**NATIONAL ASSEMBLY**

**WRITTEN REPLY**

**QUESTION 4366**

**INTERNAL QUESTION PAPER [No 49-2022 SIXTH PARLIAMENT]
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**4366. Mr H C C Krüger (DA) to ask the Minister of Agriculture, Land Reform and Rural Development:**

Whether small-, medium- and micro-enterprise farmers are defined in her department’s policies on the agricultural sector; if not, what is the position in this regard; if so, what are the relevant details? **NW5490E**

**THE MINISTER OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT:**

In terms of the Beneficiary Selection and Land Allocation Policy, producers in the agricultural sector are categorised as follows:

* “**Household Producer (Vulnerable)”:** Is defined as a producer or entity that produces primarily for household consumption[[1]](#footnote-1) and has limited resources and skills to operate a market-oriented production system. This category includes child headed households and households producing on communal land and commonages that are registered as indigents or they meet the criteria for registration as indigents with their municipality.
* **“Household Producer (Subsistence)”:** Is defined as a producer or entity that produces primarily for household consumption. These producers are not or would not be classified as indigents by their municipality. They may market limited surplus production with an annual turnover of less than **R50 000**.
* **“Medium Scale Commercial Producer”:** Is defined as an individual or entity that produces and sells agricultural commodities for the purpose of making a profit. These are established enterprises producing for market to make a profit with an annual turnover ranging from **R1 000 001 – R10 million)** and are eligible for VAT registration.

These categorisations are also contained and expanded on as outlined in the draft National Policy on Comprehensive Producer Development Support.

1. The word household consumption includes own use of non-edible agricultural products such as cotton etc. [↑](#footnote-ref-1)