



agriculture, land reform & rural development

Department:
Agriculture, Land Reform and Rural Development
REPUBLIC OF SOUTH AFRICA

SPEECH BY MS ANGELA THOKOZILE DIDIZA, MP ON THE BUDGET VOTE OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT (Vote 29), 12 MAY 2022,

Honourable Chairperson

Honourable Members

Deputy Ministers Skwatsha and Capa

Ministers and Deputy Ministers

Chairperson and Members of the Portfolio Committee

Members of our Statutory Boards and Councils

Leadership of Farmers Organisations and CEOs of Commodity
organisations

Farmers and Farm Workers

Senior Officials

Ladies and Gentlemen

THE MACROECONOMIC ENVIRONMENT

The new normal ushered by COVID-19 has meant that we execute strategies on agricultural production and food security differently. Agriculture has shown buoyancy over the past two years, growing by 13.4% year-on-year in 2020 and 8.3% in 2021. The employment figures in the sector were at

868 000 in the fourth quarter of 2021, reflecting stability over the past few years. Most agricultural subsectors in South Africa are emerging from one of the best years for the agricultural sector—the 2020/21 season. Grains, oilseeds and some fruit such as citrus saw bumper harvests, which boosted export earnings and improved farm income.

However, the economic growth experienced and the relative stability in employment are in danger of being eroded due to a number of factors, including the geo-political issues affecting agricultural trade. The current Russia-Ukraine conflict has the potential to scupper our growth, as there are real concerns about its potential impact on escalating food insecurity, since the two countries are major exporters of grains, oilseeds, fertilisers, and crude oil products to international markets.

I have established a sector Task Team, led by the National Agricultural Marketing Council team that is constantly scanning the environment and providing periodic reports on this unfolding situation and the impact on the sector in particular the escalation of food prices, animal feed and fertilisers.

Honorable Chairperson, honourable members, the intention of our land and agrarian reform has always been about redressing the inequity in terms of land ownership because of colonial and apartheid policies. We must ensure tenure security for all, empower citizens to participate in the agricultural economy and ensure integrated rural development. Our interventions in policy, legislation and programmatic intervention must bring us closer in building an inclusive society, without leaving anyone behind.

The challenges of poverty, unemployment and underdevelopment must challenge us to continuously find solutions that can respond to these challenges. Racial discrimination also had a gender dimension, it is for this

reason that women empowerment in both land and agrarian sectors should be integral.

The participation of the majority of women in the agricultural sector has always been limited to subsistence farming and working in the commercial farms, largely because land access has always been a constraint.

Government's intervention in order to correct the situation has been multi fold. Firstly, it has been about profiling women farmers who are producing for the market through Female Farmer of the year. Secondly, it was about allocating women with farms through the Pro-Active Land Acquisition Strategy (PLAS). Thirdly through department's procurement.

I wish to table the 2022/23 budget. Let me indicate from the outset that the Budget for the Agriculture, Land Reform and Rural Department is R17.3 billion. A sizeable portion of this budget is for transfers to Provincial Departments of Agriculture, as part of the division of revenue as well as transfers to Agricultural Entities.

These allocations relate to-

- a) Ilima /Letsema Conditional Grant - R610 million;
- b) CASP (Comprehensive agricultural support program) –R1,2 billion;
- c) CASP Extension Services – R304 million;
- d) Commission on Restitution of Land Rights R3,7 billion;
- e) Agricultural Research Council – R1,2 billion;
- f) National Marketing Council – R48,5 million; and
- g) Ingonyama Trust Board – R24,4 million.

I wish to thank the Portfolio Committee for their work in engaging us on our Annual Performance Plans for the year 2022/23, which outlines how we will utilise the allocated budget.

Today we are joining the world in celebrating the inaugural International Plant Health Day - raising global awareness on how protecting plant health can help end hunger, reduce poverty, protect biodiversity and the environment, and boost economic development. These objectives are critical for us to achieve the UN Sustainable Development Goals. These development goals compel us to have development that is sustainable and inclusive, without leaving anyone behind.

Chairperson, today also marks a historic moment in South Africa's Agricultural Sector. Earlier today, we signed the Agriculture Agro-processing Masterplan together with social partners. This Plan is a product of negotiations between government, business, labour and civil society organisations in the agriculture and agro-processing sectors.

The journey we have undertaken since June 2020, built on the work done since 2001 when we first developed the Strategic Plan for South Africa's Agricultural Sector, the Sector plan, Operation Phakisa and the National Development Plan. All of these processes remain important milestones that aimed at the transforming the sector, giving us a vision to which we must focus. This Masterplan is lifting our gaze to imagine the agricultural sector we want in South Africa. We want a prosperous and inclusive agricultural sector that thrives on better utilisation of its natural and human resources.

Allow me to commend Professor Mzukisi Qobo, who has diligently facilitated this compact supported by the National Marketing Council and the Research Team from BEFAP, and CCRED. My appreciation goes to leaders and representatives of farmers, agri-business, labour and government, who have tirelessly worked to ensure that we have a vision and plan that will help us attain a transformed and inclusive sector.

The process of developing the Masterplan has emphasised the multifaceted nature of agriculture in society. The representatives were diverse reflective of the sub-sectors of the industry. Such representation also highlighted the upstream and downstream linkages that are embedded in agriculture.

The Masterplan development process has once again affirmed the importance of Social-compacting, as pronounced by President Ramaphosa during his State of the Nation address. It requires commitment, patience and determination from all those who are involved. It may take long; however, the fruits derived from such a process are always rewarding.

In 2016, we commenced a process of negotiating an e-certification with the Netherlands, in order to ease the burden of inspection in support of trade. Working together with Industry, we have finally launched the e-certification on Monday, 9 May 2022. This digital tool has come at an opportune time, given the Covid-19 pandemic, where inspection across borders has become even more difficult. South Africa is now one of the few countries that will now use e-certification for trade.

The feature of transformation of agriculture in South Africa remains the change in landownership patterns, the growth of Black commercial farming and the accumulation of wealth, to improve the quality of livelihoods of people directly and indirectly impacted by agricultural initiatives. One of the important elements for transformation and inclusive growth will be the use of Public Private Partnerships (PPPs).

Our partnership with Numolux Group, on the Ceres Abattoir, through its subsidiary Numolux Agriculture, has seen us improving its production capacity to 60 tons per month for the local market. The success of this project gives us lessons on how we can revitalise some of government defunct projects.

Initiatives such as Partners in Agri-land Solutions (PALS), where there is a partnership between emerging and commercial farmers, are showing fruits in addressing binding constraints.

The development of the Mkhuze-siding, in support of small-scale sugarcane farmers of Makhathini Flats is a result of partnership between government, farmers, Transnet, KZN Economic Development Department, Tongaat Hullet and Santrans.

Honourable Members, I am raising these stories as an affirmation of the importance of partnership in resolving our country's challenges.

CLIMATE CHANGE AND BIOSECURITY

Today, it is a day to celebrate. Our very own Veterinarian Dr Gideon Bruckner, a committed civil servant who served his country and continues to do so. The World Organisation for Animal Health (OIE) will be honouring Dr Bruckner with an award of the Gold Medal. This award is in recognition of his excellent contribution to the international veterinary scientific community.

As we celebrate our excellence in veterinary services, we acknowledge the challenges that remain in our country's animal health system. Despite our efforts in containing Foot-and-Mouth Disease in Limpopo, it has shown the weakness in our governance system within the concurrence framework and the line of command. The strengthening of our vaccine production capacity is more urgent now than ever before. The Onderstepoort Biological Products Company requires deliberate support, to ensure the completion of its GMP facility. It is important to ensure that information on availability and non-availability of vaccine is given timeously to producers.

Chairperson, the intensity and frequency of extreme weather and climate events on the globe, and particularly in Africa, are expected to increase. We

therefore need to continue to strengthen the multi-hazards early warning system for our country, to preserve our development gains and minimise losses in agriculture, livelihoods, property and human life. We also need to accelerate the implementation of disaster risk reduction measures, response and post-disaster recovery mechanisms to protect our sector. The recent floods experienced in KwaZulu-Natal and Eastern Cape serve as prime examples for the implementation of disaster risk reduction measures.

There is an intrinsic link between climate change and the spread of pests and diseases. Over the past few years, we have been experiencing introduction, establishment and spread of pests and diseases into new areas. Some of the outbreaks are due to deliberate human interventions. The current outbreaks of Foot-and-Mouth in new areas such as Northwest, Gauteng and Free State is being addressed. Depopulation of affected farms in Gauteng and Free State has been completed. We are busy with depopulation in North West. I wish to thank the livestock industry for working with us in addressing this outbreak timeously.

The gravity of the challenges with FMD have created an avenue for me to have consistent sessions with the livestock industry. I have also had positive engagements with Premier Stan Mathabatha, MEC Nandi Ndalane and other relevant MECs of Limpopo, to adequately resource our strategy to address FMD control measures in Limpopo. I also had engagements with the Limpopo Provincial House of Traditional Leaders to ensure that they become part of the disease control and management mechanism. In KwaZulu-Natal, MEC Bongji Sithole-Moloi and her team have begun with the vaccination in the Disease Management Area.

In order to address the economic impact of Foot-and-Mouth Disease, the department is currently engaging with trading partners where there have

been bans on the export of products from cloven-hoofed animals. We have contacted the authorities in China on the re-opening of exports of our wool as we believe the current system utilised in the wool industry provides the appropriate level of protection required for safe trade.

In recognising the importance of biosecurity to our country and the sanitary and phytosanitary incursions we have experienced in the last few years, I established a task team of experts to investigate challenges in our animal health system and advise accordingly. The draft report has been discussed with the Ministry and the final report will be released soon. I wish to thank Dr Moephuli, Professor Kirsten, Dr Mogajane and Dr Bruckner for availing their expertise to support government's efforts in strengthening its animal health system and thereby growing the livestock industry.

BROWN LOCUST OUTBREAK

As a country, we have experienced swarms of brown locust in the provinces of Northern Cape, Eastern Cape, Western Cape and Free State that we have not seen in decades. This outbreak has had devastating impact on farmers and local communities. These will affect negatively food security, as grazing lands and crops are eroded. The government, working with industry, has been controlling using aerial spraying and training of local communities. Some of the difficulties relate to ever-changing wind directions that move these locust to different directions as we have seen them now in the Buffalo City metro. We wish to thank Kumba Iron Ore, Transnet and other private sector companies that have collaborated with us in the fight against these locusts.

INCREASED INVESTMENTS

Our programme of commercialisation of black farmers is taking shape and some green shoots of this programme are showing in Land Development

Support of farmers on farms acquired through Pro-Active Land Acquisition Strategy (PLAS). I visited Georgina Farm in the Free State last month, where Mr Dan Mosia farms sunflower on 600 ha. He narrated that in 2020, he started with 300 ha with a yield of 1.33 tons per ha. He expanded his operation to 600 ha in 2021 and increased his yield to 1.5 tons per ha. He has created 40 jobs, with youth making 40% of his workforce.

We also recognise Mr Rudzani Sadiki of the 1 285 ha Thornveld farms in Limpopo. He mainly farms with sunflower, supplemented by livestock production. In 2021, he planted 774 ha of sunflower and he has increased land under sunflower production to 974 ha in 2022. He has five permanent employees and further employs 75 seasonal staff during peak periods.

These two examples show that commercialisation is possible but we have also realised that we need to make all PLAS farms farmable.

HEMP PERMITS

Honourable members, last year in our budget debate we announced that we would open up for the application of hemp permits by October 2021. To date, 31 permits have been issued. We continue to process the rest of the applications. In order to ensure an inclusive value chain, we will be working with ARC to set up demonstration farms in all nine provinces, to ensure education of primary producers on the appropriation production technologies.

AGRI-INDUSTRIAL FUND

Agricultural financing remains the critical element in ensuring that agriculture remains the productive sector of the economy, which contributes to food security, poverty alleviation and job creation.

It is important that our financial institutions appreciate that agriculture needs patient money like other land-based industries. Production finance needs to take into consideration the variables that are inherent in the cycle of production of relevant commodities as well as risks. Non-financial services to producers are equally important in order to reduce the default rate from farmers.

The resolution of the challenges in the Land and Agriculture Bank remain important. We need to support the Board of Directors and Management in the continuous negotiations with lenders and those who hold its debt.

BLENDED FINANCE

To date, the department has transferred R400 million of the committed R1 billion grant to the Agri-Industrial Fund as per Memorandum of Agreement (MOA) with the Industrial Development Cooperation (IDC). In our first year the facility has funded nine projects to the value of R384 million. All of these projects are black owned and operated and four of these are women owned. This facilitated 229 new jobs. There are currently 31 transactions in the pipeline requiring R2.2 billion, of which R623 million is grant funding. It is envisaged that 1 371 new permanent jobs will be created through these initiatives.

In support of the Poultry Masterplan, six black owned and operated farmers have been supported. These farmers are producing one, 9 million birds a month.

MARKET ACCESS

We have concluded the signing of citrus and pear protocols to increase export of pears and citrus fruits to the China market. We are also currently

negotiating trade protocols with South Korea, Saudi Arabia and the Philippines.

BILATERAL AGREEMENTS

In the past year, we have signed technical cooperation agreements with Ghana and Cote d'Ivoire. These agreements will also create conditions for market access.

Chairperson, during this current year we will examine all bilateral agreements we have entered into in order to assess the extent to which they enhance our country's national interest.

STRENGTHENING GOVERNANCE AND ADMINISTRATION

Chairperson, in 2021, as part of our efforts to strengthen governance, administration and leadership, we appointed our Director-General in December 2021 and we have since also been able to fill positions of four Deputy Directors-General to head the following branches: Spatial Planning and Land Use Management, Rural Development, Food Security and Agrarian Reform and Provincial Operations. Capacitating the department in all respects will ensure optimal efficiency in the execution of our mandate. Within our State-Owned Entities we welcome the new Chief Executive Officer of the ARC, Dr Litha Magingxa, and we wish him well in steering our prime research institute. We are also in the process of engaging in appointing the Ingonyama Trust Board.

I thank you.