

MEDIA STATEMENT BY MR LOUW STEYTLER, CHAIRPERSON OF GRAIN SA ON LAND REFORM PROPOSALS

It must be said that the Land Act of 1913 and the subsequent rule of apartheid, an abomination, denied the majority of South Africans a stake in this sector. It denied them their dignity and denied them the right to own land, which deepened the poverty that prevails today. However, pronouncements made by politicians oversimplify the reasons as to why land reform was and still is such a dismal failure.

The constitution is blamed, current landowners are blamed and this in itself detracts from the true reasons why thus far land reform has been such a failure. We need to return to the inclusive premise that was handed down, by our late President Nelson Mandela, who set the example of an inclusive process that South Africans of all professions need to re-implement. For only by a deepening of all the co-operation will we reach the necessary success rate. Of equal importance, we need to address the levels of corruption in our society that are undermining, not only the success, but also the sustainability of our economy.

Grain SA would like to warn civil society about the vulnerability of our food security in South Africa, in this very summer grain production year, which our food security was balanced on a knife's edge. One weather phenomenon, where a cyclone developed over the Indian Ocean and pushed the low pressure cell further to the west then resulted in abundant precipitation that saved the food security of South Africa. For if that weather phenomenon had not developed, the resultant drought, would have destroyed our food security within the following week, on crops already stressed. Is it not apt that in January 2014 we exported 250,000 tons of maize to the Zimbabwean people to stave off the hunger that was experienced by the citizens of that country? Food security in itself is not a right but a privilege, enjoyed by all South Africans and it should be coveted as a national asset.

The time has come for South Africans to unite and co-operate as to the challenges that face us as a nation. For our inability to do so, will simply destroy the fabric of our society, for hungry people are ungovernable. Food imports will further exacerbate the trade deficit which we can ill afford. The dialogue between all interested parties must start in earnest, for there will come a time where the weather will dictate that we cannot produce enough food for ourselves and it will have a direct bearing on all agricultural foodstuffs as to their unavailability and cost. We, Grain SA, appeal to all South Africans to close ranks, for only then will we be able to deal with the challenges that face us as a nation, to ensure that the imperatives are met and in doing so, uphold the letter and spirit of our constitution that is regarded by many as the finest liberal constitution in the world.

Grain SA is a willing and responsible participant in the land reform negotiations via AFASA and Agri SA, two of the national agricultural unions. We have noticed that the debate has moved to the media and would like to give direction as to our viewpoint as well as a more realistic outlook from our experience. **We would like to state clearly that we do not support the proposal of Minister Nkwinti, Minister of Rural Development and Land Reform, to give 50% of each farm to the workers without compensation to the current owners.** We are convinced that such a decision will immediately not only put food security

at risk, but also lead to massive food price increases, higher inflation, increase in interest rates and eventually manifest in slower economic growth. Slower economic growth will put more people out of a job and poverty will become a stark reality for many. South Africa can ill afford to destroy wealth by irresponsible government intervention into a free-market system that in actual fact has produced cheap food and fibre for consumption of its people.

The three month strike at the platinum mines was a good indicator as to what will happen if farmers are not allowed to exercise their constitutional right to produce food in a free market environment. In this case it will last much longer and could lead to anarchy as we experienced in North Africa and the Middle East, in 2008. It all started with food prices and food shortages. Grain crop production is financed by the commercial banks and agribusinesses and the land is used as collateral to secure the necessary funds to procure seed, fertilizer chemicals and diesel. Without the title deeds of the land, there is no finance. Without finance, there is no production.

The greatest impediment for black grain farmers is access to finance, by virtue of the fact that they do not hold the title deed of the land that they work. Most of the land belongs to the state and by affording them the title deed, you enable them to acquire financing from commercial banks and agribusinesses. The Minister's implementation proposal will logically reduce the hectares under crop production by at least 50% which could curtail the production capacity with immediate effect. By implication a shortage and massive price increases will be the order of the day. Prices will increase by virtue of international price determination, from export to import parity. The maize price will logically increase by plus-minus R1,400 per ton (70%) and will accelerate by the demand exceeding the supply and that in turn will raise general inflation above the Reserve Bank's targets. South African ports are not geared to import huge quantities of grain and food shortages will become a reality. Food shortages throughout the world also have the ability to create political instability, which South Africa can ill afford.

There is enough research to indicate that there is a strong correlation between high food prices coupled with food shortages and absolute anarchy. This could surely not be on the Minister's mind! Every political imperative has its consequences. These consequences are not desired outcomes as to the constitution of the Republic of South Africa and for that matter the Freedom Charter. We as South Africans should give careful consideration to the socio-economic consequences thereof to be experienced by all, especially the poorest of the poor, who spend as a percentage of their income on food, more than other income groupings. This would compound their plight to a far greater extent than any other income group.

"This is not a wage negotiation!" Louw Steytler, chairperson of Grain SA, said. *"We are dealing with the future sustenance of our nation."* Grain SA supports land reform in a way that maintains food security as well as political stability. A totally unrealistic proposal such as this would further complicate these imperatives and lead to racial polarization rather than the aforesaid aim of deracialising the rural communities/economies and will lead to a deepening of the poverty experienced by so many South Africans, currently. *"Trade union style tactics and constant farmer bashing are outdated in a liberal constitutional democratic dispensation, in our fledgling democracy, of 20 years"* Steytler said. Sustainable land reform

is an imperative and we support food security as an equally important imperative, which both are of cardinal importance if we, as responsible South Africans, would like to see poverty alleviation as the logical consequence of these actions.

Grain SA, with the financial support of the Maize and other Grain Trusts has been actively transforming the grain farming sector for more than ten years. More than 200 black commercial grain farmers are now in the position to produce agricultural grain commodities economically and also sustainably. The training of almost 700 farm workers this year has enabled them to become more economically sustainable. We further enhance their capacity by training, to address household food security and many producers will have a surplus to sell profitably into the market place. Whilst the wages of farm workers are in the media, we confirm that Grain SA pays R3,189 per month, plus a thirteenth cheque to our employed farm workers at the NAMPO farm. Grain SA's membership of black farmers, have grown to more than 4,000 plus and have now exceeded the number of white members. We need to finance those who work the communal and state-owned land, who does not have collateral, by virtue of the fact that they do not receive the title deeds of the land that they work. We have been very successful in establishing many commercial black farmers and were crestfallen when Government scaled down the recapitalization program. Currently we have 9 regional Grain SA offices throughout grain production areas, exclusively focussing on rendering extension services and training black farmers. We fail to understand why this program of highly successful assistance in maintaining food security and supporting land reform, is not regarded by Government as important and an integral part of successful land reform.

The speed of this way of land reform is limited by the lack of trust, lack of funds and lack of title deeds to new farmers. Once the title deed is issued the market will perform its work and production will take place in this enabled environment. Grain SA is not just debating land reform, we are practising it successfully. ***"We are delivering the very result Government and civil society, desires, successful black farmers as well as food security"*** Steytler said. Disregarding the property rights of individuals in South Africa will have major implications for the whole economy, not just the agricultural sector. Every seed planted by a grain farmer is an investment against poverty. We believe in South Africa and want to see her prosper and that our children are secure and well nourished. *"This is what we want to achieve and would like to contribute towards this dream. Now let us all make it happen....."* Steytler concluded.

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