

AFASA

Land expropriation without compensation: AFASA Perspective

Key Elements

- 1. Problem and Rationale**
- 2. Context of Land ownership in South Africa**
- 3. Land Reform failures and root courses**
- 4. Why Land Expropriation without compensation?**
- 5. Which land must be expropriated?**
- 6. Who must benefit?**
- 7. Critical Goals**

Problem and Rationale

South African Demographics (2017)

Population group	% of total
African	79.2%
White	8.9%
Coloured	8.9%
Indian/Asian	2.5%
Other	0.5%

White = 8.9%

PDIs = 90.6% (Black)

Food Production

- >95% of food is produced by 38000 white commercial farmers
- <5% of food is produced by <5000 black commercial farmers

Land Ownership

- State own about 17% of the land
- Private= 83%

Individual Land ownership by Race

White = 72%

Black (PDIs) = 23%

Co-Ownership= 6%

Does not Make Sense!

Land ownership in SA: State vs Private

Province	State		Private		Unknown		State-Private		State-Unknown		Private-Unknown		Total Ha
	Ha	%	Ha	%	Ha	%	Ha	%	Ha	%	Ha	%	
EC	1 630 181	13	10 882 768	86	50 119	0	14 498	0	145	0	2 323	0	12 580 033
FS	906 043	7	12 035 538	93	4 430	0	116	0	31	0	906	0	12 947 063
GP	417 001	23	1 362 948	75	8 694	0	7 889	0	28	0	119	0	1 796 679
KZN	4 167 745	44	5 183 988	55	29 378	0	44 872	0	321	0	2 687	0	9 428 992
LP	2 896 071	23	7 751 621	62	10 879	0	7 102	0	1	0	217	0	10 665 892
MP	2 280 152	30	5 136 484	67	19 707	0	11 026	0	25	0	896	0	7 448 290
NW	2 530 193	24	7 637 572	73	2 843	0	15 627	0	2	0	1 098	0	10 187 335
NC	3 895 780	10	32 125 723	85	196 236	1	26 573	0	2	0	4 463	0	36 248 776
WC	1 193 415	9	11 682 522	89	27 726	0	16 542	0	3	0	7	0	12 920 214
Total	19 916 582	17	93 799 163	82	350 012	1	144 246	0	557	0	12715	0	114 223 276

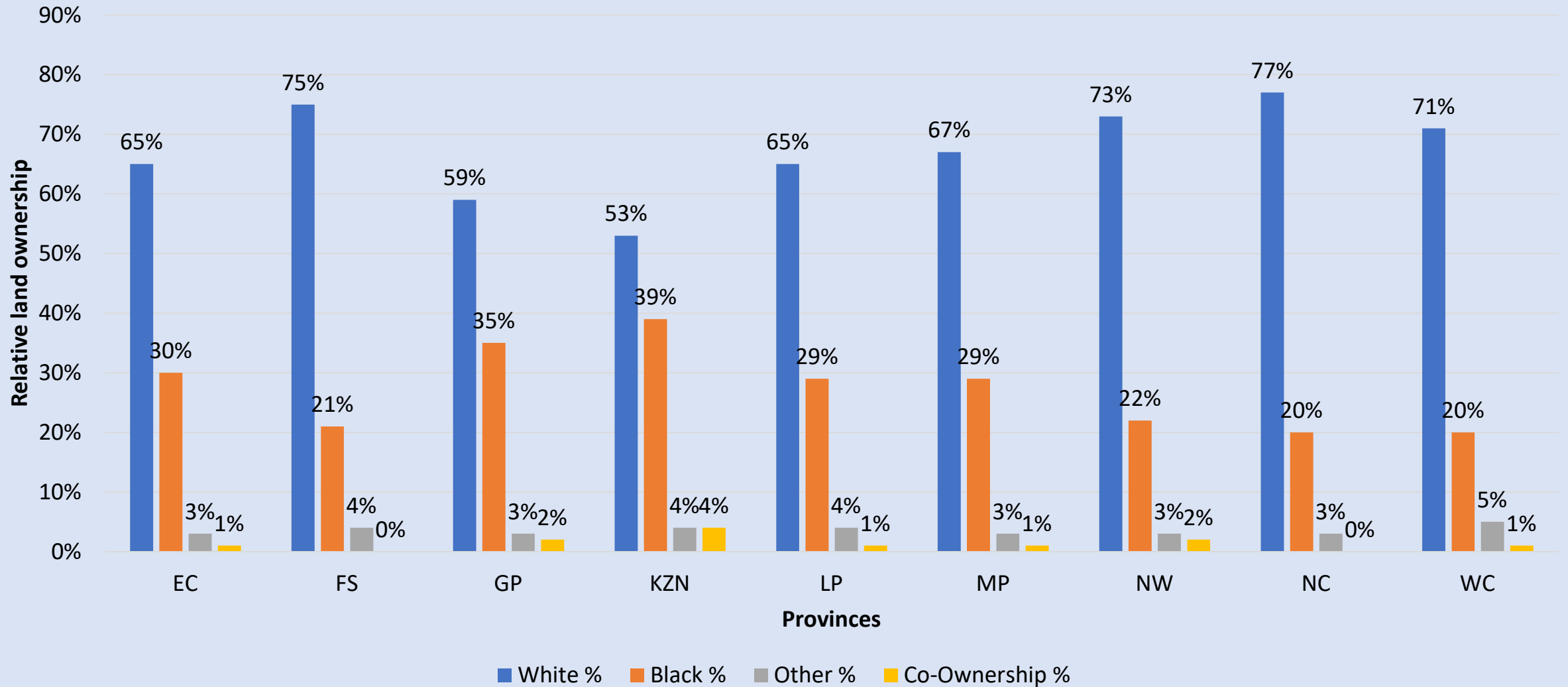
Source: Land Audit Report (2017)

Agricultural Land ownership in South Africa by race

Province	White		Blacks		Other		Co-ownership		Total
	Ha	%	Ha	%	Ha	%	Ha	%	
EC	3 007 709	65	1 409 247	30	151 849	3	42 723	1	4 611 528
FS	3 748 192	75	1 046 404	21	193 548	4	21 119	0	5 009 264
GP	275 021	59	163 195	35	15 925	3	8 528	2	462 669
KZN	853 152	53	626 433	39	72 033	4	65 875	4	1 617 493
LP	1 139 454	65	517 184	29	73 174	4	20 165	1	1 749 977
MP	967 634	67	412 164	29	41 702	3	19 652	1	1 441 152
NW	2 408 880	73	715 575	22	114 219	3	72 536	2	3 311 210
NC	11 498 449	77	3 038 376	20	414 065	3	60 112	0	15 011 002
WC	2 764 652	71	789 468	20	195 047	5	114 827	1	3 863 994
Total	26 663 144	72	8 718 046	23	1 271 562	3	425 537	1	37 078 289

Source: Land Audit Report (2017)

Agricultural Land ownership in South Africa by race



Land Reform Failures and Root courses: Since 1994

NB: There is no country in the world that has successfully implemented land reform by solely relying on the market to redistribute land

- Market failure (brought about by Willing buyer-willing seller principle)
- Most part of the land bought was marginal land
- Highly inflated prices (reliability of the untransformed Property Valuation profession)
 - NB: Commercial banks never use land reform comparable sales in making borrowing decision
- Land reform acquisition has landed itself to collusion and corruption:
 - Farmer- Desperate to sell (due to age, no successor or debt, etc)
 - Estate Agent- Interested to make as high commission as possible
 - Property Valuer- Chasing the next transaction and thus inflate the land price (relying on the Gov Official to appoint)
 - Government Official- Interested to make a quick money
- Poor state capacity to effectively implement policies
- Liberalisation of the Agricultural Sector left new (black) entrants without any meaningful support
 - Deregulation (e.g. The repeal of the Agricultural Marketing Boards)
 - Abolishing of the Agricultural Credit Board
 - Financial remodelling of the Land Bank (limited to non existent State support for the Bank)
 - Reducing budget of critical state agencies (e.g. ARC, OBP, etc)
- Water Rights
 - Linking water rights to individuals (not farms)



Why land expropriation without compensation?



- To speed up land reform
- Markets have failed to efficiently facilitate land access to blacks
- Redress imbalances occasioned by colonial and apartheid dispossessions
- De-racialize land ownership patterns in the country.
- Reduce poverty and improve food production.
- Increase participation of black people particularly, in the value chain processes.
- To deal with discontent of the ownership patterns in this country, address them.

AFASA'S POSITION ON EWC

1. Land Ownership	<ul style="list-style-type: none"> • Title deeds must be granted to farmers
2. Approach	<ul style="list-style-type: none"> • Geographical, Agro-ecological and commodity approach • Targeted / Compulsory acquisition • Proactive designated/ringfenced land for transformation/ public interest
3. Policy	<ul style="list-style-type: none"> • Comprehensive compulsory acquisition legislation (empowering the president to achieve the objectives of transformative comprehensive resettlement plan) • Establishment of land and agricultural Ombudsman
4. Finance	<ul style="list-style-type: none"> • Reposition of the land and agricultural financing institutions e.g. LB, IDC • Review and increase government incentive schemes to support black participation in the main stream of agriculture as a productive sector • Promote value chain-based financing
5. Water Rights	<ul style="list-style-type: none"> • Water rights linked to the farm • Efficient, effective and transformative application process • Investment in irrigation schemes

What land must be expropriated?

- Unused land.
- Underutilised land.
- Productive land using the “Land Ceiling” policy
- Land earmarked for restitution

NB: Land that has already been acquired by the state must be redistributed (Title deeds)

Who must benefit?

All land in the hands of state and the land to be expropriated in future must be redistributed to black farmers with title

- Current farmers.
- People who own the farms and the plots with interest in the farming.
- People who studied agriculture.
- People who work the land with intention to farm and have capacity and capabilities to farm.
- Agricultural entrepreneurs with interest in farming.
- People with agricultural skills and capabilities.
- Young people with potential for agricultural development.
- Women with interest for participation in agricultural development.

Conclusion:

EWC must address the Following Critical Goals:

Goal 1:	Transformative Comprehensive Land Resettlement Plan for Socio-Economic and Sustainable Development (NDP & MDGs)
Goal 2:	Food Security and Restoration
Goal 3:	Alignment of Land Reform with Agrarian Reform



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Thank You