



agriculture, land reform & rural development

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

FREQUENTLY ASKED QOUESTIONS

1. Where does the concept of Agri-park originate and why are they important for rural development?

- The concept for Agri-park draws from existing models both, locally and abroad, including educational/experimental farms, collective farming, farmer-incubator projects, agri-clusters, eco-villages, and urban-edge allotments and market gardens.
- These models may exist on both public and private lands. Agri-parks can serve as transition zones between urban and agricultural uses.
- The term evokes the traditional model of an agricultural business park or hub, where multiple tenants and owners operate under a common management structure.
- Agri-parks provide networks of contacts between producers, markets and processors, but also provide the physical infrastructure required for the transforming industries.
- The focus of the Agri-park is primarily the processing of 'agricultural products' (and the mix of 'non-agricultural' industries may be low or non-existent). Of prime importance will be linkages between the parks and surrounding agricultural land for production;
- The Agri-park approach will include the selection and training of smallholder farmers, as well as selecting farms per province for the placement, incubation and training of unemployed agricultural graduates and other agro-entrepreneurs
- The Agri-Park Programme forms part of Government's undertaking to review all land reform policies as enunciated in the 2011 Green Paper on Land Reform and the support that needs to be provided;
- The model will have a strong social mobilisation component so that black farmers and agri-business entrepreneurs are actively mobilised and organised to support this initiative.

- The DRDLR's strategic partnerships with key government departments such as the Department of Agriculture, Forestry and Fisheries and the Departments of Cooperative Governance and Traditional Affairs, the Department of Trade and Industry, the Department of Water Affairs and Sanitation and other spheres of govt.
- State land will be used for both production and processing (the 25 state farms per Province, linked to the DRDLR's Animal and Veld Management Programme).

2. What are the strategic objectives of Agri-parks?

- Establish Agri-Parks in all of South Africa's District Municipalities that will kick start the Rural Economic Transformation for these rural regions;
- Promote growth of the smallholder sector by contributing to the 300 000 new small-scale producers, as well as to the 145 000 new jobs in agro-processing by the year 2020 (as set out in the NGP);
- Promote the skills of and support to small-holder farmers through the provision of capacity building, mentorship, farm infrastructure, extension services, production inputs and mechanization inputs;
- Enable producer ownership of the majority of Agri-Parks equity (70%), with the state and commercial interests holding minority shares (30%);
- Bring under-utilized land (especially in Communal Areas Land and land reform farms) into full production over the next three years, and expand irrigated agriculture; and
- Contribute to achievement of the NDP's "inclusive rural economy" and target of 1 million jobs created in agriculture sector through creating higher demand for raw agricultural produce, primary and ancillary inputs, as well as generating increased downstream economic activities in the sector

3. What are the principles on which the establishment of Agri-parks are based?

The establishment of Agri-park need to adherence to the 10 principles guiding their development with vigor:

- One Agripark per District (44).
- Agri-parks must be farmer controlled.
- Agri-parks must be the catalyst around which rural industrialization will takes place.
- Agri-parks must be supported by government for a period of 10 years to ensure economic sustainability.
- Strengthen partnership between government and private sector stakeholders to ensure increased access to services (water, energy, transport) and production on the one hand, while developing existing and create new markets to strengthen and expand value-chains on the other.
- Maximise benefit to existing state land with agricultural potential in the provinces, where possible.
- Maximise access to markets to all farmers, with a bias to emerging farmers and rural communities.
- Maximise the use of high value agricultural land (high production capability).
- Maximise use of existing agro-processing, bulk and logistics infrastructure, including having availability of water, energy and roads.
- Support growing-towns and revitalisation of rural towns, in terms of high economic growth, high population growth over past 10 years and promote rural urban linkages.

4. What is the definition of an Agri-park in the South African context?

An Agri-park is a networked innovation system of agro-production, processing, logistics, marketing, training and extension services, located in District Municipalities. As a network it enables a market-driven combination and integration of various agricultural activities and rural transformation services. The AP will comprise of three basic components:

- The Farmer Production Support Unit (FPSU). The FPSU is a rural outreach unit connected with the Agri-hub. The FPSU does primary collection, some storage, some processing for the local market, and extension services including mechanisation.
- Agri-Hub (AH). The AH is a production, equipment hire, processing, packaging, logistics and training (demonstration) unit.
- The Rural Urban Market Centre (RUMC). The RUMC has three main purposes;
- Linking and contracting rural, urban and international markets through contracts.
- Acts as a holding-facility, releasing produce to urban markets based on seasonal trends.
- Provides market intelligence and information feedback, to the AH and FPSU, using latest Information and communication technologies.

5. What other activities could be found in a Farmer Production Support Unit?

A Farmer Production Support Unit (FPSU) can start out very small, on a farm, but may grow, overtime, into a fully fledged stand alone facility. Below are a few activities that are proposed to be located at the FPSU.

Clarification of terms: FPSU

Farmer Production Support Unit (FPSU): Are Centers (more than one per district) of:

- Agricultural input supply control, in terms of quality, quantity and timeous deployment of inputs.
- Extension support and training, using Universities, agricultural graduates and Narysec working in symbiotic relationship to "hold-hands" with farmers over the next 10 years.
- Mechazation support (tractor driving, ploughing, spraying, harvesting etc.).
- Machinery, servicing workshop facilities.
- Local logistics supprt, which could entail the delivery of farming inputs, transportation post-harvest, transportation to local markets.
- Primary produce collection.
- Weighing of produce and stock.
- Sorting of produce for local and other markets.
- Packaging of produce for local markets.
- Local Storage
- Processing for local markets (small scale mills etc).
- Auction facilities for local markets.
- Provide Market information on commodity prices (ICT).
- Farmers wanting services and support from the FPSU will register with FPSU of their choice.
- Small Business Development and Training center.
- Banking.

- Fuel (energy center).

6. What activities could be found in an Agri-hub?

An Agri-hub (AH) focusses primarily on agro-processing, but will also house innovation centers, training facilities, district wide administration facilities and larger logistic centers and storage facilities, below is a non-exhaustive list of the possible activities that could be found at a AH. At this stage there is only one Agri-hub designated per District Municipality.

Clarification of terms: AH

Agri-hub: Agri-hubs are located in central places within a District Municipality, preferably places both sufficient, physical and social infrastructure to accommodate:

- Storage/warehousing facilities; cold storage, dehydrators, silos etc.
- Weighing facilities.
- Agri-processing facilities; ginners, mills, abattoirs,
- Enterprise development areas that lease space to high intensity start-up industries that can benefit from the inputs of outputs of the Agri-hub, i.e. piggeries, tunnel grow crops, bio-gas production, etc.
- Large scale Nurseries to supply FPSUs.
- Packing facilities for national and international markets.
- Logistics hubs for collection of goods from the FPSUs
- Transport service workshops and spare parts for larger maintenance tasks of Agri-hub and FPSU equipment.
- Agri-cultural technology demonstration parks to train farmers in AP catchment area on new technologies in terms of fertilizers, plants and seeds, irrigation, energy use and farm implements.
- Soil testing laboratories.
- Accommodation for extension training and capacity building programmes.
- Housing and recreational facilities for workers and Agri-hub staff.
- Business, marketing and Banking facilities, (ICT).

7. Where would I be most likely to find a Rural Urban Market Center?

The Rural Urban Market Center (RUMC) type facility will be located on or in a Metropolitan area. The reason for this is that it is these areas that create the market for the farmers. It is envisaged that Agri-hub (one per district) will share services provided at the RUMCs.

Clarification of terms: RUMC

A Rural Urban Marketing Center (RUMC): RUMCs are located on periphery of large urban areas, these facilities provide:

- Market intelligence
- Assist farmers, processors in managing a nexus of contracts
- Large warehousing and cold storage facilities to enable market management
- Logistic and transport in collection from FPSUs or Agri-hubs
- Both FPSU's and Agri-hubs provide inputs to RUMC
- Agri-parks share RUMCs

8. Where are Agri-parks found?

- Agri-parks are found in all 44 Districts of the Country. It is important to remember that an Agri-park covers the entire district and links farmers to farmer production support units and in turn connects the farmer production support units with Agri-hubs where processing takes place and also with Rural Urban Market centers where the products are sold to markets.
- The Agri-park model has been designed to be flexible and adaptable to many different spatial scenarios. The Smallholder farmer's needs are central to the Agri-parks design, and the Agri-park network creates the backbone for relationship building and innovation between supplier of inputs, farmers, agro-processors, buyers and market (the consumers).

9. Where are the Agri-hubs found?

Agri-parks are found in all 44 Districts of the Country, and are at different stages of development. The table lists the various District Municipalities and the proposed areas in which the Agri-hubs will be located in close proximity too.

10. Why are there 45 Agri-hub sites and only 44 Districts?

The Mangaung Metro encompasses the area of Thaba Nchu that was a larger homeland area under the apartheid regime. This area has been identified as an area of special need and has for this reason been included as a priority area to be developed as and Agri-Hub.

11. What type of farmers can use the facilities provided by the Agri-park?

All farmers can use the services and facilities provided by Agri-parks. CF can use the Agri-park as depicted below. However due to their existing experience and product volumes they may choose to enter the Agri-park network at the Agri-hub or the Rural Urban Market Center, and may opt not to register with the Farmer Production Support Unit, as depicted in the diagram below. It must be noted that the large Commercial Farmer may choose not to use any the services or infrastructure provided in the Agri-park network. On the other hand, the Small Holder Farmer will be encouraged to register and use as many of the offerings provided by the Agri-parks network, in order improve market access through bulk buying (reduced input costs), mechanization support, multi-risk insurance support, improved market information, transport support, business service support and extension support. The efficiency of the Agri-parks network will determine its use by farmers.

1. What is fraud?

Fraud is defined as "the unlawful and intentional making of a misrepresentation which causes actual and or potential prejudice to another". The elements of fraud are:

- Misrepresentation (failure to disclose the truth)
- Unlawful (wrong or against the law)
- Prejudice (harm to victim)
- Intention (foreseen results)

2. What is corruption?

Corruption is defined as any conduct or behaviour, in relation to persons entrusted with responsibilities in public office, which violates their duties as public officials and which is aimed at obtaining undue gratification of any kind for themselves or for others.

"Gratification", includes –

- a) Money, whether in cash or otherwise;
- b) Any donation, gift, loan, fee, reward, valuable security, property or interest in property of any description, whether movable or immovable, or any other similar advantage;
- c) The avoidance of a loss, liability, penalty, forfeiture, punishment or other disadvantage;
- d) Any office, status, honor, employment, contract of employment or services, any agreement to give employment or render services in any capacity and residential or holiday accommodation;
- e) Any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part; and/or
- f) any forbearance to demand any money or money's worth or valuable thing.

3. Who is most likely to commit fraud?

Any person can commit fraud or corruption, irrespective of rank or position.

4. Why are we most likely to commit fraud?

- Living beyond one's means;
- Experiencing financial difficulties;
- Addiction problem;
- Greed fuelled by "Bling Bling" culture;
- Undue family or peer pressure;
- Excessive gambling habits; and
- Feeling of being underpaid and overworked.

5. Forms of corruption

- Bribery

It involves the promise, offering or giving of a benefit that improperly affects the actions or decision of the recipient.

- Cover quoting

It involves actions to ensure that a pre-determined service provider wins the bid by a form of collusion between the procurement officer and the service providers.

- Kickbacks

It refers to a part of an income paid to a person having influence over the awarding of a tender by illegal arrangement.

- Abuse of power

It is when a person in a higher position uses that position to improperly influence decisions that are made.

- Nepotism

A person in a position of influence favours one person over the other based on, but not limited to, relationships; ethnic group etc and does not use prescribed criteria to make a decision. This is usually based on personal preference.

- Conflict of interests

An official considers tenders for a contract and awards the tender to a company of which his/ her partner is a director.

- Favouritism

It occurs when a public servant favours relatives and friends, rather than applying an objective evaluation of the suitability of the candidate.

- Embezzlement

It involves theft of resources by a person entrusted with authority and control of such resources.

6. Fraud and corruption misconduct cases

FINANCIAL YEAR	NUMBER OF CASES	OUTCOME OF FINALISED CASES
2010/2011	6	Dismissal
2011/2012	5	Dismissal
2012/2013	10	Dismissal
2013/2014	19	Dismissal

7. Why must I report fraud and corruption?

8. Where do I report corruption?

An employee who has a concern or suspicion about any act of misconduct or impropriety must raise such with his/her supervisor or senior manager. This may be done verbally or in writing.

An employee who is unable to raise his/her concern or suspicion with his/her supervisor or senior manager, e.g. because the supervisor and/or manager is involved in the alleged act of misconduct or impropriety or does not take any action when the matter is reported to him/her, may raise it with either;

- The Chief Risk Officer;
- The Chief Audit Executive; or
- The Director: Labour Relations.

Alternatively any act of misconduct or impropriety could be reported anonymously to the National Anti-Corruption Hotline.

If the above does not satisfy you, you can also report the matter to the Auditor-General; or the Public Protector.

A member of the Senior Management Services (SMS) to whom an impropriety has been reported, has a duty to report the matter to the Chief Risk Officer and the Chief Audit Executive. Improprieties may be reported anonymously, although it is preferable to provide your name and contact particulars, as this simplifies follow-up queries. The Department has a register in which all improprieties reported will be recorded, and the person who reports the impropriety will receive a reference number which must be quoted if the person makes follow-up queries.

DESIGNATION	E-MAIL ADDRESS	CONTACT	NATURE OF REPORT
Chief Audit Executive	CJDelaRouviere@ruraldevelopment.gov.za	Tel: 012 312 8362 Fax: 012 320 5703	Action
Director: Labour Relations	KNewaj@ruraldevelopment.gov.za	Tel: 012 312 9205 Fax: 012323 8261	Action
Chief Risk Officer	PLukhwareni@ruraldevelopment.gov.za	Tel: 012 312 9705 Fax: 012 326 0354	Action

Alternatively you can report anonymously to the NACH toll free number 0800 701-701, which is available 24/7 in all eleven official languages or fax to 0800 204-965.

The NACH is independently managed by the Public Service Commission (PSC), which derives its mandate from sections 195 and 196 of the Constitution of the Republic of South Africa, 1996.

The PSC is tasked and empowered to, amongst others, investigate, monitor and evaluate the organisation and administration of the public service.

If the above does not satisfy you, you can also report the matter to the Auditor-General on Tel: 012 426-8000 Fax: 012 426-8257

OR

The Public Protector on Tel: 012 426-8000

Fax: 012 362-3473 / 086 575-3292

Toll Free: 0800 112-040

1. What is the Department's vision for the development of rural areas in South Africa?

The Department's vision, as encapsulated in the Comprehensive Rural Development Programme (CRDP), is to create vibrant, equitable and sustainable rural communities. CRDP includes redistributing 30% of the country's agricultural land; improving food security for the rural poor communities; creating business opportunities; de-congesting and rehabilitating over-crowded former homeland areas; and expanding opportunities for women, youth, people with disabilities and older persons who stay in rural areas.

2. How will this vision be attained?

This vision will be achieved through a three-pronged strategy based on the following elements:

- A coordinated and integrated broad-based agrarian transformation;
- By strategically increasing rural development; and
- An improved land reform programme.

3. Why the CRDP?

The government has asserted that the fight against poverty still remains the cornerstone of government's focus, and that a new economic and developmental trajectory is necessary for the country to address food insecurity and poverty in the country, especially in the rural areas. Rural development thus became one of five priorities of government. Consequently, a Ministry of Rural Development and Land Reform was established to deliver on this mandate.

In the context of "continuity and change", the Department, building on the successes of the past, has embarked on new ways of ensuring that South Africans living in rural areas can have similar opportunities and enjoy dignity promised by our Constitution, hence CRDP

4. How will the CRDP achieve this?

The CRDP undertakes rural development in three phases.

The first phase: Job creation is central to this phase, hence the CRDP commits itself to ensuring that at least one person per a rural household gets employed, for a minimum period of two years, either in projects identified by communities for socio-economic development or in industries that emerge as a result of CRDP intervention.

The participants to the abovementioned projects, enter into an training contract (contracts cover training and development - participants commit themselves to a minimum of two years of unbroken engagement, 50% direct contribution of earnings to respective household and an exit strategy to ensure sustainability beyond the contract).

The second phase – with its horizon on the medium term – is the entrepreneurial development stage, characterised by relatively larger-scale infrastructure development as a driver. As such, it focuses on rural livelihoods and food security and is anchored on, amongst others, fencing, bi-focal projects, integrated cropping and livestock with complete value add. The catalyst for this phase includes entrepreneurial training, development and formation; integration of indigenous knowledge systems with appropriate modern technology; cooperative system production; economic and financial services sectors development.

The third phase – the medium to long term – is essentially the stage of the emergence of industrial and financial sector, driven by small, micro and medium enterprises and village markets. Some of the key catalysts for this phase include the leveraging of the supply side (production discipline in feeder-sectors), processing plants, and village markets anchored by ICT infrastructure and skills, consumer co-operatives, credit finance facilities, public and social service hubs in villages around emergent industrial and financial sectors.

5. How sustainable is the CRDP?

The sustainability of CRDP is critical. To this end, the department has developed an institutional framework which places the President of the Republic as the political champion of the programme and the Minister for Rural Development and Land Reform as the national political champion. At the provincial level, the Premiers are the provincial political champions and at the local level the MECs and the mayors are the local political champions. Directors-General and the Heads of Departments in provinces are the technical champions of the CRDP. A council of Stakeholders - located within the Offices of Premiers in the provinces and consisting of, amongst others, representatives from Government Departments, business, NGOs, traditional leaders, community and ward committees, etc – steers the programme at the local level, has an oversight responsibility and is a jealous guardian of progress, sustainability and compliance to the rules and spirit of the programme.

6. Does government has the resources to pull this off on its own?

It is important to emphasise that the vision of vibrant, equitable and sustainable rural communities cannot - and will not – be realised solely by Government.

The Department of Rural Development and Land Reform's role in the realisation of this vision, is one of a catalyst, a facilitator, an implementer and a coordinator. Key to the success of the programme would be the ability to mobilize, leverage and coordinate sector departments and key role player to attain this vision.

All the three tiers of Government (national, provincial and local), business and organs of civil society, have an indispensable role to play. Rural communities themselves are mobilised and capacitated to participate in the planning, the coordination and in the actual implementation of the CRDP.

1. What is Recapitalisation and Development Programme (RADP)?

Recapitalisation and Development Programme is the Department of Rural Development and Land Reform (DRDLR)'s initiative to revive farms that were in distress. It is meant to increase agricultural production, guarantee food security, job creation and graduate small scale farming into highly commercialised farming in the agricultural sector.

2. How many farms were targeted by the DRDLR?

The department has identified 1807 projects over the MTEF period within its various Programmes and sub-programmes to be part of the projects to be recapitalized.

3. How much is the DRDLR spending in funding these lifeless projects?

The model is designed in such a way that a farm will be funded for five years under close supervision of the department in order to ensure sustainability going forward. For the first year, farms get 100% funding which steadily decreases to 20% by the fifth year?

4. Is there a specific strategy that the DRDLR has in order to ensure the success of this programme?

The department has selected strategic partners who are experienced farmers themselves, co-operatives who were previously assisting white farmers or commodity organizations who have vested interest on the projects because the sustainability of their businesses depend on agricultural produce. These strategic partners come with their own resources and guarantee uptake or buying of products from the farmers.

5. How long is the duration of the mentorship by these strategic partners?

The mentorship programme between a farmer and the Strategic partner takes a period of five years.

6. Are there any expectations for the RADP to have impact on the economy of the country?

The bigger picture is for the RADP is to make sure that small scale farmers graduate to commercial farmers in the agricultural sector. In this way they become independent producers and enhance food security. Just like any commercial farmers they will contribute in the Gross Domestic Product (GDP) .

7. And the Green Paper talks about the de-racialisation of the rural economy what is the role of the RADP in this?

The collapsed farms under RADP will be given to black emerging farmers so as to make sure these farmers ultimately become on par with their white counter-parts. In the RADP black farmers will have a chance to contribute to the transformation of the rural economy.

8. Job creation is one of the priorities of government how is recapitalisation going to assist in curbing unemployment?

Key to the Recapitalization initiative is to increase agricultural production and in the process jobs will be created and eradicate abject poverty faced by the historically disadvantaged.

9. What is the department going to do with failed projects?

Selected failed farms acquired since 1994 will be recapitalised and developed. The departmental strategic plan has also incorporated the acquisition of Strategically located land and repossessed properties for redistribution and development. Question: What monitoring and evaluation structures will the department put in place? Answer: Agreements will be signed between the

department and Strategic partners and those agreements will stipulate exactly how the reporting mechanism should happen. The department has also initiated routine visits in all the Farms under the recapitalization programme so as to measure the impact made in the process. Two auditing companies have also been appointed for a period of three years to monitor all RAD projects.