

GOAT FARMING (IT IS A REAL BUSINESS- MARK MY WORDS!!)



SUPPORT FOR SMALL BUSINESSES IN THE AGRICULTURAL VALUE CHAIN THROUGH RASET AND PRIVATE SECTOR LINKAGES

I wish to thank GOAT UNLIMITED for convening an event which has a provincial foot print. Our leadership in government, Amakhosi aseNdlunkulu no Ndlunkulu, colleagues, and farmers in the name of Jesus Christ I greet you.

South Africa is in the midst of a very serious strain where economics and politics have become intertwined, with each influencing the other significantly.

The Zondo commission is currently an interest to politicians, local and international business, not forgetting Standard and Poor (S&P), Moody's & Fitch Global Rating Agencies. We are all waiting in anticipation to see the outcome of it and hope that South Africa and its citizens will be a victory at the end.

Statistics show that about 30.4 million South Africans are living in poverty, with the majority living in rural areas where agriculture should be their source of livelihood. This unfortunately jeopardises the realisation of the National Development Plan's (NDP) Vision of 2030 and the Sustainable Development Goals set for ourselves.

These unfortunate circumstances call for all major stakeholders including Government, Business, Labour and Civil Society, to recommit ourselves to improve business confidence in our economy.

Since 1994, South Africa's effort to develop rural communities has been constrained and has marginalized the poor with many rural areas households trapped in vicious cycle of poverty that emanated from the apartheid era. South Africa is not exceptional from country like any developing countries such as China, India and Brazil, to mention a few - experiencing high volumes of people migrating from rural areas to cities, seeking better paying jobs, service delivery and other benefits; hence the evident service delivery protests.

Mushrooming of informal settlements, illegal immigrants, lack of job opportunities, loose border control, social- associated crimes and drug abuse are all escalating in our urban areas. In rural areas, many hectares of agricultural land have been redistributed since 1994, but lack of agricultural and business training, improper management of post settlement support, conflict amongst beneficiaries jeopardize the good intentions of the resettlement programmes. Lack of access to improved socio-economic rural infrastructure, underutilization and unsustainable use of natural resources and services, public amenities and government services, as well as low literacy and skills levels are just some of the factors clouding rural development efforts.

Taking a look at unemployment in South Africa, women agri-preneur and role of public private partnership:

- ▣ According to stats SA, unemployment growing statistics are seating at 27,5%, with 52,80% being the youth, and women, 29.5%. The most vulnerable group is black women and youth, proving that South Africa's employment landscaping is most favourable to men than to women.

Now lets take a look at role of the most unemployed sector in goats farming. Women play significant roles in the domestic and socio-economic development and they are the majority owners of goats and sheep, due to the size of the livestock. The key challenge is financial benefit which translates into employment creation. The employment creation in the farming sector should be linked to value chain development and market access.

In rural areas, South Africa is still struggling to attract sustainable enterprises and industries and is further characterized by weak rural-urban linkages, poor access to local markets and financial services, and weak coordination of planning and implementation of rural development across the spheres and within the various sectors of government – that tend to operate “in Silos” independently of each other. Agriculture is still a primary economic activity in many rural areas and lack of new markets and opportunities, drought, the effect of globalization on country’s competitiveness and policy uncertainty, all hinder economic growth, resulting in job losses.

Lack of beneficiation initiatives, where minerals are exported as raw material and the continuous use of coal (which pollutes the environment and that impact on climate change) continue to plague us. Hectares of land are covered with invasive alien plants, hence water shortage, posing a threat on food security and grazing land for livestock. Financial relief from financial institutions and sometimes from government institutions are very slow, resulting in farmers' failure to operate effectively on land. A decline in the plantation of indigenous plants, like sorghum, in South Africa is because farmers have had no lucrative market to survive on.

South Africa acknowledges that apart from agriculture, there are number of industries and sectors that can support rural development. Provision of services in rural, remote and or sparsely populated areas need innovative solutions such as off-grid electricity and development of rural industries. Public-private partnerships should ensure that national food security goals are adhered to and positive trade balance is maintained. Innovative and progressive sustainable economic projects aiming at promoting rural-based industries should be encouraged.

Do we see any room for PPP in farming sector? Yes. Through the Radical Agrarian Socio-Economic Transformation (RASET) programme, KwaZulu-Natal seeks to improve the participation by small scale farmers from historically underprivileged communities in the value chain. An integrated and inclusive rural economy is needed, to ensure that those who live and work in rural areas are properly included in South Africa's development. Intensive social, economic and political drastic radical socio-economic change and practical private-public partnerships are needed, to change the face of rural areas and to overcome the legacy of marginalization and poverty.

The whole value chain development remain a core in promotion of rural based industries and has to be done with an eye on creating opportunities that will address rural poverty. Up to 1994, black smallholders were excluded from the market. This was 'planned destruction of black farmers' as put by Cochet et al.

In 2015, the evolution of dualism in the sector resulted in 2 sub-sectors developing in opposite directions:

- i) The other increasing in land concentration, 'financialisation' and 'foreignisation',
- ii) The deepening in poverty, food insecurity and marginalization with diminishing scope for creation of self-employment. For instance: in 1996, there were about 60,000 white owned farms on 87 mil ha of land countrywide, today that number has consolidated to approximately 29,000.

I will continue to emphasize a need for an integrated and inclusive rural economy to ensure that those who live and work in rural areas are properly included in South Africa's development. Intensive social, economic and political drastic radical socio-economic change and practical private-public partnerships are needed, to change the face of rural areas and to break the chain of marginalization and poverty. The whole value chain development remains a core in promotion of rural based industries and has to be done with an eye on creating opportunities that will address rural poverty.

To conclude farming should be taken serious and it is really a business. It is through initiatives like this that will bring change in farming industry. The word of warning!!
The no-go area which is created by food chain stores, time is up. Its either they play safe and open up their market or else they will suffer consequences.