



agriculture, forestry & fisheries

Department:
Agriculture, Forestry and Fisheries
REPUBLIC OF SOUTH AFRICA

**National Council of Provinces Budget Vote Speech
delivered by the Honourable**

Ms Tina Joemat-Pettersson (MP)

Minister of Agriculture, Forestry and Fisheries

Date: 11 June 2013

Time: 14:00

Chairperson of the National Council of Provinces

**Chairperson and Honourable Members of the Select Committee on
Land and Environment Affairs**

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

Members of the National Council of Provinces

**Members of the Executive Councils responsible for Agriculture in the
Provinces**

Distinguished Guests

Ladies and Gentlemen

Honourable Chairperson, this year marks the 100th anniversary of the promulgation of one of those heinous pieces of legislation which the Apartheid government used to strip our people of their dignity, namely the Natives Land Act of 1913. The triple challenges of poverty, unemployment and inequality that we constantly strive to overcome today are a direct consequence of the implementation of that legislation, amongst many of similar intent.

Hence, I urge Honourable Members to keep this background in mind as we debate this year's Budget Vote.

Mindful of the long-term impact of the Natives Land Act and complementary oppressive legislation which bolstered Apartheid, the African National Congress (ANC) dedicated this year to “**Unity in Action towards Socio-Economic Freedom,**” which is also the theme for this 2013/14 Agriculture, Forestry and Fisheries Budget Vote.

Honourable Chairperson, 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 pleased to report that the Department of Agriculture, Forestry and Fisheries has developed a Food Security and Nutrition Policy, which is currently 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, and at household level.

Although South Africa has national food security through its own production and trade, at household-level food security is threatened by globalisation, international trade regimes, the poor storage, post-harvest process and distribution of food.

High food prices pose a serious threat to food security, at both household and country level. Lower-income South Africans are the biggest victims of upward trends in food prices and most of South Africa's poorest people spend about 60% of their income on food. Price hikes for cereals and other staples can force the poor to cut back on the quantity and quality of their meals. This may result in increased food insecurity and malnutrition, with tragic implications in the short and long term, particularly for children, the aged and other vulnerable members of our society. Price hikes also limit the ability of poor households to meet other important non-food expenses, such as education and health care.

A state of food security can be considered as achieved when all people have physical and economic access to sufficient, safe and nutritious food.

Regrettably, despite the significant decline in the numbers of households vulnerable to hunger in South Africa over the past decade, according to STATS-SA 12 million (22.7 per cent) South Africans have insufficient access to food.

The aim of the Food Security and and Nutrition Policy will be to reduce the incidence of acute and chronic hunger to zero by 2030 and thereby contribute towards poverty eradication, increased human dignity and improved quality of life for all citizens. Thus, the approval of the Food

Security and Nutrition Policy is one of our priorities for the current financial year.

One of the interventions initiated by the Department to combat high food prices and household food insecurity is the Integrated Food Security Production Intervention (IFSPI). This Initiative seeks to afford smallholder farmers, communities and households an ability to increase production of basic food and therefore increase access and availability of such to attain basic food security at household and local levels. Furthermore, the intervention is directed by the full participation of the communities, as guided by Section 27 of the Bill of Rights in the Constitution.

The Integrated Food Security Production Intervention advances the vision and recommendations of the National Development Plan (NDP). Though commercialisation will incrementally be included in the programme, the first four years will focus on the stabilisation of production and productivity of maize and beans. This will be attained through the provision of mechanisation, provision of production inputs and advisory services.

In this financial year, the Department, together with the Department of Rural Development and Land Reform (DRDLR), will implement an accelerated, integrated agricultural production programme in seven provinces, namely, Eastern Cape, Free State, KwaZulu-Natal, Northern Cape, Mpumalanga, Limpopo and North West as part of the Integrated

Food Security and Nutrition Initiative. The initiative is aimed at supplementing the services rendered by Provinces as a direct response to higher levels of household food insecurity in the country.

Through this initiative, implemented in 2012/13, additional resources were mobilised from different departments across all spheres of Government and as a result over 40 000 hectares of the underutilised agricultural land was put under production during the previous production season, with maize and beans being the main commodities. While the results of this initiative will be evident in the forthcoming harvesting season, it has already positively impacted on job creation.

According to the latest Labour Force Survey conducted by Statistics SA, the agriculture sector was the largest contributor to job creation over the period January to March 2013. More interestingly is the provincial breakdown (year-on-year data) which reflected that:

- Eastern Cape created 45 000 jobs, a 95, 7% increase;
- Limpopo 26 000 jobs or 29, 5%; and,
- Free State 17 000 or 23, 6%.

This was achieved mainly as a result of programmes which formed part of the Integrated Food Security and Nutrition Initiative such as the Food Production Support Initiative and the Comprehensive Agriculture Support Programme (CASP) that were implemented in these provinces.

The Strategic Integrated Project (SIP) 11 is one of the 18 Flagship infrastructure projects overseen by the Presidential Infrastructure Coordinating Commission (PICC). In the current financial year, DAFF anticipates to develop policies in a number of important areas, including the SIP 11, to improve investment in infrastructure that supports the expansion of agricultural production and employment, small-scale farming and rural development. SIP 11 will be implemented in coordination with a number of other SIPs, especially those focused on rural areas and those addressing bulk transport infrastructure.

Honourable Members, Provinces receive around 60% of the Agriculture, Forestry and Fisheries budget of R6.178 billion.

The Comprehensive Agriculture Support Programme (CASP) has received a total allocation of R1.6 billion in the 2013/14 financial year which will be transferred to provinces and has been ring-fenced as follows:

- R905.746 million for Infrastructure and production input;
- R339.927 million for Extension Recovery Plan;
- R55.388 million for Agricultural Colleges' Infrastructure development and repair; and,
- R298.959 million for Flood damaged infrastructure.

Ilima/Letsema programme has received a total allocation of R438.456 million to fight poverty through increased food production initiatives.

Together CASP and Ilima/Letsema programmes account for R2 billion (33%) of the R6.178 billion allocated to the Department. 70% of CASP and Ilima/Letsema will be focused towards food production in the 2013/14 financial year.

Honourable Chairperson,

- The Eastern Cape will be receiving a total CASP and Ilima/Letsema budget of R262.900 million;
- Free State R198.273 million;
- Gauteng R73.418 million;
- KwaZulu-Natal R268.290 million;
- Limpopo R249.390 million;
- Mpumalanga R174.528 million;
- North West R213.508 million;
- Northern Cape R178.489 million; and,
- Western Cape will receive a total budget of R156.596 million of which 70% will focus on food production initiatives with strong focus on addressing urban poverty.

R263 million allocated for disaster repair and recovery will be withheld and redirected within the sector. It will be re-allocated to address disasters in North West and Langkloof, where it is most urgently needed. This redirection is part of the reprioritization and efficient use within the sector of the limited resources available in the sector.

Honourable Chairperson, it is not sufficient to provide prospective farmers with land and capital alone. Instead, farmers must be empowered to manage their businesses effectively and profitably in a competitive and often hostile environment.

As such CASP addresses targeted Farmer Training and Capacity building, On-and-off farm Infrastructure support, Market and business development as well as strengthening Extension Support services. This support will be provided mainly to subsistence and smallholder farmers and approximately 38 000 hectares of grains (mainly maize and beans) will be cultivated in the 2013/14 financial year through CASP and Ilima/Letsema.

Infrastructure development for livestock, crop production and packaging facilities will also receive attention. In the Northern Cape Province, R40 million will be allocated towards developing approximately 110 hectares of raisins in Eksteenskuil, Upington and Riemvasmaak, in partnership with National Agricultural Marketing Council (NAMC).

The Smallholder irrigation schemes have the potential to have a significant impact on local socio-economic development and to advance improved food security, poverty eradication and increased employment. Indeed, in

many instances, irrigation schemes are the main economic activities in areas endowed with water resources. Unfortunately, a large number of smallholder irrigation schemes are dysfunctional while others are inefficient in their operations. Due to the importance of these irrigation schemes for accelerated agricultural production, their effective revitalisation is extremely important to realize higher yields.

The Vaalharts/Taung Irrigation Scheme is the largest irrigation scheme in South Africa extending to some 35 302 hectares with 31 732 hectares in the Northern Cape and 3 570 hectares in the North West Province.

The other scheme is Makhathini Irrigation on the north-eastern part of KwaZulu-Natal where the unique climatic and biophysical resources of this area holds immense potential for agricultural production. The Makhathini Irrigation Scheme covers a range of 4 572 hectares and it has the potential of expansion to cover an area in excess of 15 000 hectares.

The Department has been allocating funds for the revitalisation of the Vaalharts/Taung as well as the Makhathini irrigation schemes since 2008/9. Due to the vastness of these areas the revitalisation of these irrigation schemes has had to be undertaken over a number of successive years in phases.

To date, work undertaken in the Vaalharts/Taung Irrigation Schemes has improved irrigation efficiency and brought about 4 433 hectares of land back into production. In the Makhathini Irrigation Scheme, about 1 235 hectares has been brought back into production and 200 km of infield road on the irrigation scheme was rebuilt and 119 km of fence was constructed.

LandCare is a community based, government driven programme aimed at the sustainable management and use of natural resources. The overall goal of LandCare is to optimise productivity and sustainability of natural resources so as to ensure food security, job creation and better quality of life for all.

The Department will continue to partner with Provincial Departments in ensuring the protection of land against degradation, which we regard as the most important enabler for food security, job creation and equality. Thus we will approach the rehabilitation of land and our efforts to halt further land degradation in a systematic, sustainable and balanced manner.

In this financial year, the outputs of the LandCare programme will be:

- Hectares of Rangeland rehabilitated;
- Hectares of cultivated land rehabilitated;
- Number of Junior Care (youth) projects initiated;
- Hectares of alien species cleared;
- Number of capacity building sessions attended by beneficiaries; and

- Number of LandCare committees formed.

A total of 137 projects will be implemented in nine provinces and 6 113 jobs will be created with fulltime equivalents of 1 100 using an allocated total budget of R10.8997 million.

In order to complement the LandCare Conditional Grant, the National Fencing Scheme was introduced to promote production and protection of sensitive areas. This Scheme is designed to address the infrastructure gap at a farm level in order to assist communities who are hampered by the lack of fencing to increase agricultural production for different farming systems.

The Scheme will further accelerate the economic growth and will transform the economy by creating sustainable work opportunities as well as livelihoods but most importantly, it will result in effective and sustainable resource management and the use thereof. The National Fencing Scheme will deliver

- 1 102 km of fences to facilitate sustainable veld management practices;
- Clear declared weeds and invasive plants on 9 469 hectares;
- Rehabilitate 80 095 hectares through conservation structures; and,
- Will continue to promote the sustainable use of agricultural land through promoting conservation agriculture.

Both Land Care and Fencing will create a total of 6113 jobs that collectively amount to 1100 full time equivalents. The budget allocated in this regard is R108.997 million.

In addition, the Department supports the African LandCare Network through the Consultative Group on International Agricultural Research (CGIAR). CGIAR encourages and capacitates African countries to upscale the LandCare movement. Thus, the Department assists countries in developing their LandCare programmes as well as leveraging funding and technical support to address the Comprehensive Africa Agriculture Development Programme (CAADP) pillar of land management. Countries who South Africa has partnered with include Tanzania, Kenya, Uganda, Namibia, Malawi, Zambia, Zimbabwe, Ethiopia and Rwanda, to name a few.

The continued marginalisation of rural communities is evident in the maintenance of inappropriate animal breeds and the absence of sustainable good quality seed supply.

Over the past few years the Department has, together with Provincial Departments of Agriculture and the Agricultural Research Council (ARC), and with key partners such as traditional leaders and community members, completed surveys on the status of indigenous farm animals maintained by rural communities in Gauteng, North West and Free State provinces.

This information now enables us to monitor the trends of farm animal genetic resources in these areas. In the current financial year, we will continue our work on indigenous farm animals by focusing on indigenous Zulu sheep and Afrikaner cattle in Zululand and uMkhanyakude district municipalities in KZN and Dr. Ruth Segomotsi Mompati in North West Province.

The ARC will be focusing their research on genetic diversity and the population structure of the Zulu sheep and Afrikaner cattle in the two provinces. This research is important as the determination of the genetic diversity of these breeds is a first step towards selecting appropriate breeds for the production systems of the small scale farmers and contributes to their resilience in the face of climate variability challenge.

We are aware that the selection of appropriate seeds is equally important to ensure sustainable plant production and that smallholder farmers do not necessarily have access to the latest adaptive varieties or seed of the required quality. Therefore, work has advanced, in partnership with ARC, South African National Seed Organisation (SANSOR) and the Provinces towards ensuring seed security in selected areas of Limpopo and Mpumalanga through community seed production schemes on sorghum, maize and groundnuts. In these schemes, local communities are involved in plant variety evaluation and selection, a true example of participatory development of germplasm.

The Department will continue its campaign of recognizing and empowering women as contributors to food security and agricultural development. Through collaboration with Provinces and other role players, Female Entrepreneur Awards will no longer be implemented as an event, but as a programme with clear annual deliverables, targets and time frames.

To ensure improved productivity at the farm level and sustainability the department is spearheading the financing of scarce and critical skills needed by the sector. From 2004 to date a total of 1 199 young people have benefitted from the Department's comprehensive bursary scheme. The majority of these young people are registered for tertiary studies at local and international universities. A total of 478 local students have already completed their studies at various graduate and post graduate levels. Of the students that started in 2011 at international universities, 11 will be graduating in August this year. Other post graduate students at Nanjing and Jilin Universities in China are set to graduate in 2014. Plans are underway for the Department to increase its annual budget for bursaries.

Currently statistics indicate that the sector is experiencing an aging farming population. As a result the Department has decided to invest in succession planning. To ensure successful succession planning, Colleges of Agriculture will continue to focus their curricula in producing young farmers. The Department is in talks with the Department of Rural Development and Land Reform to see how these young graduates may be assisted to become practicing farmers in the future.

During the past financial year, 1 343 jobs were created through the implementation of 11 projects under the Working for Fisheries Programme (WFFP) which is a sub-programme of the Expanded Public Works Programme.

The objectives of the Working for Fisheries Programme are directed at a strategic good namely, the management of both freshwater and marine fisheries. The Programme includes improved harbour management, enhanced management information and catch data statistics on the small-scale fisheries sector; strengthening the fight against poaching and illegal fishing, and the provision of key infrastructure such as cold storage facilities, Fish Processing Establishments (FPE), the development of aquaculture hatcheries and fish farms producing a number of fish species and FPEs.

The 11 multi-year projects, includes the Western Cape Marine Anti-poaching project; fishing harbor facilities management; three Catch Data Monitors projects in KZN, the Eastern Cape and Western Cape; the Doringbaai Fish Farm; the development of Fish Processing Facilities in Cederberg and other parts of the Western Cape and the development of harbour facilities in Port Nolloth and Hondeklip Bay.

Honourable Chairperson, we have determined targets for forestry projects in all provinces with the aim of increasing the number of small forestry

growers and providing support with capacity-building interventions. In the past financial year a total of 1 219 Small Forestry Growers were supported and the Department aims to assist 1 300 small-scale growers for this financial year at a cost of R8 million.

In addition, in the past financial year the department created 1 700 jobs through the refurbishment of Category B and C plantations. For the 2013/14 financial year the department aims to reduce the 64 000 hectares of Temporary Unplanted Areas (TUPs) by reforesting 1 680 hectares at a cost of R10.9 million in the provinces with Commercial forests and that would result in the creation of 2 700 jobs in KwaZulu-Natal, Eastern Cape, Limpopo and Mpumalanga.

Subsequent to COP17, which identified planted forests as well as indigenous forests as the biggest carbon sink, the Department aims to spend R2.5 million on greening projects throughout the country. As part of the Department's Food Security interventions within the forestry sector, the Department planted 14 177 fruit trees in the past financial year and we plan to plant 13 500 for this financial year at a cost of R975 800.

Honourable Members, I wish to formally table the Budget of R6.178 billion, which has been allocated to the Department of Agriculture, Forestry and Fisheries for the 2013/14 financial year.

I 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.

In conclusion, I would like to thank:

- Members of Parliament,
- Select Committee on Economic Development in particular, for their diligent oversight on the Department's performance;
- The Deputy Minister, Honourable Pieter Mulder;
- Members of Executive Councils responsible for Agriculture in the Provinces;
- The Acting Director-General and Senior Management team in the Department;
- My family and my special guests; and
- Ladies and gentlemen.

I thank you.