



agriculture, forestry & fisheries

Department:
Agriculture, Forestry and Fisheries
REPUBLIC OF SOUTH AFRICA

Budget Vote Speech

by

The Honourable Ms Tina Joemat-Pettersson (MP)

Minister of Agriculture, Forestry and Fisheries

29 May 2013

Honourable Speaker

Chairperson of the Portfolio Committee

Honourable Deputy Minister of Agriculture, Forestry and Fisheries

Members of Parliament

MECs of Agriculture

Members of the Diplomatic Corps

Captains of Industry

Winners of our National Female Entrepreneur Awards

Leaders of political parties, Unions, NGOs, Community

Organisations and Faith-based Organisations

Farm workers, Fisherfolk and Community Forestry Organisations

Students and leaders from our colleges of agriculture and other training institutions

Our special guests

Ladies and Gentlemen and Comrades

Honourable Speaker, this 2013 Budget Vote for Agriculture, Forestry and Fisheries is centred on the theme of “**UNITY IN ACTION TOWARDS SOCIO-ECONOMIC FREEDOM.**” In pursuing ‘UNITY IN ACTION’ we will focus on fighting poverty and unemployment with household food security as our primary success indicator.

Honourable Speaker, as we table this Budget of R6.178 billion, we are reminded that we stood before this Esteemed House on 1 May 2012, to account for our work over the previous year and to table our performance commitments for the year ahead.

Honourable Speaker, this 2013/14 Budget Vote will follow the same approach. We will reflect on the achievements of 2012/13, followed by our commitments for the 2013/14 Budget with which we have been entrusted.

Honourable Speaker, Food Security is a human right and a Constitutional mandate. The Bill of Rights states that “*every citizen has a right to access to sufficient food and water*” and that “*the State must take reasonable legislative and other measures, within its available resources, to achieve the realisation of this right.*”

I am convinced Honourable Speaker, that ‘*Food Security For All*’ will be the one issue on which we will be able to garner consensus in this House. A recent report that 12 million (22.7 per cent) South Africans have insufficient access to food has shocked our nation. For the greater number of South Africans who are gainfully employed, it was unthinkable that such huge numbers of citizens were going to bed hungry. The uncomfortable truth is that while South Africa is a food secure country, an alarming number of people are not getting enough sufficient food.

I am pleased to report that after previous stop-start efforts, a Food Security and Nutrition Policy has been developed and is in the Cabinet process. The main objective of this policy is to ensure that there is food security and good nutrition at all levels and segments of our society. I will say more about this later, as the approval of the Food Security and Nutritional Policy is one of our priorities for the forthcoming year.

During the year under review, the Department, together with the Department of Rural Development and Land Reform, implemented an accelerated integrated agricultural production programme in seven provinces. This initiative, while being far from perfect, mobilised additional resources from different departments across all spheres of government such that we were able to place more than 35 000 additional hectares under production. While the fruits of this initiative will be evident in the forthcoming harvesting season, it has already positively impacted on job creation.

The fact that the latest jobs data from Statistics SA shows that agriculture is by far the largest contributor to job creation, and must count as one of our key successes. The sector has been able to sustain the growth recorded in the previous financial year. Nationally, the sector created 54 000 new jobs between January and March 2013, an increase of 7.9% (and 12.7% year-on-year). The sector now employs 739 000 people – up from 656 000 last year. Closer scrutiny of these figures shows that the job growth was experienced in the provinces where the food security intervention was implemented such as Eastern Cape, KwaZulu Natal and Mpumalanga. If our modest attempts yielded such measurable outcomes within such a short time, it demonstrates the potential impact of large-scale agricultural production could have on our economy.

We are proud of our successes in opening new markets for the sector. Firstly, our membership of BRICS enabled our participation in the Ministers of Agriculture and Agrarian Development Mechanism and where we immediately introduced trade as an area of cooperation among members. As a result the Department has recently opened offices in India and Russia. In the current financial year, a new office will be opened in Brazil.

Asia's changing consumption patterns, population growth, structural reforms and improved market access have contributed to an increase in exports from South Africa to the Asian countries. China is one of the largest export destinations for South Africa's agriculture, forestry and fisheries products, followed by Indonesia, Japan and India. However, a number of problems are being experienced regarding non-tariff barriers put into place by some countries in Asia.

Honourable Speaker, in 2012/13, for the first time ever, communities who had leased their land to forestry commercial companies were compensated. The funds were being collected routinely from the commercial companies but not redistributed. Mindful of the impact of these funds on households, we are proud of this achievement.

The outbreak of the farm worker strikes in De Doorns towards the end of 2012 was disturbing, disruptive and significant for the industry. I must appreciate the response of my Cabinet colleagues who rallied around us to find solutions. They recognised that De Doorns was not merely manifesting a local or sectoral problem. Instead it was a national problem requiring an integrated national solution. The most significant outcome was the announcement of a revised sectoral determination of R105.00 per day minimum wage for the entire farming sector. Although not yet a decent wage, this is a major improvement in the employment conditions of farm workers.

The 2012 strikes reminded us of the unfortunate outbreak of xenophobia in De Doorns in 2008. What was different about the 2012 strike was the unity among farmworkers. 'Different others' spoke in one voice across the previous divisive barriers in their quest for a better life for all. Also significant was that De Doorns catapulted the farmers into a new coalition. While still retaining their existing structures, farmers have also responded as a collective, and recognise and want to be part of creating a new road map, for the sector.

While there is still much work to be done in resolving the pre-and post-strike issues, the 'Unity in Action' precipitated by conflict, augers well for charting a new path for the entire sector. Through a Dialogue facilitated by the Presidency, government is looking at the impact of the revised sectoral determination for both farmers and farm workers and at ways and means to offset this impact.

I am proud to announce that the Department sustained its record of successive unqualified audit opinions on our financial performance information during my term in Office. In securing this external audit outcome, we have again demonstrated that the Department is a compliant department standing tall among its peers in terms of the non-negotiable ethical business practices, controls and standards.

Regrettably, we did not fare as well in respect of the management of our non-financial performance information. Importantly though Honourable Speaker, we have interrogated our limitations and understand that we have to exercise greater diligence in respect of the oversight for the transfers and subsidies to provinces and entities. It accounts for a significant percentage of our Budget, 59.2%, which the House will agree, is significant. We will, going forward strengthen our contracting with provinces such that there is no ambiguity about the roles, responsibilities and the consequences if we fail to deliver what we had contracted to do.

The other area in which we have not fared well is our intent to support new smallholder producers while continuing to support the existing producers. Effective and sustainable land resettlement is an area of corrective action which will receive our attention and in which we will seek advice and support in the current financial year.

The Budget of R6.178 billion allocated to the Department budget will go a long way in delivering the Electoral Mandate of the Administration, *Creating a Better Life For All*. We have allocated this Budget as follows:

- R663.9 million will be allocated for Administration;
- Agriculture: will be allocated R4.554 billion;
- Forestry R525.5 million; and,
- Fisheries: R434 million.

Honourable Speaker, our 2013/14 projects/programmes are guided by the National Development Plan (NDP), the New Growth Path (NGP), the Industrial Policy Action Plan (IPAP) and the work of the Presidential Infrastructure Coordinating Commission (PICC), the PICC's Strategic Integrated Project (SIPs), in particular.

SIP 11 is one of the eighteen flagship infrastructure projects overseen by the PICC. It seeks to ensure enabling agro-logistics and rural infrastructure investments that would unlock the potential of rural areas to create jobs. SIP 11 will entail the expansion of facilities for storage, transport links to main networks, fencing of farms, irrigation schemes, improved

research and development on rural issues (including expansion of colleges of agriculture), processing facilities, forestry and fisheries infrastructure.

The department will continue its campaign of recognising and empowering women as contributors to food security and agricultural development. Through its premier Female Entrepreneur of the Year Awards annual event, women entrepreneurs across the sector are encouraged to participate. This prestigious event is sponsored by Total SA.

The Department will continue to participate in the various trade negotiations and forums to enhance the interests of the South African agricultural sector. One of our strategic objectives is to increase intra-African trade which is currently about 10% of trade. While increased trade in Africa is a challenging terrain, the growth of the African market for agricultural products will enable South Africa to increase diversification of its export market and reduce dependence upon our traditional export markets, such as the European Union.

The Food and Agriculture Organization (FAO) Council of the United Nations has awarded a bid to South Africa to host the 14th World Forestry Congress in 2015. It is the first time that a congress of this magnitude will be hosted on African soil since its inception in 1923. This honour was bestowed on us because of SA's leading role in afforestation. It will afford our Forestry colleagues to share with and learn from their peers from all corners of the globe.

In support of the government pro-poor forestry strategy, the department has been supporting small growers and communities in the Eastern Cape with environmental impact assessment. The results of this assessment will lead to the issuing of afforestation licences. The area under consideration is approximately 13 000 ha. This will definitely lead to the empowerment of rural communities by making them owners of forest plantations.

In this financial year, an amount of R109 million has been allocated towards the LandCare Programme. This will contribute significantly to 30 000 ha of degraded land to be rehabilitated. Through leasing of state land farms, 60 farms have already been secured, thereby contributing to food security and better quality of life for all.

The NDP has identified fisheries as an important vehicle in achieving its vision for an integrated and inclusive rural economy. It acknowledges that marine fishing is important for coastal communities with regard to job creation. It further acknowledges that those historically involved in fishing have frequently been ignored, and that many fishing rights allocated have been of small value. The current fishing rights allocations process will ensure that rights allocated are more economically viable in future.

Fishing contributes approximately 0.5% to the GDP and it accounts for around 2% of the GDP in the Western Cape. South Africa is a net exporter of fish and fish products and 55% of the demersal catches are exported. The aquaculture production level is 3 543 tons worth R218 million and it provides 2 000 jobs. The Department has, during the past financial year, supported three fish farms, and is presently supporting five fish farms, and the department plans to support more fish farms by the end of 2014. In addition, two smallholder aquaculture producer associations were established.

The Small-scale Fisheries Policy was approved by Cabinet in May 2012 and will be implemented during this financial year. A National Aquaculture Strategy and Action Plan were also developed. Recently, Cabinet approved the National Aquaculture Policy Framework (NAPF). This policy provides a unified framework for the establishment and development of an industry that contributes towards sustainable job creation and increased investment.

The implementation of the Small-Scale Fisheries Policy will finally give formal recognition and appropriate legal protection to a previously ignored sector by adopting a developmental approach and rights-based allocation system for small-scale fishers. The allocation of rights within the small-scale sector, together with the reallocation of long-term rights, will contribute to the further transformation of the entire fisheries sector.

As part of our endeavour to contribute towards youth employment and entrepreneurial development, within the spirit of the youth accord. The department intend to ring fence a certain percentage of fishing rights allocation quotas, towards youth owned companies.

We spearheaded a campaign to turn colleges of agriculture into centres of excellence through the National Treasury approved Colleges Revitalisation Plan. This plan focuses on improving infrastructure at colleges, curricula review and provision of ICT equipment. R380 million has been allocated over the Medium Term Expenditure Framework (MTEF) to revitalise colleges of agriculture. The Department is also in a process of pursuing the signing of a protocol with the Department of Higher Education and Training on issues relating to colleges of agriculture.

Honourable Members, we table the Budget of R 6.178 billion, which has been allocated to the Department of Agriculture, Forestry and Fisheries for the 2013/14 financial year.

We table the 2013/14 Agriculture, Forestry and Fisheries Budget to the House for endorsement.

We table this Budget confident that Honourable Members share the view that Agriculture, Forestry and Fisheries, is a Portfolio with enormous potential for growth and development.

We table this Budget with an appeal for 'Unity in Action' confident that this House will support the prioritization and targets we have set for the year.

Honourable Speaker, I would like to conclude this Budget Vote with the following acknowledgements:

- I am deeply grateful to the President for his support, his passion for the sector and his relentless advocacy for enabling communities to rekindle their indigenous knowledge in agricultural production so as to take charge of their own food security.
- Similarly, I wish to express my gratitude to the Deputy President for his support particularly for walking ahead and alongside us in facilitating the series of Dialogues with communities.
- I am indebted to all my Cabinet colleagues for their support, advice and collaboration. I especially wish to single out my colleagues leading Rural Development and Land Reform, Minister Nkwinti and Deputy Minister Tsenoli. I want to thank the Minister of

Labour for her support and decisiveness in resolving the volatility in De Doorns. As well as the Minister of Trade and Industry. Our Portfolios are siblings to each other and their collegiality and passion for our terrain has enhanced the achievements we were able to report today.

- My deep appreciation is also extended to:
 - The Honourable Mlungisi Johnson, Chairperson of the Portfolio Committee on Agriculture, Forestry and Fisheries and all members of this committee for their oversight and guidance
 - The MECs of Agriculture.
 - Sector representatives
 - The Unions; and
 - the Captains of Industry
- I am most appreciative of and always learn so much from our communities who have been listening to this live broadcast on community radio stations,
- Closer home, I would like to thank
 - Our Deputy Minister, the Honourable Pieter Mulder;
 - The Acting Director-General Mr Siphon Ntombela and the entire senior management team for making all this possible.

Lastly, I want to most sincerely thank my sons, Terrence and Austin, for their unconditional love, patience and for forgiving me for the times they needed me to be with them but my work required me to be elsewhere. I also want to acknowledge my family and the caretakers of my sons. Thank you for sharing today with me.

I thank you.