

Agri Business Unit Launch

Speech by Gerrit van Rensburg, Minister of Agriculture and Rural Development,
Western Cape.

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Minister Winde; Heads of Departments, Delegates from Wesgro, ladies and gentlemen, members of the press:

Welcome to the launch of the Agri Business Investment Unit. Together with my Department, I am positive about the contribution that this Unit will make in our Province. Agriculture is one of the major income generators in the Western Cape, with close to 40% of all exports from the Province coming from this sector. Any new investment in agriculture therefore holds significant advantages to the Province.

National Minister of Agriculture, Forestry and Fisheries, Joemat-Pettersson, noted in her Budget Speech earlier this year that R1 Billion invested in the Agricultural sector is more likely to create more jobs than any other sector in the South African Economy.

We desperately need job creation in the Western Cape. But we also need to remember our task as providers of food security for our country.

Like any other sector in our economy, agriculture can only survive with continuous new investment. Orchards and vineyards need to be replaced on a continual base. New technology brings new production techniques. This necessitates investment in

new machinery and infrastructure. Consumer demand changes and we need to develop new products that they want to buy. Climate change will challenge us to adapt in our approach to agriculture. Without new investment, these actions will not take place and we would lose our competitive advantage in the global market place.

The Agri Business Unit will not work in a vacuum in this regard. I am planning to increase the Department of Agriculture's budget on Research and Technology significantly over the next five years. I believe that research and technology installs confidence in potential investors. In this manner we will work in partnership. From our side, we will make the sector as attractive as possible. Wesgrow, through the Agri Business Unit will introduce the potential investors to the sector.

This initiative also links perfectly to our new mandate for Rural Development. Rural Development is also my responsibility as Minister of Agriculture and Rural Development. With Rural Development we, as a Provincial Government, would like to see rural poverty and food insecurity halved by 2020. Realising such ambitions targets require equally ambitious strategies.

So when Wesgro tells me that it will source R150 Million through its Agri Business Unit in its first year of operations, specifically for agricultural investment, well then I get excited, as this will contribute directly to Rural Development.

We do not envisage achieving Rural Development through agriculture alone. All other departments have a role to play and each and every department of the Western Cape Government approved of the Rural Development Strategy when it was accepted in Cabinet last month.

I will ask Health what they will do in our rural areas. But I will also ask the same question to Education, Economic Development and Tourism, Community Safety, Housing and all the other departments.

Let me conclude: The Agri Business Unit is not a “nice luxury” to have in the Western Cape. It is a crucial structure, and there rests a grave responsibility on the shoulders of its officials. The agricultural sector in this Province needs you in order to remain sustainable. We need the investments to stimulate Rural Development. The investments that you bring into the agricultural sector will contribute greatly to its survival in the future. The people of this Province, but also South Africa, need agriculture in order to have dinner tonight. Thank you.