



agriculture, forestry & fisheries

Department:
Agriculture, Forestry and Fisheries
REPUBLIC OF SOUTH AFRICA

BUDGET VOTE SPEECH

NATIONAL COUNCIL OF PROVINCES (NCOP)

BUDGET VOTE 24:

AGRICULTURE, FORESTRY AND FISHERIES

DELIVERED BY

HON. SENZENI ZOKWANA (MP)

MINISTER

06 JUNE 2018

Honourable Chairperson,
Honourable Minister Maite Nkoana-Mashabane and Deputy Ministers Mcebisi Skwatsha
and Candith Mashego-Dlamini
Honourable Deputy Minister Sfiso Buthelezi ,
Chairperson and Members of the Select Committee on Land and Minerals,
MECs of Agriculture,
Members of the National Council of Provinces,
Farmer unions and representatives of organised agriculture and other Sectoral industry
bodies,
National and Provincial officials of the Department of all ranks,
Our Public Entities,
Distinguished guests,
Ladies and gentlemen.

Honourable Chairperson,

In his State of the Nation Address, President Cyril Ramaphosa made the following observations when he outlined our government's strategic focus and I quote:

"Agriculture presents one of the greatest opportunities to significantly grow our economy and create jobs.

Agriculture made the largest contribution, by a significant margin, to the improved growth of our economy in the second and third quarters of 2017.

This year, we will take decisive action to realise the enormous economic potential of agriculture.

We will accelerate our land redistribution programme not only to redress a grave historical injustice, but also to bring more producers into the agricultural sector and to make more land available for cultivation.

We will pursue a comprehensive approach that makes effective use of all the mechanisms at our disposal.”

It is trite that the agricultural sector carries with it great potential to create employment and help stem the tide of the current high levels of unemployment in our country. The resilience of the sector during the recent outdrawn drought and its current upsurge as reflected in its contribution into our GDP growth is a testimony to the potential agriculture holds in our economy. It is agriculture that helped our country avoid a technical recession in 2017.

Honourable Chairperson,

Our mandate as government is two-fold. On the one hand, we have to grow the sector by way of various interventions such as financing the growth of small holder farmers in their diverse commodities and attract a new generation of farmers targeting the youth into the sector taking advantage of the massive technology that is beginning to dominate the sector such as robotics, drones and Space-based technologies which are now part of what is popularly known as “Smart agriculture”. Young people are interested in today’s industry disruption technologies; we must take advantage of that. We must incorporate these new technologies into the curricula of our agricultural colleges of the future.

Secondly, as government we have a mandate to use agricultural interventions to fight poverty and guarantee food security for everyone and especially to the indigent. Our Food, Nutrition Security policy elaborates our approach in this regard. Section 27 of our Constitution enjoins us to provide a social net for those who cannot have access to food and water. Statistics SA in 2017, published shocking data in the **‘Poverty Trends in South Africa’** report that over 30.4 million people (which amounts to half of the total South African population) are languishing in poverty. Simply put, one in two South Africans is trapped in conditions of deprivation and hunger. As agriculture Departments,

from both spheres, we have a mandate to fight poverty through food security programmes.

It is this duality of tasks as the Department that we must pursue with balance.

Honourable Chairperson,

I want to return to this point about young people and agriculture. Chairperson this year we are celebrating the centenary of the first president of a free and democratic South Africa, and the stalwart of our revolution, who were both very passionate about the plight of the young people. It is therefore appropriate for me to borrow from Comrade Nelson Mandela to make the point about young people. He said:

“Young people are capable, when aroused, of bringing down the towers of oppression and raising the banners of freedom”.

Honourable members the time is now to call upon the young people of our country and the continent to bring the towers of malnutrition, hunger, starvation and food insecurity. Those towers cannot be brought down without young people seeing agriculture as a vehicle to that eventuality. It is a fallacy to argue that young people do not want to be in agriculture. It is us old people who because our stereotypes do not make them understand that agriculture and agro- processing are the future of the economies of the world. We must make our young people realize that this sector is business, not just subsistence. It is the sector which need highly skilled researchers, accountants, economists, engineers, IT specialists, etc.

I was so excited when I read about a young Zambian girl, a granddaughter of Cde K K Kaunda who exchanged stethoscope for a tractor. Trained as medical doctor she understood that prevention is better than cure. A better fed nation is less likely to be sick. Dr Kaunda Tamara says:

“My next thought was how do I help my people afford better health care and be free from poverty, then I traced back to agriculture that made our lives better”, she continues, “doing farming myself would send a signal to many Zambians who think your

life can only be better if you have an official job which is not true, most billionaires in Zambia are into farming business”.

Closer home honourable members. About a month ago I met a young female farmer who is so passionate with what she is doing. Her name is Namhla Skweyiya, a food technologist turned farmer. She worked for Woolworths and decided to leave her cosy job and became a farmer. Honourable members today she supplies one of the biggest chain stores with lettuce, cabbage, herbs, green beans spinach, among others. She is just outside Pretoria. She partnered with an established farmer. They agreed on a win-win outcome. The tragedy is that she leases the land she is using at very high costs. It is thus a fallacy to argue that young people do shy away from agriculture. What she needs from us is that we make land available to her. Good story to tell and share!

Honourable Chairperson

Before I deal with this year’s budget allocation, I wish to re-iterate a warning I sounded last year that we must refrain from politicising agriculture and the challenges faced by both farmers and farmworkers alike in the sector.

Recently we have observed in the media formations such as the Afri-Forum spreading misinformation on global platforms about a genocide on White people in South Africa arising out of the current discourse on land. These claims are without foundation and as such must be exposed. I wish to take this opportunity to commend AgriSA for speaking out against this misinformation campaign by Afri-Forum. AgriSA have produced a report to the effect that claims of a White genocide in South Africa are unsupported by evidence and that farm murders in South Africa are actually on a 20-year low. It is encouraging to observe that there are White South Africans who will not let narrow opportunistic agendas to derail serious attempts to find lasting solutions to challenges experienced in the sector. This bodes very well for nation building in our country and I would, once again, like to commend AgriSA for its honesty and boldness.

Honourable Chairperson,

The total allocation for Vote 24 amounts to R7.165 billion of which R3.997 billion is allocated as Transfers and Subsidies. R2.381 billion is allocated as Conditional Grants to Provinces: Comprehensive Agricultural Support programme grant - R1.751 billion, Ilima/Letsema projects grant - R552.423 million and LandCare programme grant - R77.873 million. R1.341 billion is allocated to the Public Entities of the Department of which R1.031 billion is allocated to the Agricultural Research Council, R259.733 million to Marine Living Resources Fund, R43.239 million to NAMC, R6.608 million to Ncera Farms and R585 000 to PPECB.

The CASP and Ilima/Letsema conditional grants have been moved from schedule 4 to 5 of the Division of Revenue Act which requires that provinces must account per project on a monthly and quarterly basis. It will no longer be allocated as a grant for discretionary use but rather for predetermined projects.

The following additional amounts have been allocated as earmarked funds for:

- Food Safety and Quality Assurance: Upgrade of diagnostic and analytical laboratories infrastructure and equipment - R20.0 million
- Strengthening of Inspection and Quarantine Services - R40.0 million
- Agricultural Census – R100 million
- Development of import and exports system – R25 million
- Expanded Public Works Programme: Incentive Working for Forests - R2.284 million.

LandCare is a community based and government supported programme that seeks to optimise agricultural productivity and enhance the sustainable use of natural agricultural resources. The goals of the programme are improved food security and job creation.

The LandCare programme allocations to provinces are as follows: Eastern Cape – R10.966 million, Free State – R7.650 million, Gauteng – R5.399 million, KwaZulu-Natal

– R12.016 million, Limpopo – R12.603 million, Mpumalanga – R8.310 million, Northern Cape – R7.753 million, North West – R8.398 million and Western Cape – R4.778 million.

SKILLS DEVELOPMENT AND CAPACITY BUILDING

Government has identified agriculture as a key job driver targeting the sector to create about a million jobs by 2030, a target that can be achieved through increased youth participation in the sector. The agriculture, forestry and fisheries sectors are characterised by ageing farmer populations and a high rate of unemployed graduates. To respond to this challenge the department has developed an Agricultural Graduate Placement Programme which is implemented from this month. A total of one thousand unemployed agricultural graduates will benefit from this initiative. The objectives of the programme are to provide unemployed graduates in the sector with an opportunity to gain on-the job training. A total of 120 graduates will be placed per province in Eastern Cape, Free State, KwaZulu-Natal, Limpopo, Mpumalanga, North West and the Western Cape while Gauteng and the Northern Cape were allocated 80 graduates each.

To improve service delivery to our farming community, a Candidate Engineering Support Model has been developed and approved. This will enable candidate engineers to register with the Engineering Council of South Africa as professional agricultural engineers. This has been a challenge for most of our black engineers. All the five previously employed engineering interns have entered into a four -year contract as Candidate Engineers. At least four Professional Engineers have been appointed by my department to enhance the advisory engineering services to provincial departments.

FISHERIES DEVELOPMENT

A R100 million development fund sponsored by private sector companies was established to help small-scale fishers who have challenges with access to funding. This fund will ensure that when these small-scale fishers receive their fishing rights, they are provided with funding in order for them to fish. The fund will ensure that

government empowers small businesses entering the fishing industry in order to truly revitalise the Oceans Economy.

COMMERCIALISATION OF BLACK FARMERS

Honourable Members,

With regard to the commercialisation of black smallholder farmers, a draft commercialisation framework has been developed in collaboration with the Department of Trade and Industry. My Department is partnering with the Land Bank, Banking Association of South Africa which is made up of Nedbank, Absa, Standard Bank, FNB and Agbiz to provide blended funding and increase the participation of black commercial producers in agriculture, forestry and fisheries. The programme has started in April and is aimed at reducing reliance on grants and increase the affordability of loans to black producers.

In line with the outcomes of Operation Phakisa in Agriculture, Rural Development and Land Reform, the Department aims to create and support 450 sustainable and profitable black commercial producers participating in the Revitalised Agricultural and Agro-processing Value Chains (“RAAVC”) over a five-year period. An estimated R581.7 million was reprioritised for this purpose. The funds are ring-fenced through the Comprehensive Agricultural Support Programme and Ilima/Letsema aimed at providing a favourable agricultural environment for smallholder and black commercial producers.

The beneficiaries targeted by these Conditional Grants are household and smallholder producers that must be commercialised. The commodities to be prioritised include among others; 67 800 ha for grains, 652 ha for deciduous fruit, 2 278 ha for vegetables, 300 ha for macadamia nuts and 250 ha for forestry. A total of 9 291 jobs will be created through CASP support while 19 029 jobs will be created through Ilima/Letsema.

The following are some of the projects to be supported in this financial year:

EASTERN CAPE PROVINCE

In the Eastern Cape Province, a partnership between Grain Farmer Development Association (GFADA) and Grain SA is targeting 52 000 ha for the production of maize with an average yield of six tonnes per ha benefiting 18 333 smallholder and communal farmers.

Wool and Mohair production

Farmers in the Eastern Cape produce 90% of all South African wool and 52% of the world's mohair. Currently smallholder and communal farmers receive less than 45% of the national average price of wool. In an attempt to improve the quality of wool and the net income of the farmers, 14 multi-purpose sheds will be constructed in Chris Hani, Joe Gqabi and O.R. Tambo districts in this financial year. This project will also include a small stock dipping facility.

Macadamia development

A partnership between Land Bank and the Eastern Cape Department of Rural Development and Agrarian Reform is developing 91 ha of Macadamia nuts. This will result in 320 ha planted, benefiting the communities of Willowvale and Ncera and creating 500 jobs.

Free State Province

The biggest portion of the Ilima/Letsema budget (65%) is allocated for production input support to subsistence and smallholder producers to increase grain and livestock production. The programme will support 46 projects for the production of 2 453 ha benefiting 16 subsistence producers and 55 smallholder producers and it is expected to create 461 jobs. To achieve this, the Ilima/Letsema allocation of R 43, 341 million will be distributed between the four districts and the metro as follows:

- Xhariep district was allocated R8.550 million (19%) for sheep and ostriches;

- Mangaung metropolitan area received R9.020 million (21%) for maize, vegetables, pastures, beef, pigs and poultry;
- Lejweleputswa district was allocated R4.125 million (10%) for maize sunflower, vegetables, beef and piggery;
- R13.116 million was allocated to Thabo Mofutsanyana district for the production of maize dry beans, sunflower, vegetables, beef and piggery and;
- Fezile Dabi district was allocated R8.530 million (20%) for the production of maize, soya beans, beans, beef and sheep.

GAUTENG PROVINCE

Poultry development

The province has 80 broilers and 38 layer smallholder producers operating at 1 to 5 structures with 1000 to 10 000 chickens with only 20% sold to formal markets. This financial year, the province is focusing on increasing production capacity to 5 000 and 40 000. A total of R34, 8 million from CASP and Ilima/Letsema is set aside for poultry structures and production inputs.

Maize production

The project covers Vereeniging and Vanderbijlpark in the Sedibeng district and Bronkhorstspuit in the Tshwane metropolitan area. A total of 2 600 hectares is planned to be supported in the 2018/19 financial year benefiting 55 smallholder producers.

KWAZULU-NATAL

Irrigation development

The province will continue to support irrigation development in the Makhathini area and R25 million has been set aside for this purpose. The prioritised commodities under irrigation include maize, dry beans, vegetables, sugarcane and cotton.

Vegetable production

R37.2 million has been allocated for vegetable production in the province. This support will include construction of pack houses, fencing, irrigation systems, boreholes, dam scooping, implements and production inputs creating 1 104 jobs in this financial year.

LIMPOPO

In Limpopo, the Potato belt development project will support the development and commercialisation of black potato producers in the Capricorn district. In this financial year, five projects will be implemented and farmers will receive an irrigation system covering 100 ha. The local market for potatoes is McCain and some will be exported to Mozambique. These projects will create approximately 1 600 seasonal jobs.

Nwanedi Agricultural Development Zone

The Nwanedi Agricultural Development Zone is located within Musina Local Municipality in the Vhembe District and the area is suitable for the production of vegetables. In this financial year, R20 million of CASP funding is allocated for the installation of irrigation systems which will benefit eight primary cooperatives and the completion of the packing facility. These cooperatives supply their produce to Tiger Brands and to local retail outlets. Training programmes are underway on site and they cover production, marketing, health and safety standards and institutional arrangements. The provincial Department of Agriculture and Rural Development is in partnership with the Jobs Fund in the development of the hub. 150 irrigation sites will create 60 permanent jobs and 4 000 seasonal jobs.

MPUMALANGA PROVINCE

The Fortune 40 project in Mpumalanga will benefit 117 unemployed youth in 18 agricultural co-operatives. These projects encompassing livestock, fruits, poultry, vegetables and aquaculture production, will be put in incubation for a period of three

years. R25 million of CASP will be allocated for infrastructure development while R20 million of equitable share will fund capacity building and stipends for the youth.

Under the programme Phezukomkhono Mlimi, 2 500 households will receive seeds, fertilisers, agro-chemicals and mechanisation support for a total of 3 000 ha for the production of maize, sugar beans, dry and Jugo beans, cow peas, groundnuts and soya beans. An amount of R45 million is set aside for this purpose.

NORTHERN CAPE PROVINCE

In the Northern Cape Province, four mega investment projects were planned to increase the participation of black producers in the mainstream agricultural economy. These are the Namakwa irrigation development, Vineyards development scheme, Vaalharts revitalisation scheme and the development of Northern Cape rooibos industry.

Vineyard Development Scheme

The province is going to develop 94 ha of vineyards of the 500ha targeted for development of raisins, wine and table grapes in partnership with the National Agricultural Marketing Council. A budget of R30.7 million is set aside for this financial year for the establishment of vineyards infrastructure and inputs.

Red Meat

The province is going to invest R50.4 million on the development of red meat production focusing on construction of stock water structures.

Livestock development

The following commodities will be supported in this financial year; beef, poultry, goats and piggery. An amount of R54.330 million is set aside for infrastructure development and production inputs benefiting 3 883 farmers.

Grain production

A total of 14 925 ha will be put under production in this financial year, benefiting 695 farmers and creating 185 jobs in the Ngaka Modiri Molema and Kenneth Kaunda districts.

Horticultural production

Bojanala, Ngaka Modiri Molema, Segomotsi Mompoti and Kenneth Kaunda districts are the main horticultural production areas. An amount of R21.027 million was set aside to support 20 farmers and create 179 jobs on 145 ha in the province.

Eleven newly qualified veterinary scientists were posted to rural communities in the North West province to do their one-year community service. The deployment is meant to strengthen veterinary services and to ensure that threats to animal health and food safety are detected and dealt with as early as possible.

The province together with its partner HORTGRO has plans to increase the footprint of smallholder farmers in this sub-sector. In this financial year, 35 fruit projects will be assisted with farm infrastructure and production inputs benefiting 1 133 new and existing farmers.

Wine production

In partnership with VINPRO, the Department will support 48 existing black farmers and 23 new black farmers with the establishment of new vineyards and farm inputs and create 92 temporary jobs.

Wheat production

In partnership with the grain industry, the Department continues to work towards the development of sustainable smallholder grain producers in the Western Cape. South Africa is the net importer of wheat, currently importing around 50% of its requirements. This alone presents an opportunity to support smallholder producers to enter the wheat production space.

Epidemics

Honorable Chairperson,

The sector continues to suffer from outbreaks that affect us in many ways. After the Avian Influenza and Fall Army Worm outbreak last year, a wave of Rabies in other provinces, such as KwaZulu-Natal besieged us. Last month in May, a confirmation of the Rift Valley Fever in Free State was made. This Fever affects sheep, goats and cattle. Recently, confirmation of the African Swine Fever affecting pigs was made in Northern Cape.

Working with Health Department, we are still seized with the Listeria outbreak and are strengthening systems to prevent any future recurrence.

CONCLUSION

Honourable chairperson, the current discourse in the country and government around land expropriation without compensation, the conclusion of the parliamentary process and the implementation thereof, will impact directly upon us as a sector to scale up our efforts in driving agrarian transformation.

As the President said that this process must not undermine the agricultural productive sector, it stands to reason that we must expand our capacity working together with provincial Departments of Agriculture in strengthening our post-settlement support, mentorship and other hand-holding mechanisms so that the acquired productive land is utilised optimally.

Indeed, we are at the cusp of exciting times and yet there are many challenges for our sector. Our commitment, however, is simple: we will not fail our people. All of this work, of changing the lives of our people for the better, we do so inspired by the impetus propelled by the year dedicated to the centenary of our hero and our heroine, Tata Nelson Mandela and Mama Albertina Sisulu who would have turned 100 this year had they lived.

Thank you