

New agriculture agro-processing masterplan to transform the sector

Agriculture, Land Reform and Rural Development Minister Thoko Didiza has told a mini-plenary of the national assembly that the department has signed a landmark agriculture agro-processing masterplan with social partners.



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Tabling the department's budget vote on Thursday, Didiza said the signing of the masterplan will allow government to reimagine a sector that South Africa wants – one that is both globally competitive and inclusive.

"Today also marks a historic moment in South Africa's agricultural sector.

"Earlier today, we signed the Agriculture Agro-processing Masterplan together with social partners. This plan is a product of negotiations between government, business, labour and civil society organisations in the agriculture and agro-processing sectors," she said.

The signing of the masterplan comes after the department kick-started the process in June 2020, built on the work done

since 2001 when they first developed the Strategic Plan for South Africa's Agricultural Sector, the Sector Plan, Operation Phakisa and the National Development Plan.

All of these processes remain important milestones that are aimed at transforming the sector, giving a vision to which we must focus.

"This Masterplan is lifting our gaze to imagine the agricultural sector we want in South Africa. We want a prosperous and inclusive agricultural sector that thrives on better utilisation of its natural and human resources," she said.

Didiza said the masterplan development process was an affirmation of the importance of social compacting, as pronounced by President Cyril Ramaphosa during his State of the Nation address.

"It requires commitment, patience and determination from all those who are involved. It may take long; however, the fruits derived from such a process are always rewarding.

Agri-Industrial Fund, IDC creates new jobs

Didiza said agricultural financing remains the critical element in ensuring that agriculture remains the productive sector of the economy, which contributes to food security, poverty alleviation and job creation.

"It is important that our financial institutions appreciate that agriculture needs patient money like other land-based industries.

"Production finance needs to take into consideration the variables that are inherent in the cycle of production of relevant commodities as well as risks."

She said non-financial services to producers are equally important in order to reduce the default rate from farmers.

With regards to blended financing, Didiza said to date, the department has transferred R400m of the committed R1bn grant to the Agri-Industrial Fund as per the Memorandum of Agreement (MOA) with the Industrial Development Cooperation (IDC).

"In our first year, the facility has funded nine projects to the value of R384m.

"All of these projects are Black-owned and operated and four of these are women-owned.

This facilitated 229 new jobs.

"There are currently 31 transactions in the pipeline requiring R2.2bn, of which R623m is grant funding.

"It is envisaged that 1 371 new permanent jobs will be created through these initiatives.