

PRINCIPLES ACCEPTED BY GRAIN SA ON LAND REFORM: AT THE GRAIN SA EXECUTIVE MEETING ON 30 JULY 2014

INTRODUCTION

The following principles for land reform were agreed to by the Grain SA Executive on 30 July 2014 during a meeting at NAMPO Park, Bothaville.

1. Constitution of South Africa as point of departure:

- The stipulations, letter and spirit of the Constitution of South Africa must be the basis of all inputs and discussions with regards to the debate on land reform.
- Grain SA will not deviate from the principles as contained in the Constitution and if needed, will also test these principles in the highest court of law.

2. Value of land to be maintained:

- The value of land for farming purposes must not be eroded by the process of land reform.
- All possible steps must be taken to ensure that the value of land for farming purposes will be maintained.
- Land value is critical for collateral for the purpose of production loans and to maintain food security in South Africa.

3. Compensation for land:

- Land for farming purposes, identified for land reform, must be compensated for by the State, in accordance with the Constitution of South Africa.

4. Compensation to be determined by market value:

- If land is to be transferred for the purpose of land reform, the compensation for this land must be determined by taking the market value into consideration.

5. Voluntary participation and sunset clause:

- Participation to land reform must be voluntary.
- If taking part in the process, there must be an incentive for the land owner, as well as a final sunset clause whereby the land owner will be exempt from any possible future land reform processes.

6. Subsidised financial support for participants:

- Participation to land reform must be supported by subsidised state funds.

7. Funding of the land reform process:

- The broad community must contribute to the land reform process, as farmers on their own will not be able to fund this.
- The failure of land reform will be to the detriment of the broad civil society in South Africa, impacting on the whole of the economy, therefore it is imperative that special statutory measures, for example a Wealth Tax, be considered to generate income for the funding of land reform.
- The proposed Wealth Tax should include all citizens, but with a proviso that this be applicable only for an agreed period of time, to conclude the land reform process.

8. To support skills/social development:

- Farmers to support skills and social development for farm workers in their regions.
- Social and skills development may include structuring salaries and benefits, according to grading of posts, housing etc, to assist farm workers.

9. National Development Plan (NDP):

- Land reform principles as set out in the NDP, should be the guideline to manage and implement the process.

10. Free Market Foundation: principles and programme: private ownership

- The initiatives of the Free Market Foundation are supported whereby title deeds of state owned houses in townships are transferred to beneficiaries, to promote private ownership.
- It is requested that the same principles must be applied to communal and state owned land, therefore transferring state owned farms and land in communal areas to individuals, so as to enable them to use ownership to negotiate production loans from agri businesses and/or commercial banks.

11. Joint Ventures:

- Joint ventures and or partnerships between commercial farmers and beneficiaries must be accepted as one of the vehicles for land reform.
- Different models for joint ventures must be accepted.

12. Involvement of agri value chain:

- The whole agri value chain, including agri businesses, input supplies, the banking sector, agri service providers etc must accept co-responsibility to support the land reform process.

13. Access to benefits of land reform:

- Beneficiaries for land reform must be selected on an inclusive and broad based manner and not be restricted to selective beneficiaries with political connections.
- Beneficiaries to land reform must also commit to active farming enterprises to enhance food security.

14. Right of first refusal:

- The right of first refusal to the State is accepted (for eg in Namibia), whereby a farm for sale must first be offered to the State for an agreed period of time, and if the State does not want to purchase the land, it may then be sold on the commercial market.
- Excluded from the right of first refusal by the State will be land that is left in a person's last will and testament to be inherited by their next of kin.

15. Restitution claims to be part of 20%

- If the State proceed with a policy to identify 20% of farming land per district for land redistribution purposes, then existing restitution claims must form part of the 20% for that specific district, until such time as the claim for restitution has been rejected.

16. General remarks:

- It is requested that the commercial and developing farming sectors will speak with one voice when land reform is debated. ASUF must be used as a vehicle to internally debate the different options and then to convey one point of view to stake holders/the State.
- It is accepted that not only one model for land reform is applicable to all farming regions in South Africa, as local circumstances and the impact of nature plays an important role on farming practices applicable for that specific region.
- A land audit per province must be finalised as soon as possible to enable all stake holders to determine and manage progress regarding land reform.
- The practice to allocate land to multiple users does not serve the objective of food security. Only single bona fide producers, should qualify as beneficiaries.
- Corrupt practices in the allocation of land, undermines progress and must be identified and addressed. Measures must be taken to ensure that funds allocated for land reform are solely used for that purpose. Partnerships between Government and the private sector will limit corrupt practices.
- The State should consider to activate an Agri Development Institution, to play the same supporting role and function as the IDC does, to assist and support development in the Commerce Industry.
- Beneficiaries who receive land in terms of the land reform process, should not be able to sell the land to a third party, for an agreed period of time, to prevent the misuse and/or speculation with land allocated for land reform.
- Compensation paid for land restitution claims, should also be converted to hectares, to be added to land reform targets, in that area/district, and thus be taken into account with land audits.
- It should be considered to develop a new institutional capacity, to manage the right to hold and occupy land in the communal areas, so that the right to occupy and use this land, may also be traded, to ensure that all land in South Africa be used optimally.