



agriculture, forestry & fisheries

Department:
Agriculture, Forestry and Fisheries
REPUBLIC OF SOUTH AFRICA

Budget Vote Speech

By Honourable Dr Pieter Mulder

**Deputy Minister of Agriculture, Forestry and
Fisheries**

Date: 29 May 2013

Honourable Chairperson,

Honourable Minister,

Honourable Members,

Colleagues,

Ladies and Gentlemen,

Voorsitter, die landbousektor is 'n primêre sektor van belang vir die ekonomie en het die potensiaal om nog meer werkseleenthede te skep en sodoende landelike ontwikkeling te bevorder. Dit is egter 'n sektor wat blootgestel is aan 'n wye reeks risiko's en uitdagings.

The increase in the minimum farm workers' wage and the increases in input costs, such as fuel and electricity, pose huge threats to the sustainability of the sector. To thus protect farmers, farms, farm workers and ultimately food security, critical interventions by government via direct and indirect support mechanisms are needed.

Furthermore, the diverse South African sector, more than ever, requires a committed partnership between the private and all the public sector organs. The support of the State Owned Entities

(SOEs) in the sector is a partnership that has evolved over decades.

Extensive empirical evidence demonstrates that agricultural research and development investments have greatly contributed to economic growth, agricultural development and poverty alleviation in developing regions over the past five decades.

Effectively disseminated new technologies and crop varieties resulting from research and development investments have enhanced the quantity and quality of agricultural produce, at the same time increasing sustainability, reducing consumer food prices and providing producers with access to markets.

Given the important challenges, such as population growth, climate change, increasing weather variability, water scarcity, and the volatility of food prices, we must recognize the value of greater investment in agricultural research and development as an essential element in increasing agricultural productivity.

Daarom mag die rol van die **Landbou Navorsingsraad (LNR)** nooit onderskat word nie.

Voorsitter, die kern mandaat van die LNR is om landbou se bydrae tot beter lewenskwaliteit te bevorder en om effektiewe natuurlike hulpbronsbestuur te verseker.

To date, the ARC has successfully implemented the Animal Improvement Scheme that is aimed at improving the performance, competitiveness and efficiencies of smallholder farmers through the application of practical scientific approaches to breeding and management of livestock. Through this scheme we have seen an increase in the number of smallholder farmers participating from a mere 920 a year ago, to 4075 livestock producers by the end of March 2013. During the 2013/14 financial year, the ARC will increase the number of farmers participating in the scheme by an additional 2000; and this will include collaboration with other organizations such as the Industrial Development Corporation (IDC) and the Independent Development Trust (IDT). The ARC will also continue providing services such as Artificial Insemination and Embryo Transfer to smallholder farmers.

The ARC renders innovative and smart solutions, which help farmers eliminate pests and eradicate diseases such as foot and mouth and rabies. Vaccines are a highly specialised animal health area. With it, the ARC conducts clinical trials ensuring the efficacy and effectiveness of such remedies for the livestock sector.

The 2013/14 financial year marks the beginning of a new era for **Onderstepoort Biological Products (OBP)**. The much needed capital injection of R 492 million over the MTEF period from the National Treasury will be utilised to refurbish the aging plant, purchasing of new equipment and building a GMP facility which will place OBP into a new trajectory. The quality of OBP vaccines is a critical issue. The quality control system has been accredited and this must ensure that no substandard batch of vaccines leave the plant. OBP has also received research funding of R 39 million from the Technology Innovation Agency.

We are satisfied that OBP's strategic goals are crafted in response to government's priorities.

Chairperson, South Africa is currently a net exporter of agricultural, forestry and fisheries products. These sectors' exports contribute R61.7 billion to the Gross Domestic Product (GDP) with a R6.5 billion in positive trade balance.

It is however noteworthy that South Africa's agricultural exports decreased by 5% between 2011 and 2012. We need to acquire a positive investment climate and a high level of business confidence in order to enhance and maintain our competitiveness. Political stability and sound decision making is key with regards to

the attribution of a positive climate and enhancing the level of trade and investment confidence.

The goal of creating a million jobs by 2030, according to the National Development Plan, is only possible through export growth, and export growth is only possible through investments in the growing export sectors. Our Department has been successful in establishing good trade relationships with new markets and will continue with this initiative during the next financial year.

The Department and the **Perishable Products Export Control Board (PPECB)** are working closely to assist South Africans – within the ambit of the laws – to export their products successfully in a highly competitive global arena.

As a result of some sacrifices and creative thinking, the PPECB has gone from a R16 million loss to a financial break-even situation in one year.

The PPECB has revised the 1983 PPEC Act. This was an intensive exercise that involved consultations with many people. It is hoped that, once the new Act is promulgated, it will enable the PPECB to modernize its business offerings to the public. It should certainly put the PPECB's business model on a more sustainable footing.

The **National Agricultural Marketing Council (NAMC)** continues to successfully implement development schemes in vine grapes, maize, sunflower and livestock. The objective of these schemes is to secure markets, which is of critical importance for the development of emerging farmers.

Chairperson, we cannot have farmers who are left in the emerging phase forever. These farmers should be enabled to successfully develop into commercial producers. It is however important that there will at such a stage still be a commercial sector subsisting for these farmers to join.

Die landbouprobleme word groter op pad na 2050. Ons durf dus nie toelaat dat Suid-Afrika vanweë ons kortsigtigheid of vanweë 'n gebrek aan fondse ten opsigte van navorsing en tegnologie agter raak nie.

Ek wil alle rolspelers, insluitend georganiseerde landbou bedank vir hul volgehoue goedgesindheid en bereidwilligheid om saam met die regering te werk.

This is going to be a productive year, where the department, my office and our SOEs will work with the Minister to ensure success!

I thank you.

