

UNDERSTANDING THE LINK BETWEEN AGRICULTURE-RELATED INVESTMENTS, POLICIES, AND MEASURES WITH CLIMATE SMART AGRICULTURE

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By
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Trade and Industry
REPUBLIC OF SOUTH AFRICA



AGRICULTURE RELATED INVESTMENTS AT THE **DTI**

- **The Department of Trade and Industry (the dti) plays a crucial role in assisting the agriculture sector through use of different investments. These includes but not limited to the following;**
- **Co-Operative Incentive Scheme (CIS)**
- **Aquaculture Development and Enhancement Programme (ADEP)**
- **Manufacturing Competitiveness Enhancement Programme (MCEP)**
- **Support Programme for Industrial Innovation (SPII)**
- **Critical Infrastructure Programme (CIP)**
- **Export Marketing and Investment Assistance (EMIA)**



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2. POLICIES

2.1 Industrial Policy Action Plan (IPAP)

- A key characteristic of the agro-processing sector is its strong up- and downstream linkages. Upstream, the sector links to primary agriculture across a wide variety of farming models and products.
- Downstream, agro-processing outputs are both intermediate products to which further value is added and final goods that are marketed through wholesale and retail chains, as well as through a diverse array of restaurants, pubs, shebeens and fast-food franchises.
- The agriculture and agro-processing value chain represents an important source of labour intensive growth. In addition, this value chain is central to Government's rural development and smallholder farmer development



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- **The agro-processing sector's economic performance is closely related to the overall rate of economic growth in South Africa and key export markets. South Africa's domestic economy is expected to grow faster than those of the major developed economies and it will be important to ensure that local producers are appropriately positioned to benefit from growth in domestic demand for food, beverages and furniture**



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2.2 NEW EXPORT MARKETS

- **South Africa has an important opportunity to grow the base of its exports, particularly with respect to its value-added agricultural manufacturing exports to net food-importing countries in the near and Far East and the Gulf states.**
- **This requires the strengthening of existing export market research, market and product identification, development and matching, and an export-promotion drive that fully includes strategic domestic manufacturers.**



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2.3 FOOD SECURITY

- **the dti's role in food security is to develop the market for the products produced by the (mainly) smallholder farmers.**
- **This includes facilitating access to the formal retail market, Government procurement opportunities and small-scale, localised processing opportunities.**
- **Smallholder farmers have the potential to supply significant quantities of primary agricultural commodities and, to a lesser extent, processed produce.**



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- **A key constraint to the development of smallholder farmers is the lack of information on market opportunities, the quality standards that need to be met, and adequate scheduling and processing of production so as to supply increasingly formal markets.**
- **If these constraints are addressed, smallholder farmers have the potential to contribute to food security, rural development and enterprise development. Localisation of South African products which will promote purchasing of locally produced produce products and it will preserve and protect jobs in South Africa.**



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3. MEASURES OF CLIMATE SMART AGRICULTURE

3.1 Sustainable Consumption and Production

•SCP is about promoting resource and energy efficiency and sustainable infrastructure while offering opportunities such as creating new markets and generating green and decent jobs, such as markets for organic food, fair trade, sustainable housing, renewable energy, sustainable transport and tourism



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3.2 ORGANIC AGRICULTURE

- **Organic agriculture is a production system that sustains the health of soils, ecosystems and people. It relies on ecological processes, biodiversity and cycles adapted to local conditions, rather than the use of inputs with adverse effects**
- **the dti in collaboration with the Department of Agriculture, Forestry and Fisheries (DAFF) has built on the success of the Organic Retailer Development Programme (ORP). In the 2012/13 financial year over 146 organic farmers were certified and preparations are underway to list them with Pick n Pay**



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- **The idea behind the ORP is to link small-scale, resource-poor organic farmers and co-operatives to major retail supermarkets and thereby enable their sustainable participation in the formal retail for fresh organic produce.**
- **the dti Agro-processing Business Unit support organic farming based on an economic argument. Organic farming requires substantially less financial resources than conventional farming. Organic farming is always more labour-intensive than conventional farming**
- **Moreover, since South Africa currently imports a significant proportion of the organic food demanded by consumers, there are both import replacement and export possibilities for the sub-sector**



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