

AFASA calls for strengthening of state-owned agri-entities

African Farmers' Association of South Africa (AFASA) held its National Executive Council (NEC) strategic workshop on 21 and 22 January 2020 in Benoni, Johannesburg. The attendees deliberated on the state of agriculture in the country, progress on the commercialisation of black-owned farming operations, and farmer support in general.



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The session coincided with the announcement that Moody's has downgraded the Land Bank's credit status to junk status. The agency downgraded Land Bank's long-term issuer ratings to Ba1 from Baa3.



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Land Bank implosion, Moody's downgrade sparks setback for SA agriculture

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According to AFASA chairperson Neo Masithela, the downgrading is of great concern to the council. "The downgrading of the Land Bank by Moody's is a sad sign of the state not taking the growth and development of black farmers in the country seriously. The Land Bank successfully developed commercial white farmers in colonial and apartheid eras and continues to do so in the democratic era."

Support for emerging farmers

AFASA has been concerned about poor support for black farmers, especially with regard to dwindling funding. Following the discontinuation of the recapitalisation programme, a blended finance programme was promised when president Ramaphosa announced at the 2019 State of the Nation Address (SONA) that over R3 billion would be allocated to farmer support. This has yet to materialise. The council notes with grave concern that the government is experiencing enormous challenges that are threatening the sustainability of state-owned entities and instead pushes for the privatisation of agricultural services.

Masithela says: "The neglect of the Land Bank, an organisation that had improved its governance and recently with neither CEO nor CFO, raises questions on the eve of the launching of a private agriculture

development agency. The council refers to this as the second phase of the privatisation of agriculture in South Africa, the first one being the deregulation and privatisation of previously state-funded co-operatives and farmer support entities over 20 years ago."

The privatisation of agricultural services

The incoming AFASA Youth Desk chairperson Kea Mnguni adds that: "We are concerned that government is relegating its duties more and more in terms of servicing black farmers with such youth and women unemployment. We are now seeing a growing reliance on the private sector and the collapse of state-owned entities.

"While AFASA appreciates the role of the private sector in agricultural development, the exclusion of the majority and non-transformation impedes progress. The private sector cannot replace the role of the public sector in a sea of inequality in our country.

"As AFASA, we are calling for the strengthening of state-owned agricultural entities and caution against the privatisation of agricultural services. We will heighten our engagement with the state to urgently address these concerns."

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