

Budget Vote 29: Agriculture, Land Reform and Rural Development

Minister Thoko Didiza's budget falls short of addressing the challenges of farmers

Speech by Noko Masipa MP, DA Shadow Minister of Agriculture, Land Reform and Rural Development

Allow me to speak on behalf of struggling farmers who are weighed down by debt pressures while dutifully doing a thankless job of responding to the country's food security. Farmers are going through hard times partly because of a Department which appears to have forgotten its constitutional mandate to support the sector. The burden of high costs of production has translated into high food prices, forcing many families to go to bed hungry.

Like everything else that has gone wrong in South Africa, the extremely difficult operating environment in the farming sector must be traced to the ANC government's lack of care for farmers. The uncaring ANC government has left commercial and small holder farmers to fend for themselves.

While it is a conventional tradition for legislatures around the world to authorize public expenditure and revenue-raising each year, the department's proposed budget put before the portfolio committee on Agriculture, Land Reform and Rural Development for approval was just another tedious box-ticking exercise.

In recent years, South Africa has had good rains after long droughts in some parts of the country. Due to climate change, this has resulted in animal diseases and plant pests that have led to higher input costs.

While the ANC government continues to defend Russia's war in Ukraine over Russian vodkas, the fertilizer prices have more than doubled making it very difficult for farmers to produce cheaply.

The load-shedding mayhem brought by the uncaring and corrupt ANC has added more input costs to farmers. Instead of providing a cushion for farmers, the ANC government created more bureaucracy by appointing a new Minister of Electricity who is still confused about his mandate.

The stringent cool treatment regulations implemented by the European Union (EU) are likely to increase input and freight costs.

Amidst all these barrage of input costs, the Department has not lifted a finger. Farmers have been abandoned by the ANC government.

Allow me to demonstrate the financial pressures that farmers are under.

The industry is facing a cost-price squeeze phenomenon where farmers are finding that their input costs paid do not translate into charging higher prices to recoup their expenses. It's a fact that farmers are battling to service their debts.

According to StatsSA, the total income earned in the agriculture and related services industry was R417,1 billion in 2021, an increase of 11,9% from 2020 to 2021.

The StatsSA report further states that in 2021, animals and animal products generated the largest sales that amounted to R159,3 billion which was followed by horticultural crops that generated R110,4 billion and field crops that with R81,4 billion.

Now, this is where the ANC government doesn't get it at all. The total expenditure incurred by the sector in 2021 was R389,3 billion against the generated income of R417.1 billion. This was a cost increase of 10,2%.

By just calculating the difference between the sector's total income and total expenditure, we come to a sectoral profit of R27.8 billion. Considering that the sector financed 50% of their expenses through debt, the sector used approximately R25 billion to service bank interest rates. The sector was then left with a small profit for their operations. Factoring that load shedding has cost the sector R23 billion to date, therefore the industry is sinking either in debts or in liquidation.

Now House Chair, R500m in blended finance for commercial farmers is nothing but a joke to struggling farmers who are the breadbasket of Southern Africa.

In 2021, the livestock industry generated the highest revenue in agriculture. However, the support for farmers has been lip service with one ministerial task team after the other providing no tangible outcome. Despite the appointment of a task team to investigate the animal biosecurity challenge, a year later the report has not been released.

Livestock farmers struggle to save their dying animals because of the failure of Onderstepoort Biological Product to produce vaccines.

One horse farmer in KZN said to me "We have gone from receiving little African Horse Sickness vaccines last year to receiving absolutely nothing this year".

I have witnessed images and videos of horses dying helplessly because the ANC government just doesn't care. It's Utterly unacceptable and a disgrace.

Minister, farmers are on their own. Get it, please. They do not trust any of your officials or department. At what point is the minister going to consider compensating these farmers whose OBP failed?

Communal farmers without secure tenure are on their own. The treatment they are receiving from your department has shown no care at all. These farmers are battling animal diseases and plant pests on their own. They have no dipping tanks and no fences. Yet, they provide food for households.

Before the next South African President, John Steenhuisen, takes over in 2024, I beg the Minister to forget about more task teams but instead fix all the problems in the department: 1) outsource the production of animal vaccines while fixing OBP, 2) increase financial support for commercial farmers, 3) do away with VAT on poultry meat to make it affordable for struggling households, 4) repeal or amend outdated agriculture legislations, and 5) fire incompetent officials.

The DA government in the Western Cape, with its limited budget, has done a better job on animal health programmes, farmers' support and farm workers support programmes than DALRRD.

Unless the Minister addresses the current challenges in agriculture with tangible actions, it's better that she tenders her resignation immediately. We had enough of task teams.

Thank you.