



agriculture, forestry & fisheries

Department:
Agriculture, Forestry and Fisheries
REPUBLIC OF SOUTH AFRICA

NATIONAL COUNCIL OF PROVINCES

BUDGET VOTE SPEECH

BY THE

MINISTER OF AGRICULTURE, FORESTRY AND FISHERIES,

HONOURABLE SENZENI ZOKWANA (MP)

ON

25 JULY 2014

Honourable Chairperson,

Honourable Ministers,

Deputy Minister of Agriculture, Forestry and Fisheries,

Other Deputy Ministers present,

Members of the Executive Councils responsible for Agriculture,

Honourable Chairperson and Members of the Portfolio Committee,

Members of Parliament,

Distinguished Guests,

Ladies and gentlemen

Good morning, sanibonani, molweni, ndi masiari, i nhlekanhi, dumelang,
goeie móre!

We are all compelled to remember the wise words of uTata uNelson Mandela as we celebrate his life this month:

“Overcoming poverty is not a task of charity; it is an act of justice. Like slavery and apartheid, poverty is not natural. It is man-made and it can be overcome and eradicated by the actions of human beings. Sometimes it falls on a generation to be great. You can be that great generation. Let your greatness blossom.”

The wellbeing of our nation is measured by our ability to feed the most vulnerable of society. At the moment, we know that twelve (12) million people are food insecure.

Honourable Chairperson, sixty two (62) percent of the electorate mandated the African National Congress to accelerate the implementation of a radical socio-economic transformation to push back the frontiers of poverty, unemployment and inequality.

Underpinning this task is to create one (1) million jobs by 2030 and to transform the countryside into sustainable economic centres as envisaged by the New Growth Path (NGP), the Industrial Policy Action Plan (IPAP) and the ANC's 2014 election manifesto, all of which are encompassed in the over-arching National Development Plan (NDP).

Honourable Members, I am proud to announce that our Provincial Departments of Agriculture have taken up the spear and together we will see that these ideals are achieved.

The programmes our Provincial Departments of Agriculture are geared to deliver on will be able to create an enabling environment through which the sector could create one (1) million jobs. The objectives of Provincial strategies will be to embark on radical socio-economic transformation, pushing back the triple challenges of poverty, unemployment and inequality.

Chairperson, while the National Department of Agriculture, Forestry and Fisheries creates the policy and regulatory environment in which our sector must grow and strive to create 1 million jobs by 2030; our Provincial counterparts are clearly the implementers of these policies and programmes.

We see our Provincial Departments of Agriculture as the cold face of our war against poverty and food insecurity and our success is invariably linked to theirs.

Honourable Members, the 2014/15 to 18/19 Medium Term Strategic Framework is structured around fourteen priority outcomes. Each of these is coordinated by a lead department. The Department of Agriculture, Forestry and Fisheries indirectly supports Outcomes 4, 7 and 10, all of which seek to achieve decent employment through inclusive growth; vibrant rural communities; and natural resources management.

The recently released General Household Survey informs us that South Africa currently has 2, 8 million households engaging in agricultural production. Of these, two hundred and ninety nine thousand are smallholder farmers. What the survey also shows us is that only 26% of smallholder farmers receive government support. This clearly indicates a need to expand on the depth and reach of our support programmes.

For this financial year, the Comprehensive Agricultural Support Programme (CASP) has been allocated an amount of R1, 8 billion, R460 million for Ilima/Letsema and R67.8 million for LandCare.

For this financial year, DAFF will transfer R1, 4 billion through CASP.

A collaborative study with the Department of Performance, Monitoring and Evaluation in the Presidency, aims to assess the impact of CASP and other grant funds. Preliminary results recommend an improvement in the planning, monitoring and evaluation of all funded DAFF projects. I am therefore pleased to announce that a National Agricultural Information Management System will be institutionalised to improve on the planning, monitoring and evaluation of all DAFF funded projects.

Thus, in going forward, we will require all Provincial Departments of Agriculture to present economic development plans, an analysis of how best project selection and allocation of all grant funds could lead to local economic development. Colleagues we must be able to measure the successes and failures of our projects, as well as the potential impact at an economic level.

As such our Provinces are geared to planting and harvesting 1 million hectares of fallow land in rural areas, and 70% of the CASP budget has been allocated to implement Fetsa Tlala.

Honourable members, achieving food security for all citizens are a non-negotiable priority. We are particularly pleased with a decrease in the number of households experiencing hunger, as shown by the 2013 General Household Survey. The percentage of households that experienced hunger decreased by 16% between 2002 and 2013.

However, as long as these achievements are mainly attributed to social grants, we *must* strive for the agricultural food economy to increasingly contribute to decreasing levels of food insecurity.

Furthermore, we understand that the target of 1 million hectares will not be achieved by government alone, and requires the mobilisation of ALL social forces with strengthened and seamless governance between national, provincial, local government and all other relevant cluster departments.

Provincial Departments such as the Eastern Cape Department of Rural Development and Agrarian Reform was able to increase the number of hectares planted from seven thousand (7,000) in 2012, to thirteen thousand (13,000) hectares last year, among its many achievements.

The Northern Cape Department of Agriculture, Land Reform and Rural Development in turn planted a total of one thousand (1,000) hectares of crop land which yielded nine thousand three hundred (9,300) tons of maize, wheat, grapes and rooibos tea.

The Ilima/Letsema fund has supported projects such as Siyazondla in the Eastern Cape, increasing the area planted from seven thousand (7 000) in 2012 to thirteen thousand (13 000) hectares last year. In the Gauteng Province, the same impact of this programme had a reach of twenty five thousand (25 000) beneficiaries.

In the Free State, *Mohoma Mabung* supported six thousand five hundred (6,500) beneficiaries while Mpumalanga's *Masibuyele Emasimini* reached thirty nine thousand six hundred (39 600) beneficiaries.

Honourable members, unless these achievements contribute to sustainable rural economies, our interventions are unsustainable and bear little impact if any on the lives of our people. Our interventions must therefore lead to the growth of the sector, and in turn to rural economic development.

Agriculture's contribution to the Gross Domestic Product is approximately 2.7 percent, which is generally viewed as far below the capacity of the sector and the levels of agricultural production we wish to see by 2030.

The President's pronouncement in the SONA to deliver on 1 million jobs is therefore closely linked to unlocking the growth potential among key industries in agriculture, forestry and fisheries. Most of these are specified in the NDP, and prioritised in the Agriculture Policy Action Plan (APAP). The APAP seeks to focus on the following sectors:

The **fisheries sector** forms an important element of the Ocean Economy Strategy, Operation Phakisa. We anticipate that Operation Phakisa, which is still in incubation, will place marine resources central in the economy. Under Operation Phakisa we plan to grow the aquaculture sector value from two billion rand to up to six billion rand, with a potential job creation of up to two hundred and ten thousand (210 000) by 2030.

Transformation of the Fisheries sector remains a critical element in addressing job creation and radical economic transformation. The fishing rights allocation process (FRAP) of 2013 has been reviewed independently of the Department and I have received the final report. I am consulting with

the State Attorney's office on the legal feasibility of the various options to institute corrective measures where weaknesses have been identified. I will make an announcement in due course on the path to correct these anomalies.

The implementation of the small scale fishing policy will be the second element of transformation to ensure that coastal and fishing communities gain access to marine resources.

The **livestock sector** plays a crucial role in the economy of resource-poor communities. About forty percent (40%) of livestock in South Africa is owned by black small holder farmers, we will continue to expand our animal improvement schemes to transform this sector. An example is the Nguni Cattle Development Programme of the North West.

Interventions through Veterinary Services will include the distribution of 28 Mobile Veterinary Clinics which are equipped with medicine and technology. Compulsory community service for newly qualified veterinarians (vets) will be rolled out in the 2015/16 financial year.

In addition, the World Organisation for Animal Health (OIE) conducted an evaluation on the Performance of Veterinary Services (PVS) in South Africa. We will use the recommendations from the report to further enrich our interventions in the veterinary sphere.

The **forestry sector** offers a long-term investment opportunity for rural economic development. The first state forest will be transferred to the Tembe-Mbila-Mabaso communities through their Traditional Authorities in KwaZulu Natal. We will use the Forestry Charter to further accelerate transformation and economic development.

Sustainable management of land, soil, water, and climate systems is critical for sustainable use of our resources and food security. The LandCare Programme is a flagship programme in enhancing the sustainable use of our natural resources. A further benefit is the potential to create jobs. The LandCare programme has been able to rehabilitate two hundred thousand (200 000) hectares since 2010 and create sixty two thousand (62 000) jobs over the same period.

We have a total budget of R 67,8 million to rehabilitate thirty thousand (30 000) hectares and create nine thousand (9 000) jobs for the current financial year.

To address the challenge of loss of prime agricultural land through degradation and competing demands, we have formulated the Preservation and Development of Agricultural Land Framework (PDALF). Consultations are currently underway with all stakeholders.

On the **trade** arena, South Africa has adopted an approach that seeks to find markets for locally produced products. Africa accounts for thirty two percent (32%) of our trade and is a growing market for agricultural produce, although it is from a low base as compared to the European markets.

In China we have found a growing market for our agricultural produce. The Department of Trade and Industry (DTI) has been instrumental in assisting producers in the wine industry with accessing marketing opportunities through international trade fairs in countries like China. We must however challenge ourselves to translate export gains into opportunities for local economic development and job creation.

In conclusion honourable Chairperson, I am proud to announce that the Department had six consecutive unqualified audits reports on our financial information.

The findings reflect faith in our financial management system; I am thus proud to present for your approval, Budget Vote 26 of approximately six point six billion rands (R6 692 383 000).

A clear budget to provinces is currently being worked on. Allocations will be made according to the programmes and objectives of the provinces.