agriculture, land reform & rural development

Department:
Agriculture, Land Reform and Rural Development
REPUBLIC OF SOUTH AFRICA

AGRICULTURE AND AGRO-PROCESSING MASTER PLAN

"SOCIAL COMPACT"

MAY 2022

FACILITATED BY:

Prof. Mzukisi Qobo

RESEARCH AND DRAFTING TEAM

National Agricultural Marketing Council
Promoting market access for South African agriculture

BFAP
DATA DRIVEN INSIGHT

CCRED
CENTRE FOR COMPETITION REGULATION AND ECONOMIC DEVELOPMENT

TABLE OF CONTENTS

ABBREVIATIONS

Agriculture and Agro-Processing Master Plan	AAMP
Agricultural Research Council	ARC
Bureau for Food and Agricultural Policy	BFAP.
Centre for Competition, Regulation and Economic Development	CCRED
Department of Agriculture, Land Reform and Rural Development	DALRRD
Department of Trade, Industry and Competition	DTIC
District Development Model	DDM
Economic Reconstruction and Recovery Plan	ERRP
Export Credit Insurance Corporation	ECIC
International Labour Organization	ILO
National Agricultural Marketing Council	NAMC
National Development Plan	NDP
Onderstepoort Biological Product	OBP
Proactive Land Acquisition Strategy	PLAS
Private Public Partnerships	PPP
Supplier Development Programmes	SDP
Small Medium Micro Enterprises	SMMEs
Value Chain Round Table	VCRT

ACKNOWLEDGEMENTS

The Agriculture and Agro-processing Master Plan (AAMP) is the Social Compact co-created by the government, business, labour and civil organisations in the agriculture and agro-processing sectors. Professor Mzukisi Qobo, the facilitator of the AAMP plan, and the three research institutions, the National Agricultural Marketing Council (NAMC), the Bureau for Food and Agricultural Policy (BFAP), and the Centre for Competition, Regulation and Economic Development (CCRED), were instrumental to the development of the AAMP plan).

The development of the AAMP has significantly benefited from the experience, knowledge and commitment of prominent business and labour union leaders in the agricultural sector. The government's leadership, particularly the Department of Agriculture, Land Reform and Rural Development (DALRRD) and Department of Trade, Industry and Competition (DTIC) and their respective Provincial counterparts, assisted in guiding the development process of AAMP. The NAMC provided secretariat support for the facilitator and assisted in drafting the AAMP.

The coordination and developmental process of the AAMP also benefitted from written submissions and consultations with national and international agricultural institutions, non-profits organisations and academia.

EXECUTIVE SUMMARY

Slow growth, increasing inequality and unemployment present a triple challenge for South Africa. Numerous government policies have been implemented over the years to address these challenges head-on, with varying degrees of success. Therefore, this troubling socio-economic challenge remains a reality. Moreover, there are fewer public resources available to directly intervene in various sectors of the economy and deal with these challenges. Furthermore, the years of "state capture" have resulted in a decline in government capacity to meet the country's challenges. The COVID-19 pandemic further exacerbated South Africa's harsh economic and social conditions.

It is partly for this reason that the Presidency's message since the establishment of the new administration has focused on igniting economic growth, inclusivity and employment through a social compact approach. This has been expressed in the Presidential Jobs Summit, the Economic Reconstruction and Recovery Plan (ERRP) and the various sectoral master plans. The idea is to leverage both the private sector and other social partners' capacity, talent, resources and capital to rebuild our country in a manner that benefits all social partners. There is broad recognition that the complexity of the challenges facing the South African economy requires that we harness the capabilities and commitments of various social partners. It is not possible today for any one actor to shoulder these challenges alone. Building shared value is one of the key determinants of success for any economic recovery and reconstruction programmes and sectoral master plan. For the agriculture and agribusinesses sector, the Agriculture and Agro-processing Master Plan is one such collective social compacting attempt to both rebuild and restructure the South African economy. The Agriculture and Agro-processing Master pan should be seen as a both a source of vitality for the sector and an important pillar of the country's overall economic recovery and reconstruction programme.

The success of this Plan relies on the full commitment and active participation of every industry stakeholder. Building trust is a journey as with every social compacting approach, social partners may need to make trade-offs and compromises that could generate benefits for the sector as a whole and for the South African economy. The agriculture and agro-processing role-players demonstrated their appreciation of the serious risks faced by the sector, the storms that buffet the economy, and a deep sense of shared value through their willingness to narrow their differences and mobilise collective energies around those areas where there are shared interests. Even though there are still remaining areas of difference, social partners commit themselves to this Plan and to a process of continued engagement to implement those areas that can drive greater equity in access to land and water; ensure growth and transformation in agriculture and in related value chains; unlock greater value in the economy including through local value addition; modernize and enhance competitiveness; enhance access to appropriate technologies; broaden participation by small-scale, emerging, and black farmers; maximize rural livelihoods through promotion of employment-intensive farming and agro-processing; ensure national and household level food security for all in the country; ensure the safety of all people living in rural areas including farm dwellers, farmers and others; and maximise the well-being of all residents in farming areas, including improving the conditions of labour of farm workers.

The vision of the AAMP is to build a growing, equitable, inclusive, competitive, job-creating, low-carbon and sustainable agriculture and agro-processing sectors. This is underpinned by a theory of change that places premium on overcoming duality in the sector while enabling greater inclusion and participation of black farmers and small-scale and emerging farmers in agriculture production and across the value chain. This is especially important for those farmers that are on the margins of the mainstream economy in rural areas and are weakly integrated into the value chains. Apart from enabling commercialization of emerging farmers, it is also important that the the outcomes of the Master plan are borne out in the improvement in conditions of work and socio-economic opportunities provided to workers at the farm level and across the value chain.

All social partners agreed to strive towards *globally competitive agriculture and agro-processing sector, support market-oriented and inclusive production to develop rural economies, ensure food security and create decent and inclusive employment and entrepreneurship opportunities for all participants in agriculture and agro-processing value chains.* The Master Plan has the following specific objectives:

- Increase food security in South Africa;
- Promote and accelerate sustainable transformation in the agriculture and agro-processing sectors;
- Improve access to local and export markets, which will require constant upgrades in the quality of supply to bolster South Africa's competitiveness;
- Enhance competitiveness and entrepreneurship opportunities through technological innovation, innovative financing models for black farmers, infrastructure construction and digitalization;
- Create an effective farmer support system and agro-processing incentives;
- Create decent, growing and inclusive employment, in addition to improving working conditions and fair wages in the sector;
- Improve the safety of the farming community and reduce stock and crop thefts and farm attacks;
- Create a capable state and enabling policy environment; and
- Enhance resilience to the effects of climate change and promote sustainable management of natural resources.

Social partners will need to work together to ensure the realisation of these pillars. The social partners have identified six pillars as means of achieving the goals above, as well as a framework for guiding their negotiations across different value chains and cross-cutting enabling measures:

i) Resolving policy ambiguities and creating an investment-friendly environment
ii) Investing in, and maintaining enabling infrastructure critical to industry, such as electricity, roads, rail and ports.
iii) Providing comprehensive farmer assistance, development finance, R&D and extension services
iv) Improving food security, increasing production and employment and ensuring decency and inclusivity

v) Facilitating market expansion, improving market access, and promoting trade
vi) Improving localised food production, reducing imports and expanding agro-processing exports.

Social partners believe that if the government proceeds with implementing this master plan and works closely with social partners in realising the outcomes, the sector would grow but in a way that supports inclusive value chains, creates jobs and upholds farmworker rights. As social partners, we are also committed to diversifying export markets and ensuring the sector stays on the cutting edge of technological advancements globally while adhering to the growing demand for sustainable production.

PART A: BACKGROUND AND INTRODUCTION

1.1. Context

The Agriculture and Agro-Processing Master Plan (AAMP) is the product of a social compact between labour, government, civil society, and industry. It aims to promote inclusive growth, competitiveness, transformation, employment, and food security. COVID-19 induced economic strain and a decline in broader economic activity have made the AAMP even more urgent and compelling. Since the pandemic outbreak, agriculture has shown greater resilience, as the only sector to record impressive growth rates of 13.4% in 2020 and 8.3% in 2021. This sector has considerable potential to pull the economy through times of crisis. We must position it as a pillar of the country's economic strategy, particularly to achieve the Economic Reconstruction and Recovery Programme (ERRP). With a social compact, the sector can achieve even more gains for rural economies, generate economic growth across the value chain, and sustain employment when unemployment rates are incredibly high, as they were in the fourth quarter of 2021, at 35.3%.

For this to occur, we must enhance the trust generated during the AAMP negotiations process and conduct the necessary legislative and policy review, ease up trading conditions and develop initiatives to overcome infrastructure bottlenecks in rural areas, water, logistics, and cross-border trade. Moreover, invest in expanding production on an inclusive basis, primarily via public-private partnership initiatives to boost the participation of emerging and black farmers, and workers in the value chain; address biosecurity concerns; and provide better working conditions, decent work, and employment opportunities across the value chain. Ultimately, the master plan seeks to achieve a sector that grows on an equitable and inclusive basis, that is internationally competitive, has a predictable policy environment, and is aligned with international best practices regarding sustainability and labour conditions at the farm level and across the value chain including through promoting ethical trading. In an increasingly competitive agriculture sector, the industry should strive to create greater value for the people working on farms and supporting their livelihoods.

For the AAMP to be successful, social partners must build trust and collaboration and commit to shared objectives for the future growth and success of the sector. The sector must also be better able to compete on a diversified basis, leveraging opportunities associated with the African Continental Free Trade Agreement and those in Asia and the Middle East, along with current traditional European markets. Moreover, it must continuously modify production methods in response to new global trends, including the stricter sustainability requirements outlined by the EU Farm-to-Fork Strategy. The sector's future sustainability at the domestic level depends primarily on the participation of black producers and small, medium, and micro enterprises (SMMEs). Various commodity groups undertake several transformation initiatives to build an inclusive commodity value chain in partnerships with the government, and labour. The sector can become more resilient and stable through concerted efforts in blended financing and other innovative financial instruments, the government's commitment to expanding extension offices and animal health technicians, removing regulatory barriers restricting

access to water infrastructure and scaling up public-private partnerships for inclusive production. This Master plan represents an essential step in repositioning the sector as a critical player in the South African, regional and global markets. It also aims to find the best possible ways to enhance the security of farmers and the well-being of farmworkers. It is not a definitive plan but the beginning of our shared journey to improve the sector. In light of this, it will be subjected to annual periodic reviews to set mid-term goals and evaluate progress in achieving the goals and aspirations of the social partners. The second track of the Master plan process will need to address a range of unfinished business related to infrastructure, transformation interventions, financing arrangements, and human capital and enhanced conditions of labour. Many of these will be 'Implementation Issues', that is, those areas that were agreed during the negotiations and that should be implemented in the medium-term. Further, the AAMP envisages a range of implementation instruments: value-chains roundtable, PPP-Transformation Schemes, and institutional structures within DALRRD to ensure that the plans of the department are aligned with the AAMP as well as to coordinate the activities of other implementing structures.

This Master Plan is based on extensive research. The research was conducted to identify new opportunities for growth and inclusion. It identified key commodities that could be promoted across value chains. In addition, it provided insights into underexplored opportunities in international markets. The value chain analysis is contained in the AAMP Framework Agreement, attached as **Annexure A**. The Framework Agreement offers an approach for developing commodity value chains through private-public partnerships to generate growth, investments, jobs and development in the sector. It also introduces two possible models of delivery, namely Value Chain Round Tables (VCRTs), which are already well established in several industries, and the transformation model pursued through a public-private partnership to increase black farmers' participation in production.

This Master plan is a product of an intense process of negotiations that began with the development of the Framework Agreement and an Action Plan through a co-creation mechanism that involved government, business and labour to express the spirit of social compacting. During the more focused stages of the negotiation process, from October 2021 to March 2022, the Action Plan guided the social partners in identifying critical interventions and delivery models to increase growth, competitiveness, employment and transformation in agriculture and agro-processing. It is worth pointing out that negotiations will continue to navigate the implementation issues. This report presents the outcomes that the sector's social partners discussed and co-created.

Areas that are not concluded at the signing of this Master plan will constitute a built-in agenda of the Master plan with outcomes evaluated as part of the review process. The social partners will need to determine the overall shape of the negotiations and the level of ambition, whether new issues, over and above the unfinished business, are introduced. There are various legislation issues and specifics of public-private partnerships and labour regulation. These may require further analysis and new innovative approaches to find practical methods of giving credible expression to labour rights in a wide

range of farming units, not to mention the financial difficulties different types of farming units face. By establishing a social compact, the AAMP intends to stimulate growth in the sector, provide greater inclusion, and ensure that work practices modernise and safeguard employees' well-being.

1.2. Vision of the AAMP

The AAMP was initiated by the government as a social compacting mechanism to address the structural constraints to inclusive growth within the sector. Its vision is to build an agriculture and agro-processing sector that is inclusive, competitive, job-creating, sustainable and growing. An inclusive and thriving agricultural and rural economy is aligned with the vision in chapter six of the National Development Plan (NDP). The NDP in 2012 introduced a three-tier growth strategy with the biggest opportunity for agricultural growth as follows:

- under-utilised farming areas in former homeland areas and land reform projects,
- expansion of export-driven high-value crops and investment in integrated value chains, and
- growing the agro-processing industry to promote transformation for inclusive growth, transformation, and job creation.

Due to structural constraints in the industry, these opportunities have not been fully exploited. The Master plan reflected on and attempted to address this issue in its formulation. The AAMP was also finalised when the domestic economy continued to be challenged by the COVID-19 pandemic and an inclement global outlook resulting from geopolitical tensions triggered by the Russian-Ukrainian conflict that disrupted global commodity supply chains along with concerns about the near to medium-term stability of commodity markets and prices. Given the fragility of the global economy, it became imperative to conclude the AAMP to support domestic economic growth and enable the social partners to address critical regulatory and financing challenges, overcome infrastructure constraints and increase the participation of black farmers across the value chain.

Therefore, there is greater urgency for the government to take leadership in improving the trading environment, both domestically and internationally. The AAMP, specifically, promotes a meaningful public-private partnership designed to produce a world-class, competitive, dynamic, growing, ecologically sustainable, safe, fair and inclusive sector in 2030. With the assistance of governments, development banks, and other organisations, various interventions and programmes will be undertaken with workers, employers, and communities on small, medium, and large farms and agribusinesses. The intention is to leverage and channel various forms of resources, support, and clearly defined roles and responsibilities of social partners in implementing the programmes of action towards achieving the strategic objectives of AAMP.

The AAMP adopts a theory of change that stresses the importance of co-existence of small, medium and large commercial farmers and agribusinesses operating in commercial and marginalized agricultural

areas. The transformation initiatives that are driven by private-public partnership should yield positive outcomes for participating farmers in domestic and export markets. It is important too that the outcomes of the Master plan are borne out in the improvement in conditions of work at the farm level and across the value chain. Although in a broad sense workers' rights are assured by the existence of various labour laws and regulations, historically the socio-economic conditions of farm workers have often been neglected. This is a sector that has lagged behind in development and improving working conditions and high rates, in some parts, of non-compliance exist in relation to workers' rights. While acknowledging that farming units are of different sizes and shapes, creating decent conditions at the farm level should be the minimum expectation of work practices in farms, and a critical outcome of the AAMP.

The theory of change promotes meaningful participation by all players and stakeholders – whether in small, medium or large businesses - across the entire value chain and the urban-rural spectrum. Moreover, it encourages the development and the support of areas with under-utilized and under-realized potential that struggle to attract investments, hence there is a need to take into account regional and provincial disparities linked to the district-based commodity value chain development. The District Development Model is a government planning approach that serves as a guide for government priorities. For these investments to flow into these areas, government will need to improve rural infrastructure, access to water rights, ensure tenure rights for certainty, improve the functioning of municipal level governance, and deploy development finance participation.

The social partners agreed to the vision for the AAMP as creating:

"*Globally competitive agriculture and agro-processing sectors drive market-oriented and inclusive production to develop rural economies, ensure food security, and grow decent and inclusive employment and entrepreneurial opportunities for all participants in agriculture and agro-processing value chains*".

1.3. Strategic objectives

In support of the vision for agriculture and agro-processing, the core focus for the AAMP can be drafted as follows:

- Increase food security in South Africa;
- Promote sustainable transformation in the agriculture and agro-processing sectors;
- Improve access to local and export markets, which will require constant upgrades in the quality of supply to bolster South Africa's competitiveness;
- Enhance competitiveness and entrepreneurship opportunities through technological innovation, infrastructure construction and digitalization;
- Create an effective farmer support system and agro-processing incentives;
- Create decent, growing and inclusive employment, in addition to improving working conditions

and fair wages in the sector
- Improve the safety of the farming community and reduce stock and crop thefts and farm attacks;
- Create a capable state and enabling policy environment; and
- Enhance resilience to the effects of climate change and promote sustainable management of natural resources and principles of just energy transition.

1.4. AAMP pillars for the programme of action

The AAMP is a sectoral growth strategy that sets out a series of immediate and medium-term actions needed to enable inclusive growth and sustainable job creation in the agriculture and rural economies. In **Annexure B**, the Master Plan provides recommendations for addressing policy constraints, infrastructure, market shortages, and structural weaknesses that induce inefficiencies and limited transformation in the agricultural and food value chains. Interventions and reforms under the Master Plan can be divided into six pillars:

i) Resolving policy ambiguities and creating an investment-friendly environment
ii) Investing in, and maintaining enabling infrastructure critical to industry, such as electricity, roads, rail and ports.
iii) Providing comprehensive farmer assistance, development finance, R&D and extension services
iv) Improving food security, increasing production and employment and ensuring decency and inclusivity
v) Facilitating market expansion, improving market access, and promoting trade
vi) Improving localised food production, reducing imports and expanding agro-processing exports.

The AAMP negotiations across the different workstreams set out later in this document were guided by these pillars to ensure alignment across the different outcomes.

1.5. AAMP 2030 main interventions and goals

In the sector, the AAMP seeks to achieve the following through the six (6) pillars:

a) To reaffirm NDP's chapter six goals of enhanced food security, inclusive growth in agriculture and agro-processing, high job creation, and export growth;
b) To accelerate the review of key legislation that governs land, water, agricultural inputs, chemicals, food safety, biosecurity, and traceability to boost business confidence;
c) To enhance state capacity and efficiency and strengthen partnerships with the private sector to boost comprehensive farmer support programmes, biosecurity control measures and protocols, agricultural research and development, technology adoption, and access to markets;
d) To raise an estimated R9.4 billion for fast-tracking targeted infrastructure maintenance and expansion of irrigation schemes, dams, dipping tanks, roads, rail and port facilities, fresh produce markets, and processing infrastructure;

e) To appoint 10 000 new extension, animal health, and other industry officers and technicians and second some officers to commodity associations and seed companies. Furthermore, it is necessary for both the government and the private sector to collaborate to develop a better capitalisation model to strengthen state support for the sector;
f) To unlock R7 billion in agricultural financing for farmers and SMMEs through the Blended Finance Scheme, Agro-processing Fund, Statutory Levies, State Grants, Industry Trust and Supplier Development Programme;
g) To allocate a minimum of 3% of retailers and supermarkets' net profit aligned to BBBEE to Supplier Development Programme

1.6. Envisaged AAMP outcomes by 2030

The following outcomes can be achieved if the proposed interventions and goals are implemented effectively.

a) To achieve R32 billion real growth in agriculture value added above the Business-As-Usual baseline;
b) Maintaining 865 000 primary and 263 000 secondary agriculture jobs and creating 72 000 new decent jobs;
c) To expand the commercial production area by 65 000 hectares of cropland, 19 550 hectares of irrigation and 1.5 million hectares of pastures using PLAS farms and commercial farms;
d) To enhance food security and support 303 000 livelihoods;
e) To increase the share of black farmers in overall production to 20% by 2030 to stimulate meaningful transformation. Note: in some industries, the share will be lower due to structural constraints, capital requirements and the long-term cyclical nature of the product

1.7. Unpacking the AAMP delivery models

1.7.1. Value chain round table

The AAMP proposes practical cross-cutting and value chain specific interventions, such as integrating subsistence and emerging farmers into formal commodity value chains. Importantly, access to infrastructure, including access to water and secure tenure, will be key to supporting the growth of this segment of farmers and ensuring their meaningful participation in the value chain. Considering the major challenge around effective execution of plans, the success of the AAMP lies in the robustness of the chosen delivery models. An overarching delivery model for the AAMP includes a public-private partnership (PPP) that would be implemented within various institutional arrangements that have been determined during the AAMP negotiations. The social partners will determine how these PPP Transformation Schemes will work in practice as part of implementation cycles. One form in which the PPP model will be achieved in the sector is utilising and strengthening the existing value chain round table as the sub-models to drive growth, competitiveness, transformation, and investments in the

sector. As a more specific transformation sub-model, the "Transformation Scheme" aims to broaden the participation of black farmers in production by scaling up existing initiatives by various commodity groups on a matching investment basis.

A concept known as commodity value chain roundtables (VCRT) originates in Quebec, Canada. The commodity chain round table model is less formal than associations, and it brings together various participants for *ad hoc* meetings from different parts of the chain. The government provides secretariat services. The government is responsible for organising the round-table meetings. Still, the mechanism itself is operated by the spirit of partnership rather than by the government, whose role is facilitatory and supportive. A Commodity Value-Chain Round Table may include representatives of producers, processors, distributors, and government agencies. It is designed as a coordinating structure for solving common challenges in the sector. It is essential that such a platform do need to take care and do not engage in any conduct that could be considered influencing the market or prices or any other form of prohibited behaviour defined by the Competition Act. During value-chain round tables, private and public sector partners build and implement joint action plans, such as the AAMP, for growth and competitiveness over the medium to long term. A round table will include key role players such as input suppliers, researchers, producers, distributors, processors, labour, community, retailers, exporters, and government to develop a shared understanding of their positions and create consensus on the implementation of the AAMP.

To achieve long-term global success, sector-specific VCRTs can focus exclusively on what each value chain must do. Several industries in the country have already established these platforms that link the public and private sectors. The Fruit Industry Value Chain Round Table offers lessons for other sub-sectors among the existing structures.

1.7.2. Principles of an integrated value chain PPP approach

- Inclusiveness of all stakeholders and pro-sustainable growth and development in their nature.
- Safeguarding the competitiveness of the value chain by following an end-to-end approach that links global, regional and local markets to a broad category of agro-processors and farmers.
- Establish co-creation of priority areas for both government and industry, aligned with specific interventions/reforms and funding of each value chain as agreed during the AAMP negotiations.
- Clearly defined roles and responsibilities for social partners and a tracking and evaluation system to measure progress toward achieving the AAMP deliverables.

- Meaningful transformation of commodity value chains that are agreed and carefully monitored, ensuring that the correct beneficiaries are selected, along with equitable access to land, water, inputs and markets, and

- Matched funding from government and industry to drive transformation and promote inclusive value chains.

To ensure commodity value chains are transformational and drive inclusive growth, the AAMP proposes a transformation model that will integrate new entrants and subsistence farmers into commodity value chains aligned to the round-table sub-model. This model is known as the **PPP-Transformation Initiative.**

1.7.3. PPP-Transformation model aligned to commodity value chain

For a meaningful and impactful transformation of agriculture and agro-processing value chains, within the framework of integrated value-chain PPPs, AAMP recommends introducing a special programme for extending production and increasing market access for black farming enterprises, including small-scale and new emerging farmers. In line with the principles discussed earlier, large-scale development in rural and land reform areas can be achieved through unlocking underutilised resources and improving the productivity of small-scale and emerging producers through well-coordinated and practical support measures. The introduction of a transformation model aligned with the commodity value chain, the **PPP-Transformation Initiative**, may be considered for producers within this category. Several African and Asian countries have implemented similar transformational programmes. If these partnerships are well managed, with strong commitments from industry, labour, government, and communities to support growth and inclusion, they will produce positive outcomes.

South Africa has implemented transformation schemes in the wool, cotton and mohair industries to promote inclusive growth and sustainable job creation. A benefit of these kinds of initiatives is that they allow farmers to gain economies of scale, better coordination, and improved negotiating powers that will allow them to acquire inputs, obtain equipment and enter into direct market agreements. Transformation schemes can be linked to existing industry and government initiatives, such as the Farmer Produce Support Units (FPSUs), which provide infrastructure and services to emerging farmers. These FPSUs should be accessible to all commodities in various districts. FPSUs are designed to provide mechanization, inputs and general farmer services. To create a Transformation Initiative, the government and private sector should combine existing resources and implement initiatives that help marginalised farmers and new entrants who have limited support structures, financing capacities, infrastructure, technical expertise and necessary networks to participate in production processes and value chains.

Transformation initiatives must not be viewed as separate delivery models but as a special programme within Industry Round Tables or other public-private partnership structures to ensure coordination and alignment among government, industry, and labour and between different government departments lacking coordination and focus. The PPP Transformation Initiatives will involve government, farmers, value chain players, and directly affected groups. Each Transformation Initiative must develop an implementation framework with a detailed action plan aligned with the overarching action plan of the Industry Round Table or another public-private partnership platform to ensure overall alignment and avoid duplication of initiatives. It should also include comprehensive funding solutions, where the coordinators of the Transformation Initiatives should coordinate with the funding bodies of the industry (private banks, off-takers, retailers, levy administrators, and trust administrators) and government budgeting committees.

The modalities of each Transformation Initiative will vary depending upon the realities and context of each value chain, rather than imposing one size fit all approach. Government and industry expenditure will require consolidation on funding of inclusive initiatives, including transformation. Integrating Transformation Initiatives into the structure of Industry Round Tables will enable more effective and efficient distribution of state and private sector resources, including land, water, loans, and grants to producers, along with expanding markets through effective supplier development programmes, the development of routes to markets and the opening of new export markets. Furthermore, effective monitoring and evaluation platforms can be utilised to gather critical information about the effectiveness of the production schemes, and support implementation mechanisms and traceability of products.

Transformation Initiatives should not be confused with the Marketing Schemes that existed in the past. In Table 1 Presented the fundamentals of the proposed Transformation Initiatives, which are essentially production schemes that are intended to promote the inclusion of small-scale operations and emerging producers to assist in their commercialisation - or to reach market-based outcomes.

Table 1: Comparison of marketing and production schemes

Marketing Schemes (Historical)	**Production Schemes/Transformation Initiative (future)**
Mandate: The Cooperatives Societies Act of 1922 started managing input supply through the concept of "forced cooperation". Consequently, the Marketing of Agricultural Product Act (1937) introduced these schemes, and they were further refined in 1968 as part of the Marketing of Agricultural Product Act: • Monopoly buying, • Single export channel, • Agro-processing control, and • Imports controls by quantitative means.	**Mandate:** The AAMP is designed to help smallholders and new emerging producers achieve market-based outcomes by providing greater support by government and industry for small-scale and emerging producers to achieve balanced and inclusive development within integrated value chains: • Increased and targeted expenditure on research and development and rural infrastructure, • Increased expenditure on transformation,

Marketing schemes with price controls (stability) aimed to protect both producers and consumers. The scheme covered the entire industry and was very regulatory in nature.	• Increased and targeted expenditure on market linkage programmes for emerging farmers. Inclusive participation is intended to increase the gross value and volume produced by smallholder and new emerging farmers in commodity value chains. The scheme will cover all identified value chains and be consultative rather than coercive.

In short, the instrument of Production Schemes or Transformation Initiatives as presented in the AAMP do not represent the re-introductions of the historical marketing schemes that once existed within the South African agricultural ecosystem. On the contrary, they are working forward to unlock sustainable growth in agriculture and agro-processing in rural economies and promote inclusive value chains.

PART B: AAMP COORDINATION AND SOCIAL PARTNERS' ROLES

The Department of Trade, Industry and Competition (DTIC) and the Presidency commenced the Master Plan programme in October 2019 as part of their commitment to reimagining an industrialised and inclusively growing South African economy. Following this, the Department of Agriculture, Land Reform and Rural Development (DALRRD) created a conceptual framework for developing the AAMP. The framework was consulted with and endorsed by social partners in November 2019.

Among the recommendations in the framework was the appointment of independent researchers to conduct research analyses of sectors and identify interventions and reforms for inclusive growth. The appointed researchers are the National Agricultural Marketing Council (NAMC), the Centre for Competition, Regulation and Economic Development at the University of Johannesburg (CCRED) and the Bureau for Food and Agricultural Policy (BFAP). The research team adopted a mixed methodology to develop and coordinate the AAMP. The approach included: mapping stakeholders in agriculture and agro-processing sectors for consultation; identifying critical commodities for the value chain deep-dive analysis; identifying the roles and responsibilities of social partners; and negotiating practical interventions and goals that will assist in growing the sector in a competitive, inclusive, and sustainable manner.

2.1. Roles and responsibilities of social partners

The Master Plan represents the dawn of a new era for the agriculture sector to overcome the historic dualities, remove constraints to growth and competitiveness and open up more opportunities for inclusion through the provision of land, finance and infrastructure. Moreover, the Master Plan presents an opportunity to rebuild state capacity and to enforce key policy compliance to broaden access to affordable finance through models such as the Blended Finance, and to drive inclusive growth and widen market access for black farmers, small-scale and emerging farmers with a view to support their commercialisation and market competitiveness. The following describes the roles and responsibilities of social partners in ensuring the goals of the AAMP are effectively achieved.

2.1.1. Government's role

The role of government within the AAMP context is to unlock opportunities for growth, competitiveness, and transformation to overcome duality in the sector. It is also to protect workers' rights, create an enabling environment for entrepreneurship and private sector investments to drive broad-based economic growth. Consequently, government must intervene in cases where market failures exist to ensure fair and meaningful access for all farmers and agripreneurs involved in value chains. In addition to creating enabling legislation and policies, government should also facilitate and stimulate inclusive agricultural growth.

In implementing AAMP interventions, one of the critical dimensions of government's roles and responsibilities is to provide an appropriate and streamlined state support system, financial and non-financial. Well-coordinated, reasonable and effective support measures are critical for establishing new farmers and ensuring conducive business conditions for the existing commercial farmers. Expected roles and responsibilities of government include:

a) Establishing equal opportunities for all farmers by developing and communicating effective policies and programmes that correct skewed ownership patterns, as well as providing access to affordable financing and competitive markets for all farmers;

b) Developing a well-designed and efficient infrastructure (e.g., rail, roads, harbours, water, electricity, fresh produce markets, processing and storage facilities, colleges, and telecommunications). It requires the engagement of many government departments, provincial and local municipalities, SOEs, and the private sector to reduce bottlenecks and co-invest in infrastructure development or rehabilitation. For this reason, Track 2 negotiations should also aim to engage relevant SOEs and development funders. It will be important that these key stakeholders collaborate while each understands its role and contribution to infrastructure investment and maintenance as critical support to the agricultural and agro-processing industries;

c) Many aspects of agriculture and agro-processing depend on the effective (and timely) execution of government administrative and regulatory tasks: registrations at the Registrar's Office, licenses, permits, regulations, labour laws enforcement, land administration, deeds office, etc. These aspects have hampered the growth and transformation of the sector for many years and require serious consideration. The government must set clear rules of the game so that various stakeholders can perform their respective roles;

d) Agriculture, agro-processing, wholesale and retail require good institutions. In the absence of well-functioning public institutions that can define the rules of the game, as described in C) above, markets are unable to function properly. Consequently, it is the state's responsibility to ensure that institutions (and the underlying rules) and capacities (competent personnel and skills) are in place. In turn, how these institutions operate and set the policy framework will influence the environment for business and investment. Other key interventions to boost confidence and ensure the sector's success include farmer support measures, research, statistics, development assistance and extension services. Without these, new entrants will find it difficult to succeed. Furthermore, it is necessary to provide adequate financial services and discipline of corrupt and/or anti-competitive behaviour that hinders new market entrants and could cause undue concentration of the market. For instance, in fresh produce and food products, the most important 'institutions' include the grading systems, food safety legislation, and sanitary and phytosanitary systems. Other examples include the bylaws and rules on municipal markets, information systems in agricultural markets in general and the futures markets in particular. At the same time, the rules ensuring fair competition are also important. Fair competition requires that there is adequate protection of labour and decent working conditions;

e) A critical aspect in driving competitiveness, productivity and economic recovery is the role that the state plays in research development and innovation. The decadal plan of the Department of Science and Innovation proposes a theory of change approach to agricultural innovation as a game-changer in support of the AAMP through deployment of bio-innovation products, processes and technological services to support a competitive, thriving and productive agricultural sector. The agricultural innovation theory of change proposes several multi-disciplinary and multi-institutional STI interventions along the agricultural value chain aimed at a) agricultural intensification and new knowledge products, b) technology transfer and adoption, c) nutrition security and livelihoods, and d) enabling mechanisms such as skills development and training.

f) Finally, the state also plays a pivotal role in shaping and influencing the outcome of the market. Through close collaboration with the private sector, labour, and civil society, the government's well-organised and coordinated policies, investments, and incentives, the state needs to provide and facilitate a solid platform for private sector investment in production capacity and industrial capability.

2.1.2. Private sector's role

The private sector is crucial to the advancement of the economy, creating decent jobs, establishing inclusive value chains, and attracting investment in rural areas. Large commercial farmers and agribusiness companies can further maximise opportunities for transformation. Supplier development programmes (SDP) run by major supermarket chains and large agro-processors at the processing and retail levels show how key players in agriculture and processing can build and develop suppliers. These programmes support the development and upgrading of suppliers through investments in offtake agreements, skills training and financial support, among other support measures.

Despite being well-positioned to deliver on the transformation process, the private sector is often limited by fragmentations. There is an urgent need to do away with this fragmentation in commodity and farmer organisations and create a united platform with an alignment of goals to ensure the sector can scale up the existing, successful public-private partnerships. With regards to the AAMP, the private sector can mainly play a prominent role in the following areas:

a) Public-private-partnership structured finance to help meet development goals. Starting with statutory funds administered by industries, the private sector actors can align statutory levies and agricultural trusts monies with available government grants to promote the collection of reliable and accurate industry data and information, accelerate transformation, build capabilities at different levels of the value chain, improve research and innovation capacity, increase market development, both domestic and export markets as well as supporting informal economies, and lastly create jobs, thus enhancing household incomes of rural and farm dwellers;

b) Aligning private sector funds through public-private structure finance will reduce inefficiencies resulting from parallel development programmes that private industry and government administer. The alignment of financing initiatives can be achieved through blended finance models and value chain finance models that involve stakeholders from across the value chain. The basic principle behind these financial models is that the government provides a share of the funding through direct grants, while the private sector meets the remaining financial requirements;

c) Supporting market linkages to ensure that agriculture, agro-processing and retail can contribute to a more inclusive South Africa. Supporting black farmers and SMMEs at the processing level to have better access to domestic and export markets is essential, as this will optimise land utilisation in the former homelands and land reform projects. The key to market linkages is for the private sector to assist in transformation projects to secure profitable market arrangements. The private sector will find success in this intervention if the State ensures that improvements in the network industries (transport, electricity etc) will provide pathways for market linkages and lower the transaction costs for farmers;

d) Upskilling and technology transfer are achieved by training farmers and SMMEs in food processing and developing and using appropriate technology in production and handling practices. Additionally, large commercial farmers can participate voluntarily in the land reform programme by donating land to historically disadvantaged farmers or participating in joint ventures on a risk-sharing basis, facilitating the linkages between small and medium-scale farmers operating on a commercial basis. Equally, the large retail and agribusiness companies, through their supplier development programs, can assist in building the capacity and capabilities of small, medium, and micro-businesses in the agro-processing sector. The retail groups are already implementing various supplier development initiatives. The industry has made a specific commitment in this Master plan to further upscale the spending on SMME suppliers (in line with Net Profit After Tax -NPAT target of the AgriBEE).

e) Develop capacities within government to carry out responsibilities related to C and D above

2.1.3. Labour's role

Employees and their trade unions – broadly "Labour" – are central to the agricultural and agro-processing eco-system, integral to the growth of the industry and its forward-looking decision-making processes, institutions, practices, policies and implications. It is essential that farmworkers are accorded protection, enjoy decent labour conditions, and maintain their dignity. The establishment of bargaining arrangements and worker equity schemes, and enterprise development mechanisms should be guaranteed to the extent possible, particularly in viable and large farming units.

In reality, the ecosystem of workers and their employment at the farm level range by farm size and with varying financial sustainability. The fact remains that there needs to be widespread acceptance in the sector of the principle and practice of decent and secure working conditions. Labour's interests also extend beyond immediate workplaces, current workers, contractual matters, and wage and working conditions. Proposed roles that Labour has identified for developing the AAMP have been captured in the AAMP Action Plan, which contains a set of practical interventions and commitments by social partners. Amongst other these include:

a) Promoting the creation of decent jobs across the agriculture and agro-processing;
b) Seeking compliance by industry with labour laws and decent work;
c) Exploring ways to improve social protection of farm workers and those along the value chain, and communities; and to champion access to safe and decent conditions of living that protect human dignity;
d) Explore avenues for promoting pro-employment technologies;
e) Support a process to expand ethical trade activities and certification in the industry as a tool to improve working conditions and create new market opportunities; and
f) Promote buy local campaigns and initiatives to prevent import fraud.

2.2. AAMP coordination structures

2.2.1. Executive Oversight Committee

The Executive Oversight Committee is the decision-making structure of the AAMP development process. It is chaired by the Minister of Agriculture, Land Reform and Rural Development and includes representation of government by senior officials at the national and provincial level, labour and civil society leaders and industry representatives for commercial and emerging agriculture. The functions of this structure are to:

a) Act as the highest decision-making body for the AAMP development process
b) Reviewing and approving AAMP research, consultation, coordination and developed structures and processes
c) Reviewing and approving the Framework Agreement that includes the AAMP vision statement, strategic objectives, and growth strategy
d) Reviewing and approving the Action Plan, which identifies cross-cutting and value chain specific interventions, reforms and commitments
e) Resolve issues restraining the development (implementation) of the AAMP
f) Supervising negotiations for AAMP interventions, reforms, commitments, and targets
g) Acting as a monitoring and evaluation mechanism following the signing of the AAMP to track progress.

2.2.2. Negotiation Reference Structure

This section sketches out the processes that gave rise to the AAMP. There were two negotiation reference structures and seven clusters in total. The first three clusters focused on discussing and identifying cross-cutting interventions, such as equitable access to land, water rights, employment opportunities, and working conditions; infrastructure investments, agricultural finance, biosecurity measures, transformation and legislative reforms in the agriculture and agro-processing industries. The last four clusters focused on discussing and reaching a consensus on specific commodity value chain interventions, as illustrated in **Figure 1** below. The Executive Oversight Committee will continue to exist during the implementation of the AAMP. Cluster dealing with outstanding matters such as Human Capital on labour matters will also continue to exist.

Reference groups serve the following functions:

i) Ensure fair, transparent and collaborative cluster negotiations are conducted and that solutions are reached through consensual;
ii) Negotiate and reach consensus on cross-cutting measures and interventions necessary to promote inclusive growth, agricultural financing, and competitiveness of the sector;
iii) Negotiate and reach consensus on a range of value chain reforms and goals that are required to promote inclusive growth, transformation and sustainable employment;
iv) Discuss and establish indicators and measurable goals for the implementation of the AAMP;
v) Elevate cluster outcomes to the Executive Oversight Committee for final approval;
vi) The focus of cluster negotiations should be primarily on the key objectives and principles outlined in this plan.

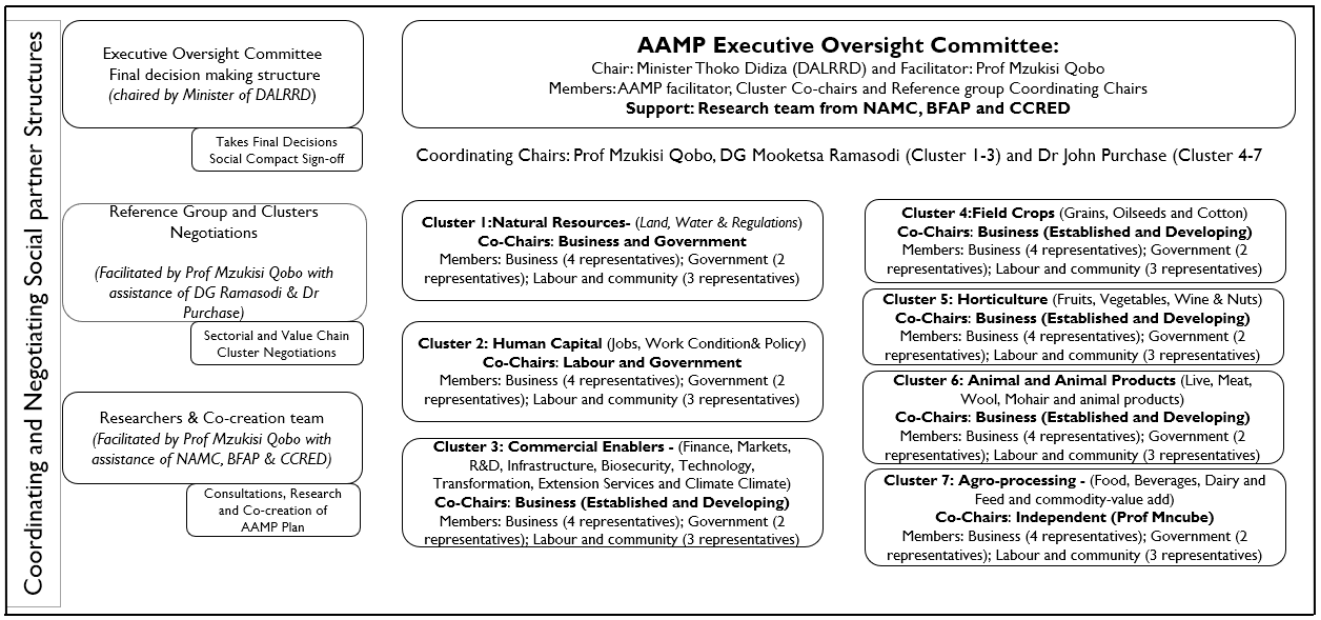

Figure 1: AAMP coordination and negotiation structures

PART C: AAMP INTERVENTIONS

The outcomes of clusters are contained in Annexures A1 to A3 for cross-cutting and Annexures A4 to A7 for value chain measures and interventions. As mentioned earlier, the AAMP Framework Agreement describes the commodity value chain approach through private-public partnerships as a model for delivering and monitoring the implementation. The Round Tables will facilitate decision- and program-related design to generate new inclusive growth, investment, jobs, and competitiveness in the sector. The AAMP Framework Agreement also introduced the concept of Production Schemes, which can be used as a model for integrating the vulnerable and marginalised farmers into the formal agricultural value chains.

The cluster discussing the human capital and employment conditions introduced the need for either sector-wide or sub-sector level structure to facilitate social partner engagements and monitor the implementation of labour-related interventions. The labour structure will facilitate the creation and monitoring of employment opportunities within each commodity value chain, ensure compliance with labour laws, improve the capacity of labour inspectors and support farmworkers. The process of monitoring and evaluation of implementation will need to be driven from within DALRRD. It is import to reiterate that many of the unresolved issues will constitute Track 2 of negotiations to be convened post-signing. Many of these issues could not be resolved because some required further research, clear implementation modalities to be agreed, and resourcing.

3.1. Cross-cutting interventions

3.1.1. AAMP interventions for natural resources

This cluster addressed critical resources such as land and water, amongst others. It was agreed that land reform must be rapidly scaled up and improved, and that there must be holistic tools and approaches to achieve this outcome. The Land and Agriculture Agency is the main structure or model proposed to drive land and natural resource management with all social partners. The Department of Agriculture, Land Reform and Rural Development has initiated the process of establishing the Agency. The Agency is expected to coordinate functions and responsibilities within three-spheres and amongst government departments (e.g., DWS, DALRRD and Public Works, Traditional Affairs) and the private sector on land donation and identification of strategic land for acquisition and development of the land reform programme. **Annexe B1** presents the outcomes of the Natural Resource AAMP Cluster, which discussed and agreed upon various measures for growth.

Annexure B1: Natural Resource Cluster Outcomes

Interventions and Opportunities	Delivery Model	Responsibilities
Pillar 1: Resolving policy ambiguities and creating an investment-friendly environment -Improve efficiency and partnerships in land acquisition and transfer to deserving beneficiaries (in line with DALRRD's beneficiary selection and land allocation policy, 2020) o Transfer PLAS farms and newly acquired state land to deserving beneficiaries. The state must make available at least 40 000 hectares of state land each year until 2030, in addition to the 700 000 ha already identified. o Consideration of long-term leases and title deeds for PLAS farms (to improve access to finance) for black farmers	The government will decide on the Land and Agricultural Agency and its institutional arrangement	DALRRD
Promote private land donations in accordance with the land donation policy o Donation of land by the private sector, foreign countries, faith-based organisations, academic institutions and non-governmental organisations o Promote private land donations by the DALRRD's land donation policy	The Land and Agricultural Agency will facilitate the quantum of land donated by the private sector.	DALRRD, Business and Non-profit organisations
-Promote the acquisition of land using a blended finance mechanism o Establish a private-public partnership approach to land identification and procurement. Industries to advise on the strategic land to procure that is critical to driving inclusive growth.	Land Rights Management Committees and Land Rights Management Board.	Labour, DALRRD, DEL, Communities and Commodity Associations and Business
-Promote secure land tenure and land rights o Facilitate the recording of land rights and strengthening of tenure security for farmers in communal areas, farming communities, state land and commercial areas. o The Deed Registries Amendment Bill is being finalised to address the issue of recordation (government will specify a timeline). Aim to record 100% of communal land rights.		
-Develop a housing support programme for farmworkers and farming communities o Implement land transfer, land tenure and legislative arrangements to ensure farmworkers and their families' wellbeing, access to burial sites, family gatherings.	Social dialogues covering labour and farmworker conditions as well as monitoring the implementation of the farm dweller programme	DALRRD and Business

o Developing catalytic housing programmes with tenure rights, mechanisms for the provision of affordable housing, protection against illegal eviction, and protection for spouses and dependents where affordable. -Provide post-settlement support to farmers and land reform beneficiaries o When land is transferred, ensure that it is adequately managed by implementing CARA legislation, including developing farm management plans, soil management programmes, conservation agriculture promotion and veld management programmes. o Compulsory capacity building programmes for beneficiaries to address critical skills/capacity gaps o Reduce land degradation. -Promote climate change adaptation and mitigation initiatives o Measures to reduce carbon emissions should be considered as a contribution of the agriculture and food sectors to South Africa's achievement of its Paris Agreement (and Glasgow) commitments.		DALRRD and Commodity Associations
-Expand equitable access to water for irrigation and water policy reforms o DALRRD and DWS have worked closely together to assist land reform beneficiaries with water rights. ✓ Ensure the completion of new water use entitlement applications within 90 days. ✓ The DWS has implemented the 90-day turnaround time for all water use sectors, including agriculture, beginning on 1 April 2021. ✓ The creation of decent work must be a condition for the issuance of new water use permits. (***Intervention is one of the topics for further discussion among social partners. ***)	Strengthen the relationship between DALRRD and DWS. The two departments are currently negotiating a Memorandum of Understanding to facilitate water use licensing and land reform programmes.	DALRRD, DWS and Commodity Associations
-Transform and capacitate Water User Associations (WUAs) to effectively manage irrigation scheme revitalisation o Address irrigation scheme water losses and illegal connections immediately o Change current irrigation practices to more water-efficient methods	Strengthen the WUA agreements and enhance collaboration to	DWS, WUAs and Commodity Associations

○ By 2030, WUA's water-efficient irrigation methods (reducing water losses by 10%) must be aligned with the National Water Resource Strategy Water Conservation and Water Demand Management targets. Curb illegal irrigation water use	institutionalise these water associations at the local level.	
**********	**********	**********
Pillar 2: Creating enabling infrastructure		
-Fast track the revitalization of irrigation schemes for increased production and efficient water use ○ Increase investments in agricultural water infrastructure by 20% per annum. ○ 31 105 additional hectares can be established from new water developments: • Western Cape: Clanwilliam Dam – 5 000 ha; • Western Cape: Brandvlei Dam – 4 400 ha • North West: Taung Scheme – 1 300 ha revitalisation; • Northern Cape: Orange River – 4 000 ha; • Mpumalanga: - 3 000 ha; • KwaZulu Natal: Makhathini Flats 8 605 ha • Free State: Orange River – 2 000 ha and • Eastern Cape: Umzimvubu dam – 2 800 ha	Get all stakeholders together in the war room. The war room should handle coordination and decision-making.	Communities, DALRRD, DWS, Provincial DoA , Infrastructure Office in Presidency, Commodity Associations & Organised Agriculture, Agricultural Business
○ Government commits to bulk water infrastructure investment for irrigation schemes – government seeks private sector funding and partnerships.	PPPs that involve co-funding between public and private projects related to water infrastructure.	
○ Each irrigation project should highlight the specific water quotas available to black farmers. Research indicates that 5% of agricultural water use rights are allocated to black farmers, which is expected to rise in the future.		

3.1.2. AAMP interventions for human capital

Human capital cluster participants discussed interventions for increasing employment opportunities in agricultural and agro-processing sectors, improving working conditions and providing benefits and support to workers. It also discussed the need to expand government capacity to enhance compliance with labour laws and consider conditionalities in designing land, water, and agricultural financing programmes. Labour and Business, with support from Government, are still discussing the merits and modalities of establishing either a sector-wide or sub-sector labour dialogue structure. **Annexure B2** details the outcomes of the Human Capital AAMP Cluster meeting on various measures to improve employment, working conditions and worker support.

Annexure B2: Human Capital Cluster Outcomes

Interventions and Opportunities	**Delivery Model**	**Responsibilities**
Pillar 1: Resolving policy ambiguities and creating an investment-friendly environment -Enhance compliance with Labour Legislation o Compliance with the Basic Conditions of Employment Amendment Act, No 20 of 2013. o Adherence to national minimum wage (NMW) requirements. o Identify ways to maximise job creation o Safe and reliable public and private transport for workers, where applicable -Drive skills development in the sector to increase productivity o Optimise the Skills Development Act, No 97 of 1998 (SDA). o Skills development programmes by SETAs should be aligned with future work trends. o All agricultural Entities that contribute to the Skills Levy Fund and implement. o Workplace Skill Plans should also be B-BBEE compliant. o Align B-BBEE ratings with SDL contribution (both qualified and non-qualified). -Improve social protection of farmworkers, and those employed by agro-processing firms o Ensuring a decent working environment o Recognition of legislated seasonal workers' rights;	Farmworker support programmes Engage negotiating forum as part of Track 2 of AAMP negotiations to discuss labour market, social protection, and socio-economic matters. Endeavour to introduce worker ownership schemes in agriculture and agro-processing value chains depending on the size of the enterprise and viability of the worker ownership scheme.	Labour, Communities, Government, Organised Agriculture, Agricultural Business, and Commodity Associations

o Adherence to minimum wage requirements; o Promote farm workers' safety and dignity via Ethical and Fair-Trade Programmes; o Support enterprise development and equity participation by farmers; o Enhance collaboration with the Department of Social Development and Welfare to improve social protection measures for farmworkers; o Provide a rural safety plan; o Create worker ownership schemes in agriculture and agro-processing value chains.	Establish an industry forum to address labour market, social protection, and socio-economic concerns, in collaboration with the Commodity Value-Chain Round Table	
**********	**********	**********
Pillar 4: Improving food security, increasing production and employment and ensuring decency and inclusivity -Increase productivity and expanded production o Give effect to the provisions in the Employment Services Act, No 4 of 2014. o Compliance with the Code of Good Practice on Industrial Action and Picketing. o Ensure fair trade practices worldwide. o Resolve issues with municipal and SOE service delivery. o Adopt regenerative and climate-smart food production and processing practices. -Create employment opportunities across the agriculture and agro-processing sectors: o Address challenges in the both rural and urban infrastructure and logistics (roads, rails, harbours, airfreight) that impede growth in the agricultural sector. o Compliance with the Employment Equity Amendment Act, (EEAA). o Establishment of farm-based worker forums & Commodity Value-Chain Round Tables. o Foster a policy environment conducive to growth and job creation.		Labour, Communities, Government, Organised Agriculture and Commodity Associations

3.1.3. AAMP interventions for commercial enablers

The Commercial Enablers Cluster discussed measures to increase access and affordability to agricultural finance, enhancing biosecurity control, enhance research and development capacities, and establish transformation indicators and mechanisms. The cluster seeks to expand export and domestic market opportunities, safety and security in farms, advance access to technology and seeds through modernization of policies, and expand agro-processing and industrial capacity. Furthermore, it aims at establishing and maintaining enabling infrastructure in rural areas, such as dipping tanks, shearing sheds, irrigation schemes, agricultural processing, storage and distribution, colleges and trade logistics corridors as well as basic municipal services such as electricity, water and roads maintenance as well as the review of bylaws for live animal sales in rural towns. **Annexe B3** presents the outcomes of the Commercial Enablers Cluster, which discussed and agreed upon various measures.

Annexure B3: Commercial Enablers Cluster Outcomes

Interventions and Opportunities	Delivery Model	Responsibilities
Pillar 1: Resolving policy ambiguities and creating an investment-friendly environment -Improve the liquor licensing system and combat illicit sales of alcohol o Reduce illicit trade in wine, brandy, beer, and other alcoholic beverages. o DALRRD to create a platform for discussion between National Treasury and industry on the improvement of the sustainability and profitability of wine farms by ensuring excise duties are increased according to CPIX.	Re-establish the wine industry value chain round-table to monitor, evaluate and advocate for a sustainable, inclusive wine and beverage industry.	Labour, Communities, Government, Organised Agriculture and Commodity Associations
-Promote safe and secure working and living conditions for agribusinesses and farming communities o Reduce stock theft in communal and commercial areas through a detailed programme aligned with the Rural Safety Strategy – assisted by implementing the developed LITS system for tracking animals. o Improve safety and security for farmers and farm workers align with SAPS Rural Safety Plan.	PPP between SAPS, DALRRD, community forums and Livestock owners and crop producers.	Labour, Communities, Government, Organised Agriculture and Commodity Associations
-Increase transformation of agricultural value chains		

o Strengthen existing or establish new value chain platforms or round tables to coordinate, align and advance public and private sector comprehensive producer support to promote growth and development of new black commercial, small-scale and subsistence farmers (industry to play an advisory role on the procurement of land). o Transformation in primary agriculture must be measured consistently in terms of the share of output/value produced by black farmers or agribusinesses in each commodity value chain. o Accurate and comprehensive data are lacking and should be improved as a matter of urgency. o Define transformation in inclusive growth across the entire value chain and the number of producers benefiting from each transformation intervention. o Similarly, for the agro-processing and supermarket segments, this indicator must be measured as a percentage of sales to black farmers and/or agribusinesses, in line with quality categories o Greater alignment between AgriBBEE core requirements and implementational initiatives: funding structures / preferential procurement / training and skills development.	Commodity Value-Chain Round Table and Production Schemes	Labour, Communities, Government, Organised Agriculture and Commodity Associations
**********	**********	**********
Pillar 2: Creating enabling infrastructure o Grow agriculture by maintaining and increased market access – both domestically and internationally. o Increase rail share of grains and oilseed import and export transport from 15% to 30% by 2030. o Increase the handling and loading capacity and efficiency at CPT, DBN, Coega, PE, Richards Bay, EL and other harbours to increase the export of fruit, meat, wool and grain. o Improve and maintain national road network – especially rural roads and access to ports, border posts etc. o Urgently address collapse of SOE network industries (electricity, rail, pipelines etc.)	Establish a partnership with Infrastructure South Africa (ISA) to prioritise and develop comprehensive agriculture and agro-processing infrastructure strategy that supports the AAMP.	DALRRD, DTIC, DoT, Transnet, DSE and Industry

**********	**********	**********
Pillar 3: Providing comprehensive farmer assistance, development finance, R&D and extension services		
-Expand access to affordable and efficient agricultural financing for all farmers o Implement the Blended Instrument by upscaling the existing initiative by BASA and DALRRD on the blended finance model. Link to commodity organisations for technical support to farmers applying for funding. Focus on value chain / contract / crop financing (including financing operations on leased land). o Service providers and producers need upskilling on data requirements and commercial terms for blended funding interventions – driving and supporting commercial practices for growth and sustainability. o Implement the Industrial Finance Instrument to support SMMEs. o Continue to provide CASP funding, Ilima Letsema, AgriBEE, and other forms of support so that farmers can grow to qualify for blended finance. o Upscale transformation of agricultural value chain relying on financing tools such as the AgriBEE Fund, Statutory levies and Agricultural Trusts. Also, improve development finance to bridge the growth gap. o Strengthen the financial infrastructure for communal areas, such as livestock dipping tanks, shearing sheds, and storage and processing facilities. o Finance interventions need to comply with AAMP transformational, developmental vision and objectives. o Develop state backed insurance products to reduce financial risk for blended products	Utilise public-private partnerships for electricity, rural roads, railways, and port infrastructure issues. Farmer support across the value chain should be comprehensively packaged.	DALRRD, DTIC, Land Bank, IDC, Agbiz, BASA and Commodity Associations Labour, Communities, Government, Organised Agriculture and Commodity Associations
-Support skills development, extension services, R&D, technology, and mitigation and adaptation for climate change: o Competitiveness is crucial to driving growth and employment and can be attained through optimal investments in R&D and innovation. o The Decadal plan of the Science and Innovation proposes how innovation can drive growth in the agricultural sector through interventions that support development of new technologies, products and services to drive productive value chains, increase access by		

farmer to knowledge and tools for increased productivity and contribution to GDP amongst other key aspects. o Multi-stakeholder partnerships including government and industry co-investment is needed to support development and deployment of new technologies and innovation, and drive competitiveness. o The goal of the DALRRD is to recruit 10 000 new extension, animal health and other industry officers and technicians by 2030 and second some of them to commodity groups. o Develop a comprehensive training, employment equity, and enterprise development system integrated into all value chains. o Need to determine the absorption rate of trained persons in the sector and conduct a skill gap audit. o Alternative crops for small and growing farmers. The Department of Science and Innovation will continue to support industries and promote innovation and competitiveness of high value and labour-intensive crops. Value chains also need to be mapped based on evidence. o Need private-public partnerships to co-fund R&D and innovation programmes that improve the competitiveness of farmers and SMMEs. Innovation leads to job creation. o Need to support education, training and skills development. Fintech is essential for moving into agriculture.	Commodity Value-Chain Round Table	Labour, Communities, Government, Organised Agriculture and Commodity Associations
-Build comprehensive agricultural databases for better decision making and program design o Complete the farmer register and expand the comprehensiveness of the commercial agricultural census conducted by StatsSA beyond the current scope of covering only VAT registered farmers. This will require funding by DALRRD. o It is vital to improve data on agriculture, specifically transformation and small and new farmer production, to be able to state the percentage of black farmer contributions in different commodities, land, tonnes, value, and local and export markets.	Commodity Value-Chain Round Table	
**********	**********	**********

Pillar 5: Facilitating market expansion, improving market access, and promoting trade -Expand market opportunities (exports and domestic) and promote trade and exports o Strengthen the role of export councils and export organisations such as the Export Credit Insurance Corporation (ECIC). o Strengthen public-private partnerships with established industry associations to ensure that dynamic SMMEs can access existing networks that facilitate exports. o Strengthen the current structures for discussing trade agreements and ensuring equal access to export market, such as the National Tariff Forum. o Ensure industry representation in the current structures and when negotiating SPS protocols and tariffs. o Mobilise finance to promote exports and increase market access while improving existing programmes. o Facilitate the development of digital systems and platforms that increase the traceability of commodities both for the domestic and export markets. o Increase the efficiency of Fresh Produce Markets. o Achieve a 3% increase in the share of black farmers in NFPM sales each year. o Review the effectiveness of the NAMC and the MAP Act in facilitating access to markets for black farmers. -Enhance biosecurity control measures to reduce disease and pest outbreaks in animals and crops o Develop and implement identification and traceability systems to help farmers and SMME suppliers meet mandatory national, export and private standards. o Develop digital systems tailored to the needs of SMMEs and value chain players to enable traceability of certifications, standard compliance, labour and environmental practices (e.g., GS1). o Intensify the monitoring of pests and the provision of veterinary services. o Review the operational efficiencies of ARC, OBP and PPECB as critical state organs withing the agricultural sector. o OIE gap analysis of Veterinary Services/Animal health regulatory infrastructure. ✓ Identify and remedy all deficiencies highlighted in the report, including the main challenges associated with concurrent policies and functions.	Monitoring and Evaluation Framework through Value-Chain Industry Round Tables Monitoring and Evaluation Framework through Value-Chain Industry Round Tables	Labour, Communities, Government, Organised Agriculture and Commodity Associations Government, Academia, Organised Agriculture and Commodity Associations

o Diseases under control. Address the lack of capacity to manage or contain disease outbreaks– including utilizing modern technologies and diagnostics, vaccines, and private veterinarians. If the declaration of disease under control removes owners' rights to prevent, diagnose and treat, then the state Veterinary Service is responsible for providing these services. ✓ CCS's veterinary service is limited by a lack of funds and materials. Address constraints and also allow and encourage use in PPPs. ✓ Promote the use of unemployed animal health technicians, especially in PPPs. ✓ Act 36: Establish PPP between Government and Strategic Agricultural Input Supplier Forum to increase the capacity and to eliminate the backlog of applications. New draft of Act 36 at parliamentDonor support is available to improve capacity at the Registrar's office. Learn some lessons about donor support services from SAHPRA. -Support the game industry's growth to create jobs, economic development and exports o In the last twelve years, there has been little progress in the discussion about including game meat in the Meat Safety Act, which has a significant effect on the supply of game meat locally and for export. Consult with the producer industry (game ranchers) and finalise the legislation. o DALRRD and DEFFE need to resolve the issue of who controls the game on privately owned agricultural land. -Enhance the OBP's operational efficiency to produce critical animal vaccines o The lack of critical animal vaccines is a significant threat to the livestock industry and food production. o Vaccine Banks as a strategy to improve access to vaccines o Lack of capacity-critical personnel and infrastructure. o In some cases, there is no alternative source of animal vaccines available. o The business sector is proposing that IP and strains developed before the company's establishment (SOE) be made available to other potential players in the country to attract more players.	Act 36 Liaison Committee and the current liaison structures between government and industry to improve coordination and broaden participation. Game industry value-chain round table Current Biosecurity task team appointed by Minister of DALRRD on animal health. (Include key stakeholders in the private sector as participants)	Game Industry players, Labour, DALLRD and DEF Organised Agriculture, Government and Animal Industry Players

********** **Pillar 6: Improving local food production, reducing imports and expanding agro-processing exports** o Obtain demand-side commitments from major value chain players in public and private sectors (including large retailers and food companies) regarding localisation and local procurement. (BBBEE score alignment and recognition). o Create an industry Supplier Development Fund while considering any potential competition law implications. o Expand, refine and replicate supplier/enterprise development programs of supermarkets and large agro-processors to build supplier capabilities at the local (district) level. o Develop State Development Plans to support black entrepreneurs and black-owned businesses engaged in value-added processing and vulnerable groups like women, youth and people living with disabilities. o Coordinate with Food and Beverage SETA and other organisations to develop skills for SMME suppliers in food value chains that complement S/EDP needs.	**********	**********

3.2. Value-Chain Interventions

Four value-chain clusters discussed interventions and measures to improve their competitiveness, expand domestic and international markets, create and preserve jobs where feasible, enhance agro-processing and import substitution where feasible, and transform agricultural value chains to achieve inclusive growth.

3.2.1. AAMP interventions for field crops value chains

The field crops value-chain cluster included commodities such as grains (*maize, wheat, dry beans, sorghum and others*), oilseeds (*sunflower, soybean, canola*) and industrial crops (*cotton*).

Annexure B4: Field Crop Value-Chain Cluster Outcomes

Interventions and Opportunities	**Delivery Model**	**Responsibilities**
Pillar 1: Resolving policy ambiguities and creating an investment-friendly environment o Act 36: Establish PPP between Government, the Strategic Agricultural Inputs Forum (SAIF) and other role players to increase the capacity and eliminate the backlog of applications. New draft of Act 36 is before parliament – subject to discussions between DALRRD and the NAMC's research findings on the chemical value chain to be included. ***Also discussed in the Commercial Enabler Cluster***. o Develop a new application platform for the Registrar's Office (Act. 36) that provides clear information online about the date of the application, its progress and the date of approval and rejection. o Establish a Web / App-based (paper-less) system to monitor the application for the registrations of new technologies. o Implement a PPP system for working on a backlog of 3000 applications currently with the Department to expedite the processing. Collaboration between public and private sectors to increase capacity.	Re-establish the Field Crops Value-Chain Round Table to implement the Master plan and ensure the successful implementation of the PPP. Establish a Grain & Oilseed Monitoring Committee (Act 36	Labour, Communities, Government, Organised Agriculture and Commodity Associations

o Provide internships and bursaries to eliminate backlogs in terms of capacity at the Registrar's office. o The government's training of the private sector in terms of the required documents to be submitted.	liaison committee) and enhance the existing liaison structure between the government and the industry for better coordination.	
**********	**********	**********
Pillar 2: Creating enabling infrastructure -Improve maintenance and development of new infrastructure in rural and production areas o Industry to identify potential roads for rehabilitation, then engage with department expansion of production, including roads - Public works (infrastructure cluster). o Infrastructure priorities should be linked to prioritised production areas (including data from BFAP, ARC Farm assessments and DALLRD to drive inclusive growth). -Invest in new grain and oilseed storage and warehouse facilities in the country o Based on the opportunity created by the livestock AAMP cluster, the Eastern Cape and KwaZulu Natal have an estimated 500 000 tonnes of storage capacity. o Create opportunities for funding to expand cotton gins in the country. o The DTIC and IDC should consider incentive schemes to attract the private sector to invest in the Eastern Cape and Kwa-Zulu Natal in storage capacity, milling plants and warehousing. -Improve rural municipalities' capacity to provide basic services and infrastructure o There is a critical need for interventions in rural municipalities to ensure reliable water and electricity infrastructure, supplies, and resources for households and agro-processing – a critical investment to ensure successful, affordable and safe food production. -Revitalise the rail infrastructure to allow grain transport by rail instead of by road o Invest in and upgrade rail infrastructure to reduce transportation costs, noting that the proposal and target is subject to Cabinet approval.	********** Interventions to be monitored through the re-established Field Crops Value-Chain Round Table The government should work with other departments to provide a list of roads that need to be refurbished around farming areas.	********** Labour, Communities, Government, Organised Agriculture and Commodity Associations Government and Organised Agriculture

✓ Increase rail shares for imports and exports up to 30% from the current 15%. ✓ Focus on rail transport from inland to the Western Cape to replace coastal imports – align with the discussions between the government and the private sector. -Improve port facilities and operational efficiencies o Investment and reforms at port facilities, noting that the following proposal and target is subject to Cabinet approval; ✓ Consider upgrading the grain port facility at Richards Bay. ✓ Extend the lease agreements for port silos and facilities to 20 years for the private sector. ✓ Invest in facilities to handle larger ships and offer the private sector longer-term lease agreements for these investments. • SABT: B-priority deepens to 16 m (currently 12.5 m) to handle 70 000 - 80 000-tonne ships by 2030. • RBT: A-priority deepens to 13 m (currently 9.6 m) to handle 50 000-tonne ships by 2024/25. • Agri Port: A-priority deepens to 13 m (currently 10.5 m) to handle 50 000-tonne ships by 2024/25.	Infrastructure SA would work with Value-Chain Round Tables to ensure alignment.	
**********	**********	**********
Pillar 3: Providing comprehensive farmer assistance, development finance, R&D and extension services -Create development finance solutions for all farmers o Provision of financing (both capital and production inputs) for comprehensive farmer assistance, extension services, equipment and producer training. Based on proposed AAMP interventions, initial modelling work from researchers has determined that R8 billion is required in 3-5 years for field crops, where 1.5 billion will be for operational	Establish a PPP approach to the application for a deeper port and	Labour, Communities, Government, Organised Agriculture and

expenditure, R6.2 billion for maize, R1.8 billion for soybean and R500 to R1 billion for cotton. o The following issues should be considered by Cluster 3 on development finance: ✓ Other private financial sources (CSI/ Enterprise Development Programmes) ✓ Foreign Direct Investment (FDI) o Blended finance. ✓ Introduce subsidised crop insurance programmes to protect farmers against extreme weather conditions. Proposed category for insurance under blended finance. -Partner with commodity associations to expand extension services o Enhance partnerships between commodity organisations and government on extension services. o Increase specialised grain and oilseed extension officers in partnership with commodity associations. o Commit the industry to the exact number of extension officers that can be seconded annually and the time-frames. o Assign state extension officers to transformation projects managed by commodity organisations, seed companies and industry forums. -Improve Research and Development to increase the sector's competitiveness o Enhance PPP approach on Research – R50 million per annum required for research on climate change and conservation agriculture. Government and private sector co-funding is required. o Establish research priorities for conservation agriculture, climate change (including mitigation and resilience) and technology as farmers are commercialised. o A seed company must indicate when the seeds were manufactured and their expiration dates. Smallholder farmers need to be trained to identify labelling and its significance. o Policy support is required to align on a shared vision and strategy around R&D and climate change.	greater storage capacity. During drought years, this will facilitate imports and increase exports. Application by industry to deepen port (Transnet) - Department of Public Enterprises and approved by Cabinet (the process is underway) M&E and enhancing PPPs through the re-established Field Crops Value-Chain Round table. M&E and enhancing PPPs through the re-established Field Crops Value-Chain Round Table.	Commodity Associations

**********		**********
Pillar 4: Improving food security, increasing production and employment and ensuring decency and inclusivity	**********	
-Promote inclusive value-chain growth and production capacity o At least by 2050, South Africa should aim to be in the top half of the food security index, which will be possible through better data capturing methods. o In 2030, increase grain and oilseeds growth by R6.4 billion over baseline. o Identify and prioritise production areas (including all data sources – BFAP, ARC Farm assessments of PLAS farms, DALLRD to drive inclusive growth). This category includes areas (low hanging fruit) with existing infrastructure and markets (typically PLAS farmland) and areas in former homelands with considerable potential but lacking infrastructure. o Increase the percentage of black farmers in production (in value at constant prices): ✓ Maize: from 4.7% to 20% by 2030 ✓ Soybean: from 3.1% to 12% by 2030 ✓ Cotton: from 11% to 20% by 2030 ✓ Sunflower: to 7% by 2030 ✓ Canola: to 3% by 2030 ✓ Malting: to 15% by 2030 o Provide statutory declarations of what has been delivered in silos and mills for monitoring and evaluation (M&E) purposes, primarily to track the progress of smallholder farmers. (Already declared at SAGIS, to be monitored by). o M&E – what % of seed multiplication is going to emerging farmers. o Improve the efficiency and effectiveness of state-owned enterprises (i.e., Foskor and Sasol) in producing and distributing fertiliser, chemical components, and lime. ✓ The goal is to replace 30% of fertiliser imports by 2030. o Promote the use of more affordable sources in fertiliser production and its benefits. o Create a Monitoring and Evaluation Framework to track progress on redistribution and productivity of 700 000 ha and others.	Round table to align and collaborate with Commodity Organisations on transformation projects. M&E and enhancing PPPs through the re-established Field Crops Value-Chain Round Table. The PPP approach has been applied to revitalising and using the Agricultural Research Council facilities.	Labour, Communities, Government, Organised Agriculture and Commodity Associations

o Implement a PPP approach to land procurement, with industry advising on which land to procure. -Increase the creation of decent jobs in the field crops value chain o Drive skills development programmes in grain & oilseed trading, handling and storage. Agri-seta not functioning optimally. o Conduct an audit of the number and skill set of graduates from institutions of higher learning and measure their absorption rate into the industry. The audit should also include an analysis of skill gaps in agriculture and agro-processing. Adopt a PPP approach for revitalising agricultural colleges and aligning their curriculum. o The private sector should report on the number of internships it can create each year to address the issue of youth unemployment. o Enhance skills development around Mechanisation skills / Tractor driving operations [South African Agricultural Machinery Association, (SAAMA)]. o Estimated Potential for employment creation: ✓ Maize: 6236 jobs & 16 000 livelihoods ✓ Soybeans: 2664 jobs & 2000 livelihoods ✓ Cotton: 6373 jobs and 6450 livelihoods ✓ Sunflower: 4082 jobs and 12 400 livelihoods ✓ Canola: 1448 jobs and 4400 livelihoods ✓ Malting barley: 362 jobs and 1100 livelihoods	M&E and enhancing PPPs through the re-established Field Crops Value-Chain Round Table. Round Table to align and collaborate with Commodity Organisations on transformation projects.	
**********	**********	**********
Pillar 5: Facilitating market expansion, improving market access, and promoting trade -Increase markets access opportunities o Align field crop interventions with Livestock Cluster 5 to create additional demand for feed in formal and informal markets to promote the growth of inclusive feed markets.		Labour, Communities, Government, Organised Agriculture and

Based on initial modelling estimates, feed markets could grow by 600 thousand tonnes above the baseline, especially in rural areas lacking infrastructure investments and underutilising natural resources. o Government and private sector representatives should discuss targeted investment plans in collaboration with the Infrastructure and Investment Office of the Presidency. o Provide immediate access to market information and crop quality reports. -Increase trade opportunities and trade facilitation capacity o Increase state capacity and capability to negotiate trade agreements (tariffs, NTM, SPS protocols, and SPS monitoring and accreditation). o Develop a regional value-chain concept for strategic markets in African and new deep-sea markets. Accurate research is required to understand the potential positive and negative impacts of the AFCFTA. o SPS – To protect biosecurity for grains in South Africa. -Expand agro-processing capacities to enhance the industrialisation of field crops o Grow SMME capabilities and participation through retailer-supplier development programmes. o Align to the Clothing, Textile and Retail Master Plan for import substitution of cotton. o A target for market access for black businesses, including export markets and local markets (Beyond Primary Production).	Monitor this through the Round Table.	Commodity Associations
**********	**********	**********
Pillar 6: Improving local food production, reducing imports and expanding agro-processing exports. o Increase processing capacity for 65 000 tonnes of maize meal and 489 000 tonnes of feed required in localised rural economies by 2030 — growth is dependent on the successful implementation of the livestock cluster commitments.		Labour, Communities, Government, Organised Agriculture and

○ Focus on processed and semi-processed goods in African markets as part of the new AfCFTA (support value chain concept- agro-processing DTIC). ○ Focus on value-added products exports (agro-processing cluster). ○ Expand oats production in South Africa for local cereals. ○ Expand sorghum production to meet school nutrition requirements. ○ Increase gin capacity in rural areas where cotton is produced. ○ Consider a cost-effective rail/road transport system from the inland to the Western Cape to replace imported soya meal in coastal areas.	M&E and implementation through the Value-Chain Round Table.	Commodity Associations

3.2.2. AAMP interventions for horticulture value chains

The horticulture value chain cluster included commodities such as fruits (*citrus, pome, stone, table grapes, subtropical fruits and berries*), nuts (*pecan, macadamia, groundnut*), and vegetables (*potatoes, onions, tomatoes*) and wine.

Annexure B5: Horticulture Value-Chain Cluster Outcomes

Opportunities and Commitments	**Delivery Model**	**Responsibility**
Pillar 1: Resolving policy ambiguities and creating an investment-friendly environment o Provide easy access to alternative energy sources (including solar and wind). o Monitor the APAC Amendment Bill which is before Parliament and the portfolio committee. o Act 36: Establish PPP between Government and Strategic Agricultural Input Supplier Forum to increase the capacity and to eliminate the backlog of applications. New draft of Act 36 before parliament o Department will consult on the PBR Act status. Streamline requirements for environmental studies, improve the efficiency of EIA applications, and reduce costs – the government should consult with DEFF o Government to facilitate an engagement with National Treasury on taxation methodology for wine related products o Process of liquor legislation to be more effective and efficient, with communication between departments and industry. o Conduct a multidisciplinary (legal, social) review of institutional arrangements in the CPAs, Trusts, and other land reform programmes to advise the fruit industry on how to resolve some of the institutional challenges in land reform projects.	Round tables on fruits, nuts, vegetables and wine value chains – Review the TOR on inclusivity according to the AAMP. Establish value-chain round tables that have not yet been established. Participate in the Liaison Committee on Act 36.	Labour, Communities, Government, Organised Agriculture and Commodity Associations
**********	**********	**********
Pillar 2: Creating enabling infrastructure -Increase, upgrade and maintain water irrigation infrastructure		

o Increase, upgrade and maintain irrigation infrastructure, improving water management and water quality: o More than 30 000 additional hectares can be established from new water developments: ✓ Western Cape: Clanwilliam Dam – 5000 ha; ✓ Western Cape: Brandvlei Dam – 4400 ha ✓ North West: Taung Scheme – 1300 ha ✓ Northern Cape: Orange River – 4000 ha; ✓ Mpumalanga: – 3000 ha; ✓ KwaZulu Natal: Makhathini Flats- 8 605 ha; ✓ Free State: Orange River – 2000 ha ✓ Eastern Cape: Umzimvubu dam – 2800 ha -Promote agricultural goods transport migration from roads and rail o Transnet will review the Road to Rail strategy developed by the fruit industry in 2012. o Increase the share of fruits currently transported by rail (strategy and targets are subject to cabinet for approval) o Increase port efficiency and capacity (strategy and targets are subject to cabinet for approval) ✓ Deepening and maintenance strategies for ports, equipment and harbours. ✓ Application of deepening of ports by the horticulture industry (bulk and container terminals). ✓ Establish a PPP approach to the application for a deeper port. Export efficiency will be improved as a result. ✓ Port operations split from port ownership. ▪ Investment in modernised and more reliable equipment, better equipment maintenance and functionality are necessary (consultation with private sector and public participation critical) ▪ Planning and management deficiencies, inefficiency with staffing and shift changes also contribute to delays. -Increase R&D Infrastructure investments o Improve R&D infrastructure - enhance ARCs, experimental farms, PPECBs, industry and universities (specific needs to be identified) - formulate a comprehensive strategy for agricultural research - implement PPPs and innovative finance solutions. R&D: The ARC and other research institutes will be expanded to include export testing laboratories, a gene pool, and succession planning programmes.	M&E progress on AAMP infrastructure interventions through the Fruit Industry Round Table. Plans will be drafted, and details will be agreed upon between public and private players at the Round Table.	Labour, Communities, Government, Organised Agriculture and Commodity Associations Labour, Communities, Government, Organised Agriculture and Commodity Associations

o The DSI roadmap aims to provide detailed information about the research and development infrastructure strategy. -Expand market infrastructure, access and opportunities for exports and domestic sales o Project Rebirth implementation on NFPMs - DALRRRD would engage with COGTA on municipal bylaws. o Improve trading environment for informal traders. o Education and training to local government officials on the informal trade's legal and regulatory framework. o Capital investment planning is to provide shelter, storage, cooling rooms, electricity, and tight security to reduce theft from trading facilities. o Facilitate efficient transportation of fresh produce from points of purchase to points of sale for informal traders. Business costs will be significantly reduced as a result. o Provide informal traders with training and education on business processes and procedures and the regulatory environment affecting their business to enhance compliance.		
**********	**********	**********
Pillar 3: Providing comprehensive farmer assistance, development finance, R&D and extension services -Create a holistic farmer support system o Provide comprehensive producer support, including affordable credit, land, water, and training to commercial and emerging farmers. ✓ Improve collaboration between industry and government in identifying and prioritising specific regions. ✓ As for financing, several programmes exist, but they are small in scope and do not address the needs of the horticultural sector, where establishment costs are high; a blended financing approach could be considered in line with discussions in Cluster 3.	Fruit, nuts, vegetables and wine value-chain round tables	Labour, Communities, Government, Organised Agriculture and Commodity Associations

✓ In addition to establishing the crop itself, key factors such as netting have become increasingly critical for sustainability in the horticultural field due to improvements in water efficiency. -Evaluate existing empowerment schemes to determine how to build on success and correct problems in the fruit and vegetable industry o Determining the critical factors for success and turnarounds. o Enhance partnerships between commodity organisations and government on extension services. Additionally, state extension officers are seconded to commodity organisations to assist with their transformation initiatives. Secondments of industry officers to the government could also be arranged in the future. ✓ Although commodity organisations do not have extension officers or provide extension services, they can still help market commodities by working with private consultants or entities. ✓ The Challenge of housing in rural areas also needs to be addressed, affecting both extension officers and interns. -Develop a comprehensive disaster support o Prioritisation of drought-affected areas for assistance. o There is a need for an effective and affordable insurance scheme that is nimble and able to respond quickly to assist producers (particularly emerging producers) after any natural disaster. ✓ The Government notes that the blended finance scheme has an insurance component, but this has not proved sufficient. Moreover, there are no provisions for disaster compensation for long-term crops and animals as for field crops. ✓ A commercial drought insurance policy for long-term crops is not currently available. ✓ Government can initiate a discussion on whether a scheme similar to SASRIA is a viable option for the agriculture industry (modalities to be finalised). However, there has been a commitment to start the discussion and evaluate opportunities in conjunction with the private sector. o Engage in defining a disaster management strategy for the horticulture sector tailored to the industry's unique characteristics.	Strengthen the operations of the fruit industry value-chain round table.	

○ Through this strategy, the wine industry's need for assistance in recovering from the effects of the COVID-19 lockdown could be addressed, especially in the wine tourism sector, but also at the producer and cellar level to aid the industry's recovery. ▪ Funding is required to assist emerging producers and black-owned brands, which can be treated under a general disaster mitigation strategy for the horticultural sector. ▪ Currently horticulture do not receive drought relief – engage in development of mechanism to address this. ○ The same disaster management strategy could then be applied to any other events or disasters that harm the sector in the future. -Expand research and development infrastructure and capacities in the horticultural sector ○ Invest in world-class, relevant scientific R&D and innovation that addresses cultivars, pests, diseases, carbon emissions, water efficiency, climate-smart agriculture and packing materials. ○ The research agenda needs to take climate change and the behaviour of pests/disease changing hosts and distribution in new areas. There is a small government fund for the mitigation and adaptation to climate change. The adoption of climate-smart agriculture needs to be propagated to expand and broaden the impact of this practice. ○ Funding for research could be augmented on an agreement between industry and government (Rand for Rand contribution can be considered), with both matching finances. However, the specific industries concerned should then be able to guide according to their needs and provide inputs into which projects/programmes/infrastructure take place at institutions of their choice. ○ A PPP should be considered, and preliminary research should be conducted to explore and estimate the level of funding needed for climate change-related research. ○ The DSI is currently funding research for all sectors, including horticulture, but this is subject to the standard application process and meets relevant requirements. -Promote training and skills development ○ Develop training and skills development programmes for increased productivity and career opportunities for workers by prioritizing the skills required by various horticulture sectors (fruit, vegetables, wine). ○ Establish a skills database for unemployed graduates. ○ Align with AgriSETA and consider official recognition of skills, knowledge and prior learning. ○ Adopt a PPP approach for revitalising agricultural colleges and aligning their curriculum.		

**********	**********	**********
Pillar 4: Improving food security, increasing production and employment and ensuring decency and inclusivity **-Increase production growth in the horticulture sector** o Increase production growth of fruits and vegetables by 2030. o Estimate potential employment creation per value chain. ✓ Grapes: 4217 jobs and 4217 livelihoods ✓ Pome: 3046 jobs and 3046 livelihoods ✓ Citrus: 4881 jobs and 4884 livelihoods ✓ Avocados: 388 jobs and 3888 livelihoods ✓ Potatoes: 15 715 jobs and 115 715 livelihoods Accelerate the implementation of land reform projects o The government has evaluated all acquired land in its spatial evaluation, but it will be necessary to look at specific farms and territories that have already received some analysis. ✓ Here the revitalisation of transferred PLAS farms suitable for fruit and vegetable production based on the ARC suitability report represents a clear starting point due to the analysis of suitability and water. ✓ The government's long-term goal is to revitalise and develop all acquired land. ✓ It is critical to identify suitable people to manage these projects. ✓ Title deeds of proven and successful producers on land reform projects must be transferred to enable collateral, financing - That is policy on PLAS and indeed State land but how we make farms farmable and assemble supports that ensure the farmers (bay category) is "successful" will be key (PPP) on producer supports as committed to;	Land and Agriculture Agency	DALRRD and Organised Agriculture

✓ noting that South Africa has a mixed tenure structure and, in some cases, full title may not be possible – here tenure security must still be prioritized – in communal areas, discussions are under way to address these matters and hybrid tenure forms freehold with conditions of title as well as joint tenure to the commons is most likely; ✓ Therefore, it cannot by freehold and contrary to past practice. We need to engage on these and learn from other jurisdictions on their much softer terms of loans that they offer - a study is available and the industries will report on current initiatives and internship opportunities. o Hortgro currently has a support programme that places 30 interns each year. Please refer to the comment above regarding housing needs. -Improve biosecurity control measures in horticulture o Create a Plant Health Forum in partnership with DALRRD to improve SA's biosecurity - how does this align with the current plant health forums?		
**********	**********	**********
Pillar 5: Facilitating market expansion, improving market access, and promoting trade -Increase international market access opportunities by negotiating and concluding new markets o Increase the rate at which market access and protocols are negotiated and approved. o Negotiate new, prefereed and more favourable export market access based on industry round table priorities, including fruit, vegetable and wine. Finalise pending export protocols. o First priorities: ▪ China: Avocados ▪ South Korea: Table grapes and Avocados ▪ Japan: Avocados and Pears ▪ USA: Avocados and Mangoes ▪ Vietnam: Table grapes and Oranges ▪ Taiwan: Pears and Avocado ▪ Mexico: Pome fruit	Strengthen the operations of the fruit industry value-chain round table.	Government (DTI & DALRRD) and Commodity Associations

▪ India: Avocados and Litchis ▪ Philippines: Table grapes and other deciduous fruit The Fruit Industry Value Chain Round Table (FIVCRT) trade working group is developing a data driven and unbiased tool to determine the ranking order of different commodities for different markets. The prioritisation of commodities listed above were for specific countries were done before the tool was developed and could change. The full list for market access, of which only the first two commodities per country are specified above, are listed below. No ranking order has been determined. o Secondary priorities in terms of new access: ▪ China: Mangoes, Stone fruit, Persimmons, Blueberries ▪ South Korea: Pome fruit, Persimmons, Blueberries ▪ Japan: Table grapes, Mangoes, Blueberries, Soft Citrus ▪ Thailand: Stone fruit, Avocados, Mangoes, Persimmons, Pomegranates, Figs ▪ USA: Stone fruit, Pomegranates, Figs, Kumquats ▪ Vietnam: Grapefruit, Mandarin, Lemons, Avocados, Mangoes, Pears ▪ Taiwan: Blueberries ▪ Mexico: Table grapes ▪ India: n/a ▪ Philippines: Deciduous fruits o In addition to new market access, preferred and more favorable export market access is urgently required: ▪ New false codling moth (FCM) protocols required in a number of export destination to the benefit of a number of commodities across different fruit industries. These include changes in the protocols for exports to Thailand, South Korea, Philippines, USA (order to be decided at Market Access Work Group) ▪ Resolving international disputes regarding protocols and pest risks, e.g., feasible FCM protocols for fruit exports to the EU, and the matter of CBS to the EU market that needs to be solved with the intervention of the WTO ▪ Changes in geographical limitation of market access, e.g. enable access to the USA market for all citrus producers and not just those from the Western and Northern Cape)		

▪ Changes in cold treatment requirements for shipments for cold treatment before shipping to cold treat in transit – e.g., oranges to India o The promotion of "Brand SA" in export destination markets for the wine industry should receive additional funding but can also be expanded to other commodities in the cluster. o Facilitate value-chain interventions that will increase packaged wine exports instead of bulk wine. o EU & UK EPA (Economic Partnership Agreement) – Tariff-free quotas for wine are being negotiated. o Prioritise agreements with China, the USA and Africa for wine. o Enhance border posts for efficient regional trade - AfCFTA provides favourable access. -Increase domestic market access opportunities for all famers o Promote local demand and supermarket access for new growers. ✓Supermarkets should endeavour to purchase from smaller, black producers – explore market opportunities. ✓ Assist growers in complying with and obtaining SA-GAP and Global-GAP certification – partnership with PPECB. o Implement Project Rebirth to revitalise National Fresh Produce Markets (NFPMs) o Improve infrastructure, maintenance and management of Fresh Produce Markets - including operating systems.		
Pillar 6: Developing localized food, import replacement and expanded agro-processing exports **Agro Processing** - Expand processing to grow market, add value & explore alternative products **Import Protection** - Import protection against cheap & dumped & illicit products - Potatoes anti-dumping duty on frozen projects has expired & needs to re-apply - Apply SPS requirements on imports similar to that of local produce **Illicit Trade** - Alcoholic beverages facing big challenges with illicit trade – needs to be curbed	Strengthen the operations of the fruit industry value-chain round table.	Government (DTI & DALRRD) and Commodity Associations

o Combating illicit alcohol trade and create fair and open competition in domestic markets - with specific focus on curbing the sale of illicit ales **Expanding Markets & Market Access** - Increased access for smaller independent producers to supermarkets in SA – leverage on competition commission recommendations to secure market share & shelf space funding for black-owned brands in the wine sector. - Promoting wine tourism within broader tourism and expanding the offering on wine farms to increase employment.		

3.2.3. AAMP interventions for livestock value chains

The livestock value-chain cluster covers the beef, sheep, goats, poultry and pork commodities.

Annexure B6: Livestock Value-Chain Cluster Outcomes

Opportunities and Commitments	Delivery Model	Responsibilities
Pillar 1: Resolving policy ambiguities and creating an investment-friendly environment - Act 36: Establish PPP between Government and Strategic Agricultural Input Supplier Forum to increase the capacity and to eliminate the backlog of applications. New draft of Act 36 at parliament - Initiate process of regulatory (Act 36/47/SAHPRA) harmonisation and cross recognition amongst SADC countries initial) harmonisation and cross recognition amongst SADC countries initially and later expanding to Africa wide harmonisation (as in EU) -Amend Municipal By-laws to allow the sale of live goats and sheep in rural towns under a more regulated environment - similar to the requirements that apply to auctions. -Implementation of South African Veterinary Strategy 2016-2026. -Develop and enforce strict biosecurity control measures and protocols ▪ Support bilateral export agreements with importing countries (Commodity based trade principles) by enabling the red meat industry compartmentalisation while biosecurity and animal health issues are being resolved. ▪ Currently, OIE guidelines deal primarily with pork and poultry. o Look at the definition of controlled diseases and update accordingly. o Implement the LITS system as part of a public-private partnership to manage animal health and movement. -Under OIE regulations, wool uses an inactivation clause (a form of commodity-based trade); however, having traceability in place is vital, o traceability of product and where it originated, o in the communal sector, wool is traced back to shearing sheds, as it is more challenging to trace to individual herders,	Establish a livestock round table that includes all stakeholders. This will also assist in the M&E process. Participate in the Liaison Committee on Act 36.	Labour, Communities, Government, Organised Agriculture and Commodity Associations

o evaluate opportunities for other livestock sectors to group producers and use holding stations with traceability, thus incorporating them into compartments. -Accreditation of private labs is necessary to facilitate testing and improve efficiency in state laboratories. The directorate requires SANAC accreditation and DALRRD approval of food safety and biosecurity. Some labs have been approved. This is critical for the efficient control of disease especially controlled diseases. -Strategic engagements on stock theft and security involving producers themselves and security cluster – stock theft forum to be expanded? Greater involvement and enabling actions from communities were suggested. The security cluster should also address animals killed on farms and rural security.		
**********	**********	**********
Pillar 2: Creating enabling infrastructure -Implementation of a comprehensive national identification and traceability system (LITS) o A bill is currently before cabinet with a budget of more than R100 million. o Piloted and deployed in the priority FMD high-risk areas – a plan is necessary for scaling up to the remainder of the small-medium producers. o The LITS framework and IT infrastructure funding are currently at the state, and the Bill for LITS SA is in process. The government and industry should work more closely together to avoid duplication of systems and processes. There are existing identification and traceability systems in the industry. The state may provide support and legislative oversight for these initiatives to be scalable. -As per industry guidelines, invest in rural animal production infrastructure (dipping tanks, animal handling facilities, such as kraals and head clamps, fences, shearing sheds) o A mobile kraal was cited as a practical solution to help reduce predation. o As per SIP11 estimations, reinstate the use of dipping tanks, other animal handling and management facilities and grazing fences throughout rural areas. Prioritise FMD areas. o A specific request for CASP funding needs to be made to Cluster 3 for feedback. o Construct additional shearing sheds based on prioritise spaces and feasibility analysis. o Address shortage of vaccines at OBP.	Establish a livestock round table that includes all stakeholders. This will also assist in the M&E process.	Labour, Communities, Government, Organised Agriculture and Commodity Associations

**********	**********	**********
Pillar 3: Providing comprehensive farmer assistance, development finance, R&D and extension services -Create comprehensive producer support through a public-private partnership o Money from the government must be allocated appropriately (for example, from Mohair's tender). o The PPP model will improve animal health, infrastructure, and trading support services. o A holistic approach to animal health (3 to 5-year project) is crucial. Farmers lack the capacity and funds to cover themselves. -The government should focus producer support on specific areas/regions (of high activity), collaborating with the industry o Promote a genetic improvement programme for animals and increase access to feed for emerging farmers. Facilitate the flow of genetic improvements within the industry. Align to the existing genetic improvement programmes. Improve genetics, traceability and sustainability. -Increase access to feed for emerging farmers—also affordability issue. -Improve the management of animals and the dissemination of research information. -Create a central database containing all the information and research regarding the livestock industry. Also, align with the work already completed by the various livestock industries. Increase specialised animal product extension officers in partnership with commodity associations o CCS and Para Vets are available, and the industry is willing to partner with the government to obtain CCSA Vets. FAO offers a program that aims to integrate animal health technicians and industry partners. o Mechanisms and/or programmes to allow veterinarians to contribute to disease surveillance and outbreak response. The government and industry could enter into a partnership arrangement.	Establish a livestock round table that includes all stakeholders. This will also assist in the M&E process.	Labour, Communities, Government, Organised Agriculture and Commodity Associations

o Create a round table with all the stakeholders, including other critical government departments. The structure must be overarching, and the date for establishment must be confirmed. -Increase the participation of black farmers and SMMEs in the meat value chain. -Aim to increase weaner calf intake from small/medium and communal producers by 250 000 by 2030. -Improve communal animal quality and productivity (herd health, including vaccines, genetics and nutrition) - Refer to the Ministerial task team on animal health o Improve producer support for existing farmers. o Prioritise spaces when implementing producer support. In this case, there should be a partnership between government and industry (PPP approach). -Increase wool production in a sustainable manner o Improve commercial wool production by 30%. o Farmers need to be better organised to gain - dipping tank committees can help get farmers organised.		
**********	**********	**********
Pillar 4: Improving food security, increasing production and employment and ensuring decency and inclusivity -Based on the ARC suitability report, revitalise the transferred PLAS farms suitable for animal production. -The government has already acquired land (title deeds to be transferred to beneficiaries in line with DALRRD policies) and it should be developed through a PPP model. -Enhance livestock statistics and explore ways to collect statistics and definitions for informal versus formal sectors or commercial versus emerging/smallholder farmers. -A national traceability system would also improve livestock statistics. -Increase goat farmers' productivity to meet local demand.	Establish a livestock round table that includes all stakeholders. This will also assist in the M&E process.	Labour, Communities, Government, Organised Agriculture and Commodity Associations

-Overstocking, excessive grazing, and grazing management systems have contributed to land degradation. -An examination of the extension plan is needed, and the industry should take action on this issue. o Currently, extension support programmes do not address the needs and deficiencies of small and medium producers. o Improve extension services provided to farmers by implementing an extensive support system. The "Zambian model" was mentioned. o There is a need for better communication of the requirements for animals to be taken into the formal sector (particularly safety requirements) and the infrastructure and facilities available for the marketing of animals. Consider the DTIC approach to SMMEs Public health and food safety legislation and improved implementation and education for producers and consumers. o Strict implementation of labelling legislations. o Provide residual monitoring capacity and support to conduct spot checks, with follow-up action on non-compliance. o Public health as a priority, and models required to accommodate the increase in slaughters.		
**********	**********	**********
Pillar 5: Facilitating market expansion, improving market access, and promoting trade		
o Municipalities should identify suitable locations and obtain permits for monthly marketing. o Pro-actively communicate health status (FMD, AFS, AVI) to key trade partners and the general industry. o Implement an internationally accredited Meat Grading System. o Examine the possibility of establishing a certification standard for the livestock industry (across all species). Increase capacity for the inspection of facilities that require export certification. o Increase state capacity and capability to negotiate trade agreements (tariffs, NTM, SPS protocols, and SPS monitoring and accreditation). Strengthen the current structures for discussing trade agreements, such as the National Tariff Forum. Ensure industry representation in the current structures and when negotiating	Establish a livestock round table that includes all stakeholders. This will also assist in the M&E process.	Labour, Communities, Government, Organised Agriculture and Commodity Associations

SPS protocols and tariffs. Expand to also cover non-tariff measures. The industry will work with the government to gain access to export markets. o Develop a regional value-chain concept for strategic markets in African and new deep-sea markets. Focus on processed and semi-processed goods in African markets as part of the new AfCFTA.		
**********	**********	**********
Pillar 6: Improving local food production, reducing imports and expanding agro-processing exports. o Increase local wool scouring and combing from zero (0) to 1000 tonnes. o Investment in spinning capacity is expensive (between R500-R800 million on medium-sized vertical plants). Capital should be invested in vertical spinners capable of spinning, weaving, and knitting; thus, vertical integration). o Address the lack of domestic wool processing capacity by establishing a niche primary processing plant to scour and comb wool in South Africa. o Establish and enforce SPS and biosecurity regulations for imports (live animals). o Standards and measurements for meat imports should be examined – to enforce import SPS requirements. o A link to the grains and oilseeds programme for feed processing.		

3.2.4. AAMP interventions for agro-processing value chains

The Agro-processing Cluster covers dairy, wine, food, feed and niche products such as essential oils.

Annexure B7: Agro-processing Value-Chain Cluster Outcomes

Proposed interventions	Opportunities and Commitments	Delivery Model (Implementation Structure)	Responsibilities

Pillar 1: Resolving policy ambiguities and creating an investment-friendly environment
 	
Inclusion of SMMEs, mainly black, women, and worker-owned enterprises, in agro-processing value chains.
	- Support SMMEs, especially those owned by black, female, and worker-owned businesses.
	  - Increase worker ownership and transformation in the agriculture, food, and beverage value chains. Reduce entry barriers for black-owned SMMEs and women food processors and retailers.
	  - Increase traceability to gain better access to markets through GS1 and GIs.
	  ▪ Adoption of GS1 standards as a de-facto identifier in the consumer goods sector
	  ▪ Promote geographic indicators for wine and other foods to increase export earnings.
	  - Supplier/enterprise development programs that target SMMEs, black-owned, women-owned and worker-owned enterprises (see Pillars 3 and 4).
	  - Develop finance instruments for SMMEs, black-owned, youth, women and worker-owned enterprises (see Pillar 3).
	
	- Reflect on the work of the Nedlac group on worker ownership.
	- Harmonisation of BEE at all levels of government.
	- Enforce compliance with AgriBEE codes and the NAMC transformation guidelines in industry forums.
		Supplier and Enterprise Development Programme - details under Pillars 3 and 4
		
		Development finance - details under Pillar 3
		
		Use of CGCSA barcodes to assist SMMEs in complying with the ESD framework and tracking, tracing and reporting.
		
		- Global Location Number, Global GS1 Activate/GS1 Global Data Synthetisation Network (GDSN) are routed to market systems
			AGBIZ, SAMPRO, MILKSA, RPO, AFMA
			
			CGCSA
			
			AGRISETA, FoodBev SETA, Labour, DTIC and DALRRD

	- Skills and interventions required (R&D)
	  - Use AgriSETA funding for training
	  - Engage FoodBev SETA
		supported by GS1 standards.	

Promote decent working conditions in agro-processing.	Commit to enforcing labour standards in supply chains, including as part of the S/EDP system.	.	

Ensure compliance with product food safety and quality standards.	- Review policy regarding the designation of assignees under the Agricultural Product Standards Act in light of its impact on SMME viability at both the primary and processing levels and its inability to conduct the assigned work effectively.
	  - Setting up and charging inspection fees supervised by DALRRD (the Department has begun reviewing all inspection models).
	- Ensuring compliance with food safety standards
	  - Revision of food safety standards in consultation with industry (currently underway)
	  - It is the responsibility of the government to review technical regulations (regulations and standards with an impact on the competitive edge of SMMEs).
	- Develop and enforce strict biosecurity control measures and protocols.		

Promote compliance with BBBEE codes to boost inclusiveness in agro-processing.	- Harmonisation of BEE policy. - Ensure compliance with the AgriBEE codes and the NAMC guidelines.		
Policy reviews to increase competitiveness in agro-processing.			

	- Assess the progress made by the agriculture and agro-processing hubs so far. - "The review of the effectiveness" of agro-processing policies and interventions Eliminate backlogs of applications under Act 36 ***details contained in primary value-chain interventions***		
Pillar 2: Creating enabling infrastructure (physical) Create and maintain general infrastructure	- Improve infrastructure for SMMEs: ports, border posts, rail, storage, and utilities: - Water security: irrigation ***details contained in primary value chain interventions*** - Identify roads to be "refurbished" o Industry to identify potential roads for rehabilitation, then engage with department expansion of production, including roads – Public works (infrastructure cluster). - Rural municipalities: water, electricity o There is a critical need for interventions in rural municipalities to ensure reliable water and electricity infrastructure, supplies, and resources for households and agro-processing - a critical investment to ensure successful, affordable and safe food production - Rail infrastructure ***details contained in primary value-chain interventions*** - PPPs to invest in railway, silos and deteriorating national fresh produce markets. - Invest / reform ports/port facilities ***details contained in primary value-chain interventions*** - Enhance laboratory testing services: food safety and chemical residues.	Infrastructure SA would work with Value-Chain Round Tables to ensure alignment. IDC's Agri-industrial fund (with DALLRD) and proposed Agro-processing fund could contribute to building an enabling infrastructure. IDC's Agri-industrial fund (with DALLRD) and proposed Agro-processing fund could contribute to	GCSA, AGBIZ, DTIC, IDC, Department of public works (infrastructure cluster) – SANRAL; DALRRD

Alternative routes to market to support SMMEs Priority is given to production areas and new areas	- Infrastructural support for alternative routes to market, including electricity [needs to be a specific push to ensure energy security, such as rooftop solar] and digital. o Identification and traceability of livestock - digital infrastructure (GS1). Invest in storage and warehouse capacity for SMMEs Based on the opportunity created by the livestock AAMP cluster, the Eastern Cape and KwaZulu Natal have an estimated 500 000 tonnes capacity. Furthermore, funding is available for expanded cotton gins. The government and private sector to explore mechanisms to attract investments to attract the private sector to invest in the Eastern Cape and Kwa-Zulu Natal (ensure alignment with RTCLF Master plan).	building an enabling infrastructure.	DTIC, IDC, DALRRD, CGCSA
Pillar 3: Providing comprehensive farmer assistance, development finance, R&D and extension services Develop and expand industrial financing	SMME funding: - An Agro-processing Financing Programme is being developed by the IDC, drawing on various existing funding streams, focusing on: o SMEs in general, and Black Industrialists (BIs) in particular, including investment and upgrading; entry and expansion into retail, wholesale, buyer groups and other domestic and regional supply chains; and the formalisation of nascent BI manufacturers.	The IDC's Agro-processing fund will launch in 2022 and will support SMMEs.	IDC, DTIC

Promote inclusion through government procurement Technical support, training and development and R&D	○ Scaling up dynamic medium size firms with growth potential ○ Supporting export expansion including multi firm aggregation models ○ New routes to market including collaborative supply chain investments and broadening routes to domestic and regional markets - Engage National Treasury (NT) on additional budget support going forward - Channel private sector funding (private sector to direct funds as per AgriBEE Sector Code), including a part of E/SDPs. - Increase the government's procurement of products and services from SMMEs. - Obtain demand-side commitments from major value chain role-players in the public and private sectors (including large food retailers and food companies) around localisation and local procurement. - Comprehensive producer support through PPPs: ○ The PPP model will improve animal health, infrastructure, and trading support services. - Training on new technologies: ○ Technological advancements and modernisation have prompted a need for training opportunities to minimise job losses. Training will help create a new and/or skilled labour force. - Compliance with regulatory requirements, e.g., labelling: ○ Technical support is required to meet requirements (engagement with research and CGCSA) in line with regulations, such as labelling. The inclusion of additional new sections (on organic and free range) in the current APS Bill (before parliament) aims to ensure that		

Supplier Development Programme Law enforcement	consumers pay a fair price for the products that are sold while also enabling the Department to carry out testing (inspection). Training institutions for skills development: o Coordinate with Food and Beverage SETA, wholesale and retail SETA and other organisations to develop skills for SMME suppliers in food value chains that complement S/EDP needs (listed under Upgrading and Innovation). o Clarification of the roles of public research institutions (CSIR, ARC). - Expand, refine and replicate supplier/enterprise development programs of supermarkets and large agro-processors to build supplier capabilities at the local (district), national and regional levels. - Develop State Development Plans to support black entrepreneurs and black-owned businesses engaged in value-added processing and vulnerable groups like women, youth youth and people living with disabilities. - Invest in local processing and value addition capacity as part of the S/EDP. - Coordinate with Food and Beverage SETA and other organisations to develop skills for SMME suppliers in food value chains that complement S/EDP needs. Improve and prevent theft of assets related to the production, manufacturing and marketing of agro-processing products.	- At least 3% of NPAT to be spent on Supplier and Enterprise Development Programme	

Pillar 4: Improving food security, increasing production and employment and ensuring decency and inclusivity Promote inclusion through government procurement Worker skills development and decent work Review of past BEE interventions and measures of support	- Develop a list of black empowerment projects in each agriculture and agro-processing sector conducted by the public sector (national, provincial, and local levels), including the successes, failures, and reasons for each so that previous experiences can inform your future initiatives. - Increase the number of supermarkets, food processors, public procurement, and agribusinesses that purchase from black farmers and agribusinesses (Preferential procurement policy). - Decent work in agro-processing - long working hours, safe transport, minimum wage compliance and gaps, paid leave days, pension fund contributions, skills/training expenditures and access, UIF deductions and precarious work/seasonality. - - Estimated Potential for employment creation o Dairy: 222 jobs and 16 160 livelihoods. o Wine: 3571 jobs and 33 571 livelihoods. - Conduct an audit of the number and skill set of graduates from institutions of higher learning and measure their absorption rate into the industry. The audit should also include an analysis of skill gaps in agriculture and agro-processing. Adopt a PPP approach for revitalising agricultural colleges and aligning their curriculum. -Drive skill development programmes in grain & oilseed trading, handling and storage. Agri-seta not functioning optimally. Develop a list of black empowerment projects in each agriculture and agro-processing sector conducted by the public sector (national, provincial, and local levels), including the successes, failures, and reasons for each so that previous experiences can inform your future initiatives.	M&E and implementation through the Value-Chain Round Table	

Pillar 5: Facilitating market expansion, improving market access, and promoting trade			

Trade-linked measures	- Trade facilitation
	  o Cross-border trade facilitation-certifications, processing time.
	- Establish capacity and capabilities of the public sector as competent authority (for example, in terms of the EU agreement).
	- Compliance with export/import requirements:
	  o Invest in R&D for processors to meet local and global standards
	- Harmonisation of standards:
	  o Harmonisation of product composition, food safety and standards.
	  o Harmonising standards at the regional level and developing regional food suppliers begin with local standards, which SA may not have (Align with SABS and ARSO standards for enhanced regional harmonisation).
	  o An African Organisation for Standardisation process is underway with the active participation of the South African agro-processing industries.
	- Ensure that food safety, composition, and metrology standards are harmonised throughout Africa.
	  o Presently, producers must adhere to PPECB standards for exports, but many neighbouring countries do not accept PPECB certification. SADC countries will work with South Africa to recognise and accept PPECB certificates regionally.
	- Develop "cost-free" or reasonably priced inspection services for exports.		

	- Promote the compliance of member countries of SACU, SADC, and the African Continental Free Trade Agreement with their obligations. - Act decisively against unfair trade, illicit products, substandard products, and improperly declared imports.		
Enhance import substitution	Jointly identify achievable import replacement opportunities in agro-processing. Implement the import replacement strategy and make industrial financing available.		
Scale up export promotion	- Intensify export promotion efforts and programmes. o Increase competitiveness by broadening export market participation through export promotion programmes. Trade policy and supporting export councils and export organisations; o Strengthen export protocols and export promotion o Strengthen the role of export councils and export organisations such as the Provincial Trade Agencies and the Export Credit Insurance Corporation (ECIC) o Strengthen public-private partnerships with established industry associations to ensure that dynamic SMMEs can also access existing infrastructure and networks that facilitate exports. o Mobilise finance to assist with export promotion and market access and better coordinate existing programmes.]		
Develop regional processors	- Expand spending and capability development by supermarkets and large agro-processors in E/SDPs, including in the region.		

	- Framework development — Expand spending and capability development by supermarkets and large agro-processors in E/SDPs, including in the region. o Linked to Pillars 3 and 4, but extended to the SADC region.		

Next Steps

To summarise, Executive Oversight Committee will continue to exist providing the oversight functions on the activities to be carried over to Track 2 phase of the Master plan. The institutionalisation of the Master plan within the Department of Agriculture, Land Reform and Rural Development (DALRRD) is underway outlining implementation structures and the active participations of social partners that have co-created the AAMP. Moreover, this work will unpack the monitoring and evaluation process that will report directly to the Executive Oversight Committee and still to be supported by the various technical researchers, that is, NAMC, BFAP and CCRED. As noted, modalities of the implementation and M&E structures entails allocating operational resources. The expectation is that DALRRD will share the final structures and modalities within 3 months from the sign-off date of the AAMP, with Track 2 negotiations launched 6 months after the signing of this text. DALRRD is expected to initiate the launch of these negotiations whose focus will be built-in agenda ('unfinished business') and implementation issues along the four critical areas: transformation, labour and human capital issues, innovative financing instruments, and infrastructure. The Social Partners will need to agree on the shape of the agenda and level of ambition beyond the unfinished business. In the immediate, the reference point for the AAMP will reside with DARRD whose role will be to coordinate the Executive Oversight Committee.

As mentioned earlier, the Masterplan offers an approach for developing commodity value chains through private-public partnerships to generate growth, investments, jobs, better working conditions, ethical trade, transformation, and development in the sector. It also introduces two possible models of delivery, namely Value Chain Round Tables (VCRTs), which are established in some industries but perhaps requiring the strengthening and review of terms of reference, and the transformation model pursued through a public-private partnership (PPP-Transformation Scheme) to increase black farmers' participation in production and the entire value chain. The modalities and composition of PPP-Transformation scheme and VCRTs, including the review of terms of references will form part of Track 2 functions that will unpack these matters in details. In addition to unpacking the operational modalities

and resource allocation to VCTs and PPP-Transformation Schemes, the Track 2 phase will also deal with outstanding issues such as the financing and preparation of key infrastructure projects in agriculture and agro-processing, the structure and operational procedures of financing tools, the transformation activities across value chains, and labour and employment related measures including the forums to ensure compliance to labour regulations and increased capacity for labour inspectors. The functions and outputs of Track 2 phase will be incorporated in the M&E framework to be finalised by DALRRD in line with the Department of Planning, Monitoring and Evaluation (DPME) guidelines.

ANNEXURE A: AAMP FRAMEWORK AGREEMENT (RESEARCH)
ANNEXURE C: AAMP ACTION PLAN (NEGOTIATION FRAMEWORK)

SUPPORT AND SIGNATURES FOR THE MASTER PLAN

The following parties support the Commodity Value-Chain Master Plan and agree to work toward its success:

Name and Surname	On behalf of (Social partner)	Signature
……..	National and Provincial DALRRD	……..
Name and Surname	On behalf of (Social partner)	Signature
……..	National DTIC	……..
Name and Surname	On behalf of (Social partner)	Signature
……..	Established Commercial Business	……..
Name and Surname	On behalf of (Social partner	Signature
……..	Emerging Commercial Business	……..
Name and Surname	On behalf of (Social partner)	Signature
……..	Agricultural Labour	……..
Name and Surname	On behalf of (Social partner)	Signature
……..	Communities and Civil Society	……..
Name and Surname	On behalf of (Social partner)	Signature
……..	Field Crops Value Chains	……..
……..		……..
Name and Surname	On behalf of (Social partner)	Signature
……..	Horticulture Value Chains	……..
……..		……..

Name and Surname	On behalf of (Social partner)	Signature
……. ……..	Livestock Value Chains	……. ……..

Name and Surname	On behalf of (Social partner)	Signature
……. ……..	Agro-processing	……. ……..