

Agri SA

Media Release

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Agricultural Landholdings Bill not well thought through

Ever since 2011, the concept of land ceilings has been hotly debated. A number of studies have been done on the feasibility of such a measure and many articles have been written about it. Some of the advisors appointed by Minister Nkwinti's own department had advised against such a step. Agri SA has made it very clear why the organisation regards this as an ill-considered idea. Nonetheless, Minister Nkwinti has decided to publish the draft Bill on 17 March, allowing only 30 calendar days for public comments. Agri SA will request an extension of the deadline.

Ernest Pringle, the chairman of Agri SA's Policy Committee on Agricultural Development, said that international experience with ceilings demonstrated that land ceilings had very many negative impacts, including:

- The fragmentation of agricultural land;
- Affecting productivity adversely;
- That it has contributed towards agricultural being a low-profit venture in several parts of the world;
- Neutral or negative effects on poverty;
- Unsatisfied levels of equity and efficiency;
- That it had to large extent; failed to change agrarian structures- large inequalities continue to exist;
- A negative impact on functional land rental markets;
- It has proved costly and difficult to administrate;
- It has been characterised by circumvention, contestation, corruption and litigation;
- It led to tenure insecurity; and
- It discouraged land-related investment.

Pringle added that the proposed system would be costly, and that the huge administration cost would outweigh any potential benefits that government was punting. Also, the proposed scheme will make planning extremely difficult if bits and pieces of agricultural land were to be excised from farms all over the place. This would likely leave farmers and beneficiaries with uneconomical units. Provision of services to far-flung beneficiaries will also be a huge challenge. This policy would deliver fragmented pieces of land spread across the furthest reaches of a district. Small parcels may end up being 'sliced-off' larger landholdings with little or no access to natural resources, infrastructure or services.

Agri SA is of the view that the Bill also faces constitutional challenges and is in the process of getting senior counsel opinion on that, said Pringle. Agri SA has proposed alternative approaches to achieve speedier and sustainable redistribution of land.

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