be enhanced through appropriate support services.

8.9 New farming systems and appropriate technology must be developed to meet the needs of small-scale farmers

Farming systems and technology for small-scale agriculture will need to be developed through a programme of integrated research and technology development. A significant proportion of funding for research and technology development needs to be channelled to this sector over the next 5 years, and appropriate incentives should be created for both the public and the private sector to support such development. The introduction of new systems needs to be carefully monitored to establish whether they have a significant impact on the production of marketable output and on household food security.

8.10 The important contribution of resource-poor farmers to livelihoods in rural areas will be recognised and supported

Resource-poor farmers have often been regarded as inefficient and backward, but in fact they can be highly efficient users of agricultural resources. Their contribution to rural incomes should be supported by appropriate training, extension and research. Rather than seeing resource-poor farmers as a dispensable production entity, efforts should be made to improve their productivity.

8.11 The additional work burden and time constraints placed on women because of their domestic responsibilities will be accommodated and ameliorated in the design and delivery of services and

infrastructure to resource-poor farmers

Malnutrition among children is a problem in many rural households. Addressing this problem will require addressing the following three issues: household food security, care of children and the environment, as well as access to health care. In many rural households all of these are the responsibility of women, and, in addition, women have to spend long periods each day securing an income and food security. It is essential, therefore, that Government services designed to support productive activities should be provided to women at times that do not coincide with other activities, and that they should reduce the labour burden in production, rather than increase it.

8.12 Research and technology development will recognise food insecurity among South Africa's increasingly urbanised population

Food insecurity among the urban poor is the result of low wages and high unemployment levels. Insecurity can be reduced by various short and long-term programmes such as employment programmes and welfare programmes, by low prices for staple foods and by urban food production by means of food gardens, small stock (chickens, rabbits, etc), processing and cooking. Little research has been done in South Africa to assist in the development of these, often informal, activities. Research is also required on the development of other cheap food staples, such as bread, which meet the time constraints and portability requirements of many urban workers. On the other hand, it is important that this vocal sector is not allowed to have a strong influence on policy, regarding the price of food, for instance, that will act against the interests of their generally much poorer compatriots in the rural areas.

8.13 Agricultural extension will provide farmers with appropriate information on a wide range of alternatives to enable them to make their own production and marketing decisions

An agricultural support service should be based on the premise that all farmers are capable decision makers who need relevant information and support in order to make decisions. Information on a wide range of production alternatives that will broaden their options, rather than a predesigned package, will assist this process most effectively.

9. CONCLUSION

The primary directive of any Government policy is to reflect the values and norms of society. Generally speaking a society's value system is relatively stable, while its norms (that which is regarded as good or bad) change more readily. Any change in norms necessitates a continued process of policy evaluation. This document is the first step in the Department of Agriculture's endeavour to portray the necessary policy principles or strategies in support of its mission while pursuing the agricultural vision.

The second step in this process of policy evaluation is to evaluate the basis of the abovementioned principles and all existing agricultural legislation (Addendum B) and programmes in order to amend existing and establish new legislation and programmes as deemed necessary.

The third step is that of implementation.

ADDENDUM A

The following general principles or strategies must be, where applicable, read in conjunction with those

discussed under the specific policy areas.

1. GENERAL PRINCIPLES

1.1 National food security and household food security are equally important and must be addressed from a multidimensional point of view

National food security is the availability of a constant supply of sufficient, safe and nutritious food for the population within the country, whether from production, imports or stocks. With its present structure, South African agriculture will potentially be able to provide for the food and nutritional requirements of the country's growing population at least in the medium (until the year 2000) and longer term (2010).

At national level food security will be enhanced by promoting the realisation of agriculture's potential within the constraints of comparative and competitive advantages, and of other resources that may be required for sustainable agricultural development. While acknowledging that large-scale commercial farms will still make a valuable contribution to national food security and that the policy environment must support them, small farms may be of increasing importance for improving both national and household food security.

Household food security is defined as the availability and accessibility to households of affordable, nutritious food, whether from their own production, purchases, social welfare or community support. Although national food security is a necessity, it does not necessarily ensure household food security which is the more important of the two. The reason for this is that the present situation regarding household food security is in stark contrast to national food security, for approximately 2,3 million people in South Africa, including children under 12 and pregnant and lactating mothers, may be regarded as malnourished.

The physical accessibility of food in many rural areas presents problems because of the lack of infrastructure, such as roads, electricity and trading facilities. In the context of a stagnant economy and rapid population growth, the emphasis on commercialisation and ineffective support programmes for small-scale farmers had a negative impact on the food security of many rural households, even though national food security was enhanced. Since household food security depends on employment and income as well as food production, it also concerns other sectors and State departments. The Department of Agriculture will strive to work in close cooperation with all parties concerned to improve household food security.

1.2 Agriculture is an important economic sector for social and economic growth and development in rural areas, and will be recognised and promoted as such

In most rural areas agriculture is the major economic driving force. This means that the growth and development of the area are closely linked with its agriculture. Sustainable agricultural development and growth are of vital importance to the rural economy.

Social and economic activities are linked. The economic viability of services depends on a certain minimum level of economic activity. A general trader, or any business which is to be located in a village, needs a minimum level of business. As the buying power of the farming community expands, its economic activity grows and various economic and other services are established in the town or village. Diversification and growth in the business and service sectors of a rural town or village will improve its social acceptability so that the inhabitants will be less inclined to move to larger towns and cities to earn a livelihood, despite the worldwide trend of migration to urban areas and resultant decrease in rural populations.

Agriculture's linkages with the rest of the economy are such that, within the 1985 production structure, an increase in agricultural production resulted in the creation of more jobs throughout the economy than was achieved by an increase of the same order in any other sector. For additional capital invested in agriculture the effect on employment would be similar. Eighty-six percent of agricultural production is processed and the bulk of agricultural products has a low value compared to their mass. As a result most agricultural products

are ideally suited for small-scale processing close to the point of production. The resultant positive production and capital employment multiplier effects will stimulate employment in local communities. Public sector investment will be required to establish and/or improve a supportive infrastructure which is, at the moment, lacking in many rural areas.

The size and stability of a community may justify more government services such as post offices, schools, clinics and shops. The creation, maintenance and improvement of an environment which makes agriculture possible will consequently be to the direct benefit of the socio-economy of rural areas.

1.3 The research and institutional infrastructure of South Africa is important for the development of agriculture in Africa

It is a well-known fact that South Africa's success in producing food and fibre products in excess of domestic needs, can be attributed to the excellent research facilities and training of local agricultural researchers at research institutions and universities. Various channels exist through which this knowledge can be made available to the rest of the African continent, eg SARCCUS, the SADC, OAU, FAO and others. With our readmittance to the African community it is, for instance, imperative that the Customs Union Agreement be renegotiated—which can have far-reaching effects on South Africa's agricultural production structure. Tariffication, following the signing of GATT, will also affect agriculture and must be accounted for.

1.4 Farming systems and the incentives that drive them change over time, but they should be sustainable; environmentally, economically and scientifically sound; and socially and politically acceptable

Farming consists of various biological, mechanical, managerial, institutional and other activities on the farm or elsewhere. Different values and incentives lead to the creation of different farming systems, for example society's changing attitude towards the use of pesticides requires changes in pest-control methods. It is imperative that the relevant incentives influencing the creation of farming systems be based on sound principles. Although many South African farming systems have been sustainable, there are areas of concern. It is important that both farmers and those who wish to have an influence on agricultural policy respect these principles.

1.5 Agricultural practices that take into account the highly variable weather conditions and limited agricultural potential of South Africa, will continuously be developed and applied in their local context

The combination of terrain, soil and weather conditions determines land suitability and the potential productivity of land under different uses. In South Africa the availability of soil moisture is the most critical factor determining suitability of land. Soil moisture is directly dependent on rainfall, which is undoubtedly the most variable climatic factor in South Africa. This is illustrated by the 1991/92 maize crop of 3,1 million t compared with the 1992/93 crop of 9,3 million t; in 1991 farmers produced 2,2 million t of wheat and in the following year 1,3 million t. South Africa's arable soil is limited, variable and of a low potential. It is also highly susceptible to erosion.

It is estimated that only 14 % of South Africa's land is suited to crop production and that only 3 % can be regarded as high-potential land. Yet the country still experiences national food security in most years. It is important that agricultural practices take into account the restrictive potential of natural agricultural resources and the variability in rainfall. Variable rainfall needs to be quantified as a risk factor per homogeneous farming area, especially for crop-production areas dependent on rain. A careful and realistic assessment of the underlying risks posed and opportunities presented by the environment and the economy should therefore be made before the government will implement a policy incentive aimed at agricultural development and marketing.

1.6 Services to farmers will be rendered in an equitable manner which discourages existing and

potentially discriminatory practices and allows the benefits of development to be more widely distributed, taking into account that access to resources, scale of production, use of purchased inputs and volume of marketable produce differ from farmer to farmer

The development of sustainable farming systems requires an effective infrastructure service which is available to all farmers. In the past many farmers were unable to obtain suitable support and this prevented them from developing the full economic potential of their farms. The benefits of development were therefore restricted and this contributed to an imbalance in farm income distribution. In order to address this situation, services will have to be rendered in an equitable manner by the private sector and the Government to existing farmers and new entrants to agriculture.

1.7 The regulatory framework for agriculture will be scale neutral and will facilitate participation in production and marketing by new entrants to farming

Existing and potentially discriminatory practices against small and large-scale farmers often have their origin in regulations. For instance, large farmers, companies, and farmers without property rights to land cannot borrow money from the Land Bank; small or beginner farmers who lack capital have difficulty in obtaining milking parlour health certificates; in the past and at present the application of the Subdivision of Agricultural Land Act (Act No. 70 of 1970) discriminated and still discriminates against farmers or potential farmers whose land does not, under present norms, constitute viable economic units. Appropriate regulations will be instituted to ensure that minimum health standards can be maintained, even in densely populated areas where nonformal trade, for example the so-called "slabattoirs", need such standards. Minimum standards must be enforced as far as plant protection and product quality are concerned. Regulations and information have often been linked. In the process of deregulation provision should be made for the gathering of adequate information.

1.8 Affirmative action programmes will be focused on South Africans with a low income who were previously denied access to opportunities in agriculture, and will ensure access to agricultural resources, credit and farmer-support services

Denial of access to opportunities in agriculture prevented potential farmers and farmer entrants from gradually improving their farming skills. In many instances this situation can be corrected by affirmative action programmes of which the goal is to provide these farmers with initial assistance on the path of development and growth. The challenge is to develop special programmes, such as support programmes for land-reform beneficiaries, that can be monitored and will enable these farmers to grow in proficiency and become financially independent. Affirmative action programmes will also be implemented to extend participation throughout the agricultural sector.

1.9 Government agricultural programmes should contribute to the independence and self-reliance of all participants in the agricultural sector

The Government recognises the crucial role of private initiative in a successful agricultural industry. The need to extend participation in agricultural activities and the necessity for Government programmes to support such extension, are also recognised. The continued success of agriculture will depend on the ability of the farming community to make use of existing opportunities and to apply sound risk management in the utilisation of their resources. Programmes should therefore aim at creating an environment which will enable farmers to succeed and farm sustainably without fostering dependence.

1.10 Agricultural support programmes will be designed in such a manner as to improve the quality of life, skills and productivity of farmers and farm workers

A person's quality of life is improved when he/she is allowed to participate in programmes that will effectively increase his/her social and economic options. Income is one element that determines quality of life. Food

security is another. To improve the quality of life of farmers and farm workers, their dependence on each other as members of a production team and of their rural community must be recognised. Appropriate training will form a key element of agricultural support programmes to improve productivity and in this way increase income. Agricultural programmes must also be integrated with programmes for rural communities which open up additional sources of income and supply basic requirements such as clean water, clinics, etc.

1.11 The contribution of farm workers to agricultural production will be recognised and developed extended

Farm workers are part of the agricultural production team. They manage many large commercial farms while the owners are attending to other matters. While some farm workers receive training *via* formal and informal programmes and short courses, many receive no training at all. It is imperative that these training opportunities for new generations of farmers that can benefit from land-reform programmes not only be recognised but also increased. Agricultural programmes to improve quality of life in the rural areas must involve farm workers as well.

1.12 Government agricultural programmes will be scientifically planned and executed

One of the most taxing challenges for highly trained and skilled scientists is to apply their skills to the needs of resource-poor farmers. Many participatory models have been developed and executed successfully under widely varying circumstances. One of the keys to successful programmes in this field is that they must be directed by demand. It is therefore important to take into account the capacity of local communities to organise themselves and collectively identify their problems; the Government can then help to solve these problems. Similarly, planning and execution of the Government's agricultural programmes for technologically advanced farmers should be problem oriented and participatory. In all cases rigorous scientific principles, including monitoring and evaluation, must be followed.

1.13 Government agricultural programmes will be aimed at specific objectives and will, subject to preassessment, evaluation and monitoring within predetermined time frames, operate on the basis of voluntary participation

Clear statements by the Government on agricultural programmes will assist those in the agricultural sector to plan and invest effectively. In the decision-making process uncertainty must be avoided at all costs. In recent years major political and agricultural policy changes have led to uncertainty, frustration and demotivation among farmers. The Government will recognise the importance of a consistent approach in programme planning and execution within a predetermined time frame in order to assist farmers in their decision making.

1.14 Agricultural support services will be rendered to farmers who participate in land-reform programmes

Many participants in land-reform programmes will lack farming experience or skills. It is essential that support services and training be made available immediately to land-reform beneficiaries. Programmes will be developed and executed by the Departments of Agriculture in cooperation with participating private sector institutions.

1.15 Social subsidy programmes should not jeopardise the realisation of the economic viability of the agricultural sector

The Government can improve household food security through various social subsidy programmes. These include food distribution, social welfare and employment programmes. While each of these may be needed at different times, food distribution programmes interfere with the market, especially if the food is imported. Social welfare programmes that enhance household income also increase trade in food products and are therefore preferable for the rural economy. This potential advantage for the rural economy can be

strengthened if locally produced products are used, wherever possible, in school food schemes. Cheap food can, however, be imported and distributed on a basis of consumers who can pay the current market price. Food can also be imported for these consumers. This type of aid, while it is locally available, can be devastating to markets which are volume sensitive at specific times of the year, for example, in the case of importing certain dairy products during winter. If the volume of such social subsidy programmes is significant and not targeted to reach specific need groups, the local price of the relevant products can drop. A sharp decrease in the price of an agricultural product which is important to farmer entrants or to specific farming areas will result in a decrease in income in that area, which will affect those farmers, their economic environment and the food security of the area. In this way an income and food security problem is transferred from one group in society to another.

1.16 Security of land tenure under all land-tenure systems will be promoted as a basis for the effective utilisation of agricultural resources

Security of land tenure, which can be achieved through long-term lease arrangements or ownership, is an important precondition for sustainable agricultural practices. Soil erosion is more pervasive on land where the users are not sure of their continued utilisation. Long-term planning and the improvement of assets on the land are best achieved under conditions of security of land tenure, partly because the expected source of income and fixed assets can serve as collateral.

ADDENDUM B

LEGISLATION

The Department is responsible for the enforcement of the following statutes (it is indicated between brackets whether the particular legislation is handled on national or provincial level):

FERTILIZERS, FARM FEEDS, AGRICULTURAL REMEDIES AND STOCK REMEDIES ACT, 1947 (ACT NO. 36 OF 1947) (NATIONAL)

The registration of fertilizers, stock feeds, agricultural remedies, stock remedies, sterilising plants and pest control operators is regulated by this Act. Provision is also made for control over the acquisition, disposal, sale and use of fertilizers, farm feeds, agricultural remedies and stock remedies. The Directorate of Agricultural Production Resources and Livestock Improvement is responsible for the enforcement thereof.

LIVESTOCK BRANDS ACT, 1962 (ACT NO. 87 OF 1962) (NATIONAL)

This Act regulates the registration of a brand in the name of an owner of livestock for the purpose of identifying the livestock. The Directorate of Agricultural Production Resources and Livestock Improvement is responsible for the enforcement thereof.

FENCING ACT, 1963 (ACT NO. 31 OF 1963) (PROVINCIAL)

This Act regulates matters with regard to boundary fences of farms and provides for the obligatory contribution to the erection and maintenance of boundary fences and its conversion into jackal-proof fences in proclaimed areas. The Directorate of Resource Conservation is responsible for the enforcement thereof.

AGRICULTURAL CREDIT ACT, 1966 (ACT NO. 28 OF 1966) (NATIONAL)

This Act provides for a system of assistance to persons carrying on or undertaking to carry on farming

operations, and for control in respect of assistance rendered. The Directorate: Financial Assistance is responsible for the application of the Act.

MARKETING ACT, 1968 (ACT NO. 59 OF 1968) (NATIONAL)

This Act provides for the introduction of a system of control over the marketing of agricultural products and regulates the quantitative control over the import or export of these products. The Directorate of Marketing Administration is responsible for the enforcement thereof.

WINE AND SPIRIT CONTROL ACT, 1970 (ACT NO. 47 OF 1970) (NATIONAL)

This Act regulates the control and management of the wine and spirit industry by the Ko-operatiewe Wijnbouwers Vereniging van Zuid-Afrika, Beperkt (KWV). The KWV is responsible for the enforcement thereof.

SUBDIVISION OF AGRICULTURAL LAND ACT, 1970 (ACT NO. 70 OF 1970) (NATIONAL)

This Act controls the subdivision of agricultural land and its use for purposes other than agriculture. The Directorate of Resource Conservation is responsible for the enforcement thereof.

PLANT BREEDERS' RIGHTS ACT, 1976 (ACT NO. 15 OF 1976) (NATIONAL)

This Act regulates the granting of certain rights relating to new varieties of certain kinds of plants, the protection of such rights and the issue of licences in respect of the exercising of the rights. The Directorate of Plant and Quality Control is responsible for the enforcement thereof.

PLANT IMPROVEMENT ACT, 1976 (ACT NO. 53 OF 1976) (NATIONAL)

This Act provides for the registration of establishments where plants and propagation material are sold and packed, for the introduction of schemes for the certification of certain propagation material, for the requirements to which plants and propagation material sold for the purposes of cultivation must conform and for quality control over plants and propagation material imported or exported. The Directorate of Plant and Quality Control is responsible for the enforcement thereof.

LIVESTOCK IMPROVEMENT ACT, 1977 (ACT NO. 25 OF 1977) (NATIONAL)

This Act regulates the collection and sale of semen and ova and the artificial insemination and ino-vulation of certain animals, the establishment of a system for the evaluation and certification of the performance of certain animals, quality control with regard to the importation and exportation of certain animals, semen, ova and eggs, the incorporation of livestock breeders' societies and the maintenance of the legal personality of livestock breeders' societies, and the granting of certain exclusive powers relating to the registration of pedigrees of certain livestock to the South African Stud Book and Livestock Improvement Association. The Directorate of Agricultural Production Resources and Livestock Improvement is responsible for the enforcement thereof.

DESIGNATED AREAS DEVELOPMENT ACT, 1979 (ACT NO. 87 OF 1979) (NATIONAL)

This Act provides for measures for the promotion of the density of population and of farming activities in certain areas designated by the Minister for the purpose. The Directorate:Financial Assistance is responsible for the application of the Act.

CO-OPERATIVES ACT, 1981 (ACT NO. 91 OF 1981) (NATIONAL)

This Act regulates the formation, registration, management and functioning of various types of co-operatives and the winding-up and dissolution of co-operatives. The Directorate of Co-operatives is responsible for the enforcement thereof.

VETERINARY AND PARA-VETERINARY PROFESSIONS ACT, 1982 (ACT NO. 19 OF 1982) (NATIONAL)

This Act provides for the establishment, powers and functions of the South African Veterinary Council, for the registration of persons practising veterinary and para-veterinary professions and for control over the practising of veterinary and para-veterinary professions. The South African Veterinary Council is responsible for the enforcement thereof.

PERISHABLE PRODUCTS EXPORT CONTROL ACT, 1983 (ACT NO. 9 OF 1983) (NATIONAL)

This Act provides for the control of perishable products intended for export from the Republic of South Africa and for the continued existence of a statutory board to bring about the orderly and efficient export of perishable products from the Republic. This board, namely the Perishable Products Export Control Board, is responsible for the enforcement thereof.

AGRICULTURAL PESTS ACT, 1983 (ACT NO. 36 OF 1983) (NATIONAL)

This Act introduces measures for the prevention and combating of agricultural pests. The Directorates of Plant and Quality Control and Resource Conservation are responsible for the enforcement thereof.

CONSERVATION OF AGRICULTURAL RESOURCES ACT, 1983 (ACT NO. 43 OF 1983) (PROVINCIAL)

This Act provides for control over the utilisation of natural agricultural resources in order to promote the conservation of the soil, the water sources and the vegetation, and the combating of weeds and invader plants. The Directorate of Resource Conservation is responsible for the enforcement thereof.

ANIMAL DISEASES ACT, 1984 (ACT NO. 35 OF 1984) (PROVINCIAL)

This Act provides for control measures for the prevention of diseases and parasites and for schemes to promote animal health. The Directorate of Animal Health is responsible for the enforcement thereof.

LIQUOR PRODUCTS ACT, 1989 (ACT NO. 60 OF 1989) (NATIONAL)

This Act provides for control over the sale and production for sale of certain liquor products, the composition and properties of such products, the use of certain particulars in connection with the sale thereof, the establishment of schemes and control over the import and export of such liquor products. The Directorate of Plant and Quality Control is responsible for the enforcement thereof.

AGRICULTURAL RESEARCH ACT, 1990 (ACT NO. 86 OF 1990) (NATIONAL)

This Act establishes a juristic person, the Agricultural Research Council (ARC), to undertake agricultural research and regulates matters with regard to the ARC's proceedings, powers, duties, management, control, employees, financing and relating matters. The ARC is responsible for the enforcement thereof.

AGRICULTURAL PRODUCT STANDARDS ACT, 1990 (ACT NO. 119 OF 1990) (NATIONAL)

This Act provides for control over the sale and export of certain agricultural products and other related products, with a view to the maintenance of certain standards regarding the quality of products and the packing, marking and labelling thereof. The Directorate of Plant and Quality Control is responsible for the enforcement thereof.

AGRICULTURAL PRODUCE AGENTS ACT, 1992 (ACT NO. 12 OF 1992) (NATIONAL)

This Act provides for the establishment of an Agricultural Produce Agents Council (AAC) and fidelity funds in respect of agricultural produce agents, and for the control of certain activities of agricultural produce agents. This Act has not been brought into operation in its entirety but will eventually replace the Commission for Fresh Produce Markets Act, 1970 (Act No. 82 of 1970), and the Agricultural Produce Agency Sales Act, 1975 (Act No. 12 of 1975).

SOUTH AFRICAN ABATTOIR CORPORATION ACT, 1992 (ACT NO. 120 OF 1992) (NATIONAL)

This Act provides for the privatization of the South African Abattoir Corporation. At the incorporation of the Corporation as a company the Abattoir Industry Act, 1976 (Act No. 54 of 1976) will be repealed. The South African Abattoir Corporation and the Directorate of Agricultural Administration is responsible for the administration thereof.

ABATTOIR HYGIENE ACT, 1992 (ACT NO. 121 OF 1992) (PROVINCIAL)

This Act provides for the maintenance of proper standards of hygiene in the slaughtering of animals and in the handling of meat and animal products. The Directorate of Meat Hygiene is responsible for the enforcement thereof.

GROOT CONSTANTIA TRUST ACT, 1993 (ACT NO. 58 OF 1993) (NATIONAL)

This Act provides for the incorporation of the Groot Constantia Control Board as an association not for gain in terms of the Companies Act, for the transfer of the Groot Constantia Estate to that association and for the reversion of the estate to the State in the event of the company being liquidated, deregistered or dissolved. The Company has been incorporated and is responsible for the carrying out of the Act.

SOCIETIES FOR THE PREVENTION OF CRUELTY TO ANIMALS ACT, 1993 (ACT NO. 169 OF 1993) (NATIONAL)

This Act provides for control over Societies for the Prevention of Cruelty to Animals. The National Council of Societies for the Prevention of Cruelty to Animals is responsible for the application of the Act and the Department has no specific function in this regard.

AGRICULTURAL DEVELOPMENT FUND ACT, 1993 (ACT NO. 175 OF 1993) (NATIONAL)

This Act provides for the establishment of and control over an agricultural development fund for the handling of money received for development. The Directorate: Finance is responsible for the application of the Act.

ADDENDUM C

FINANCIAL IMPLICATIONS

With regard to the budget which will have to be linked to the White Paper, the following is applicable:

1. The National Department of Agriculture together with the provincial departments of Agriculture defined, in terms of the instructions of the Department of State Expenditure, a set of criteria for the 1996/97 budget. The purpose with these criteria is to prioritise the activities of the various Departments of Agriculture. This set of criteria is based on the mission in the White Paper. The criteria are as follows:

1. To what extent does the activity contribute to promoting equitable access to resources and services?
2. To what extent does the activity contribute to increase the national gross domestic product?
3. How does the activity contribute to employment creation and improving quality of life? Employment creation is the creation of jobs, not only in an agricultural sense, but also in the sense of agribusiness in general *via* agriculture linkages.
4. Over a period, how productive, environmentally sound and economically viable is the activity (sustainable)?
5. How client-directed is the activity? The activity must meet the needs and demands of agriculture.
6. How does the activity contribute to the development of human resources?
7. To what extent does the activity contribute to food security?
8. To what extent will the activity benefit previously disadvantaged farmers?

All the activities of the various Departments of Agriculture have been prioritised by making use of the criteria and the importance of each of the activities.

All the activities of the various Departments of Agriculture have been prioritised by making use of the criteria and the importance of each of the activities.

2. The National Department of Agriculture has already entered into discussions to initiate the five year planning of the Budget Reprioritising Programme (BRP). It is necessary to table this White Paper in order to describe the policy objectives and programmes necessary to conduct the BRP.