



**agriculture
& rural development**

Department:
Agriculture and Rural Development
PROVINCE OF KWAZULU-NATAL

**TALKING NOTES FOR MEC THEMBA MTHEMBU FOR AGRIBUSINESS DEVELOPMENT
AGENCY AGRIBUSINESS BREAKFAST**

VENUE: COASTLANDS HOTEL, UMHLANGA ROCKS

11 DECEMBER 2018

PROGRAM DIRECTOR, MR. ALEX MTHIYANE

DR EDWIN NGIDI, CHAIRPERSON OF THE BOARD – ADA

ACTING CEO FOR ADA, MR Z. NDLELA

ACTING HEAD OF DEPARTMENT FOR KZNDARD, MR SBUSISO MYEZA

CEO'S PRESENT

DISTINGUISHED GUESTS

It is with great honor to have this opportunity to address the Agribusiness Breakfast Dialogue and I hope that this engagement will serve as a platform to engage in robust debates with you as our stakeholders in an effort to bring about change and transformation in the agribusiness sector in KwaZulu-Natal.

The agricultural sector is a key strategic importance in our Province. As a primary sector, agriculture contributes about 4.4% to provincial Growth Value Add. KwaZulu-Natal produces almost 30% of national agricultural output and hence contributes significantly towards creating formal and informal employment, while providing food security in South Africa.

The suitable natural resources in KwaZulu-Natal gives the province a comparative advantage in agriculture. There is approximately 4,5 million hectares of land that is suitable for livestock

production and approximately 1,5 million hectares is arable. Livestock production contributes ± 46,5% of total agricultural value in KZN. It is estimated that about 316 000 hectares of the arable land in the communal areas are presently under-utilised.

Agriculture is one of the two sectors that experienced positive growth for four consecutive quarters in 2017 due to surplus production in field crops and livestock products. But recently, the sector has seen some challenges and in it contracted in the first and second quarter of 2018.

The growth and development of the agricultural sector in KZN requires more effective support from the Department and other industry role players such as business to ensure there is increased cohort of new farmers who are entering the industry and are succeeding in running viable agricultural enterprises that have potential to create jobs and contribute to the provincial economy.

We are working on changing perceptions about agriculture and we have witnessed transformation growth in the industry. We believe the sector's growth will be enhanced by the following strategic pillars:

- **Promoting efficient utilisation of agricultural land** with potential towards a thriving and environmentally sustainable resource that is accessed equitably and can support a range of livelihoods and agricultural enterprises;
- **Expansion of irrigable land** through water use efficiency for both crops and livestock;
- **Improving market access** for producers, in particular small-holder farmers, through better supply chain management;
- **Adding value and agro processing** to agricultural products before they reach local and international markets

This requires sustained support and cooperation from all stakeholders. The aim is to achieve the goal of a united agricultural industry that feeds our nation, create employment and take advantage of export opportunities in the overseas market.

Recently, as the Department, we held a two-day Agricultural Summit which served as a platform to engage various stakeholders within the agricultural sector to discuss the Agricultural Master Plan. The Master Plan will work as a foundation for development within the agricultural sector in KwaZulu-Natal. The development of the agricultural sector in the province will be premised on the transformation and promotion of previously disadvantaged producers and their inclusion in the agricultural mainstream economy to achieve the following:

- Ensuring household food security;
- Increased production and productivity of small-holder producers;
- Promotion of competitiveness and commercialisation of agricultural enterprises (in particular for black Africans)

In order to safeguard the province's food security position, we must use the Master Plan to strengthen existing legal frameworks to preserve agricultural land and protect it from commercial developments.

During the State of the Nation address earlier this year, our honorable President Cyril Ramaphosa spoke at length about the importance of agriculture to uplift the economy in South Africa. This is one of the reasons government has decided to start focusing on Agrarian Revolution to grow the economy, build capacity and ensure that food production remains key to farmers and landowners. Working with Traditional leaders, the aim is to have over one million hectares of land used for agriculture and a number of programmes aimed at revitalising the sector, has already been implemented such as Agriparks which will put in place producer support infrastructure such as markets, agro-processing facilities as well as creating networks for producers.

Our vision is to see the Agribusiness Development Agency become a driver of the Agrarian Revolution in KwaZulu-Natal. The agency has to provide support to emerging Black commercial farmers, especially those who have acquired land through the government Land Reform programme, to obtain the necessary support to thrive in the whole value chain of the agricultural sector.

We want our farmers to participate fully in the whole value chain within Agribusiness and through partnerships with formidable Retail groups and financial institutions. Our vision is to have our local farmers' quality produce sold in various chain stores across the Province and assist in closing the supply and demand gap. Working together as government and business, we can bring about change in the agricultural sector and help alleviate the triple challenges of poverty, inequality and employment in KwaZulu-Natal. I thank you.