



**agriculture,
forestry & fisheries**

Department:
Agriculture, Forestry and Fisheries
REPUBLIC OF SOUTH AFRICA

**BUDGET VOTE SPEECH
NATIONAL COUNCIL OF PROVINCES**

**BUDGET VOTE 24
AGRICULTURE, FORESTRY AND FISHERIES
&
BUDGET VOTE 39
LAND REFORM AND RURAL DEVELOPMENT**

**DELIVERED BY
HON. THOKO DIDIZA (MP)
MINISTER**

25 JULY 2019

***EMBARGOED* until delivery**

Honourable Chairperson

Honourable Ministers

Honourable Deputy Ministers Mcebisi Skwatsha

Chairperson and Members of the Select Committee on Land and Minerals

MECs of Agriculture and Rural Development

Delegates to the National Council of Provinces

Leaders of organised agricultural formations and Captains of the industry

Distinguished guests

Ladies and gentlemen

“Ever since the land dispossessions of the late nineteenth century, with their accompanying violence, ‘squatting’ had become rife. Across the country there were laws regulating such settlements, but it persisted. At its heart was government policy that prohibited blacks from owning land.

Such prohibitions placed Africans living on farms at the mercy of farm owners. It became the norm that dispossessed Africans served as labourers for the land owners-hence the emergence of ‘labour tenants’ as a distinct category of farm dwellers. It was this practice that Seme decried.

It encouraged indolence among the farmers. He argued that it exploited workers. Seme called for the abolition of labour tenancy,

an evil associated with squatting. No one should pay with their labour. Workers should be paid in cash or in kind. Where payment was in kind, 'there should be a definite cash basis, that the farmer will allow each native to plough so much land, the value of which will be so much in cash, or, if it is a beast, of such and such a value'. To prevent worker abuse, Seme proposed the registration of labour contracts.

"The Land is ours by Thembeke Ngcukaitobi

Honourable members I have quoted at length from the book” ***The Land is ours.***” By Advocate Thembeke Ngcukaitobi. Ngcukaitobi tells a story of dispossession from a legal vantage point. He looks at the myriad of laws and policies that were promulgated to subjugate the Africans. In the same book he tells the story of how Black Lawyers tried to use the law to change the circumstances of those who were disenfranchised and dispossessed.

The story of Labour tenancy as narrated by Ngcukaitobi remains an unfinished business to this day. It is for this reason that we need to work together with those who are affected, the organisations that supports them to find closure and a permanent solution to this painful legacy of our past. As we can see from the book of Ngcukaitobi how the law was used to anchor the then system of colonialism and apartheid, it is important that we as the legislators of the democratic dispensation use our collective power of law making to rewrite a positive history of building an equitable and just South African society.

As a department, we have prioritise the resolution of Labour tenants claims as per our statues to ensure that indeed we can address their land rights not only in law, but also in how they can utilise that land for their livelihoods.

SONA COMMITMENTS ON LAND

In his State of the Nation Address in June this year, President Cyril Matamela Ramaphosa opened with a quote of Sol Plaatjie just after the promulgation of the 1913 Native Land Act once again reminding ourselves of the legacy of our past that continues to haunt us to this day. President Ramaphosa went further to once again affirm the need for us as a country to deal with this past in order to heal our wounds as a society. As a commitment on behalf of government he indicated that government will rapidly release the land that is in its hands for human settlement and agricultural development.

The President's resolve on the land question builds on the work that he has done in the past administration. He had set up the Inter-ministerial committee on land whose task will be to coordinate the execution of our land and agrarian reform by ensuring that there is closer cooperation amongst departments that have land related function in their sphere of operation.

In the past administration, President Ramaphosa appointed an Advisory Panel on land and agrarian reform. At the centre of the work of the panel was to look at the constraints that face us in the execution of the current program of land reform as well as identifying what can be done to

resolve those looking at institutional mechanisms, funding and implementation.

As the Ministry and Department of Agriculture, Land Reform and Rural Development ours will be to ensure that this commitment is realised. In order to do this work we will fix and build our institutions and position them to be fit for purpose. We need leadership and diligence at the helm of our organisation. We need to be responsive to what our people say and rekindle the spirit of Batho Pele to become once again a leading reality in our day to day work. Most importantly we need to be ethical in our conduct and not steal from our people and remember that what is entrusted to us is not ours, but for the people we serve. (akusiko okweftu, ngekwe banftu).

Chairperson, Honourable Members, In tabling vote 24 and 39 we need your support, because the budget is an instrument through which we can attempt to address the challenges of landlessness in our country and the productive use of the land for human settlement, industry development and agriculture.

Honourable members, Land has a multifaceted function in any society including ours. It is an economic asset from which we build industries. It also supports food security and livelihoods. It is the space in which we build our homes and through which we can build integrated Human Settlements.

Therefore land reform in our country should not be seen as a vehicle for agrarian reform alone, but rather a program through which we can change our special patterns that move us towards integrated

settlements. It is through better allocation of land that we can attract industrial development in our townships and rural areas thereby addressing the challenge of underdevelopment.

Chairperson ,Honourable Members in tabling our Annual Performance Plans to the Select Committee we indicated that there will be some shifts on the budget as we proceed as a result of the macro-organisation of the State. Secondly, there will be shifts and emphasis on certain functions so as to indicate the priorities of the sixth administration as outlined by the President.

Chairperson, Honourable Members I wish to inform you that the reorganisation process is already on course. We have signed a memorandum of understanding with my colleague the Minister of Environment, Fisheries and Forestry in order to ensure that we manage decision making collectively. Various work streams are already in place that are looking at a number of functional areas in a bid to fulfil the reconfiguration requirements.

Honourable Members, bringing together the department of land reform, rural development and agriculture will indeed ensure alignment, discarding duplication and maximising human and financial resources that we have.

This process will also ensure that we identify necessary partnerships that can be used to improve our delivery model to the farmers. Given that land is a national function with provincial foot prints, it will be of value in complementing the work of provincial departments and districts.

This will require strong intergovernmental framework between ourselves at a political and administrative level.

In our first meeting with the Members of the Executive Council of Agriculture we have agreed on the need for cooperation. We also noted the importance of agriculture as an economic sector that can contribute both to job creation and economic growth. We have highlighted the need for attracting young people and women in the agricultural value chain. It is therefore important that we develop a strong intergovernmental system.

Honourable members we have also agreed that we need to work closer together with our public entities supporting the department and the sector.

Vote 39: Land Reform and Rural Development

Chairperson, vote 39 will remain largely unchanged in terms of its functions, however emphasis will be put on certain areas that needs attention and aligned to the priorities as set out by the President. Honourable Members we will build on the work that has already been done. Agri-parks as a system has certain key elements such as famer production support centres which is like a one stop shop that supports primary production. Secondly, production hubs that will address processing and manufacturing at a local level. Obviously the scale of such operations will be dictated to by volumes that will be produced.

1. The Rural Development which can act as a catalyst in fighting poverty and underdevelopment in these areas will focus on the following:

1.1 Rural Infrastructure

- a) Our budget will focus at building infrastructure that will support farmers production units located in the 44 districts of our country. In this current financial year, we will focus on some districts and make sure that the critical infrastructure required to make Farmer Production Support Units (FPSU's) functional is in place. One such example is in Makhuduthamaga in the Province of Limpopo.
- b) Social infrastructure such as rural roads working with districts and municipalities will ensure that we compliment what is being done by this local sphere.

1.2 Farmer Production Support Units

Honourable members in order to support farmers in our rural areas in particular those in communal areas we need integrated services that will make their enterprises work. Mechanisation support, implements, vaccines, dipping services, handling pans, extension services are of necessity. We will ensure that we focus on twenty seven of these and make them fully functional by ensuring that services are easily accessible to them.

Land Restitution:

We will be focusing on the Land Restitution cases that have not been resolved since 1998. Honourable members, this area of work is very complex. It involves a lot of research and investigation of such claims and also manages the negotiations on the acquisition of such land. Given the fact that post settlement policy was never clear where it

resides, the Land Restitution Commission found itself having to address this matter albeit in a limited way owing to available resources.

The current reality is that we remain with legacy projects in our book where some claims did not receive support owing to finances. Remaining in our portfolio of claims are those cases that are complex and yet hold the promise for re-energising our rural landscape. Most of them are rural and others are in protected areas. Their settlement will require a lot of negotiation with claimants and other related departments to ensure that the beneficiaries can get the best economic benefits after such claims have been resolved.

Honourable members it will be amiss of me if I do not indicate the challenges that we face in larger proportions within claimant communities in particular the governance of land by Communal Property Associations (CPA's). In the recent past there have been negative publicity and violent protests which does not augur well for all of us. We will urge the legislators to prioritise the amendments we will be bringing on the CPA Legislation. We have earmarked resources for the training of CPA's on their responsibilities and mandates. Some of these resources will ensure that we put regulatory mechanisms in place in order to ensure that community's interests are safeguarded and not plundered by those they had entrusted with the responsibility to hold the land in trust.

Honourable members, taking from the injunction of the President in his state of the nation address we will work at district levels in order to make a meaningful impact where our people live.

Vote 24 Agriculture

Engagement with Agricultural Industry

Chairperson, honourable members we need to envision an inclusive agricultural sector in our country. We need to ensure that we work together to deliberately increase the market share of black producers in the various sectors of the agricultural economy be it at a primary production level or in the agribusiness industry.

Market Access and Trade

Chairperson, Honourable Members market access and trade is very critical in growing our economy as well as improving incomes for farmers and those within the agricultural value chain. The increase in market for beef in countries such as China bode well for our industry, however it means increasing our production areas as well as improving the animal health of our cattle. The market opportunities in the Middle East remain an important area of focus. Fruits and other perishable products as well as other commodities whose value have been added through processing require market opportunities.

Honourable members, our country is amongst those that have signed and ratified the Continental Free Trade Area. It is therefore important that we undertake detail plan of implementation working with industry and organised labour. We are working very close with the Minister of Trade and Industry in this area and others that cut across the two departments.

Increased market access also need to be supported by cutting age agricultural research. We are proud that we have instruments such as the Agricultural Research Council (ARC) that have been doing excellent work in support of the sector. The development of other wheat varieties with more yields will ensure that we increase our capacity in the wheat production. The drought resistant maize seed will ensure that those in water scarce areas are able to plant. This speaks to farming smart ensuring that we exploit technology and research for the betterment of the lives of our people.

Budget Allocation

Chairperson, it is a privilege for me and the department to present Budget Vote 24, which currently stands at seven billion six hundred and sixty five million rand (R7 664,9 billion).

Of this total allocation, four billion two hundred and eighty three million rand (R4 283 billion) is allocated as transfers and subsidies. An amount of two billion three hundred million and eighty one thousand rand (R2 381 billion) will be transferred to provincial departments of agriculture as conditional grants and the allocations are as follows:

- Comprehensive Agricultural Support Programme (CASP) = R1, 538 billion
- Ilima/Letsema projects = R583,359 million
- Land Care Programme = R82 234 million.

Allocations to public entities under the department are as follows:

- Agricultural Research Council (ARC) = R954 793 million
- National Agricultural Marketing Council (NAMC) = R45 251 million.

Comprehensive Agricultural Support Program

For the 2019/20 financial year R1 538 billion has been made available and will be directed towards PDA's to ensure that farmers are supported with production inputs, mechanisation, on and off-farm infrastructure, training and mentorship, market information, extension and advisory services and SA-GAP certification.

The beneficiaries targeted by these conditional grants are vulnerable households, youths, women and people with disabilities in particular, smallholder producers and black commercial farmers in distress.

As part of the shifts and prioritisation in the budget in line with the direction of the sixth administration, engagement with the provinces we will ensure that such resources are directed towards those areas which are in line with the program.

On farm infrastructure remain a challenge that must be addressed. In order to ensure that more land is made productive, it will be important to

align some of these support measures towards land reform beneficiaries and farmers in communal areas.

Honourable members, in maximising our support we will ensure that there is alignment between the various financial instruments that are in Rural Enterprises Agriculture grants and Provincial Agricultural Budgets.

National department will have to strengthen its capacity for monitoring and evaluation as well as setting standard procedures for application of such funds. Norms and standards need to be developed to ensure strict compliance.

Provincial Impact on National Grants

Chairperson, Honourable Members, It is important to reflect a bit on the nature of programs and their impact at Provincial Level. This reflection is important in order to see how resources at National Level through the division of revenue grants can leverage provincial allocations.

The provincial department of Limpopo has targeted the creation of 5 500 work opportunities within its baseline budget allocation for different programmes and projects. With a funding of R7 686 million from the EPWP Incentive Grant in the 2019/20 financial year, we will continue to create temporary jobs for the unemployed residents of the province.

Mpumalanga

Chairperson, with regard to the provision of the on-and-off farm infrastructure, the Department of Agriculture, Rural Development, Land

and Environmental Affairs has managed to establish and renovate dipping tanks and veterinary clinics, fencing of agricultural land, irrigation infrastructure and water development facilities in most of the identified schemes. In addition, the province provided farmers with broiler houses and animal handling facilities to increase animal production levels.

As part of our efforts to bring the youth into mainstream agriculture, the department of Agriculture in Mpumalanga has continued to put infrastructure on farms identified for the Mpumalanga Young Farmer Incubation Programme called (Fortune 40). Currently, 21 sites are already in operation and benefiting the provincial youth. In addition, the department rolled out the graduate programme to benefit unemployed graduates by allocating them to existing farms. This programme benefited the farmers and graduates in the form of experiential training and skills from the graduates respectively. The department continues to provide mentorship, accredited and non-accredited training to farmers.

Western Cape

The sub programme Land Care implemented 57 projects during the year to the value of R10, 682 million of which R4, 778 million was from the Land Care Grant and R5, 904 million from provincial funding. The Western Cape Department of Agriculture's Land Care sub programme lead the way in Sustainable Resource Management at the National Land Care Awards in National Land Care Conference organised by DAFF. The provincial department also successfully lobbied for a further R41, 9 million projects for drought interventions in the Western Cape.

Risks in Agriculture

Agricultural production in the Arid Zone such as ours requires that we develop adaptation plans that will ensure that we are prepared for climate change and its impact.

It may be necessary that we reflect seriously on agricultural insurance. This will ensure that farmers make their contribution as we all do for cars and other household items to prepare for any eventuality. The budget instrument can never be adequate to support farmers against disasters caused by natural elements be they flood or drought.

Honourable members, we commit to work with you as public representatives responsible for oversight and making the Executive accountable. I wish to table vote 24 and 39 for your approval.

I thank you.