

2015/03/30

### ASUF: POLICY APPROACH TOWARDS LAND REFORM IN RSA

The Agri-Sector Unity Forum (ASUF) was established in November 2012 with its membership consisting of representative stakeholder groupings in the agricultural sector. Currently the membership consists of African Farmers Association of South Africa (AFASA), TAU SA, Agri SA and National African Farmers Union of South Africa (NAFU SA). As a representative grouping of all major stakeholders in the primary agricultural sector, ASUF's main purpose is based on the following objectives:

- To proactively contribute to effective policy making that is in the best interest of all South Africans.
- To advocate consensus positions to external stakeholders, other interested parties and policy makers.

### PROBLEM STATEMENT

- In the analysis of the ruling party, three resilient fault lines exist in South African society, namely: poverty; unemployment and inequality. Agriculture has always played an important role in the South African economy. Consequently, the ruling party asks what role the agricultural sector can play in building the base to tackle these fault lines in the South African society.
- The question now, is how to deal with the legacy of the injustices of our past and how to take South Africa forward. We cannot deny the past; but it is the manner in which we will redress this that will determine the outcome.
- Without private ownership of land, farmers cannot gain access to finance.
- The requirement for more responsive support programmes from Government was further raised relative to the access to land, capitalisation of such farms and the roll-out of agricultural extension services in support of new farmers. Concerns were raised regarding bureaucratic inertia in the delivery of government support

programmes.

- Concern was raised regarding the capacity of Government; financial and human, to facilitate rapid transfer of land ownership and deliver meaningful support and extension services.
- A challenge lies in moving towards a new policy framework that is reasonable, inclusive and ensures the sustainability and profitability of the agricultural sector.
- Some of the proposed land reform policy guidelines by Government are perceived as often inconsistent, even contradictory and not contributing to investor confidence.

### LAND AS STRATEGIC CONSIDERATION

ASUF recognises the need for government, organised agriculture and the agri-value chain to work together to find common solutions to land reform challenges.

It is in the best interest of all South Africans, both present and future generations, that land reform succeeds within the context of maintaining the productive capacity of the land.

ASUF recognises the importance to maintain domestic food security, promotes agricultural development in especially Southern Africa and to earn valuable foreign exchange through exports.

Private ownership will ensure the productive use of land.

### **GUIDING PRINCIPLES**

ASUF supports land reform and sees it as an important process which needs to happen. This approach is, however, premised on the following principles:

- Our point of departure is that the land reform processes should be aligned with the guidelines of the National Development Plan.
- Land ownership and secure tenure in South Africa must be equitable and just, and is cardinal to promoting successful agri-businesses.
- The productive capacity of land must be maximised in pursuit of a food-secure South Africa. To this end, agricultural profitability of new farmers must be enhanced through inclusive institutionalisation of partnering, mentoring, monitoring, measuring and assistance.
- Greater land ownership or security of tittle deed is of primary importance for all

farmers to raise capital for investment in farming operations and their transition to self-reliant commercial farmers. Without security of tenure, new farmers cannot gain access to capital and cannot grow and develop into successful commercial farmers.

- The value of land to be maintained as collateral is critical for purpose of production loans and to maintain food security in South Africa.
- Without secure property rights, farmers will not invest, without investment there is no prospect of economic growth and without economic growth there will be no employment creation and development in agriculture. This means that farmers need security of tenure as a necessary condition, whether they farm in the communal areas or the commercial areas, whether they enter farming on their own volition or under the land reform programme, whether they are just starting or they are already established and whether they are women or men. However, this also does not mean that all farmers have to have full title to land immediately, but it should be the ultimate aim.
- With a view to investment certainty and to avoid "the tragedy of commons", ASUF favours freehold tittle as the preferred form of land holding for agricultural producers.
- Land Reform is a national imperative; therefore a broad community must benefit and contribute towards it.
- Commercial agriculture must be promoted in communal areas meaning an inclusive agreement should be reached to develop commercial agriculture practises in the communal and traditional agrarian areas of the former homelands to create new employment opportunities, food security and eradicate poverty.
- The critical strategic positioning of South Africa as a stable economic environment in which to invest is paramount to encourage an influx of diverse capital with a positive knock-on effect on the economy, revenue collection and job creation.
- Land reform should take place within the framework of the Constitution and the rule of law in terms of a clear legal framework, programmes and policies that are transparent and communicated to all stakeholders.
- In the absence of substantial government support like being granted to agriculture in especially western countries, economies of scale (meaning larger farms) is required for financial survival.

### STAKEHOLDER PARTICIPATION

Land Reform is a national imperative; therefore a broad community (government, organised agriculture, agri-value chain, all other sectors of the economy and the public) must benefit and contribute towards it.

- The whole agri-value chain, government, previously disadvantages individuals, agri-businesses, input suppliers, the banking sector; agri-service providers etc. must accept co-responsibility to support the land reform process.
- The beneficiaries of this process should be broad-based as well.
- Public-Private Partnerships should form an integral part of land reform. Effective and responsive support programmes driven by Government which fosters partnerships and which focuses consequently on access to land, capitalization and extension programmes, training, coaching, co-coaching and mentoring is required. These should be incentivised accordingly to ensure sustainability.
- Specific consideration should be directed towards the financial support system for agri-businesses, in particular, redefining the role and mandate of the Land Bank and the Development Bank to speak to land reform and agri-business and also the capitalisation support that can be facilitated by independent financial institutions.
- Joint ventures and/or partnerships between commercial farmers and beneficiaries must be accepted as one of the vehicles for land reform and private initiatives in the recent past should be acknowledged.

### IMPLEMENTATION FRAMEWORK

Land reform principles as set out in the National Development Plan (NDP) should be the guideline to manage and implement the process. The NDP could enable a more rapid transfer of agricultural land to previously disadvantaged individuals without distorting land markets or business confidence in the agricultural sector.

Moreover, ASUF suggests the following:

- A land audit must be completed as a point of departure to identify the progress to date and what the existing current ownership of land is in order to determine the balance of the 20% target on which the NDP is based.
- Within the District Land Committees (DLC), as suggested by the NDP, there must be a balanced, equitable representation (from government, civil society, land owners and private sector).
- DLC's must be involved in the identification of land and potential land beneficiaries, as well as in the support and supervision of land reform initiatives within their communities (20% target of the NDP) and recapitalisation.
- There must be a comprehensive and accessible database of land reform models which covers different regions and commodity branches.

- One national Special Purpose Vehicle must be established on a partnership basis to evaluate land reform models, promote the implementation of viable options and provide financing to the process.
- Access to economically viable units is essential criteria for redistribution.
- In addition to what has been suggested by the NDP, supporting institutional arrangements, financing models and viable support programmes should be implemented.
- Beneficiaries for land redistribution must be selected on an inclusive and broad based manner and not be restricted to selective beneficiaries with political connections.
- The criteria for land redistribution beneficiaries must be backed by relevant training, financial and technical support. Farmers from communal areas must also obtain access to such support programmes.
- Land reform beneficiaries should be allowed a 5-year lease period. If they prove to be competent (evaluated by the DLC's according to objective criteria to be developed), they should have the option to purchase the land at the value of the time when they first occupied the land, or to enter into a long term (not shorter than 30 years) tradable lease agreement.
- An inclusive agreement should be reached to develop commercial agriculture in communal areas.
- Land which is available on the open market (currently about 6% of commercial farms fall into that category on an annual basis) should be purchased and relocated to new entrants within a system of "right of first refusal". Should the state not decide to purchase the land at market value within a set period of time (Namibia: three months), the land could be offered on the open market.
- All initiatives to date have to be credited to the relevant "land owner" and be exempted from compulsory future directives of participation.
- There must be a sunset clause whereby the participant "land owner" will be exempted from any future land reform processes.
- ASUF regards the reopening of the restitution process, as a risk for sustainable agricultural production and it could impede land redistribution and related empowerment. Whilst restitution claims are considered, it should form part of the targeted 20%. Where restitution is concerned, successful claimants should receive alternative land or financial compensation.

<sup>&</sup>lt;sup>1</sup> Subject to certain exceptions

### MONITORING

The NDP recognises the need for land monitoring institutions (Public-Private-Partnership) to protect land markets from opportunism, corruption and speculation.

- Corruption especially in relation to land reform needs to be stamped out.
- Practical and easily applicable statutory instruments need to be available to deal with unlawful occupation of land.
- Bring land-transfer targets in line with fiscal and economic realities to ensure that land is successfully transferred.

### **NOTES**

### Land Ceilings<sup>2</sup>

ASUF's Policy framework highlights that direct interventions and limitations on land ownership is not supported.

However, ASUF acknowledges the proposed land ceilings approach, and still needs further clarity and details about this proposal, especially the constitutionality thereof.

In this regards, Agri SA and AFASA suggests the following:

- Land ceilings could have a detrimental effect on food security; however an approach based on turnover opposed to land size could provide alternative solutions.
  - Anyone who has an annual turn-over of more than R50 million on an agreed year, and who is interested in expansion, will only do so in BEE partnership.
  - The expiring date for the proposed model will be that of the NDP, i.e. 2030.

ASUF will continue striving to fast track land reform activities to an agreed resolution.

<sup>&</sup>lt;sup>2</sup> See Addendum 1 for different views expressed by TAU SA.

### ADDENDUM 1:

Following a meeting of the TAU SA General Council on Wednesday 25 March 2015, I have been obligated to communicate the following to you and further require this document to be included in the ASUF: POLICY APPROACH TOWARDS LAND REFORM IN RSA as Addendum 1. The said policy approach towards land reform in RSA to be subject hereto.

TAU SA conditionally supports the ASUF submission based on the content of the addendum reflected below:

TAU SA adheres to the following guiding principles:

- Private ownership
- The free market system.

TAU SA cannot accept responsibility nor accountability for what has gone wrong in the past. However, the current reality is that government, supported by a wide range of sympathetic non-governmental and civic based organisations, is using it as a core element in its drive to validate its political and ideological agenda. As such, the cost involved should be forthcoming from state resources which requires appropriate budget action. As such neither TAU SA nor its members accept any responsibility regarding costs involved. The aforementioned is applicable to statements and expectations reflected in the NDP as well.

Governments' interpretation of history differs from TAU SA constituency's interpretation and acceptance. Since this is the current reality, agreeing on a truthful representation, which will forthwith form the point of departure and basis for policy execution, is crucial. We accept that the restitution of land is an objective of government and as such, we will gladly support a process based on the aforementioned principles. Therefore, our support should not be regarded as unconditional. It also needs to be said that adherence to the legitimate process demands the commitment of all, including that of government.

The principles contained in the Constitution cannot now be disregarded or side-lined just because it is the better of two evils. Government will exploit this opportunity purely because the proposal is ours. They will not consider the constitutional implications leaving us to opt for legal recourse at substantial expense to ourselves.

In line with the 1992 negotiations, 30% of agricultural land was earmarked to be transferred. It is now accepted that 10% was achieved and thus the NDP target of 20% remains. This is to be done within the Restitution Process terminating in 2019. At such date TAU SA will consider the Restitution Process completed in its entirety and no land owner will be under any kind of compulsory or legal obligation to partake in any further Restitution Process of any kind, shape or form. However, the true state of affairs can only be confirmed by a proper land audit. We maintain the view that the completion of the audit is a prerequisite to determine what remains to be transferred. Thus the question must be posed, what happens if the audit is not done?

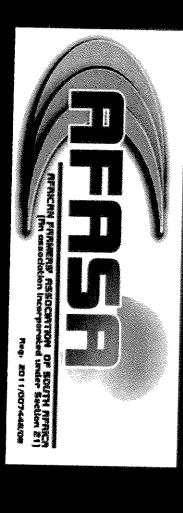
The 50/50 proposal demands a clear and unambiguous stance by ASUF. How does this issue fit in with the 20% of the NDP which dictates a transfer of 20% per district? Surely, clarification in this regard is required and in this light TAU SA distances itself and its members from the 50/50 proposal.

TAU SA does not regard the government's ways and means as being above board and we believe that government will interpret the situation in a manner which suits their ideological requirements and as such TAU SA retains the right to choose an alternate course of action should it so wish or be required to do so.

It is also a fact that certain differences of interpretation exist within the ranks of ASUF. This being the case, I wish to reiterate that TAU SA maintains its' own interpretation which will form the standard against which other inputs will be measured. TAU SA will not be bound by any other interpretation that differs from its own interpretation. This is applicable not only to current issues and documents under discussion, including those signed off on, but also to the same in the future.

It has been agreed and accepted that consensus will be the requirement for the submissions' content. By allowing the Agri SA and AFASA view on the RM50 turnover for determining land ceilings, this agreement has already been violated. It is therefore necessary to emphasize that should any member organisation accept specific responsibilities, it will imply that they do so on behalf of their own constituency and that TAU SA members will be excluded and exempted from such agreements.

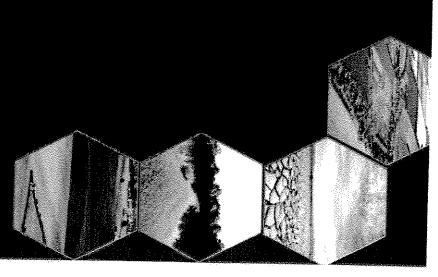
I can confirm that the TAU SA General Council did not accept the RM50 ceiling. I wish to reiterate that in our view, it would create opportunities which would not be regarded as constitutional and will open opportunities for further similar exploitations.



## Policy position on land

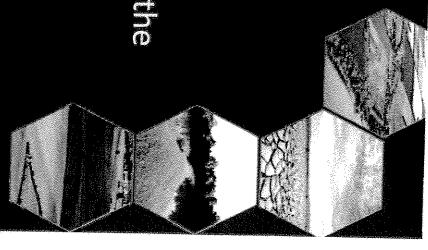
Compiled by
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24 October 2014



### Introduction

- The presentation covers AFASA proposals for:
- Strengthening the relative rights of people working the
- Land ceilings
- Identification of beneficiaries
- Grace period for beneficiaries of land reform.



### Preamble

- Land reform in South Africa is inevitable; an important process which needs to happen.
- It is a process that AFASA fully supports.
- The major challenge with this process is the approach and models which should be followed.
- It is quite clear that South African is not satisfied with the current pace of land reform.
- It is also very clear that the ANC Government should expedite the land reform process during this term of

### AFASA proposal

- The sector and government approved the principles that were laid out in the green paper, except the ceiling on land ownership.
- Initially AFASA proposed that ceilings should only apply to land that is transferred by government to beneficiaries.
- After due consideration of the NDP and what Minister Nkwinti wished to achieve with "strengthen the relative rights of people working the land" policy proposal, AFASA proposes that there should be land ceilings that are determined at district level by the District Land Committees and based on the following principles of the NDP:

## Principles for NDP and reform mode

 Enable a more rapid transfer of agricultural land to black beneficiaries without distorting land markets or business confidence in the agribusiness sector.

 Ensure sustainable production on transferred land by making sure that agricultural sciences. human capabilities precede land transfer through incubators, learnerships, mentoring, apprenticeships and accelerated training in

Establish monitoring institutions to protect land markets from opportunism, corruption and speculation.

### NDP Principles (cont.)

- Bring land-transfer targets in line with fiscal and economic realities to ensure that land is successfully transferred.
- Offer white commercial farmers and organized industry bodies the through mentorships, chain integration, preferential procurement and opportunity to significantly contribute to the success of black farmers meaningful skills transfer.

# AFASA proposal for district land ceilings

- The agricultural land ceiling be implemented within the NDP proposals for land reform, including all principles of the "Green Paper". This means that:
- The agricultural land ceiling must be decided at a district level by the agricultural land in the district is available for re-distribution. "District Land Committee" and on a commodity-based approach (e.g. vegetable production). This should be done so that at least 20% of land ceiling for fruit farming cannot be the same for livestock, grain or
- The excess productive agricultural land released through the above approach should be transferred/sold to black entrepreneurs, including farm workers who are adequately skilled and are proven entrepreneurs.

# AFASA proposal for district land ceilings

- The financing of the land transfer should be s proposed in the NDP.: financing as proposed in NDP). farmers in cash or kind contributions (stepped up programme of 50% of market value paid by the state and the rest by commercial
- The full details of the funding model for transferred land should be worked out and finalized before April 2015.
- Commercial farmers who have ceded land for land redistribution should be protected from losing any further land and gain black economic empowerment status.

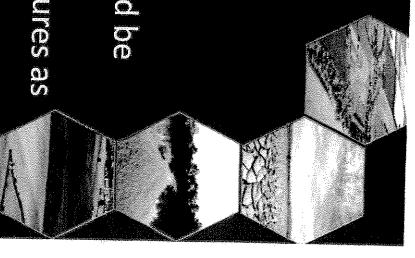
# AFASA proposal for district land ceilings

- The seller of the excess farm land should be encouraged to remain with a maximum of 25% business interest (not land) and the other of five (5) years. 75% be owned by the new black entrepreneurs for a minimum periodes
- There must be no interruption of agricultural production on the affected farms during the land transfer process.

### relative rights..." proposal AFASA position on "strengthening the

AFASA out-rightly rejects the policy proposal.

 AFASA proposes that "people working the land" should be any another potential beneficiary of land reform. afforded ample opportunity to train as farmers and thereafter be subjected to the same screening procedures as



## Identification of beneficiaries

- Adequately qualified and competent beneficiaries should be identified.
- A vocational training programme for farmers should be small, medium & large scale) and with different operations different levels and qualify for farms of different categories (e.g. established, which allows "wanna be" farmers to enter at
- E.g. there should be entry levels for experienced farm workers with no graduates of agriculture, etc. farmers on communal land and other small scale enterprises, managerial experience, experienced farm managers, experienced

## Identification of beneficiaries (cont.)

- FET and agricultural colleges should be equipped to offer the Vocational training in collaboration with producer organizations and established farmers.
- The District Land Committees should identify land beneficiaries based on qualification and experience.
- Affirmative action imperatives should be taken into consideration tactor. when identifying beneficiaries but should not be the over-riding

## reasing land state land

- Beneficiaries of land reform should be a allowed a 5-year lease free period.
- If they prove to be competent, they should have the option occupied the land OR to enter into a long term lease agreement. to purchase the land at the value of the time when they first

### ANNEXURE @ OF NA-QUES 2132 OF 2015

### NATIONAL LAND TENURE SUMMIT

### SUMMIT REPORT

GETTING SOUTH AFRICANS TALKING ABOUT LAND TENURE SECURITY

4th to 6th September 2014 at Birchwood Conference Centre, Boksburg.

### **EXECUTIVE SUMMARY**

The root of the land question today arises out of the pervasive process of land alienation that dispossessed the majority of South Africans of their land. The systematic process of land alienation from indigenous South Africans began as early as 1657 and continued into the late twentieth century. First through military conquest and colonial expansion, and later through racially discriminatory legislation, indigenous peoples lost their land and livelihoods and increasing numbers were forced to provide labour to white European settlers. By the end of apartheid, (1994) an estimated 80 per cent of the population (mostly Africans) were constrained to a mere 13 per cent of South Africa's land surface. Such alienation resulted in the obliteration of the San and Khoi and their assimilation into other ethnic groupings and a new Group classified by the racist state as 'Coloured'. Overall it resulted in the loss of ancestral lands and homes, the impoverishment of millions as well as cultural destruction, family and community dissolution, loss of essential livelihood resources, mass unemployment and psychological trauma for a large percentage of South African citizens. The physical manifestations of this are the basis of what has become known as the triple challenges of inequality, unemployment and poverty.

Last year (2013) marked the centenary of the 1913 Natives Land Act, which finally abolished indigenous forms of communal tenure that had existed amongst African communities for centuries and restricted black purchase, ownership or rental of land to only a small portion of the country's total land surface. Millions were crowded into a miniscule areas of the country's least arable land, areas that later became known as 'reserves', 'Bantustans', 'homelands' and the various "Group Areas" including church land. There was also the unique case of communities being dispossessed of land they had known as home, and the context in which labour between the farms and mines resulted in labour tenants, farm workers and dwellers on commercial farms that were placed in the private ownership of primarily "white" farmers.

It is estimated that at least 3.5 million people were forcibly removed from their land as a result of colonialism and apartheid laws implemented after 19 June 1913, and in the period following the 'whites only' election which brought the National party to power in 1948. Many more millions of people who were the descendants of the dispossessed, and who might have expected to inherit the lands of their forefathers, inherited nothing. Instead their legacy was, at best, a small portion of a water-scarce country with skewed spatial patterns and deep inequalities in the distribution of both land and water, about 16 million South Africans live in these 'homeland' areas today with another estimated 3 million as tenure insecure dwellers and workers in commercial farming areas.

Hence, a fair and equitable land redistribution programme and ensuring legally secure tenure was one of the priorities of the new democratic government, which was faced with other major distribution challenges including unequal ownership of private assets, unequal employment opportunities and unequal access to social services. With respect to land the biggest challenge was how to redistribute the ownership of agricultural land in such a way that it ensured equitable access, contributed to skills development, job prospects and incomes of black South Africans who wished to earn a living by farming, without creating adverse consequences for the total level of agricultural production.

The implementation of apartheid era land practices had several more unwelcome consequences for the structure of settlements, including:

- Distorted and dispersed settlement patterns, with the poorest communities having to travel the longest distances.
- Difficulty in the provision of efficient and viable public transport because of dispersed settlement patterns and low densities.
- High infrastructure provision costs.
- A clear division between urban and rural areas.
- Inefficient use of large tracts of land including agricultural land.
- Little or no security of tenure for farm dwellers/workers.

The Constitution gives government very substantial powers, including expropriation, to deal with the hopelessly out-dated land distribution patterns that persistently handicap the nation's progress. Nevertheless, government has hitherto been reluctant (some critics accuse government of an excess of moderation) to fully exercise these powers; in certain instances such paying "just and equitable compensation" and "expropriation" appropriate laws had to be developed and passed in order to undertake these prescripts effectively. There was also the hope that sensible voices from the land-owning group will see that a continuation of the present pattern can only end in disaster. Government has repeatedly asked all affected stakeholders to come forward with workable proposals on how to handle the land distribution impasse, so far with minimal results.

As indicated, the other most vexing topic on the land agenda is the issue of security of tenure for farm-dwellers and farm workers on commercial farms.

The sad fact is that very large numbers of people who have spent much of their lives living and working farms in the employ of landowners, still have little or no security of tenure; find that their whole existence and that of their families' revolves around the whims of the farm

owner, and are liable to be evicted, and in many instances, without notice and without explanation.

This is a tinderbox situation, and is at odds with both the Freedom Charter and the Constitution, which enables government to take strong steps.

The government is concerned. It cannot justify inaction any longer. People are restless on both sides of the fence.

It was against this background that the Department of Rural Development and Land Reform convened the National Land Tenure Summit at the Birchwood Conference Centre in Boksburg from September 4<sup>th</sup> to 6<sup>th</sup>, 2014. The idea was to get those most affected to start talking about their hopes and concerns. The theme was "Getting South Africans talking about Land Tenure Security".

### Primary Purpose

The main purpose of the National Land Tenure Summit was to build an inclusive partnership for a common, single and coherent four-tiered land tenure system with particular emphasis on strengthening land tenure rights for people living on commercial land areas; and to deliberate on Communal Land Tenure Policy, Communal Property Associations, Land Tenure Security for Commercial Farming, and Agricultural Landholdings Policy. The focus on these four areas was viewed against the backdrop that the process of land alienation has led to a virtual land crisis.

Deputy Minister, Mr M Skwatsha, acting as Programme Director on days 1 and 2, officially opened the proceedings and introduced Minister GugileNkwinti.

Featuring in both the introductory remarks to the summit and the reports of the Commissions, certain themes emerged as matters of common concern:

- There is a consistent and deeply-felt sentiment that the rights of women, and their particular circumstances, are not being recognised or dealt with, specifically when it comes to the question of land reform. Women fear the continuing exploitation of women and want tenure security in their own names.
- There are repeated calls for 'dialogue', discussion, participation, partnership; for 'government not to work alone', from landowner and commercial-interest stakeholders; pointing to a need for further debate and mature reasoning.
- \* There are numerous references to 'uncertainty' which can be interpreted to mean a lack of clarity as to government's precise intention. This is discernible in both the dispossessed group, who are anxious to know how and when the yoke of poverty will be removed from their necks; and the landowning group, who are apprehensive that their interests might be compromised. There is a pressing need for clarity, particularly

in view of the connection between 'uncertainty' and evictions, pointing to the urgent need for a communications campaign clarifying DRDLR thinking. The issue of evictions is a source of concern to all groups.

- There were multiple references to the fact that the present land distribution situation
  is untenable, "unendurable" and unsustainable, with frequent references to
  'consequences' if a fairer system is not devised and implemented rapidly, preferably
  through general consensus.
- There was a general call for clarification on the rights, roles and entitlements of traditional leaders.

### DAY 1: 4th September 2014

The Minister warmly welcomed the delegates and explained that he was now scheduled to give an overview of the current land tenure situation, but as there was some delay in the expected arrival of President Jacob Zuma, he would prefer to postpone the overview, and proposed that instead that the principal stakeholders now introduce themselves to the summit and briefly explain their position on the question of land tenure.

Deputy Minister Skwatsha agreed with this proposal, and called the principal stakeholders to the podium, one by one.

### Farm Dwellers:

Mr Adam Levy, representing Farm Dwellers from the Western Cape stated that "farm dwellers have always been downtrodden. Therefore we are grateful to be able to address our grievances and we ask the Minister and all the top players to help us move forward, and this can only happen if we can have our say, if we can leave our children something to hold onto".

### Labour Tenants:

Mr FanieMthethwa, from Piet Retief in Mpumalanga briefly thanked Government for the invitation and on the theme of this summit, spoke about the "unbearable conditions imposed on farm workers", and was very positive about the summit.

### Communal Areas:

Chief Jonginyaniso Mtirara from the Eastern Cape gave his traditional greeting, mentioning the Minister by his clan name. He was reluctant to thank government just yet, and would only do so when the end-product was very clear, as "sometimes plans are good but the actions turn out differently". His fundamental plea was that "as we leave here we must be very clear about land acquisition, land administration, land management, and land distribution".

### Communal Property Association (CPA)

Ms Dolly Mukwevho from Limpopo, representing CPAs, thanked the minister for handing back their land, as this was a victory for the CPA community at large. "With this opportunity we will continue to cultivate the land for survival and trade fruit and vegetables, which we hope will one day allow us to supply big retailers in the country. What we need is for the government to continue to give us support in terms of skills needed, funding of big agricultural projects and exposure to the market to enable us to trade as small subsistence farmers".

### TRANCRAA

Mr AvronJanuarie from the Western Cape, representing the TRANCRAA communities, greeted all present and congratulated the minister and the department for what has been achieved in the TRANCRAA communities thus far. "We need to work together with the government and pull together because 'yesterday is not ours to recover, but tomorrow is ours to win or lose".

### National Reference Group (NAREG)

Ms Merriam Sebitlo from North West said that NAREG was established in 2011 and is in essence a representative group of beneficiaries, elected from all nine provinces, and is made up of 18 members; 2 per province, one male and one female, the main purpose being public participation and consultation with the Minister. This group assisted in the drafting of the green paper and still continues to serve in various work streams formulating policies. Currently Ms Sebitlo served on the work stream on Communal Land Tenure Security.

She said "We must forget tribalism and let's talk 'South Africa' and move forward to a better future. We must not continue to hold our leaders to ransom, telling them 'we were the first occupants of the land'. We cannot afford to go back, and we as NAREG stand here to say Minister we assure you that we are here to unite South Africa and move South Africa forward".

### Women's Organisations

### Women on Farms (WoF)

Ms Carmen Louw, representing Women on Farms, said women working on farms often live very precarious lives as, in most cases they are seasonal or casual workers who don't have a permanent secure income. Their tenure security is also linked to that of their male partners, as in most cases rental or housing contracts are not in the name of women, which means that when men are evicted or lose their jobs, women suffer with them. Due to the dependence on their male partners for income and housing, women often remain in abusive relationships just to secure these basic needs. Following the strikes, there has been an increase in the retrenchment of women and the latest statistics show that 73 000 farm workers lost their jobs in the last year, most of them women. The next step is that they will be evicted, and officials will confirm the increase in eviction applications over the past few months. Ms.Louw cautioned that this legislation is not specifically looking at the challenges of women. WoF requested that woman's access to land be specifically looked at, so that women can have tenure security in their own names, and so generate their own food security and their own income.

### Woman in Agriculture and Rural Development (WARD)

Ms MorineMagubane, representing WARD, stated that she was grateful to the Government for allocating land to women, but felt that more land should be given to women, as there are more women who use land than men.

### Progressive Women's Movement (PWM)

Ms NonhlanahlaBengu, representing PWM commended the exercise that was taking place but had some concerns regarding the inclusion of women in the benefits derived.

The National PMW Conference named 4 areas as the pillars of their organisation: the inclusion of women in the economy, skills development, gender based violence and access to health services. The organisation was happy to be at the Summit but wished to point out that the right to own land was not within the power of women. PWM called on the department to assist women who are being deprived, especially widows who lose their land, often claimed by male relatives in the family after the death of their husbands, and children, similarly deprived after the death of their parents. Government should intervene to ensure the legal transfer of land to the widows and orphans following the death of their husbands and parents respectively.

Women also needed to be nurtured and developed, as land was useless without capacity and skills. There needed to be dedicated financial support for land distribution to women, and the department needed to assist women to access the markets where they can sell the product grown on their land.

### National Movement for Rural Women (NMFRW)

Ms ZaneleZwane representing NMFRW said that as part of the government land reform programme, the NMFRW needed to be trained and educated on farming activities, as most of them had never had the opportunity to receive basic education. She emphasised that the NMFRW was established to address the suffering of the older women living in the rural areas.

### Agricultural Unions

### African Farmers Association South Africa (AFASA)

The Secretary General of AFASA said that AFASA applauded the Minister for his initiative to bring so many people together for the debate. He said that AFASA believed in food security for people who had been deprived of land; to enable them to produce food for the betterment of the country. He said his organisation believed that the mistakes made prior to 1994 needed to be rectified by ensuring that the land is given back to the people and that the government must be firm in implementing the land reform programme.

### <u>AGRI-SA</u>

Dr Theo De Jager, the president of AGRI-SA, said that the AGRI-SA provided the highest quality of food, and the most affordable farm produce in the whole of Africa. He pointed out that his union strongly supported the land reform programme. In his address, Dr De Jager urged the government not to work alone on the land reform programme but to consider partnering with the private sector. He said that land distribution should be aimed at benefiting the South African economy at large. He submitted that Agri-SA had a 96% success rate and had provided jobs to many South Africans, and the government must come to support this drive in creating employment. He pointed out that many people have lost their jobs due to uncertainty, as commercial farmers are scaling down their farming activities.

### Agri-Sector Unity Forum

Mr J Grobler, the chairperson, in his address expressed the view that:

- The land reform programme should take place in line with the Constitution.
- Corruption should be eliminated.

- The government should consider private and public partnerships to ensure sustainability.
- Permanent rural housing should remain the sole responsibility of the government.
- Agri-Sector Unity Forum will participate in drafting of the new regulations.
- A database for land ownership needs to be completed.

### National African Farmers Union (NAFU)

Mr MotsepeMatlala, the President of the NAFU, pointed out that South African history cannot be renegotiated. He submitted that NAFU had been established by less privileged and poor people. He pointed out that his Union was in full support of the 50/50 arrangement for land reform.

### Agribusiness

### Agri Business Chamber

Dr John Purchase, representing Agri Business Chamber, noted that although Agri Business Chamber members are not land owners, they do play a major role in providing services and products to farmers. He submitted that the value of the Agri Business sector represents 12% of South Africa's GDP, and is an important sector of the economy. Dr Purchase noted that they, as a stakeholder group, had a direct interest and concern in land reform; and were keen for it to happen successfully, and for the maintenance of food security in South Africa. He emphasised that the diminishing land availability has to be protected and maintained, to ensure optimal primary agricultural production in the context of local and global markets.

Dr Purchase stated that Agri Business Chamber acknowledged the need for land reform and rural development in South Africa, but that the programme should be thoroughly discussed. He pointed out that while a number of land tenure initiatives by the department were supported, the issues of land ceilings and the rights of farm workers remain, in principle, highly problematic in the Agri business sector, due to the negative economic impact the proposed policies would have on agriculture.

In addition, he submitted that the land reform model proposed by the National Planning Commission in the National Development Plan is believed to hold great promise as a viable implementable strategy, to transfer 20% of commercial farming land over the next 5 years, without impacting negatively on agricultural production. The proposed model, when

implemented correctly, would stimulate investment in agriculture, increase production, create jobs and enhance food security.

### Non-Governmental Organisations

### Surplus People Project of Western and Northern Cape

The Surplus People Project of Western and Northern Cape is part of a group of ten land-based organisations across the country working on similar issues. They support the Agrarian reform for food sovereignty campaign. Tenure reform has been the program showing the least progress on land reform. They are of the opinion that the State should provide tenure support for the TRANCRAA reform process in the coloured rural areas, and that the state should provide support for legal entities that hold the land. Farm workers raised the issue of escalation of evictions in the Robertson area, and the farmers made a decision that there should be a halt to evictions from farms. How this objective could be achieved needed to be resolved. Tenure on church land had been left out of the tenure reform process; and the church was taking what the state had provided to benefit the people. Forestry communities have been left out of the tenure reform process despite the fact that the biggest assets in the areas were the plantations.

### LAMOSA: Ms Machila

LAMOSA's core business is land reform; principally to assist communities to claim back their ancestral land. South Africa had struggled for many years to devise strategies and better mechanisms to fast track the land reform process, with affected citizens being involved in decision-making. The issues affecting women in South Africa who were fighting for land included the impact of land grabs, land disputes and stripping of assets, which were being caused by the delay in returning the people's ancestral land.

Women as small scale farm workers have no post-settlement support. To be progressive, inter-departmental coordination is required to access the 10% agricultural budget. LAMOSA felt that 50% of land should go to women who are small scale farmers, and indicated that according to the published demographics, women outnumber men. It was argued that the Expropriation Act should be used where land-holders refuse to sell.

### TRALSO: Mr SibongileKamatshe

The representative of TRALSO submitted that, in terms of the Freedom Charter, South Africa belongs to all its citizens. Women's rights, in terms of land tenure, must be considered.

### SANACO

The submission from SANACO was that land should be distributed equally.

### NKUZI DEVELOPMENT ASSOCIATION: Vasco Mabuda

The NDA representative observed that there are many people still living in overcrowded circumstances in former Bantu settlements. Mr Mabuda thanked the present government for their care and consideration towards them. He explained that the major role of his organisation was to defend evicted farm workers. He said that the National Land Tenure Summit must give a wide range of options.

### **Legal Organisations**

### RURAL LEGAL TRUST: Mr B. Chakache

Mr Chakache said that his organisation provides legal aid to farm workers, and makes sure that it establishes a relationship with at least one farmer per district in order to demonstrate its relationship with the farmers.

### LEGAL RESOURCES CENTRE: ShiramiShirinda

The representative said that the Legal Resource Centre (LRC) was formed in 1979, and its main purpose was to work with the government in implementing good laws.

### LAWYERS FOR HUMAN RIGHTS: MangalisoKubeka

The Lawyers for Human Rights representative declared that the organisation is happy to see that the Minister is truly the voice of the people. LHR is an organisation that speaks for people faced with bad situations within their working and dwelling areas.

### African Union

NATIONAL LAND TENURE SUMMIT REPORT

DRAFT 3

UNITED NATIONS

UNDP's role is to provide guidance on how to implement land reform policies. UNDP is proud to work with South Africa and to support the land tenure system. Political parties are

encouraged to unite to successfully achieve the goals of the programme.

**Business** 

BANKING COUNCIL OF SOUTH AFRICA

The Banking Council agriculture is a key sector, and the organisation expressed its support for land reform and the National Development Plan. It requested the upholding of the

Banking Council Constitution.

NAFCOC: Mandla Buthelezi

NAFCOC is the voice of business in South Africa, and the organisation expressed its enthusiasm at the prospect of people getting their land. It was recognised that skills should be developed in new land owners and there should also be a reliable market for the people's

produce once they harvested their crops.

Traditional Leaders

NATIONAL KHOI AND SAN COUNCIL: Mr Cecil Le Fleur

Mr. Le Fleur said that his organisation was grateful to the Minister for considering them in the land tenure meetings, and bringing together all the key Khoi and San people.

NATIONAL HOUSE OF TRADITIONAL LEADERS: Mr Kgosi PP Maubane

It was submitted that traditional leaders never sold the land they occupied, yet were forced to leave the land, as they refused to support the apartheid regime. Traditional leaders never sold anyone else's land to the private sector. South African citizens should not be merely producers of products, but should also become part of the industry developing around their products.

CONTRALESA: Kooshi S. Thobejane

The viewpoint of CONTRALESA was that the Land Tenure Policy must ensure equitable distribution of land. The policy must resist the temptation to exploit it in terms of legalities, and must also ensure that there is no land exploitation or sell outs.

### People with Disability

### DISABLED PEOPLE OF SOUTH AFRICA

The organisation represents disabled people and its aim is to make disabled people independent. Meeting places should be accessible to disabled people, and the views of disabled people must be considered in constitution-making committees.

### Farm Workers Union

### BAWUSA: NosseyPieterse

For BAWUSA there is one problem and that is evictions. Since the Minister strengthened the law on evictions there has been an enormous increase in evictions. BAWUSA warned the Minister that this would happen, but they (BASUWA) were not listened to.

At this point, all stakeholders having outlined their positions, the programme director announced that the State President had been unavoidably and permanently delayed, and that Minister Nkwinti would now deliver his overview.

### MinisterGugileNkwinti's Overview

The Minister explained that whilst the Government was working on the whole field of Agrarian Transformation alongside other departments, this Summit, although comparable to the 2005 Land Summit, was also markedly different. Whereas the previous Land Summits were held to discuss the issues in general, the current Summit was specifically focused on the tenure system, and was focused on implementation. The people, and those most affected were now being consulted over policy implementation. Citizens had a right to be notified and informed about the steps Government has resolved to take on land reform and rural development.

The Minister reminded delegates that the Mangaung Conference of the ruling ANC had resolved on a 40 year Land Tenure System, which affects state land, privately owned land,

communal land, and land access by foreign nationals. He reiterated that this was what the Summit was about. He said that the Land Tenure System speaks to policy and law. Agricultural Land Holdings Policy revolves around landholding ceilings. The Minister pointed out that this is because land is finite. Land does not grow or increase, unlike the population, which continues to grow. The land of South Africa must be shared in a just and equitable manner; otherwise the current issues will continue to be the subject of dispute 100 years from now.

The Minister stressed the fact that the fundamental law of the land, as expressed in the constitution should not be the subject of any disagreement. Land distribution can be left to market forces in normal societies. But the situation in South Africa is not "normal". The state has to mediate, and the main themes must be established on grounds laid out in the Land Holdings Bill, which will be tabled in the Parliament later in the year, with the hope that Parliament will pass it early in 2015, and so that the Act can be used to regulate the distribution of land. He said that the Land Holdings Act would establish a Land Commission, which in turn will determine who owns what part of the land of South Africa. The Minister elaborated further on each of these thematic areas:

### 1. State Land

The Minister observed that state land should not be for sale, but leased to people on a long term lease agreement, to leverage successful redistribution. He noted that in a discussion with AFASA, a longer-term scenario was proposed in which people are to be given 5 years of training and strategic support on the land allocated to them. If people fail to develop the allocated land within the 5 year period, it will be reclaimed, applying the "use it or lose it" principle. Such land will then be assigned to someone else to work. There are many waiting. Those who demonstrate the capability and passion to utilise the land for productive farming can be given options to buy the land or to enter into a 30-year lease. The Minister added that delegates would have the opportunity to discuss the proposals on the basis of "what is fair and just", since this summit would be followed by implementation.

### 2. Privately Owned Land

The Minister indicated that privately-owned land must remain freehold, with limited extent. There had been no justifiable aligned distribution process in South Africa. The Agri sector had been requested to come up with economic variables to determine small, medium and large scale commercial farms, however, to date they had falled to do so. Once these determinations are made, anything above the maximum threshold will be bought by the

Government and redistributed or given to workers on the commercial farms. This is to prevent workers working for their whole lives and passing on without ever owning any land.

In 2013, a meeting was held with many stakeholders to discuss the set of economic variables, as the Minister did not want to use political variables. The 50/50 principle proposed is a political variable resolution and is not an economic variable. The Minister observed that numbers of people and organisations were rejecting the 50/50 principle, without offering any viable alternatives. He urged that this Summit should come up with the set of economic variables required. Presently there was peace and good sense, but so long as land ownership patterns remained skewed, the potential for conflict grew - the sore was festering. Presently some 14% of the population owned 70% of the land. This was not sustainable. The Minister added that democracy has succeeded in placing capital in the hands of many black people who now featured amongst the land owners. So the land issue was no longer a race issue, but had become a class issue. The land issue needed to be resolved. He said "we want to correct a particular South African problem - the land problem". It was iniquitous that some South Africans owned large tracts of land, measuring more than 30,000 hectares, whilst others had not even a scrap of land, and ended up turning to crime for survival. How do you explain that morally? It is indefensible. The Minister urged that by the end of the Summit viable recommendations should be in place to address this critical problem.

### 3. Land Ownership by Foreign Nationals

The Minister reminded delegates that the Mangaung resolution of ANC states that once the land audit is complete, no foreign national should own land in South Africa, but that land could be leased to foreign nationals. The preliminary audit revealed that 79% of South Africa's land is owned privately, with no indication of the race or nationality of the owners. A further 14% of the land is owned by the State, and 7% of the land is unaccounted for, and forms part of State Land, since it is in the Tribal Homeland areas set up during the apartheid era. The Minister noted that when the Land Commission is established, it will require people to produce and declare their land ownership, as well as identify individuals who have occupied land illegally, and those who have stolen State Land. He noted that at this time there is no instrument to force people to declare their land holdings. He stressed that once the Land Commission exercise is finalised, no foreign national will be allowed to own land; although such persons will have access to a minimum 30-year long-term lease.

### 4. Communal Land as it relates to Traditional Leaders

The Minister observed that traditional leaders are taking land from the people, which must be stopped and prevented by law. The policy was assessed again for shortcomings caused by the demise of the Communal Land Rights Act (CLARA). A proposal was put forward to institutionalise use rights, and for land to be legalised and used as collateral, thus protecting rights to land for future generations. This will be the first phase of moving towards full title deeds, so that these rights can be used, if required, as collateral. The Minister said that when the use right is exercised, and this is used to get loans from the bank; in cases where such loans cannot subsequently be serviced, the first right of refusal on the sale of the land should be granted to the community, and a second right of refusal granted to the Government; the primary objective being to keep the land in the community.

The Minister further pointed out that Traditional Councils are in governance in accordance with proposed policy and legislation recognised in South African law. The responsibilities of the traditional councils are, as the title holders in terms of the broader title, to resolve disputes on land for development. They are further to be a reference point and to allocate land to the people.

Minister Nkwinti revealed that Government wants to introduce the rural economy transformation model, which covers land for development, and in terms of which the people control the land. The traditional leaders cannot exercise executive authority, but they are a moral authority. Unemployment and homelessness are moral issues which they should hold government accountable for. The Minister indicated that although people should stick to their responsibilities and account to Parliament, traditional leaders should be encouraged to exercise their moral authority over politicians. The Minister noted that the traditional leaders are to meet and make decisions in terms of their 4 functions which are:

- To account to their subjects;
- To report once a quarter at meetings that should have substantive quorum (60% of households) so that decisions taken are legitimised;
- To account to Parliament through the Department;
- To ensure that there are regular elections of traditional councils.

He emphasised that this is accountability in terms of a constitutional democracy willing to understand and accommodate existing institutions, practices, cultures and traditions. The cultures must be recognised and grow together, and not lose respect for the traditional institutions — the moral authorities. The proposal being put forward is a model based on ownership of the land by the people. Currently, the traditional leaders hold land in trust on behalf of the people, who do not own land. We want to synergise democracy and tradition. As the acknowledged governance structure, the traditional council should make the decisions on the land, in order to prevent people grabbing that land. The Spatial Planning

and Land Use Management Act (SPLUMA) is the model to be used for development. The Minister criticised poorly-performing municipal councils. Since 1994 there had been no system to ensure that their authority is exercised over land. Municipalities, as authorities of the state, must ensure that bylaws are in place and traditional authorities must ensure that these bylaws are complied with by all citizens. Municipalities must further ensure services are available, and people must pay for these services. And people who own land which attracts business offers must not think that government is there to help them make all their business decisions.

Government, community enterprises, and business are distinctly separate functions.

## Community Property Associations (CPAs)

It was noted that 39 CPAs have sold land without consulting the people. The Minister said that in this context CPAs and Trusts are problematic, and that in the amendment that is being put forward, (and which the Chief Land Claims Commissioner will elaborate on tomorrow) communal land holding will be created within a communal land area. The manner which the CPA presently holds communal property in a communal area creates a basis for conflict and lack of development. Also, a degree of confusion exists amongst people who were forcibly removed from one communal area, relocated to another and now claim communal rights in both places. The new model will clarify this. CPAs must democratise themselves. People who lodged restitution claims on land on which they were tenants, dwellers and farm workers will not be given a communal title deed but individual title deeds. In addition, the Minister indicated that title deeds will not be given to CPAs as they do not account to any authority but themselves. All categories of successful claimants will be given individual title deeds. The Minister noted that most CPAs officials live in townships, and come to rural areas only to exercise control over those living on farms and that this must end. The Constitutional Court had given a timeline of June 2015 for an alternative to CLARA.

At this point the Programme Director thanked everyone for their contribution and closed proceedings for Day 1.

# DAY TWO: 5th September 2014

Day 2 (Sept. 5<sup>th</sup>) began with a decision by the delegates to skip scheduled presentations and break directly into commissions (which would then receive the respective presentations). There were to be 8 (eight) Commissions in total; with two Commissions each dealing with one thematic area. The guideline was for the two commissions treating the same topic to

consolidate their findings and recommendations into a single report for the feedback session the next day. There were 4 (four) thematic areas for the Commissions to consider:

- 1. Communal Land Tenure Policy
- 2. Communal Property Associations Policy
- 3. Land Tenure Security for Commercial Farming areas Policy
- 4. Agricultural Landholdings Policy.

In Commission 1A on Communal Land Tenure Policy, Facilitator Dr. Moshe Swartz emphasised that the process underway was for the benefit of everyone, (meaning the community at large); and that being a Traditional Leader means taking responsibility for ensuring that economic benefits flow through to the entire community, especially the less privileged.

Judge Jerome Ngwenya made a presentation on how the sound legal structure of the administration of communal land in South Africa impacts on the development of policy designed to strengthen the land rights of vulnerable communities.

This was followed by a presentation by *Dr.AnninkaClassens* focusing on title to and custodianship of communal land, and the checks and controls required.

In Commission 1B on Communal Land Tenure Policy, the opening remarks were made by Programme Coordinator *MrBongikosi Zulu.MEC Cyril Xaba* then gave a presentation on the differences between Communal Land Tenure and Trust Tenure.

This was followed by a presentation from MrSiyabulelaManona, who spoke on the history of insecurity on questions of land tenure, and the need to have a number of land tenure options for people to choose from. Ms. Gaza delivered a presentation in which she pointed out that the traditional leaders do not own land; they are custodians of the land. She also urged government to recognise the need to train CPAs.

In Commission 2A on Communal Property Associations Policy, co-facilitator Ms NomfundoGobodogave a brief summary highlighting key aspects of the Policy. This was followed by a presentation by Mr.Henk Smith, who noted that Land policies should be considered a prerequisite for economic growth and sustainable human development, adding that the distinction between control and ownership must be recognised. He said that CPA policies must be coherent and interactive.

Ms. Donna Hornby made a presentation in which she observed that although CPAs had had a "bad press", with assistance they can function much better than they are currently doing. She contended that land reform does not fail because of CPAs, but CPAs fail because

agrarian reform has not worked out how to address all the problems. She further noted that some CPAs succeed despite all the challenges.

Prof Ben Cousins gave a presentation in which he said that Land reform beneficiaries should be able to choose the kind of land holding entity on which they want to farm, and that the DRDLR's emphasis should be on ensuring that skilled facilitation is available for setting up and assisting CPAs.

In Commission 2B on Communal Property Associations Policy, Dr. Wilson Magalanchenche

and MrSiphoMpungose discussed a wide range of issues, including whether CPA was an original South African concept or recognised internationally; what would happen if individuals were not ready to join a CPA; how the CPA would assist the average community; how fraud might be prevented in farm ownership transactions; the question of the "60% quorum rule"; and how to obtain recognition as a community, amongst others.

In Commission 3A on Tenure Security for Commercial Farming, a presentation was made by facilitator *Ms Leona Archary* on the purpose of the proposed policy. The presentation covered important issues, including context; combining share equity and co-management, and the financing of worker's equity.

This was followed by a presentation by *Prof Ruth Hall*, who focused on the question of strengthening the relative rights of people working on the land; how precisely the 50% ownership template would actually work; how much it would cost, and what new responsibilities would fall to the separate parties.

Prof Mark Solms gave a presentation on how accommodating the workers on his wine farm had proved hugely advantageous to all parties. He recognised that many of the people who worked on the Solms farm were descended from the people who had originally occupied the farm, which fully entitled them to ownership of the land they occupied. He added that there had been a marked increase in efficiency as a result of a now mutual interest in the success of the farm.

In Commission 3B on Tenure Security for Commercial Farming, facilitator Ms VuyiswaNxasana started by reading through the proposal policy of the Strengthening Relative Rights of People Working the Land. She pointed out that the proposal policy states the need to address historical land hunger and extreme concentration of land ownership and control in a few hands. She then went on to describe the details of the proposed redistributive model, including the share of ownership a farm worker might expect in proportion to years of service. She also said that two institutions were proposed to deal with

the evictions of workers: the Land Rights Management Board and the Land Rights Management Committee.

Ms MargareetVisserfrom the Institute of Development and Labour Law, University of Cape Town made a presentation on Farm workers living and working conditions in South Africa: Key Trends, Emergent issues and underlying and structural problems. This was followed by a contribution by Professor KwandileKondio from the University of Johannesburg.

Mr Prince Dludla, a black land owner from KwaZulu Natal, gave a presentation on his success story, which is based on what he has done to better conditions for workers on his 200 hectare farm which has been in his family for nearly 100 years. He emphasised that one of the keys was to make people fell wanted. He cautioned that social grants had a tendency to make people less enthusiastic about their work.

General discussion followed.

In <u>Commission 4A on Agricultural Landholding Policy</u>, facilitator *MrMasiphulaMbongwa* gave a presentation on the regulation of land ownership by foreign nationals, and the establishment of ceilings and floors for landholding operations in districts. This was followed by a presentation by <u>MrRamabulana</u>, on behalf of <u>Prof Mohammed Karan</u> on financing and economics of land transfer.

A contribution was made by Prof van Wyk.

This was followed by general discussion on the Khoi-San. Some delegates felt that a Ministry of Khoi-San Affairs was desirable.

In <u>Commission 4B on Agricultural Landholding Policy</u>, co-facilitators *Dr NozizweMakgalemele* and *Mr Hilton Toolo* introduced *Professor ShadrackGuttow*ho made a presentation on the significance of land and the importance of political will and decisive leadership.

Mr Hilton Toolodelivered a presentation on the Agricultural Landholdings Policy, including an understanding of state interventions, constitutional injunctions, the land management model for sustainable development, and the scope and principles of the policy.

Professor Sam Kariuki made a presentation on Land Ceiling, international review and implications for South Africa, including land related history to date, and the imperatives of the present situation.

A wide-ranging debate followed.

Delegates spent the whole of Day 2 in the commissions, the results of which were tabled on Day 3.

# DAY THREE: 6<sup>th</sup> September 2014

# A. COMMISSION 1 COMBINED REPORT- COMMUNAL LAND TENURE POLICY

#### Recommendations

- \* Title deeds must be issued to households to secure tenure, since everyone now lives in a world of 'records'.
- Policy to give security of tenure for women in communal areas.
- To make provision for widows and those who have never been married.
- Clear distinctions and guidelines on roles and responsibilities of traditional leaders, as opposed to ward councillors.
- First right of refusal must be given to family members.
- Title deeds to be issued with conditions.
- Strengthen the monitoring and evaluation of land management systems.
- Land Commission/ Ombudsman is to be established.
- Amend IPILRA whilst the land tenure legislation is being developed.
- Democratisation of equitable land rights for men and women.
- Need for clarification of the definition of use rights and various other kinds of rights.
- There is need to recognise both vertical and horizontal ownership. Land should be inalienable.
- DRDLR is to give tenure with limitations, in order to circumvent the sale and abuse of communal land.
- Support the issue of communal land being transferred to the traditional council.
- Councillors are to be capacitated.
- Tribalism must be abolished.

# B. COMMISSION 2 COMBINED REPORT- COMMUNAL PROPERTY ASSOCIATIONS

#### Recommendations

- Lands Right Ombudsman to be established.
- A clear definition of 'household' to be made.
- Policy guidance for officials on how to deal with concerned groups to be developed.
- Constitution of CPAs is inadequate.
- Separation of governance from development is welcomed.
- The size of land and the complexity of structures are to be taken into consideration.
- National, Provincial and District structures are to be established.
- Members are to be assisted to understand the different structures to be represented in the Land Rights Management Committees and District Land Reform Committees.
- Limiting membership to CPAs, as households could undermine individuals, particularly women. The CSIR Report recommended that individuals should be members of the CPAs.
- The policy is to set out guidelines for who should be members of the CPAs.
- Substantive quorum should be limited to certain decisions in the CPA, e.g lease or sale of land.
- If substantive quorum is retained, members who fail to attend meetings without good reasons on a continuous basis should be removed from the register of members for the purpose of the quorum.
- Share equity enterprise model: IDP relationships of CPAs to IDP and the municipalities must be clarified.
- Need to accelerate development in rural areas.
- CPAs to create further opportunities for development.
- Appropriate legislation of authority from the Registrar of CPAs to Deputy Registrars.
- Funding to be obtained to fill vacant posts.
- Compliant CPA members are to be employed in the Registrar's Offices.
- IPILRA is to be applied to land, except State Land.
- Extension officers to be availed to support farmers.
- Succession of CPA members is to be clarified.

- CPAs should not be placed under administration; it is better to explore dispute resolution models.
- Details, of how the Department (DRDLR) will harmonise relationships between the CPAs and the Traditional Authorities, must be provided.

# C. COMMISSION 3 COMBINED REPORT - LAND TENURE SECURITY FOR COMMERCIAL FARMING

The two groups who attended Commission 3 had different views pertaining to the 50/50 proposed policy. One group was in support of the proposed policy and the other group said that the policy should be parked. The following are the **combined recommendations** from the two groups and are as follows:

#### Recommendations

- Review all legislations on tenure reform, and ensure that a holistic intervention is
  offered for all categories of tenure security. While a holistic legislative mechanism
  is being sought, place a moratorium on all forms of evictions. Strengthen
  implementation and enforcement of ESTA.
- \* There must be a commission on evictions in South Africa.
- Review previous summit recommendations.
- Build institutional mechanism and capacity of the state to implement the holistic intervention of tenure reform.
- Go back to the issue of negotiated settlement with specific reference to the agricultural sector (inclusive of previously marginalised groups e.g. Khoi- San).
- Increase the footprint of the department and improve intergovernmental relations.
- The share equity audit report should be made public so that when this is engaged in, as proposed, it takes note of why the previous schemes failed.
- The institutional arrangement of the structures like the Land Rights Committees should be driven by the transformation agenda and be given the power to make decisions.
- There is a need to strengthen the monitoring of the implementation of legislation and empower the communities to conduct this monitoring, and to further establish structures where failures can be reported.
- Establish a tripartite forum between government, the land owners and farm dwellers/workers, where the issues will be addressed (regular meetings).
- Increase access to legal aid for all affected farm dwellers/workers.
- Create whistle blowing processes to report unfair treatment at all levels for farm workers/dwellers.

- Regulation must be formulated to define basic services for farm workers/dwellers, and who is responsible for providing these services. If the farm owner is responsible for providing basic services, penalties must be in place to enforce compliance.
- Local government must be capacitated to also assist the department with farm evictions and monitoring; municipalities and other sector departments should be able to impose penalties.
- Farmworkers/dwellers must have a collective institution that represents them.
- There must be separation between workers tenure rights and his or her labour rights, so that work disputes do not result in eviction.
- Effective information dissemination to ensure that everyone is informed.
- Toll free numbers only work on land line, cell phones must have provision for toll free numbers, as fixed lines are few and far between for farmworkers.
- All farmers in the republic must belong to a national union.
- Tenure Rights must be separated from labour issues.
- Implementation of section 4 of ESTA.
- AgriBEE developed further with farmers' contribution, but there should be incentives to attract commercial farmers to assist within the BBBEE structures.
- Strengthen existing legislation (ESTA) to ensure the protection of women, children and future generations.
- Ring-fence redistribution budget for farm dwellers. Farm dwellers/labour tenants/farm workers must be given the first priority as lease-holders when a (the) farm is purchased under PLAS (representing a contradiction to current policies).
- Expropriation with just and equitable compensation.
- Women must also have the right to land and the business equity share, when their husbands pass on.
- On the implementation of the policy, start-up packages (providing support) must be provided to new farmers (provision of tractors, equipment etc.).
- Increase the capacity of the Department of Rural Development and Land Reform staff to implement the policy proposals.
- Review thresholds on years one worked on the land. Take into consideration that there are casual workers who work on short term contracts which could accumulate to the threshold.
- Use expropriation to enforce implementation where the willingness to engage with the scheme is missing.
- Take away licences e.g. water license, if farmers do not comply with the policy proposals.

- Implementation of the policy proposal must go hand in hand with housing development and land for food security.
- Guidelines must be developed for the implementation of this policy.
- AFASA proposals on land ceiling are welcomed.
- The land that farmers give to farm workers and dwellers must be productive.
- The mindset of farm dwellers and farm workers must be remoulded so that they understand that they are owners, no longer dweller/workers (transformation of thinking).
- People who used to stay on farms, but were evicted, must be traced and compensated for the rights they were denied.
- The financing model must be defined in the 50/50 policy proposal.
- Benefit must be based on equity principles between the land owner and the farm dweller/workers when entering into a share equity or co-management arrangement.
- There must be a vigorous communication on the policy proposals to communities, and at local level, together with the officials of the department.

## Additional points added by the delegates:

- AFASA agrees to 50/50.
- Small farmers should be given 0-300 hectares of land.
- 0-5 years is the period to be given to a farmer for progress over the land. If he/she fails to manage it, the government will give it to others.
- Farmers should be trained.
- There should be farming institutions.
- The process should be decentralised.
- Extensive land should only be given to those who are able to manage it.
- There should be a monitoring system.
- Migration of livestock should be prohibited, so that animal diseases are not spread.

# D. COMMISSION 4 REPORT - AGRICULTURAL LANDHOLDINGS POLICY

#### Recommendations

The highlights of the report by Commission 4 are as follows:

- 2 Models were proposed: Commercial Funding Model and Communal Land Funding Model.
- District Land Committees must look at spatial planning and ESTA issues.
- Need to monitor mentors and strategic partners.
- Need to promote relations between investors, government and the communities.
- Need to seek to regulate landholdings by foreign nationals. The Policy is supported.
- There must be a moratorium on foreign nationals acquiring land.
- Ceilings on land ownership must be flexible and dependent on a range of variables.

However, as part of the deliberations of Commission 4A, the following recommendations were made:

#### Recommendations

- Extend foreign lease.
- Assist farmers who are willing to participate and help them to acquire finance e.g. loans (development and finance).
- Make the communal areas productive; because there is very fertile land, a planning scheme is needed on how best to use the land.
- Government to provide incentive so that the 20% transfer can be effective.
- Working groups (to work) on the financial model, and have separate groups to prepare the financial models for the communal and commercial land.
- Land tenure security for all commercial farmers.
- Manage land invasions for tenure security.
- Centralise monitoring system, to monitor the beneficiaries and the mentors.
- Very strong recommendation that the ceilings must be flexible and dependent on a whole range of variables.
- Approach in policy is supported, but recommend that this should not be retrospective.
- Extend the period to allow and encourage the banking sector to participate.

In addition, the following two factors appear as recommendations from Commission 4B

What can be done about fallow lands around the country that are owned or inherited but not being used wisely? Target highly excessive land holdings.

## E. COMMISSION 5 REPORT - TRANCRAA

#### Recommendations

The highlights of the report by Commission 5 on TRANCRAA are as follows:

- The revision of section 2 of Act 94 of 1998.
- The retraction of Proclamation 154.
- Establish a National Task Team to finalise TRANCRAA processes.
- The Department needs to create a national budget to prioritise the implementation of TRANCRAA.
- Need to declare all TRANCRAA areas as CRDP sites.

#### F. AFASA PROPOSALS

The highlights of the AFASA proposal are as follows:

- Privately owned land: Freehold with limited extent.
- A set of economic variables to make the determinations such as small, scaleviable commercial, medium scale-viable commercial and large scale-viable commercial quantum.
- Given the economic variables; need to determine how many hectares qualify as small scale and large scale.
- Using Mr Mahanjana's case in Chris Hani; Eastern Cape; he has a 5000 ha farm which he regards in the context of his district/ province as a large scale farm. The questions to ask are; is this economically viable if it would be averaged out across the country, given the climatic conditions, environmental conditions, commodities etc? Can 0 4000 ha be classified as small scale; 4000 8000ha as medium scale and 8000 12000 ha as large scale respectively? Should the hectares be concentrated in a single geographical area or spread across several geo-areas.
- On leasehold and / small scale: State Land

AFASA proposes that strategic support be given for 5 years to those who demonstrate ability, commitment and passion for farming. This demonstration should be by performance and option should be given to taking a long lease with a minimum of 30 years or the option to buy.

### SHARED CONCERNS.

Featuring in both the introductory remarks and the reports of the Commissions, certain themes emerged as matters of common concern:

- There is a consistent and deeply-felt sentiment that the rights of women, and their particular circumstances, are not being recognised or dealt with, specifically when it comes to the question of land reform. Women fear the continuing exploitation of women and want tenure security in their own names.
- There are repeated calls for 'dialogue', discussion, participation, partnership; for 'government not to work alone', from landowner and commercial-interest stakeholders; pointing to a need for further debate and mature reasoning.
- There are numerous references to 'uncertainty' which can be interpreted to mean a lack of clarity as to government's precise intention. This is discernible in both the dispossessed group, who are anxious to know how and when the yoke of poverty will be removed from their necks; and the landowning group, who are apprehensive that their interests might be compromised. There is a pressing need for clarity, particularly in view of the connection between 'uncertainty' and evictions, pointing to the urgent need for a communications campaign clarifying DRDLR thinking. The issue of evictions is a source of concern to all groups.
- There were multiple references to the fact that the present land distribution situation
  is untenable, "unendurable" and unsustainable, with frequent references to
  'consequences' if a fairer system is not devised and implemented rapidly, preferably
  through general consensus.
- There was a general call for clarification on the rights, roles and entitlements of traditional leaders.

### G. CLOSING REMARKS FROM THE MINISTER

- Agriculture economists should help the department to train farmers.
- Economic variables are needed.
- More commercial farmers should be engaged.
- Two hectares of land is enough to sustain a family.
- There is a need for a special department for land.
- Commissions 1 to 5 are all well-proposed.
- AFASA proposal is accepted.
- Owners should be participating in all meetings.

There should be regular meetings on land tenure in villages.

#### Conclusion

There can be no doubt that the single factor most handicapping South Africa's progress is land; land tenure, land ownership, land access, land usage, land as capital. In countries that have evolved normally, gradually and peacefully, these are not issues, but in South Africa, whose people have been tormented for centuries by heartless avarice, greed, and the distortion of basic values, the question of land looms large. It is an issue that has to be resolved, carefully and calmly, and this Summit has gone a long way to mapping the route to be followed to reach an equitable solution to a challenge that will not go away until it is fully and sensibly addressed, hopefully by a willing partnership characterised by goodwill.

#### Annexure A

## Analysis of Attendees to the

#### Overview.

The attached list of names of attendees was derived from the lists of hotel reservations made by Nexus Travel and various hotel check-in sheets and supplemented with information from the official Attendance Registers and confirmation lists supplied by local departments,. This list totals 1 799 attendees but excluded the estimated 400 delegates that did not stay over but only attended during the day.

This brings the estimated number of attendees to the National Land Tenure Summit to approximately 2 200.

The attendance registers were circulated and attendees asked to completer their details, instead of these being taken around to all delegates or being at a table where delegates entered the venue and the delegates requested to sign and complete their details, as is normal practice. Unfortunately this strategy was not that successful as the number of delegates that signed the register was far lower that the number of attendees:

Net Number of Delegates signed in the Attendance Register

•	Number of Delegates signed in Attendance Register - 4th September 2014	171
•	Number of Delegates signed in Attendance Register - 5 <sup>th</sup> September 2014	575
*	Number of Delegates signed in Attendance Register - 6th September 2014	227

The accreditation process run by the department of State Security did also not capture the full number of Attendees due to systems and other logistical problems and thus their accreditation list reflects the following:

Total Number of Attendees Accredited		1401
Delegates	1014	THOT
VIP's	10	
Official Hosts	282	
International	9	
EMS	3	
Media	11	
Security	17	
Service Providers	55	

The number of hotel rooms reserved for the summit totalled 1398, although only 995 actual sign-in sheets could be provided. Bearing in mind that most rooms were double occupancy, this number roughly agrees to the total number of 1 800 delegates staying over.

# **Details of Attendees by District**

The 1799 attendees according to the name list mentioned contains all the information provided by the attendees but unfortunately is missing some detail.

The list of Attendees can be analysed, by District as follows:

Eastern Cape		
Alfred Nzo		161
Amathole	10	
Buffalo City	27	
Cacadu	12	
Chris Hani	12	
Joe Gqabi	17	
Nelson Mandela Bay	1	
O.R Tambo	3	
No District stated	9	
	70	
Free State	1	27
Buffalo City	4	
FezileDabi	7	
Kopanong / Xharlep	3	
Lejweleputswa	3	
Mangaung	21	
ThabaMofutsanyana	12	
Xhariep	6	
No District stated	71	
Gauteng	ø <sub>k</sub> e	7 A
City of Johannesburg	33	74
City of Tshwane	55 80	
Ekhurhuleni	10	
Sedibeng	8	
West Rand	<del>"</del>	
No District stated	16 127	
Kwa-Zulu Natal	9.0	itas:
Amajuba	20	7
eThekwini	26	
Ilembe	6 13	
Sisonke	13	
Ugu	20	
Umgungundlovu		
uMzinyathi	23 6	
uThukela	28	
uThungulu	16	
Zululand	8	
No District stated	48	
Limpopo	113	
Capricorn	14	
Mopani	9	
Sekhukhune	11	
Vhembe	17	
Waterberg	8	
No District stated	54	

NATIONAL LAND TENURE SUMMIT REPORT		DRAFT 3
Mpumulanga		114
Ehlanzeni	22	*****
GertSibande	29	
Nkangala	13	
No District stated	50	
North West		Ma Ma wa
Bojanala Platinum	57	220
Dr Kenneth Kaunda	57 19	
Dr Ruth SegomotsiMompati	30	
NgakaModiriMolema	49	
No District stated	65	
Northern Cape		141
Frances Baard	36	TatT
John TaoloGaetsewe	30	
Namakwa	6	
PixleykaSeme	11	
Siyanda	5	
No District stated	53	
Western Cape		121
Cape Winelands	12	<del>&amp;</del> & &
City of Cape Town	31	
Eden	17	
West Coast	19	
No District stated	42	
No Province Stated		307
National		11 11
Ethiopia		1
Netherlands		1
Zimbabwe		<b>1</b>
	**************************************	1 799



2011/12/09

# AGRI SA COMMENTS ON THE GREEN PAPER ON LAND REFORM, 2011

#### GENERAL

Land reform is one of the most sensitive and critical issues facing South Africa. The challenge posed in this regard is how to strike a balance between land reform, which is a political imperative, and maintaining the productive capacity of agriculture, which is mostly an economic challenge. Land reform gone wrong could have social and economic implications resulting in food shortages, high food prices, a loss of employment opportunities and instability such as food riots. While the direct contribution of agriculture to the GDP may be low, primary agriculture remains important to the economy: it provides markets for agricultural inputs; it provides agribusinesses with products for processing; it employs a significant portion of the labour force; it earns foreign exchange; and it ensures that in most years South Africa is a net exporter of agricultural products. It is also a major driver of the rural economy.

The National Development Plan, Vision for 2030, which was released by the National Planning Commission on 11 November 2011 contains in chapter 6 thereof a vision for an inclusive rural economy. The Plan requires effective land reform and proposes the creation of a million jobs through agricultural development. It talks of sensible and sustainable land reform. The report inter alia states that: "Investment by farmers will only occur if they believe that their income streams from agriculture are secure. Tenure security is vital to secure incomes for existing farmers at all scales, for new entrants into agriculture and for the investment required to grow incomes." It is recommended that commercial agriculture be expanded as this has the potential to create a large number of jobs. Very importantly the Planning Commission recommends that there should be a more rapid transfer of land to black beneficiaries "without distorting land markets or business confidence in the agribusiness sector." Offer white commercial farmers and industry bodies the opportunity to significantly contribute to the success of black farmers through mentorships, chain integration, preferential procurement and meaningful skills transfer". Agri SA fully supports these sentiments.

Against this background, it is important to broaden and normalise the participation of all racial groups in agriculture for which progress with land reform is a prerequisite.

Many countries have implemented land reform measures during the past century and various problems as well as preferred approaches towards land reform have become evident in this regard. Important lessons can be learned from the history of land reform in South Africa and other countries.

The question is not whether we should have a land reform programme, but how land reform should be implemented, avoiding damaging consequences to the sector and the economy at large. The Green Paper on Land Reform suggests a fundamentally different approach to land reform than was followed up to now, of which the merits but also the possible negative implications should be acknowledged and considered.

From the onset, Agri SA wishes to reconfirm its commitment to participate in the land policy review process as it is in the interest of sustainable agricultural practises and that of its membership to sustain rural stability and to promote development.

The Green Paper is unfortunately silent on the land reform failures of the past 17 years as well as the reasons therefore. Market failure is often put forward as the raison d'être for government involvement with land reform. It would seem, however, as if a great degree of implementation failure lead to the dismal performance of especially the land restitution programme. Fact of the matter is that no proper statistics and analyses exist to measure whether policy as such or implementation has failed.

It has become clear that corruption has been rife and played a significant role in excessive prices having been paid for some farms. Many examples exist of poor management of administrative processes, poor communication, poor planning, valuations done incorrectly, no or inadequate post settlement support, lack of commitment, inadequate skills and unsatisfactory work-ethic on the part of government officials, flawed processes and a lack of monitoring of projects.

Agri SA submits that the correct identification and analyses of the reasons leading to dissatisfaction with land reform should pre-empt the adoption of corrective policies, statutory inventions and programmes. Careful scrutiny on the basis of factual information is required to determine:

- The real causes for land reform failures.
- Whether the new structures proposed in the Green Paper are required to eliminate persistent problems experienced with policy implementation.

Whether policy changes pertaining to land reform are required, e.g. placing a ceiling on land ownership.

With a view to adding content to this approach, the following guidelines have been formulated by Agri SA during numerous policy sessions:

- Agri SA is committed to orderly, well planned and economically sustainable land and agrarian reform.
- Certainty, investor confidence and sustainability should be strived for.
- \* Agri SA will adopt a positive, solution oriented approach seeking solutions within the confines of the rule of law and the Constitution of the Republic of South Africa.
- Private property rights must be respected and, with the retention of market principles, should be the preferred approach for access to land. It cannot be expected from individual land owners to incur losses for the purposes of realising national imperatives.
- \* Agri SA is convinced that the current impasse and related consequences cannot be blamed on the failure of the "willing buyer, willing seller" approach, or on a lack of co-operation and support from stakeholders, or on greed of landowners, but is rather a consequence of poor implementation of programmes and legislation.
- Land ceilings, a right of first refusal in favour of the state and similar interventions encompassing private land ownership will not expedite land reform but will hamper production, financing and growth in the agricultural sector.
- Corruption should be rooted out.
- Finalisation of the restitution programme must be prioritised so that uncertainties around the issue can be eliminated and in so-doing pave the way for faster progress with the redistribution programme.
- The recapitalisation and restoration of dilapidated farms should enjoy higher priority than PLAS land acquisitions.
- \* Aspects such as better selection of beneficiaries, adequate and well-coordinated post-settlement support and partnership relationships with experienced commercial farmers must serve as elements of programmes with a view to achieving a higher success rate.

- Partnerships between the State and role players in the industry must be an important element of implementation management.
- Good information systems must be developed and applied to promote best practice approaches and to evaluate general progress.
- A proper land audit needs to be done as a matter of urgency.
- Agri SA has taken part and will continue to participate in all national forums and platforms created to enhance co-operation and co-ordination between stakeholders.
- Ultimately clear targets and time lines for land reform should be set. A vital and hugely competitive sector such as agriculture cannot function with continuous uncertainty with respect to the future dispensation of property rights. Normality should be achieved within a reasonable time frame.

These views will again be referred to in appropriate subsequent items of Agri SA's commentary on the Green Paper. The commentary that follows refers to the relevant items in the Green Paper.

## 1. INTRODUCTION OF THE GREEN PAPER

Agri SA noted that the introduction to the Green Paper on Land Reform sets a specific framework within which the content of the Green Paper is to be viewed. At a meeting of the National Reference Group on the Green Paper, held in Pretoria on 8 September 2011, Dr Moshe Swartz, DDG: Social Technical Rural Livelihoods and Institutional Facilitation (STRIF) explained at length the significance of the introduction. He stated that it described the philosophy behind the Green Paper and that the rest of the Green Paper could only be understood in the light of the philosophical approach set out in the introduction.

Agri SA does not deem it necessary to enter into a debate as to the correctness of the history as set out in the introduction to the Green Paper, save to state that we take issue with the particular exposition of history. A one-sided and controversial perspective should not be used as a point of departure for an important policy document of this nature. These kind of one-sided arguments bring division rather than unity. The history of this country is a complex one, with people of all races having displaced other groups over time. The Nguni people, for example, moved south and displaced many other groups. If the introduction to the Green Paper, as Dr Swartz pointed out, is somehow aimed at motivating the extent and not the principle of land reform, it is important that the historical facts should be correctly set out. Abundant research and

anthropological evidence as to migration patterns in this country are available, if required, to inform the process.

Our approach is to be constructive, but realistic. We recognise the history of land policies and agree with the laudable aims of social cohesion, a dignified existence for all and development of our rural areas. The Green Paper's introduction, however, solely emphasises the need to redress the legacy of land and cultural dispossession as experienced under both colonialism and apartheid in South Africa, without recognition to the complexities of a modern era commercial sector, functioning in a highly competitive market economy.

In dealing with our history, we need to look into the future and tailor solutions that will stand the test of time, recognising and discounting a wide spectrum of realities. These include a growing population (nationally and internationally), a growing demand for food, water scarcity, global competition, market instability, climate change and the need for investor confidence.

The importance of national food security cannot be overemphasised. The reference to production discipline in the Green Paper is no guarantee for national food security. The value of highly efficient and competitive large scale producers - whose contribution to national food security and development cannot be underestimated - should have been noted. The notion of "freehold with limited extent" is probably aimed at this relatively small group of farmers responsible for more than 80% of agricultural production. Careful consideration of the consequences of subdivision of land on food production, employment, etc, is therefore required, especially if it will negatively impact on the viability of existing going concerns.

Whatever approach is decided upon, great care should be taken not to harm investor confidence or endanger food security. These observations should be viewed against the background that investment in agriculture is necessary for growth, whether this investment originates from within the sector or from outside the sector, or whether from domestic of foreign sources. Furthermore, it is unlikely that foreign investment, or domestic investment from outside of agriculture, will take place unless people within the sector are investing - this is a normal pattern - based on the argument that people within the sector have better information. Policy certainty is required for investment. In this regard, Agri SA is of the opinion that land reform should at some point be reevaluated and when a pre-agreed "new normal" has been attained land reform should be phased out.

A recent report by Harvard economists emphasised the importance of agriculture to a growth strategy for the economy as a whole because of the potential of the sector to engender job-creating growth. While it is sometimes difficult to imagine that employment in the agricultural sector can be turned around (after losses of more than a third of employment opportunities over the past 20 years), one only has to look at the growth performance of our main agricultural sector rivals globally (e.g. Chile and Argentina in fruit; Australia and New Zealand in wine; Argentina and Brazil in beef and field crops; the Asian countries in poultry and dairy products) to fully understand the negative effects of an uncertain investment environment.

Growth in agriculture is, by definition, centred on growth in the rural areas where most of South Africa's poverty is to be found. Growth in primary agricultural production can stimulate off-farm economic activity in the agribusiness sectors that provide inputs and beneficiate primary products. This obviously could lead to employment creation. Given the global food price volatility, climate change and the volatility of our currency, it would be irresponsible to allow the national food security situation to deteriorate. From the point of view of national interest, and especially for purposes of employment creation, it is necessary to even exploit marginal opportunities in agriculture to the fullest possible extent.

To achieve such growth, farmers and investors are looking for policy signals and responses from government which will foster confidence, lower the cost of production, provide access to markets and ultimately reward entrepreneurship. Adherence to free market principles, protection of private property rights, market-related compensation, sustainability and the rule of law will underpin favourable policy signals. Unfortunately, the introduction to the Green Paper is silent on these matters. We are of the view that an introduction which gives recognition to these principles and also to the well researched reasons for failure with land reform should be an appropriate point of departure. The introduction should also caution against possible unintended negative consequences of policies and implementation practices.

#### 2. PROBLEM STATEMENT

#### Dimensions of demand for land

Whilst the redress of dispossession is an important aspect of the demand for land, it should not be viewed as the predominant demand. The demand for land, particularly agricultural land, has only been partially researched and quantified. Recent studies indicate that there is reason to caution against popular assumptions on the nature and extent of such demands. Experience with land reform has shown that access to land does not mean instant wealth. Access to land without identifying entrepreneurial skills,

training, credit and access to markets has in most instances led to failure and frustration, poverty and even bankruptcy. There is a demand for land for various other applications: for infrastructure, conservation, recreation, housing needs and for industrial purposes. Mining activities also take up a lot of land and should be factored into the quantification of the demand for land. In practice the mining rights also tend to trump the agricultural use of land, which is very problematic from a food security point of view. The real need for farming land for commercial farming purposes by able aspirant black farmers needs to be established.

#### Accumulation by dispossession

Item 2.2 of the Green Paper's Problem Statement refers to "accumulation by dispossession". Agri SA does not challenge this statement, however, a different dimension should be added. Traditionally property rights represent a very strong and comprehensive right. Property includes movable, immovable and immaterial goods. Property rights constitute a package of rights which includes the right to use, enjoy and alienate property. In modern societies, including South Africa, there is a tendency to limit property rights because an individual's rights to property must often be weighed up against a competing interest of the community. Many of these limitations are regarded as planning measures rather than expropriation and no compensation is payable in such cases.

It is, therefore, important to distinguish between limitations on property rights, which amount to expropriation for which compensation is payable in terms of the Constitution, and limitations that merely entail planning measures or "deprivation" without compensation being payable. It is not always easy to make this distinction. When someone is deprived of his rights without receiving compensation, it amounts to expropriation without compensation, especially where the state subsequently allocates such rights to third parties.

It remains, therefore, a challenge for policy makers to respect and uphold property rights as far as possible, and when public purposes or interest requires interventions which may materially limit or infringe upon such property rights, to fairly and adequately compensate such an owner in terms of provisions of the Constitution and relevant legislation.

#### Shared ideals

It is likely that commercial farmers of South Africa and Government share the following three ideals:

- We all should strive towards an improved standard of living for all our peoples; i.e. poverty must be eradicated. It behoves us, therefore, to adept and adopt policies that would lead to us reaching this overarching national goal. Poverty (or wealth) is simply measured as the quantity of goods and services consumed per person. The better people live, the better they eat, dress and educate their children, the higher their standard of living. It is important to realise, however, that there is a non-negotiable law in economics: in the long run you cannot consume more per person in a country unless you have produced more per person. The debate we have about each and every point in the Green Paper thus demands that we honestly address the question: will this proposal lead to more or less production per person? If the answer is "less", we must debate how it should be changed to be in line with our overall objective.
- \* Long-term food security should be a priority. The population should have access to a variety of good quality food at reasonable prices.
- Policies on land reform should comply with South Africa's Constitution. If any policy proposal is in conflict with the Constitution it should be modified to bring it in line.

#### Eliminate implementations flaws

A key focus of the Green Paper should be on how to get implementation right. Unless capacity problems, poor administration, lack of monitoring and corruption can be satisfactorily addressed, new policies and programmes are also likely to fail.

In our view, the above should form part of the problem statement.

#### VISION FOR LAND REFORM

A four-tiered system of land tenure is envisaged by the Green Paper. The vision is, amongst others, to provide "reasonable access to land with secure rights in order to fulfil basic needs for housing and productive livelihoods". This is a real challenge considering the structural unemployment of our growing population. A question begging an answer is whether commercial agricultural production is to be enhanced to supply food to city dwellers already comprising more than 60 percent of the population; or should political imperatives that could lead to an uncertain outcome in terms of food production be considered?

Statement 3.4 refers to "optimal land utilisation in all areas and sectors". We agree that effective land use planning is essential, also with a view to the urban-rural land trade-off. Cognisance should be taken of two different approaches towards land use, namely

a "planning and regulatory" system *versus* an "entrepreneurial, market driven" system. Statutory arrangements give effect to the implementation of relevant policy choices.

The Draft Spatial Development and Land Use Bill proposes that the functions of land use planning and administration be mainly delegated to structures at municipal level, where very little capacity and know-how exist to ensure effective administration. There should, therefore, be concerns about the quality of planning and regulatory services which can be rendered at this level.

Land reform should lead to a dispensation which will attract entrepreneurial skills to agriculture, provide quality and sustainable career opportunities, enhance food production and contribute towards food security and rural development. To achieve this vision, the following prerequisites must be met:

- A land reform policy based on facts and proper research, including a complete, up to date audit of land ownership and use.
- \* Effective implementation mechanisms.
- Adequate budgets.
- Capable, skilled and committed government officials who execute the policy and programmes.
- A functional public-private partnership for delivery and sustainability.
- The optimal use of the market-mechanism for redistribution.
- Careful selection and ongoing training and mentoring of beneficiaries and mentors.

## 4. PRINCIPLES UNDERLYING LAND REFORM

Agri SA agrees broadly with the three stated principles of deracialisation of the rural economy, democratic and equitable land allocation and sustained production discipline. However these terms need to be unpacked in order to be fully understood.

#### 5. CURRENT CHALLENGES AND WEAKNESSES: RATIONALE FOR CHANGE

Market principles should not be viewed as impediments to land reform. Agri SA believes that the market mechanism and incentives should be used optimally and that the state's direct involvement in the land market should be confined to a minimum.

Land reform is a national priority that should be funded by the fiscus. Landowners, whose land is subjected to land reform, must be placed in a position to continue farming elsewhere in a similar manner, should they wish to do so. The Constitution requires fair and equitable compensation to be paid and states that market value is but one of the factors than can be taken into account when determining compensation. It is very difficult, however, to place a fair value on the other factors mentioned in section 25(3) of the Constitution. Market value should therefore be the predominant factor dictating the price that is offered.

There is no empirical evidence to support the contention that the willing-buyer-willing seller model in itself has led to exorbitant prices being paid by the state for land. It needs to be pointed out that government was not and is not obliged to buy farms at high prices. In redistribution, government had the option to simply refuse to buy farms offered at above market-value and in restitution it had the option of requesting the Land Claims Court to resolve disputes on compensation. Also, it needs to be recognised that the state has indicated a preference for expensive land close to cities and major routes and highly productive land. Moreover corruption, collusion and poor valuation practices in all likelihood also contributed to the state in some cases paying too much for land.

We do agree that selection of beneficiaries is critical, that rural unemployment needs to be addressed and that the restitution model needs a rethink.

It is critical that outstanding land claims be dealt with speedily and land already transferred be brought back into production.

# 6. AN IMPROVED TRAJECTORY FOR LAND REFORM

# 6.1 Agri SA is in agreement with the proposals with respect to:

- Improved performance with land reform which will not disrupt agricultural production and food security; and
- Avoiding or minimising of land redistribution and restitution which do not generate sustainable livelihoods, employment and incomes.

# 6.2 Programmes and institutions

A number of new institutions are proposed to deal with real and perceived problems which are experienced with land reform. The improved trajectory for land reform, as envisaged in the Green Paper, is relying on the functions and efficiency of these institutions. Present frustrations with land reform largely emanates from implementation inefficiencies. The same could be experienced with new institutions

unless fundamental shortcomings with implementation can be addressed. It is our view that this can only be done through meaningful partnerships with the private sector. We reiterate that careful consideration should be given on whether the structures proposed in the Green Paper will eliminate persistent problems experienced with policy implementation, including their staffing and budgetary requirements.

# 6.3 Recapitalisation and Development Programme

Agri SA is in agreement with a recapitalisation and development programme as proposed in the Green Paper, subject to the details thereof. As was earlier mentioned in this document, Agri SA supports the recapitalisation and restoration of dilapidated farms. This should enjoy higher priority than PLAS.

## 6.4 Four-Tier Tenure System

### a) State land: Leasehold

Regarding the proposed four-tiered system of land tenure, it appears that the Green Paper is biased against the concept of private ownership, favouring an increased holding of land by the state. Although Agri SA acknowledges the difficulties experienced by the state to re-allocate transferred land which has become unproductive, the holding of agricultural land by the state should rather be a transitional arrangement and not become a permanent feature of land management. The research done by the Hemando de Soto Foundation shows a direct correlation between the strong protection of property rights and Gross Domestic Product (GDP) per capita. The inverse is also true. There are strong arguments to be made against state ownership of agricultural land. The state is not geared to farm efficiently and there is little incentive to improve and conserve state land leading to long term unsustainability.

Agri SA is not opposed to the state holding onto land on behalf of beneficiaries for a limited time with a view to overseeing the productive use of the land in question, but this period should not exceed say, three to five years. If beneficiaries are carefully selected, trained and supported, they should be able to keep production going and eventually qualify for owning such farms.

International experience points to the fact that the agricultural resource is best cared for under a system of private ownership. State land which is leased out is often over-utilised and little investment into the land takes place. This will place a

heavy burden on the state to protect the resource against exploitation and degradation.

With regards to state owned land, Agri SA therefore holds the following views:

- It should not be the objective of the state to increase its holding of land. If a beneficiary has proven his/her ability to use land productively, a programme should provide for the transfer of ownership of such land to that individual.
- Selection criteria should be applied to identify beneficiaries of land reform.
- \* The leasing of state owned land to beneficiaries should be linked to mentorship and performance agreements.
- \* To allow beneficiaries to be successful, state owned land should be leased at between 1.5% and 2% of the market value thereof.

# b) Privately owned land: Freehold, with limited extent

The Green Paper seems to propose land quantity restrictions or land ceilings. No detail as to how this will be done is given in the document. The international experience with land ceilings has generally been quite negative. Maitreesh Ghatak and Sanchari Roy in an article entitled "Land reform and agricultural productivity in India: a review of evidence" in the Oxford Review of Economic Policy (2007), comes to the following conclusion regarding land ceilings:

"Our empirical analysis reveals that overall land reform legislation seems to have had a negative and significant effect on agricultural productivity in India. However, this hides considerable variation across types of land reform, as well as variation across states. Decomposing by type of land reform, the main driver for this negative effect seems to be land ceiling legislation, which in turn might be capturing the effect of fragmentation of land holdings."

Given the fact that less than 20% of farmers in South Africa produce more than 80% of the country's food, restrictions on the quantity of land held by any individual or legal person, in especially this group, is likely to have a major negative impact on food security and export revenue. This issue should be carefully researched and the possible unintended consequences weighed. Land ceilings are likely to also be a very difficult system to implement and enforce. Macroeconomic factors, farming systems and individual ability and needs should

be allowed to dictate farm size. The artificial regulation thereof will, from an economic perspective, be sub-optimal and therefore counterproductive.

Stats SA's agricultural surveys indicate that farm sizes are increasing and the number of commercial producers is decreasing. This is a global trend caused by economic realities, but could also be policy induced. It will require a different economic paradigm with huge cost to the fiscus to reverse or even slow down this trend. The complexities to achieve such an outcome should be properly assessed when considering related policy options.

 c) Land owned by Foreigners: Freehold, but Precarious Tenure, with obligations and conditions to comply with.

Foreigners apparently have a fairly insignificant influence on the South African farmland market. Being an open economy, South Africa should be circumspect with the imposing of selective limitations on foreign investors in our agricultural industry.

Productive investments which could enhance food production, food security and contribute to job creation and rural development should not be unduly disincentivised by regulatory reform.

d) Communally owned land: Communal Tenure, with institutionalised use rights.

With regards to communally owned land, Agri SA holds the following views:

- \* The potential and imperative to increase the productive use of communally owned land should be recognised.
- The entrepreneurial skills of people living in communal areas should be developed for purposes of food production and rural development.
- Improved tenure security should be a point of departure for the commercialisation of farming in communal areas.
- The long-term objective should be to make it possible for farmers to attain private property rights in the present communally owned areas.

The National Development Plan, Vision 2030 has the following to say regarding communal land: "South Africa needs to convert some under-used land in Page | 13

communal areas and land reform projects into commercial production... Better land use in communal areas has the potential to improve the livelihoods of at least 370 000 people". Agri SA supports this recommendation.

## 6.5 Land Management Commission (LMC)

In principle Agri SA does not have an objection against a commission to be made responsible for compiling and managing a database for land. We have, however, concerns about the extensive powers to be allocated to the proposed LMC. We assume that this institution will, amongst other things, enforce land ceilings if it were to become a policy imperative. Agri SA is not in favour of judicial powers being granted to an administrative body. Only a court can and should have the mandate to subpoena persons, grant amnesty or initiate prosecution or invalidate title deeds. There are other questions to be raised about the powers of the LMC, for example: What will it grant amnesty for? On what basis will it be able to prosecute people? We are also strongly against such a body having the power to confiscate any land for whatever reason.

Regarding the composition of the Land Management Commission Agri SA should be allowed to nominate its own representatives on the Commission, rather than the Minister nominating all representatives.

With respect to a database for land, Agri SA is of the view that there is currently inadequate research and information to support policy development and monitoring of progress made with the implementation thereof, including a database on land ownership which, after efforts of several years is still not in place. Good information systems should be developed and applied, inter alia to promote best practice approaches and to evaluate general progress. Such a database should be updated continuously.

The Land Management Commission may be positioned well to manage public-private partnerships for support services and implementing selection criteria for beneficiaries. The LMC should also manage lease agreements on state land.

The National Development Plan: Vision for 2030, in the chapter dealing with rural development, supports the concept of local committees with functions broader than those envisaged by the Green Paper. In terms of its proposals these committees will identify 20% of farmland and give commercial farmers the option of assisting in its transfer to black farmers.

## 6.6 The Land Valuer-General (LVG)

Agri SA supports the idea of a specialist valuation office which can advise government on property (not only land) values and valuations. However, Agri SA feels strongly that there should always be recourse to the courts when disputes about valuations arise. The Office of the Valuer-General should not have the mandate to determine compensation upon expropriation, to the exclusion of a court of law.

Supplementary to this, Agri SA has the following views with respect to the Valuer General (VG):

- Such an institution should be a valuer-general for all properties, e.g. also for residential properties, and not exclusively for farmland.
- \* The VG should have no responsibility to interpret section 25(3) of the Constitution.
- The future relationship between the VG and existing institutions such as the Board as well as institute for Valuers should be clarified.
- \* The VG should be independent from the Department of Rural Development and Land Reform.
- \* Appeal procedures should be available against findings or rulings of the VG.
- The VG should not be used to manipulate the price of land.
- Comparable market transactions should remain the basis for valuations.
- The VG should not make final decisions on compensation in cases of expropriation. A property owner should have recourse to a court of law when dissatisfied about an offer for compensation.
- Organised agriculture should have access to and a say in processes of the VG.

## 6.7 Land Rights Management Board (LRMB)

Agri SA supports in principle the concept of a body such as the Land Rights Management Board and Land Rights Management Committees. However, this need not necessarily be a statutory body. It is critical that all stakeholders (to be

defined) be represented on the Board and committees and that it operates according to an agreed and clear terms of reference.

It seems that the Board is intended to be a formalisation of the Land Rights Management Facility. However, the proposed composition of the Board seems to be different and broader than the composition of the Facility. The proposed functions are also broader than those currently exercised by the Facility. Clarity is needed as to the exact relationship between the Board and the committees and also the powers to be exercised by both the Board and committees. The question also needs to be posed as to whether a separate institution is in fact required. The functions allocated to the LRMB can probably be exercised by the Department of Rural Development and Land Reform in co-operation with other relevant stakeholders such as organised agriculture. The cost of establishing and staffing such a new institution is likely to be huge.

Agri SA does not oppose the concept of agri-villages in principle. Agri SA does, however, believe that agri-villages in commercial farming areas should only cater for farm workers, ex-farm workers and their families. It should not become rural settlements where people with no connection to farming, are settled.

Agri-villages, however, are definitely not the sole solution to the tenure security problem of rural dwellers. There are many practical difficulties that will have to be overcome to establish viable agri-villages. The most important of these relate to infrastructure needs and services, which are expensive to provide in outlying areas. There is a danger that agri-villages may become poverty traps where there is little access to services and job opportunities. Past experience with agri-villages has unfortunately been quite negative. Proper planning will be critical to ensure that viable settlements are created.

Supplementary to this, Agri SA has the following views with respect to the LRMB:

- \* The Green Paper should comprehensively deal with the tenure security and related rights of rural dwellers and not only have a narrower focus on institutional arrangements, such as of the LRMB and its committees.
- Because of the current lengthy and costly court processes required to resolve tenure disputes, a more cost and time effective mechanism should be developed.
- Due to capacity and cost constraints, provincial forums (representative of roleplayers) should be considered, rather than local forums.

- The LRMB should also act against illegal occupiers of land.
- In cases of dispute, the state should not only provide legal aid to occupiers of land but also to land owners.
- There should be policy coherence between the Department of Human Settlements' policy and programmes with respect to agri-villages and that of the land reform policy.

# 6.8 Land Tenure Security Bill, 2010 and the Restitution of Land Rights Act

Agri SA has serious concerns regarding some of the provisions of the draft Land Tenure Security Bill. Furthermore, we view it as irresponsible to create expectations amongst farm dwellers on the basis of a draft Bill, which is highly contentious. Agri SA therefore requested the Minister to delay the tabling of the Land Tenure Security Bill in Parliament until the Green Paper process has been concluded and there are clear policy guidelines on the tenure issue and hopefully also a greater measure of consensus on the way forward as far as farm dwellers are concerned. We also requested the Department of Rural Development and Land Reform to convey a clear message to all levels (national and provincial) that this Bill is only in draft form and that people cannot claim rights on the basis of the contents of the draft Bill.

With respect to land restitution, it is Agri SA's view that the finalisation of this programme must be prioritised so that uncertainties around the issue can be eliminated and so-doing pave the way for faster progress with the redistribution programme. Due to the frustration experienced with this programme as well as with the Labour Tenants Act, Agri SA proposes that a conference be held where government and affected role-players can discuss solutions such as aborting the restitution programme and giving claimants preference in the redistribution process.

## 6.9 Legislative amendments

The Green Paper says very little about the need for legislative amendments to e.g. the Restitution of Land Rights act and the communal Property Associations Act.

However there is a working group dealing with these and possible other amendments. Agri SA has grave reservations regarding the possible re-opening of the claims process. Agri SA has identified some of the implementation failures of the restitution process. These include:

Poor quality research.

- Slow processing and gazetting of claims.
- \* Poor communication by the Commission with both landowners and claimants.
- ▼ Valuations done by inexperienced valuers and poor monitoring of valuations.
- The lack of an effective system to monitor budgets and spending and junior officials entering into contracts to purchase farms.
- Lack of planning and post-settlement support.
- Corruption that has crept into the process.

In view of the past experience with restitution, and particularly the capacity, budgetary and corruption-related problems which led to the high number of failed projects, Agri SA is op the opinion that it would be unwise to re-open the claims process. Such a step will also create huge uncertainty, which holds serious consequences for further investment in farming and food security.

On possible amendments to the Communal Property Associations Act, Agri SA is of the opinion that the CPA is not a suitable entity for operating a farming business. Clear management structures, decision making procedures and conflict resolution mechanisms need to be put in place to manage these community farms.

## 7. THE STRATEGIC THRUST OF LAND REFORM

The relevant content of the Green Paper is noted.

## 8. LAND REFORM EXPERIENCE ELSEWHERE

Land reform has been attempted over many centuries and in many countries. If experience has proven anything, it is indicative of how complex and difficult it is to get land reform right. Hans Binswanger, Rogier van den Brink and Camille Bourguignon write in their book entitled: Agricultural Land Redistribution, that land distribution have troubled nations for ages and that it was at the heart of politics of Chinese dynasties and the and Roman Empire. More than 2000 years ago the Roman Empire already experimented with land reform.

Over time there have been attempts at land reform on every continent. India implemented land ceilings in all of its provinces. Generally this approach is regarded as not having been comprehensively successful. China progressed from a system of collective ownership to private ownership and farms tended to get bigger as time went by. Taiwan is generally cited as one of the few countries where land reform had been successful. Key to their success was a holistic approach and the involvement of organised agriculture. Salim Rashid, a professor at the University of Illinois studied the Taiwanese experience and writes: "The effective

implementation of this comprehensive approach to agricultural development is perhaps the most distinctive feature of Taiwan's reform policy. Critical for this achievement were the farmers' organizations, cooperative associations operating with government assistance and direction, which also had their roots in the colonial period. The Farmers' Association in particular provided marketing, financial, insurance and extension services, thereby placing its members into regulated market environments."

## 9. CHALLENGES AND CONSTRAINTS

Agri SA welcomes the fact that the Green Paper recognises that the main constraint is poor capacity of organs of state to implement. However the Green Paper contains no proposals on how to rectify this. It in fact proposes more institutions without interrogating where the capacity to staff these and make them functional will come from. The reasons for past poor performance in terms of implementation need to be thoroughly interrogated in order to move forward in a meaningful way.

Agri SA also agrees that poor co-ordination and integration of effort and resources among public institutions and between public and private institutions has been part of the problem and is a challenge that will have to be addressed.

## 10. SUMMARY AND CONCLUSION

Agri SA agrees that there is no quick or easy solution to the land question and that we need to learn from the experiences of other countries. Although the Green Paper acknowledges this, it still advocates the "rapid and fundamental change in ownership patterns". Agri SA wishes to caution against rapid and radical changes in policy and proposes that the effect of all policy changes be tested against the three questions:

- Will it lead to higher standards of living?
- Will it lead to continued food security?
- Will it be in line with the Constitution?

The Green Paper as such also needs to adhere to the provisions of the Constitution.

Agri SA's overarching vision for land reform and rural development entails the following:

A collective effort is required to address the global and regional African prerogative of maintaining food security in the light of the global challenge of

feeding 9 billion people by 2050 (agriculture's main objective globally). To achieve this, food security should have a central role within sustainable rural development at local, national and regional level; and

 Land reform should contribute towards poverty alleviation and job creation by establishing commercially successful black farmers.

Agri SA, its affiliates and commercial farmers can support this vision in the following ways:

- Enabling environment: Contribute towards an enabling environment for sustainable agriculture within the rural development context. Such a contribution will be based on scientific evidence and functional requirements.
- PPP's: Participate in public private partnerships, contributing from our own perspective/initiative at an early stage of project conceptualisation.
- Farmer development/mentorship programmes: By developing and applying selection criteria for new beneficiaries of State Land, using scientific methods and techniques to assist in placing the right people on the land and thus improve their success rate at farming. We will also avail our members as mentors. We also want to expand on the proven successes of our affiliated commodity associations' farmer development programmes. We can multiply the commodity approach exponentially with some additional help and the creation of the enabling environment to do so.
- Farm workers: Encourage and assist with setting up farm worker trusts and equity schemes. More opportunities for dedicated farm workers can be created.
- Access to markets: Contribute by expanding current markets and developing new markets in collaboration with other private sector role-players and Government though inter alia active participation in broad based black economic empowerment.
- Land transfer: By identifying land which is available for sale and offering it to government. We can also approach other partners, locally and globally, to contribute towards financing land reform and developing commercial black farmers. We believe that an incentivised market mechanism did and can continue to facilitate the transfer of agricultural land to previously disadvantaged individuals. There is no scientific evidence against this. Enough Page | 20

land is coming onto the market annually for us to achieve our mutual objectives.

Land reform should form part and parcel of a comprehensive rural development strategy. There should be strong synergies between this Green Paper and the still awaited Green Paper on Rural Development.

Agri SA would appreciate having an opportunity to submit a more comprehensive proposal on a policy approach towards land reform, conforming as far as possible with the general accepted principles which should underpin land reform, i.e. deracialising the rural economy; democratic and equitable land allocation and use across race, gender and class; and a sustained production discipline for food security.