



LAND TRANSFORMATION INITIATIVE

LAND REFORM AND RURAL DEVELOPMENT MODELS

MOPANI DISTRICT AGRICULTURAL DEVELOPMENT FORUM

AN EMERGENT MODEL

FOR

AGRICULTURAL DEVELOPMENT AT THE DISTRICT LEVEL

INTRODUCTION

ANNEXURE A: Constitution of the Mopani District Agricultural Development Forum.

1. The report is rooted in, and serves to augment and support, the on-going discussions and continuing work, between the ruling political party and a number of large-scale commercial and emerging farmers to determine those policy principles that will provide policy congruence, synergy and stability in the agricultural sector.
2. This report has been commissioned as part of an effort to identify and develop a range of viable land reform models that can: contribute to South Africa's land reform imperative; improve general food security; and stimulate the economic development of rural communities.
3. Experience has proven that land in itself cannot generate wealth, alleviate poverty and bring about sustainable rural communities. This is rather achieved through the transformation of the new or emerging farmer activities to those of viable, sustainable commercial agri-business over time. Partnerships in this regard with existing large-scale commercial farmers are therefore key to the enablement of this process. Thus the transfer of land must be linked to the establishment of viable economic units or agri-businesses.
4. The transition of the new or emerging farmer entrants towards their participation in sustainable agri-businesses requires the formalisation of a tripartite relationship between Government, commercial agriculture and the new farmers, as well as measures to incentivise the transformation of the agricultural sector as a whole. This transition requires that the entire spectrum of civil-society, and not just existing commercial farmers, work together to address the issues of land reform and its associated challenges, to alleviate poverty in rural areas, to create decent jobs and enhance agricultural profitability through inclusive institutionalisation of partnering, mentoring, monitoring, measuring and assistance.
5. It is clear that the key to successful agricultural transformation lies in the establishment of vibrant and sustainable agri-businesses in which emerging farmers can thrive. To this end, the role that existing commercial farmers can play must not be under-estimated.
6. Furthermore, the agricultural sector as a whole needs to move from being viewed and managed as a social sector and be evolved into a fully-fledged economic sector

within the broader South African economy. This imperative remains part of the national interest and fundamental to South Africa's future security.

7. To this end, a number of successful land reform and rural development projects have been identified for analysis and modelling, with a view to providing proposals in the interests of this transformation.

PURPOSE OF THIS REPORT

AIM

8. This report provides an analysis of an initiative in the Mopani District to develop an Agricultural Development Forum to further the central agricultural imperatives in the National Development Plan.

IMPORTANCE

9. Although the Mopani Forum is in its infancy, it is important for three reasons.
 - 9.1. Firstly, it is created out of a ground swell of existing large scale commercial farmers who wish to align themselves with the National Development Plan and who are prepared to cap their own future growth by channelling their efforts and investment capital to develop projects at a district level that support implementation of the National Development Plan (Chapter 6) and other priorities of Government.
 - 9.2. Secondly, an analysis of the Mopani Forum, whilst still in its infancy, provides us with a number of lessons that have already been learnt, applicable in the main to the agricultural development of the other 51 Districts.
 - 9.3. Thirdly, the Mopani Forum serves as an emergent model that can be piloted in a number of other districts as a means for commercial farmers to work collaboratively with the District Land Committees as are envisaged in the National Development Plan.

**REGULATORY FRAMEWORK
LINKAGE TO GOVERNMENT PROGRAMMES**

CONSTITUTION OF THE REPUBLIC OF SOUTH AFRICA, 1996

10. Section 27(1) of the Constitution (1996) speaks to the fundamental rights of health care, food, water and social security. It *inter alia* pronounces that everyone has the right to have sufficient food and water, social security and appropriate social assistance. Section 27(2) requires the State to take reasonable legislative and other measures, within its available resources, to achieve the *progressive realisation* of each of these rights.

DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM

Land Reform Programme

11. The Department of Rural Development and Land Reform under its Programme 5 on Land Reform aims to initiate a sustainable land reform programme in South Africa, based on the following three strategic objectives:
- 11.1. Strategically located land acquired.
 - 11.2. Farm development support provided to smallholder farmers.
 - 11.3. Functional system and institutional arrangements.

Recapitalisation and Development Programme

12. The Department of Rural Development and Land Reform's Recapitalization and Development Programme seeks to operationalise the policy on the same name published 23 July 2014. It focuses on human (capacity development), infra-structure development and operational inputs on properties in distress and newly acquired through the land reform redistribution, restitution and other programmes since 1994 as well as other agricultural properties in distress acquired without grant funding. The approach is to ensure that the enterprises are profitable and sustainable across the value chain in line with the Business Plan which stipulates comprehensive development requirements of targeted properties over 5 year recapitalization and development cycle.

Provincial Shared Service Centres

13. Provincial Shared Service Centres (PSSCs) are established to coordinate land reform programmes. The PSSCs focus on the following services:
 - 13.1. Redistribution in terms of the Pro Active Land Acquisition Strategy (PLAS).
 - 13.2. Tenure (ESTA, IPILRA).
 - 13.3. Recapitalization.
 - 13.4. State Land Administration.

DEPARTMENT OF AGRICULTURE, FORESTRY AND FISHERIES

Comprehensive Agriculture Support Programme (CASP)

14. To ensure the commercial viability of emerging farmers from a household food security level to a commercial level, a farmer-to-farmer mentorship policy has been developed. The department regards skills development as one of its critical focus areas and this obviously includes providing hands-on training to emergent farmers in various fields of farm management.
15. The Micro-agricultural Financial Institutions of South Africa (Mafisa) encourage partnerships between established agricultural enterprises and emerging farmers and entrepreneurs, by providing access to finance for farmers, especially beneficiaries of the land restitution, redistribution and land tenure reform programmes. The Land Bank administers the credit scheme on behalf of the department and provincial departments provide assistance to access the scheme. Four development finance institutions are currently participating in the disbursement of Mafisa funds in the provinces.

Agricultural Broad-Based Black Economic Empowerment (AgriBEE)

16. The AgriBEE Charter seeks to provide direction on the integration of emerging participants into mainstream agriculture by creating linkages, partnerships and networks for balanced, mutually benefiting results for all concerned. It specifically encourages partnerships between established agricultural enterprises and emerging farmers and entrepreneurs. It seeks to ensure enhanced competitiveness and sustainable development with improvement/expansion of the existing businesses, rehabilitation of ailing agricultural business concerns and expanded entry for new businesses in the sector.

**NATIONAL PRIORITIES OF GOVERNMENT
(THE MTSF CHALLENGE OF GROWING THE ECONOMY)**

STATE OF THE NATION ADDRESS: FEBRUARY 2015

17. The Medium-Term Strategic Framework (MTSF) of Government is linked to the electoral cycle. The theme for the January 2015 Cabinet Lekgotla was the development of a nine-point plan for the economic sector aimed at growing the economy. The President, in the State of the Nation Address (SONA) on 12 February 2015 identified the 'nine-point plan to ignite growth and create jobs', these being.

17.1. Resolving the energy challenge.

17.2. **Revitalising agriculture and the agro-processing value chain.**

17.3. Advancing beneficiation or adding value to our mineral wealth.

17.4. More effective implementation of a higher impact Industrial Policy Action Plan.

17.5. Encouraging private sector investment.

17.6. Moderating workplace conflict.

17.7. **Unlocking the potential of SMMEs, cooperatives, township and rural enterprises.**

17.8. State reform and boosting the role of state owned companies, ICT infrastructure or broadband roll out, water, sanitation and transport infrastructure.

17.9. Operation Phakisa aimed growing the ocean economy and other sectors.

18. The President further stated in the February 2015 SONA that:

"Agriculture is a catalyst for growth and food security. We are working with the private sector to develop an Agricultural Policy Action Plan which will bring one million hectares of under-utilised land into full production over the next three years.

Among key interventions this year, we will promote the establishment of agri-parks or cooperatives and clusters in each of the 27 poorest district municipalities to transform rural economies. An initial funding of R2 billion has been made available for the Agri-Park initiative.

We will further enhance our Agro-processing exports which have been growing rapidly especially to new markets in Africa and China. For example, we have concluded agricultural trade protocols for the export of South African Maize and Apples to China.

The export of apples alone is projected to generate five hundred million rand in foreign exchange over three years.

A good story to tell in agriculture is the success of some of our emerging farmers and smallholders.

In the Vhembe District Municipality in Musina, the Limpopo Government has supported the Nwanedi Cluster comprising 300 farmers growing vegetables on just over 1,300 hectares for commercial purposes.

The Cluster has already created more than 2,500 jobs as vegetable farming is highly labour-intensive.”

AGRICULTURAL POLICY ACTION PLAN

19. The Agricultural Policy Action Plan (APAP) focuses on both employment and food security, namely creating 1 million jobs and having 2 million hectares of sustainable land under production.
20. In the 2015/16 financial year, the focus of the Department of Agriculture will be on:
 - 20.1. Combating rising input costs (fuel, fertilizer and feed) and reducing the dependency on current models of production.
 - 20.2. Spatial Planning in terms of:
 - 20.2.1. Mapping out, at municipal level, all land available for redistribution, including state land.
 - 20.2.2. Developing a spatial map of the best places in the country for each product.
 - 20.3. Providing project planning support.
 - 20.4. Land acquisition to increase agri-production in the country.
 - 20.5. Reviewing all funding programmes from DLRR and the Development bank (CASP, ReCap, REID, etc).
 - 20.6. Accessing Alternate Funding Sources.

UNLOCKING THE POTENTIAL OF SMMEs AND COOPERATIVES

21. Government has identified that most SMMEs and Co-Ops fail due to lack of access to opportunities and markets, inclusive of problems related to legislation and regulatory frameworks and access to finance.
22. In the 2015/16 financial year, the focus will be on advancing public sector procurement as a transversal activity to support SMMEs and Co-Ops. This will require significant changes to the currently centralised procurement by government, including revised procurement policies and practice notes from the National Treasury in order to allow government departments (across the four levels of government) to direct such preferential procurement.

THE NATIONAL DEVELOPMENT PLAN : VISION FOR 2030

AN INTEGRATED AND INCLUSIVE RURAL ECONOMY

23. Chapter Six of the National Development Plan - Vision for 2030 - speaks to rural communities requiring greater social, economic and political opportunities to overcome poverty, thus requiring a land reform and job creation strategy that ensures that rural communities enjoy economic advancement and have jobs. It envisages growing one-million jobs in the agricultural sector.
24. The National Development Plan views agriculture as having the potential to expand if the necessary environment can be created, including the improvement in the livelihoods of at least 37 000 people if **land in communal areas** can be better used¹. A further 70 000 livelihood opportunities can be created in **land reform beneficiaries** are better supported to use land productively – but are constrained by security of tenure, infrastructure and market institutions². Expanding **commercial agriculture**³ has the potential to create 250 000 direct jobs and a further 130 000 indirect jobs by picking winning agricultural subsectors where the expansion in production and further value-adding processes are sustainable over the long-term
25. The above-mentioned categories of land are importantly identified for land reform opportunity, and are augmented by land already in the market, land where the

¹ National Development Plan; Chapter 6, Page 198.

² National Development Plan; Chapter 6, Page 199 & 200.

³ National Development Plan; Chapter 6, Page 200.

farmer is under severe financial pressure, land held by an absentee landlord willing to exit; and land in deceased estates⁴.

26. The National Development Plan views land reform as a strategic necessity to unlock the potential for a dynamic, growing and employment-creating agricultural sector. The key principles it puts forward are⁵:
- 26.1. Rapid transfer of agricultural land to black beneficiaries without distorting land markets or business confidence in the agri-business sector.
 - 26.2. Sustainable production on transferred land by making sure that human capabilities precede land transfer through incubators, learnerships, mentoring, apprenticeships and accelerated training in agricultural sciences.
 - 26.3. Monitoring institutions to protect land markets from opportunism, corruption and speculation.
 - 26.4. Land-transfer targets in line with fiscal and economic realities to ensure that land is successfully transferred.
 - 26.5. White commercial farmers and organised industry bodies significantly contributing to the success of Black farmers through mentorships, chain integration, preferential procurement and meaningful skills transfer.

THE CARDINAL IMPORTANCE OF DISTRICT LAND COMMITTEES IN THE NATIONAL DEVELOPMENT PLAN

27. Chapter 6 of the National Development Plan is crafted around the above five cardinal principles to developing a workable and pragmatic land reform programme.
28. The formation of District Land Committee at each of the 52 district municipalities lies central to an understanding of the policy direction given by the National Development Plan.
29. The National Development Plan envisages⁶ that each district municipality with commercial farming land should convene a District Land Committee with all agriculture landowners and key stakeholders.

⁴ National Development Plan; Chapter 6, Page 207.

⁵ National Development Plan; Chapter 6, Page 206.

⁶ National Development Plan; Chapter 6, Page 207.

30. The National Development Plan see such District Land Committees as being responsible for identifying 20% of the commercial agricultural land in the district (land already in the market, land where the farmer is under severe financial pressure, land held by an absentee landlord willing to exit; and land in deceased estates⁷), and giving the commercial farmers the option of assisting its transfer to black farmers.
31. A stepped up programme of financing would address most of the financial problems of land reform beneficiaries, give the implementers reassurance that beneficiaries have the necessary skills for successful farming and spread the cost of the programme between the future earnings of the farmer and the pockets of the taxpayer.
32. The agricultural initiatives envisaged in the National Development Plan contribute significantly to South Africa's developmental priorities of rolling back poverty and reducing inequality. The agri-sector so becomes a means to:
 - 32.1. Grow the economy.
 - 32.2. Create jobs.
 - 32.3. Provide employment.
 - 32.4. Develop skills.
 - 32.5. Redistribute resources.
 - 32.6. Empower rural communities.
 - 32.7. Develop an integrated and inclusive rural economy.

COMPOSITION OF THE MOPANI DISTRICT

33. The nine provinces of South Africa are divided into 52 districts, which are either metropolitan or district municipalities. They are the second level of administrative division, below the provinces and (in the case of district municipalities) above the local municipalities.
34. A district municipality (or Category C municipality) is a municipality which executes some of the functions of local government for a district. The district municipality will

⁷ National Development Plan; Chapter 6, Page 207.

in turn comprise several local municipalities, with which it shares the functions of local government. District municipalities are seen as successors to former Regional Services Councils (RSC). There are two types of municipality at the district level. Most of the country is covered by the 44 district municipalities, which are divided into local municipalities and share responsibilities with them. The eight largest urban agglomerations are governed by metropolitan municipalities, which act as both local and district municipalities.

35. As a consequence of the 12th amendment of the Constitution (1996) in December 2005, which altered provincial boundaries, the number of districts was reduced from 53. Another effect of the amendment is that each district is now completely contained within a single province, thus eliminating cross-border districts. The districts also cover the entire area of the continental republic. District municipalities have a municipality code that consists of the letters "DC" followed by a number from 1 to 48. The "DC" reflects the fact that they were originally named "District Councils".
36. Mopani is one of the 5 districts of Limpopo Province of South Africa. The district code is DC33. After the 12th amendment of the Constitution (1996) part of the area of the Bholabela district was incorporated into the Mopani District.
37. The seat of the Mopani District is Giyani. The majority of its 964 195 people speak Tsonga or Northern Sotho. Mopani is surrounded by:
 - 37.1. The Vhembe District Municipality (DC34) to the north comprising the Thulamela & Makhado local municipalities.
 - 37.2. Mozambique to the east.
 - 37.3. The Capricorn District Municipality (DC35) to the west comprising the Molemole, Polokwane & Lepelle – Nkumpi local municipalities.
 - 37.4. The Sekhukhune District Municipality (DC47) to the south west comprising the Fetakgomo local municipality.
 - 37.5. The Mpumalanga province to the south through the Ehlanzeni District Municipality (DC32) comprising the Bushbuckridge, Thaba-Chweu and Greater Tubatse local municipalities.
38. The district spans a total area of 2 001 100 ha (20 011 km²), inclusive of portion of Kruger National Park from the Lepelle river to the Tshingwedzi river (or from Olifants to Tshingwedzi camps). There are 16 urban areas (towns and townships), 354 villages (rural settlements) and a total of 125 Wards.

39. The Mopani District contains the following local municipalities:

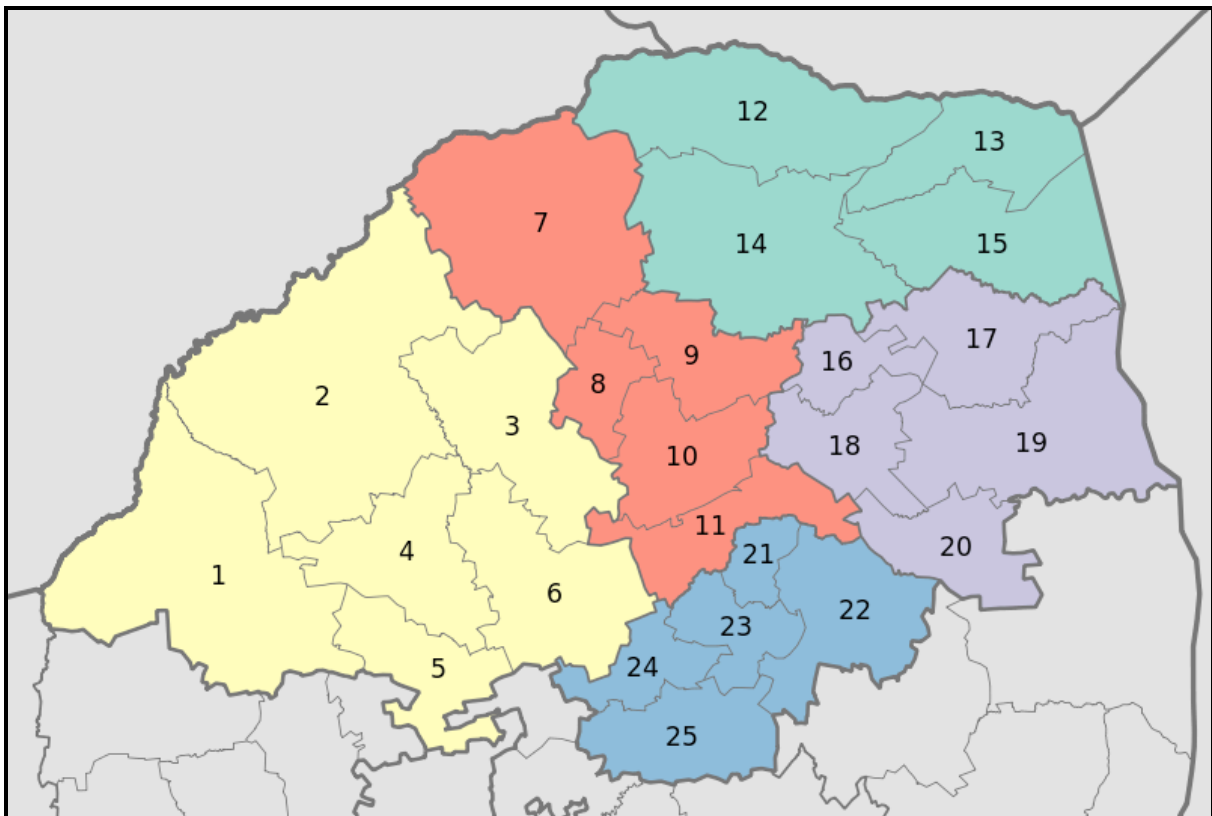
39.1. Maruleng.

39.2. Greater Tzaneen.

39.3. Greater Giyani.

39.4. Greater Letaba.

39.5. Ba-Phalaborwa



40. Agriculture, mining (clustered around the Phalaborwa mineral complex) and tourism are the backbone of the Mopani District's developing economy. It is however the agricultural sector that has the potential to create more sustainable jobs, by being able to absorb unskilled and semiskilled workers, and as such bring about sustainable rural development. No other sector has this potential.

41. The Lowveld Region of the Mopani District contributes significantly towards the activity of agriculture at the provincial level. About 50% of horticultural-based farm-income in the Limpopo Province is earned in the Mopani District. Most important crops in terms of monetary value are citrus, vegetables and subtropical fruit. 6,7% of

the land can be considered arable, and of which 43% is under irrigation, being by far the most of all the districts in the Limpopo Province.

42. The most important irrigation schemes in the Lowveld Region are Great Letaba, Blyde irrigation and Middle-Letaba. The Lowveld Region has future agricultural potential highly concentrated in subtropical fruit, citrus fruit production and vegetables. The Limpopo Province estimates the unutilized agricultural potential in the Mopani District to be between 10 000 to 70 000 hectares.
43. According to the Provincial Economic Development Strategy, 10, 000 hectares of this potential could be brought into production over the next 5 years, mainly in new orchards in the Letaba/Letsitele basin area and about 1500 hectares in the Klein Letaba area.

**MOPANI DISTRICT AGRICULTURAL DEVELOPMENT FORUM
(MOPANI FORUM)**

ESTABLISHMENT

44. Prompted by discussions initiated between a major South African bank and its current and potential clients in the agri-sector, a consciousness arose amongst a number of large commercial farmers in the Mopani District concerning their social responsibility towards ensuring the success of the land reform programme, and by so doing ensuring the viability and expansion of the sector *per se*.
45. A number of large commercial farmers in the Mopani District engaged with each other to explore how they 'could come on-board with the National Development Plan'. Initial discussions revealed that the Mopani District potentially had far more land available for development than the 20% envisioned in the National Development Plan. Initial estimates by these large commercial farmers are that there is around 40% of land available for development in the district, more land than the large commercial farmers have resources to develop.
46. Whilst initial discussions were focussed on a number of local (and fragmented) initiatives, the need soon emerged to rally around the call in the National Development Plan for a more feasible and more inclusive approach. By September 2014, a core group of large commercial farmers began meeting in Tzaneen and soon consensus began emerging around establishing an agricultural development initiative that encompasses the entire Mopani District (DC33).

47. As consensus began emerging, the founding members agreed to establish the 'Mopani District Agricultural Development Forum' (hereafter called the Mopani Forum) as a 'bottoms up' approach towards the development of the Mopani District.
48. Critically, the Mopani Forum distinguishes between the matter of land reform and the opportunity for agricultural development initiatives. The Mopani Forum is of the position that Land Reform is the prerogative of Government and the Claimants/Beneficiaries. The Mopani Forum views its role being that of adding-value to the land reform process after the land reform process has been finalised by partnering with communities and emerging farmers in developing significant commercial agriculture, and by so doing adding significant value to the beneficiaries of land reform.
49. Consequently the Mopani Forum views its relationship and coordination with the Land Claims Commissioner to be of critical importance.
50. A small, but financially able group of founding large commercial members drove the initiative. By early 2015, more momentum was achieved when more commercial farmers agreed to join the Mopani Forum.

MOPANI FORUM: STRATEGIC INTENT

51. The risk that the Mopani Forum must avoid at all costs would be that of operating as a commercial venture for the benefit of the existing white large commercial farmers and failing to capture its intent to make a significant social contribution to the success of the land reform programme.
52. To this end, the Mopani Forum places significant emphasis on establishing a 'tripartite alliance' in the Mopani District between Government (represented by the district municipality), existing large-scale commercial farmers and the beneficiaries of land reform to achieve the intent of the National Development Plan.
53. To this end, Mopani Forum seeks to be guided by the following key tenets:
 - 53.1. Remaining committed to the constitutional imperative to pursue a united and democratic South Africa;
 - 53.2. Underscoring the importance of the land-related principles contained in Section 25 of the Constitution of South Africa, 1996;
 - 53.3. Striving, within the context of the Mopani District, for a food-secure South Africa;

- 53.4. Seeking the promotion of trust, restoration and agricultural development in the Mopani District;
- 53.5. Seeking to meaningfully and positively contribute to land reform, in particular the access to productive land for new farmers in the Mopani District;
- 53.6. Making a meaningful contribution to building the rural economy and the development of sustainable rural livelihoods in the Mopani District;
- 53.7. Desiring to foster cooperation between Government (represented by the District Municipality), emergent farmers and large-commercial farmers for the purpose of agricultural development projects;
- 53.8. Supporting the more rapid transition of new farmers in the Mopani District to productive commercial agri-businesses through strategic alliances and appropriate support mechanisms, without distorting the land markets or confidence in the agri-business sector;
- 53.9. Supporting sustainable production on transferred land in the Mopani District through the enhancement of human skills and capabilities, not limited to incubators, learnerships, apprenticeships, tertiary education; mentoring and accelerated training;
- 53.10. Supporting the increase of all forms of agricultural infrastructure in the Mopani District and specifically the expansion of the natural agri-resource base;
- 53.11. Supporting the development of public-private initiatives in the Mopani District that create major investment, new growth and new job opportunities;
- 53.12. Supporting, within the Mopani District, Government initiatives for preferential procurement where the State is the main procurer, specifically targeting departments with a diverse spatial footprint in the rural areas of the Mopani District;
- 53.13. Supporting the establishment of innovative market-linkages for farmers in the Mopani district to markets in South Africa, the sub-continent and further afield; and
- 53.14. Supporting the establishment of a sustainable, integrated and inclusive Agricultural Policy Action Plan for the Mopani District.

FIRST STEPS

54. The Mopani Forum has appointed a full-time manager (currently on loan from one of the large commercial farmers), and has engaged a firm of local attorneys to establish a Constitution for the Mopani Forum (Annexure A). The Constitution was finalised and adopted in February 2015.
55. Support for the Mopani Forum is growing rapidly and it is expected that its membership will swell over the forthcoming months to around 20 (or more) large commercial farmers. Strategically, the Mopani Forum is actively seeking to attract a number of emergent black farmers and land reform beneficiaries, and further seeks to collaborate with the Mopani District Land Committee.
56. The infant Mopani Forum felt it prudent to communicate its intent and willingness to assist with agricultural development projects in the Mopani District and thus to this end initiated engagements with authorities (primarily at the district level, but at the provincial level as necessary). Engagements with the District Mayor and members of the District Municipal Council, including sharing the initial draft of the “Constitution for the Mopani District Agricultural Development Forum”, have been extremely fruitful and there has been an immediate meeting of minds. The Mopani Forum has also been invited to provincial meetings (Limpopo Province) on land reform and rural development, discovering that there are, to an extent, certain initiatives running in parallel.
57. The National Development Plan requires that 20% of the commercial agricultural land in each district should be identified for land reform. It quickly became an immediate objective of the founding members to facilitate the identification 20% of agricultural land in the Mopani District that can be utilised for inclusive agricultural development, requiring thus that all land in the Mopani District should be audited, categorised and valued, including the critical identification of water rights.
58. To this end, the founding members have commissioned an independent service provider to conduct a study using geographic information systems (GIS) to establish a first-order report on the land in the Mopani District. The purpose of the report is to provide initial identification of potential land in order to plan cooperative projects.

**LESSONS TO BE LEARNT FROM THE
MOPANI DISTRICT AGRICULTURAL DEVELOPMENT FORUM
(MOPANI FORUM)**

GENERAL ENABLERS

59. A number of general enablers can be identified, and which should be present as overarching critical success factors in pursuing agricultural development at the District level. A non-exhaustive list is discussed below.

60. **Coordinated Government Approach.**

60.1. **Difficulty in doing Business with Government.** In general, the machinery of Government is not very adept at responding to the day-to-day operational requirements of land reform communities, and in general these communities have a fractured and disjointed experience in dealing with Government. The factors listed below are indicative thereof:

60.1.1. A heavy burden of bureaucracy.

60.1.2. Slow and unclear decision-making processes.

60.1.3. Frustrating turn-around time on key interventions.

60.1.4. No single point of entry, and having to deal with a multiplicity of government departments.

60.1.5. Policy incongruence and boundary management between departments dealing with the agricultural sector as a whole.

60.1.6. In some instances, the lack of competence and commitment of some appointed officials assigned to these programmes.

60.2. **All of Government Approach.** An 'all of government' approach is required within the context of the District Land Committee, meaning an inter-department effort at the national, provincial and district levels. At the district level this 'all of government' approach with good inter-departmental coordination is critical. Furthermore, although agriculture development initiatives are identified and driven at the district level, some coordination and involvement is required at the provincial level. Participating government structures at the District Land Committee should include:

- 60.2.1. District Municipality.
 - 60.2.2. Land Claims Commissioner.
 - 60.2.3. Rural Development and Land Reform.
 - 60.2.4. Agriculture.
 - 60.2.5. Water Affairs.
 - 60.2.6. Cooperative Governance and Traditional Affairs.
 - 60.2.7. Transport.
61. **Tripartite Partnership.** Agricultural development projects require the tripartite support of government, the emerging farmer and a strategic partner/large commercial farmer at the district level. As both land owner and as a developmental instrument, government remains a *de facto* long-term partner.
62. **Commercial Farmers as Strategic Partners to Development.** Existing commercial farmers, an important cog in the tripartite partnership, bring strategic relationships, expertise, mentorship and capital to agricultural development projects, thus promoting, assisting and enhancing the long-term sustainability of the projects.
63. **Formalised Constitution and Statement of Intent.** Whilst some farmer-driven district initiatives have formalised their relationship by means of registering a private company and publishing their Articles of Association, the Mopani Agricultural Development Forum has sought to position itself as an empowerment initiative, premised on a strategic alignment of their initiative with the priorities and programmes of Government (Annexure A). The Mopani Forum envisages its forum to be as inclusive as possible, with membership extending beyond large commercial farmers.
64. **Long-Term Orientation.** All land agricultural development projects must have clear operational objectives and must be setup and structured as long-term endeavours, supported by security of tenure and appropriate legal instruments.
65. **Sustainability.** All agriculture development projects must be based on sound business principles that embed best practise and are focussed on the long-term contribution towards sustainable agriculture, food security and rural development.

66. **Good Land Reform Governance Structures.** The Mopani Forum model makes space for all farmers to participate. Although the large commercial farmer clearly has significant capital to participate in agricultural development ventures, other large agri-business can make a significant contribution. Notwithstanding the limited resources of the small family farm, the support and mobilisation of the small farmer is critical.
67. **Means to Access Land.**
- 67.1. Projects cannot be undertaken by the commercial farmers without coordinated access to available land.
 - 67.2. The National Development Plan requires District Land Committees to identify 20% of the commercial agricultural land in the district⁸. Notwithstanding the types of land described in the National Development Plan, the District Land Committee should identify the following types of land for agriculture development programmes:
 - 67.2.1. Existing commercial land.
 - 67.2.2. Land already in the market.
 - 67.2.3. Land where the farmer is under severe financial pressure.
 - 67.2.4. Land held by an absentee landlord willing to exit.
 - 67.2.5. Land in deceased estates.
 - 67.2.6. Unproductive or under-utilised State land or endowment land, in the possession of government departments, that can be developed or utilised for agricultural activities, including land that can be used for emergency grazing.
 - 67.2.7. Restituted land (post the restitution process).
 - 67.2.8. Communal / tribal land.
 - 67.2.9. Unproductive or under-utilised land under private ownership.
68. **Audit of Land.** The identification of 20% of the commercial agricultural land in the district for agricultural development projects presupposes the conducting of an audit of the land in the district. A GIS Status Report is most likely to be the easiest method

⁸ National Development Plan; Chapter 6, Page 207.

to obtain the initial analysis of the land in the district. Such a GIS Status Report becomes the baseline document to categorise the land (see above), establish current useage, determine the current ownership, determine water rights and determine the land value. This GIS Status Report enables commercial farmers to strategize and plan their activities.

69. **Strategic Role of the Land Claims Commissioner.** In the case of restitution cases, a speedy restitution process is essential; as development programmes can only commence post the restitution process. Thus the Land Claims Commissioner is of critical importance for seamless transfer and viable development of land entrusted to the claimants.
70. **Range of Legal Instruments.** Agricultural development projects can only occur where there is a clearly defined and established legal relationship between the parties. Neither the State, nor the farmer can risk capital and investment if the rights, duties and obligations of all parties to the project are legally un-enforceable. Such legal instruments (*inter alia*) may extend to:
- 70.1. The conclusion of long-term leases or title transfer of state-owned land to agricultural development projects.
 - 70.2. Establishment of well-defined trust agreements providing good governance structures when land is transferred to land reform beneficiaries or land restitution claimants.
 - 70.3. Registered and well-defined Communal Property Association (CPA) agreements providing governance over communal lands.
 - 70.4. In the case of the development of communal and tribal land, this being based on a formal Permission to Occupy (PTO) certificate and other formalised legal arrangements providing governance for the agricultural venture.
71. **Partnership Agreements for Development Initiatives.** Linked to the above, the establishment of a Partnership Agreement for each agricultural development initiative remains key to the success of each initiative.
- 71.1. Beyond broadly establishing the rights, duties and obligations of each party, such a Partnership Agreement would normally specify each party's contribution to the partnership as well as matters such as profit sharing, risk and capital to be raised.

- 71.1.1. [By example, a 30% : 70% share means that the party owning 70% of the partnership does not only reap 70% of the profit, but must further bring 70% of the capital to the venture – and carries 70% of the risk.]
- 71.1.2. [By example, a 51% : 49% share would mean relatively equal responsibility, risk and profit for both parties.]
- 71.2. The Partnership Agreement must be in place for as long as necessary to ensure the commercial viability of the project, and for the strategic partners to redeem their capital investments.
- 71.3. The Partnership Agreement must, if so agreed by the parties, be renewable/extendable beyond the life of the agricultural development project.
- 71.4. The minimum share of any party to the Partnership Agreement must be 26%, legally giving all parties voting rights.
72. **Additional Mentorship Requirements.** Should additional mentorship be required, this could be achieved through service level agreements with senior mentors at district level who can provide mentoring oversight
73. **Innovative Market-Linkages.** Supporting the establishment of innovative market-linkages for farmers in the Mopani district to markets in South Africa, the sub-continent and further afield immediately speaks to matters contained in Government's MTSF Programme of Action and other priorities, namely:
- 73.1. The NEPAD Spatial Development Project to develop trans-African trade routes.
- 73.2. The enhancement of South Africa's trade and investment with the sub-Saharan region.
- 73.3. Broader regional integration through the Southern African Customs Union, SADC and the envisaged Tripartite Free Trade Area that spans Eastern and Southern Africa.

ENABLERS FOR THE BENEFICIARIES/CLAIMANTS

74. In addition to the above, there are a number of enablers are necessary critical success factors for communities, land reform beneficiary and restitutions claimants.

75. **Security of Tenure/State Land.** The retention of land ownership by Government effectively removes the ability to leverage the land as a means of funding and capitalising sustainable agri-business that must emerge from the land reform programme. Consequently the viability and sustainability of this model is extremely precarious. This applies to:
- 75.1. **Title.** On transfer of the property, the title deed passes to the State. The land reform beneficiaries do not, at any point, have the privilege of owning the land. At all times the transferred property remains State Land.
 - 75.2. **Security of Tenure.** Linked to the above, land reform beneficiaries experience extreme insecurity as there is no security of tenure. The absence of a concomitant long-term land lease agreement (20 to 30 years) (and other legal instruments) means that the land reform beneficiaries have no means against which to generate operating capital.
 - 75.3. **Moveable Assets.** In the instance of land reform and other initiatives, the moveable assets must transfer from Government to the beneficiaries/community.
76. **Land Bank and other Government Entities.** As indicated earlier, the Partnership Agreement would most probably specify the share of each party and the capital to be raised. The larger the share held by the beneficiaries/community, the larger the capital to be raised, thus speaking to a new and critical role that the Land Bank has to play in support of the beneficiaries/community.
77. **Government Support.** Government support, through vehicles such as the Recapitalization and Development Programme, must ensure that the agricultural development initiative remains profitable and sustainable across the value chain in line with the Business Plan which stipulates comprehensive development requirements of targeted properties over 5 year recapitalization and development cycle. Government programmes, such as the Recapitalization and Development Programme, must facilitate the beneficiaries/communities contribution to the development initiative.

ENABLERS FOR THE FARMER

78. A number of enablers for farmers can be identified. Such farmers may range from the large commercial farmer, to the large family farmer, the small farmer, to the emergent commercial farmer. A non-exhaustive list is discussed below.

79. **Economic Security.** Farming, especially for the small family farm and the emergent farmer, is a means of making a living. Small commercial farmers do not have the resources to contribute significantly to agricultural development programmes, and cannot participate in an agricultural development projects at the cost of their livelihood. However, the support and mobilisation of the small commercial farmer and the emergent commercial farmer behind the initiatives of the District Land Committee is cardinal.
80. **Incentivising Change.** Change must be incentivised so as to create the conditions whereby the existing farmer (albeit a small family farm or a large commercial farm) derives both social and economic benefit. This may range from the expansion/efficiency of existing farming operations, to tax credits, to Agricultural BBEEE certification and preferential market access.

ENDS