

SA- JAPAN POLICY DIALOLGUE

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agriculture,
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Department:
Agriculture, Forestry and Fisheries
REPUBLIC OF SOUTH AFRICA

OVERVIEW

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- WHY SUPPORT SMALLHOLDERS
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TYPES OF PRODUCERS IN SOUTH AFRICA

THERE ARE THREE TYPES OF PRODUCERS IN SOUTH AFRICA

- 1. Subsistence producers** – those who produce mainly for home consumption
- 2. Smallholder producers** – those that produce food for ensuring that household consumption is secured whilst accessing markets as a result of the surplus produce remaining. These producers consciously produce with the intention to access markets and earn income.
- 3. Commercial producers** – those that produce for the market. They produce for both local and international markets.



FOOD SECURITY

- **Food security** is defined as access by all people, at all times, to the food required for a healthy life. The World Bank defines food security as the physical, social and economic access to sufficient, safe and nutritious food by all, at all times, to meet their dietary and food preferences.

- **Food security incorporates four specific dimensions**
 - Adequate availability of food
 - Accesibility (physical, social and economic) of food
 - Utilisation, quality and safety of food.
 - Stability of food



WHY THE FOCUS ON SMALLHOLDER FARMERS

- **Constitution**- Bill of Rights guarantees that every citizen has the right to have access to sufficient food and water. The state must take reasonable legislative and other measures within its available resources to achieve the progressive realisation of this right.
- **Outcomes 7** pronounces that government should ensure vibrant, equitable and sustainable rural communities and food security for all. The output thereof is sustainable agrarian reform with the sub-output that the number of smallholder producers should be increased from a baseline of **200 000 to 250 000** within five years (2014/15)
- **New Growth Path** aims to boost the smallholder sector by **300 000** and create 145 000 jobs in agro-processing, and upgrading conditions for 660 000 farm workers by 2020
- **National Development Plan** aims to increase the number of smallholders by 300 000 by 2030, and create 1 million jobs
- **Food Security and Nutrition Policy** seeks to ensure availability, accessibility and affordability of safe and nutritional food at national and household level.
- **Agricultural Policy Action Plan (APAP)** focusses on the value chains of different commodities
- **Fetsa Tlala** aims to put a million hectares of unproductive land into production by 2019



WHY SUPPORT SMALLHOLDERS PRODUCERS

- Smallholder farmers are the drivers of many developing economies. In Brazil **58% of milk** is produced by smallholder, and generate up to **74%** employment. In Benin smallholders provide **80%** of the production of palm oil. In Kenya the smallholder producers produce **70-80%** of milk in the country.
- Improving smallholder sector is seen as a panacea for rural poverty, food insecurity and unemployment.
- The number of commercial farmers has been declining over time, from 60 000 in 1996 to approximately 45 000 in 2002. Recently this number is estimated to be even lower than **35 000**.
- The contribution of agriculture to the GDP being less than **3%**. Smallholder sector could be the key to aiding economic development and alleviating poverty in the country
- According to the GHS 2012, there are **13.4 South Africans** who have inadequate or severely inadequate access to food. This translates to 11.4% of households when measured according to the Household Food Insecurity Access Scale (HFIAS)



CHALLENGES FACING SMALLHOLDER PRODUCERS

- ◆ Low quality and quantity of the produce to meet the market demand
- ◆ Lack of access to markets and high transaction costs
- ◆ Lack of access to finance
- ◆ Certification – SAGAP/Global GAP
- ◆ Lack of transport
- ◆ Lack of production inputs (irrigation systems, mechanization, fertilizers and seeds)



MARKETING INFRASTRUCTURE AFFECTING SMALLHOLDERS

- ◆ **Storage facilities** – silos, ripening chambers to store produce when the prices are low and sell when prices improve
- ◆ Grading facilities for specific quality of produce
- ◆ Livestock auctioneering facilities
- ◆ Loading pens/ ramps
- ◆ Wool shearing, cleaning and grading facilities
- ◆ **Pack houses** – necessary for the processing of the produce and storage
- ◆ **Abattoirs** - for the processing of animals
- ◆ Agro-processing facilities – for value adding.



THANK YOU



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