

Agri SA

Media Release

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Agri SA reaction to Minister Zokwana's budget speech

Minister Zokwana delivered the budget speech for agriculture, forestry and fisheries on 21 April 2016. It needs to be kept in mind that a number of important entities such as the Agricultural Research Council, the National Marketing Council and the Veterinary Council all fall under the Department of Agriculture, Forestry and Fisheries (DAFF). They all have to share in the same budget.

Dan Kriek, Deputy President of Agri SA attended the budget speech in Parliament. Kriek pointed out that the budget allocation of DAFF for the 2016/17 financial year is R6.3 billion, which represents a decline of R65.8 million from 2015/16. The portfolio committee stated in its report on the budget that the budgets of priority programmes such as agricultural production, Health and Food Safety and Food Security and Agrarian Reform are declining over the Medium Term Expenditure Framework (MTEF) period in real terms.

The budget cuts will also have a negative impact on the allocations to the Department's public entities, particularly the Agricultural Research Council and the Marine Living Resources Fund. "This the sector cannot afford", stated Dan Kriek. The ARC plays a crucial role and is already struggling to fulfil its mandate due to limited financial resources. "Agriculture is such a crucial sector, not only for the economy, and for enduring food security, but also for ensuring social stability, and it needs more support because of the very severe drought, not less", said Kriek.

He added that the portfolio committee stated in its report on the budget that it will be difficult to achieve the laudable goals that the National Development Plan sets for the sector, with the continuing reduction in the budget allocation to the Department. "The budget allocation to Agriculture, Forestry and Fisheries is, completely disproportionate to what national policies expect from the sector. There was not enough appreciation of the role of agriculture and the food sector in the country's economy and society", Kriek said.

On the subject of drought relief, Kriek said that whilst the assistance from the Land Bank and the IDC, as well as the programmes of DAFF and DRDLR aimed at addressing the impact of the drought, were welcomed, it fell far short of the estimates of what was required to help the sector get back on its feet. Agri SA supported all the assistance aimed at smallholder farmers, but it needed to be recognised that there was an interdependence of all farmers in the sector, big and small, and that, if the bulk of medium and bigger commercial farmers were to disappear, it would also impact negatively on the sustainability of smallholder farmers.

Kriek welcomed the fact that minister Zokwana pointed to the importance of addressing high input costs, and indicated that Agri SA would like to further engage with the Minister on this subject. He also welcomed the intention to better protect agricultural land. "It is indeed true that this country is losing productive and arable land at an alarming rate", said Kriek. Whilst Agri SA had some concerns about some of the powers granted to the Minister in the preservation and Protection of Agricultural Land Framework Bill, we do very much welcome the intention to protect our resource without which we cannot farm", he said.

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