



Vrystaat Landbou
Free State Agriculture
Tsa Temo Freistata

Free State Agriculture's input into the Expropriation Bill

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Presentation layout:



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1. Who Are We and Who Do We Represent?



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- Free State Agriculture is the largest **representative organization of farmers in the Free State** province representing >50% of all VAT registered farming entities
- in South Africa we are the largest agricultural organisation in terms of individual South Africans supporting our organisation's view of the Expropriation Bill (B23-2020).
- Free State Agriculture, together with its members and individuals who supported our position, represent almost 86 000 people

2. Our Position regarding Land as mandated by our members



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- FSA rejects the Bill (B23-2020) in its current form, any amendment to section 25 of the Constitution (Act 108 of 1996) or any similar bills which may have a negative impact on any form of private property rights. **Expropriation of any form of private property without compensation is completely rejected.**
- FSA will oppose any legislation that may have a negative impact on any form of property right or expropriation without compensation of any form of private property
- **Property rights must be expanded to be accessible for all South Africans. The Expropriation Bill diminishes and threatens property rights.**

2. Our position regarding Land cont.



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- **FSA supports** future-oriented economically **sustainable agricultural development** that aims to pursue the expansion of the agricultural sector as well as food security to the people of South and Southern Africa.
- **The state must fulfil its responsibility** with regard to infrastructure, extension services and other agricultural support services in cooperation with the private sector to **help build the entire agricultural sector.**
- The state, commercial banks and other financing institutions must establish **models to provide financing that provides full title to all new entrants to agriculture.**

3. The Fears & Concerns Of Agricultural Land Owners



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Success of commercial agriculture rests in:

- Security in reward for lifelong building up of the land
- Family farmers Re-Investing for the next generation

What do farmers do if they loose their land?

Many farmers >60 – don't want to and can't afford retirement
– their life & livelihood is vested in their land

Fears & Concerns:

- Lengthy & costly legal battles fighting Expropriation claims
- Increased intimidation, perceived “rights”, crime
- Return on investment if an expropriation claim lodged

4. Specific issues in the BILL



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1. **Aim / Preamble / Purpose:** every country needs to be able to Expropriate for public purposes, but the main aim of this Bill is for Land Reform in the *public interest* only and hence we reject the Bill
2. **Definitions**
 - a) **“Expropriation”** – to much focus on acquisition by state and not on loss by owner - opens up possibility of acquiring property on behalf of third parties (Custodianship – AgriSA Minerals case)
 - b) **“Public interest”** – scrap - Expropriation should only be used for public purpose – not *“the nation’s commitment to land reform, and to reforms to bring about equitable access to all SA’s natural resources”* as is already stated in the constitution
3. **Clauses**
 - a) S.12(3) Scrap - Making provision for EWC **“not limited to”** No need to make the implicit explicit – publish widely but don’t enact!
 - b) S.8(3)h Access Courts only after expropriation already taken place

5. General Repercussions to the South African Economy & National Unity



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- Already uncertainty, downgrades, disinvestment
- A dangerous gap for EWC enacted and in the wrong hands will be disastrous for SA!
- EWC enacted will be a **drain to the fiscus** on legal battles more costly than just buying the land!
- A destruction of all property rights will cut us off from the developed world and leave us at the mercy of unreliable politicians (3 spheres of gov.) for just and equitable land allocation = instability
- Uncertainty -> Capital flight = **job losses** = more instability

5. General Repercussions to the South African Economy cont.



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- **Unrealistic expectation** created increases instability, racial tension and worsening rural crime
- **Food security** impact by devastating productive commercial agriculture at all 3 levels from back yard, to smallholder to commercial
- **Destroy people's hope** to receive title deeds and ownership of a property to call their own - to build individual and generational wealth on.
- **Prevent the transfer of skills** and **stop the goodwill** from the commercial sector to develop successful new farmers

6. A Better Way



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Remove all reference to EWC -Examples of how Expropriation could take place without compensation need **not** be enacted! Can make explicit what is implicate in the popular media!

Budget for land reform and land commissions etc. could rather just be used for **buying land already on the open market!** NB Land Audit and Register?

The best way to help those REALLY seeking land to use productively is to offer **highly subsidised (& capped) credit** for HDIs to enable them to purchase the land themselves with secure title. The repayment will scare of the opportunists.

CONCLUSION



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In the event of expropriation for any reason:

Current landowners should receive prompt, adequate and effective compensation, which will enable them to start anew somewhere else; they should not be worse-off as a result of the expropriation.

This Bill however has too many gaps that this may in fact not be the case.



Vrystaat Landbou die tuiste vir elke kommersiële boer

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Thank You!

*We proudly
provide food
to the nation*