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## **AFASA calls for strengthening of state-owned agricultural entities and cautions against privatization**

African Farmers Association of South Africa (AFASA) held its National Executive Council (NEC) strategic workshop on 21 and 22 January in Benoni, Johannesburg. The workshop deliberated on the state of agriculture in the country, progress on black farmer commercialization, and farmer support in general. The session coincided with the announcement of the downgrading of the Land Bank into junk status by Moody's. The agency downgraded Land Bank's long-term issuer ratings to Ba1 from Baa3.

According to AFASA Chairperson Mr 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 seriously the growth of and development of black farmers in the country. The Land Bank successfully developed commercial white farmers in colonial and apartheid eras and continues to do so in the democratic era."

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

Masithela asserts that, "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 cooperatives and farmer support entities over 20 years ago."

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 private sector in agricultural development, the exclusion of the majority and non-transformation impedes progress. 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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