

FARA 4th GENERAL ASSEMBLY

Sub-Theme: Identifying and exploiting Africa's competitive advantages in agricultural production, agri-business and related industries

Response by Madam Vangile Titi, Deputy Director General: Sector Services and Partnerships, Department of Agriculture, Republic of South Africa.

Africa is a vast continent of varying agro-ecological zones spanning a wide spectrum of climatic and topographic conditions. All these, according to the Inter-Academy Council Report (2004), call for consideration and strengthening of the farming and production systems if Africa is to realise high agricultural productivity and become competitive globally.

The value of this approach is in the potential to integrate the utilisation of natural resources, and the conservation, management and enhancement of the rich African indigenous agro-biodiversity. With very few cases, Agriculture in Africa has not proven to be profitable within a highly globalized competitive environment, when considerations are made for costs and product quality, production factors such as land, labour and capital.

There is no denying that the acquisition of skills and appropriate and relevant technologies has contributed towards improving productivity and competitiveness of farmers in Africa, as is the case elsewhere, because these invariably allow farmers to have informed choices about their farming operations. This matter has been debated extensively at this General Assembly in the past two days.

The question I would like to pose and attempt to answer is:

What are the enabling conditions that need to be in place in order for Africa to identify and exploit its competitive advantages in agricultural production, agri-business and related industries within the globalised economy? In attempting to answer this question, I will draw extensively from South Africa's experience.

My first point of departure is that in South Africa we speak of the paradigm of two economies. The First Economy, is at the cutting edge, is globally integrated and has the capacity to export value-added goods, services and primary commodities. In here we slot the commercial farming fraternity.

The Second Economy exists at the edges and consists of a large number of households with no assets to convert into income and, in many ways, do not benefit from progress in the first economy. The emerging farmers in South Africa fall under this category. Government's objective is to intervene in the second economy (in this case the agriculture sector) through policy and actions in order to

create an agricultural sector characterised by equitable access and participation and global competitiveness and profitability.

Now, much has been said about the critical need for an ‘enabling policy environment’ at national level as the primary condition for sustained development and competitiveness of agriculture. We now know in South Africa that a good enabling policy environment is necessary, but not sufficient. Much more needs to be done to translate policy into effective strategies that will enable increased productivity and competitiveness in agriculture.

THE ROLE OF GOVERNMENT

We have acknowledged that, in the first instance, government has to make investments into transport, energy, telecommunications, irrigation, research and development, marketing infrastructure and human resource development to get emerging farmers out of the “poverty trap” described by our Minister on Tuesday. This will unlock the potential for primary production as well as value addition activities. Government also has to provide capital in the form of grants and credit facilities, as these will galvanise the private sector to want to participate; as well as build institutional capacity to implement action plans –whether they relate to research and development or extension.

We are also cognisant of the fact that emerging farmers have to be empowered to understand the requirements for food safety and quality standards for both the domestic and international markets, hence

exposure to work on minimum residue levels and vaccination campaigns that focus on prevention of animal diseases.

THE ROLE OF PUBLIC-PRIVATE PARTNERSHIPS

We heard from the minister of Ghana at the ministerial roundtable of the 12th and in yesterday's deliberations that government alone cannot succeed in increasing productivity and competitiveness. Public-private partnerships are key to advancing productivity and competitiveness in agriculture.

Our recent experience tells us that government can leverage additional resources, whether financial, technical or in the form of production inputs from the agribusiness sector, focussing on particular commodities, while also utilizing their networks or infrastructure to facilitate market access for emerging farmers. We are also looking at ways of collaborating with agribusinesses to improve on our extension services, while at the same time looking towards countries like Kenya for best practice in extension. Agribusiness, on the other hand, expects to dialogue constructively with government on matters of trade barriers imposed by importing countries.

CONCLUSION

I would like to conclude by indicating that the issue of climate change and the introduction of bio fuels need to be put on FARA's research

agenda in order for us to be informed of the impact of these emerging issues on Africa's agricultural productivity and competitiveness.

THANK YOU