



agriculture, forestry & fisheries

Department:
Agriculture, Forestry and Fisheries
REPUBLIC OF SOUTH AFRICA

BUDGET VOTE SPEECH

BY THE

MINISTER OF AGRICULTURE, FORESTRY AND FISHERIES,

HONOURABLE SENZENI ZOKWANA (MP)

ON

16 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 afternoon, sanibonani, molweni, ndi masiari, i nhlekanhi, dumelang,
goeie dag!

The distinguished father of our nation and former President of the African National Congress, uTata uNelson Mandela said *“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 South Africans are food insecure. The question, then, is how a country that managed to fight the evil system of apartheid can find it so difficult to eradicate hunger.

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).

We have interpreted the NDP to be proposing a number of steps that will improve food security, including the expanded use of irrigation and security of land tenure, especially for women and youth.

Honourable Members, together we will see that these ideals are achieved. Therefore, this 2014-15 Budget Vote is geared towards accelerating the implementation of programmes as identified in the 2014/15 to 2018/19 Strategic Plan of the Department of Agriculture, Forestry and Fisheries. These programmes provide us with the opportunity to make a significant dent in unemployment by creating one (1) million jobs.

The President provided us with our marching orders in the State of the Nation Address when he said:

“We have to embark on radical socio-economic transformation to push back the triple challenges of poverty, unemployment and inequality.”

Agriculture is identified as a key job driver, and our target is to create 1 million jobs by 2030.

Government will provide comprehensive support to smallholder farmers by speeding up land reform and providing technical, infrastructural and financial support

Support will be provided to communities to engage in food production and subsistence farming to promote food security, in line with the Fetsa Tlala food production programme.”

Those of us who are familiar with the Freedom Charter will be able to draw parallels between these commitments and those encapsulated in the founding document.

Chairperson, I am of the view that the success of the implementation of the Department’s Strategic Plan for 2014/15 to 2018/19, and the interventions identified in the ANC election manifesto can be accelerated through social mobilisation of the agriculture, forestry and fisheries sectors. In particular, making sure that 1 million hectares of fallow land in rural areas are planted and harvested. This will require mobilising all social forces and

strengthened seamless governance between national government, provincial, local government and all other relevant cluster departments.

Through earlier interactions with our public entities and sector organisations, my Deputy, the Honourable General Bheki Cele and I, have come to realise that a major part of community mobilisation will require us to make our resources available to all our producers, in particular, those who live in remote areas.

Day-to-day issues in livestock farming call on our public entities to bring vaccines and other services in particular, extension services, closer to those who need them the most. We need to bring our extension officers closer to the people who require their assistance the most. As such, uMchunu at Msinga must not lose livestock because he could not pay for the services of a private vet when the state provides for extension officers and veterinary services.

We also want to make the point that since we assumed office, we held consultative meetings with sector formations, many of whom raised the issue of safety on farms. Stock theft also remains a major issue compounding the business of agriculture and general safety on farms. We acknowledge the efforts and achievements of the Ministry of Safety and

Security in dealing with this matter. We will continue engaging the said Ministry in this regard.

Honourable Members, the 2014/15 to 2018/19 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 supports three outcomes, which are:

- Outcome Four: decent employment through inclusive growth
- Outcome Seven: vibrant, equitable, sustainable rural communities contributing towards food security for all
- Outcome Ten: protect and enhance our environmental assets and natural resources.

SECTOR INTERVENTIONS

PUSHING BACK THE FRONTIERS OF POVERTY

The recently released 2014 Statistics South Africa General Household Survey informs us that South Africa currently has 2.4 million households that practice some level of subsistence farming. We have two hundred and ninety nine thousand (299 000) smallholder farmers. This represents an

increase of fifty eight percent (58%) in the number of smallholder farmers since two thousand and nine (2009).

The survey goes on to say that the number of smallholder farmers that receive any form of support is forty three thousand, which represents about 26 percent of all smallholder producers in the country.

It further tells us that of these, 79 percent of smallholder farmers rated government support as 'very useful'; 18 percent 'somewhat useful' and 3 percent 'not useful'. While StatsSA's General Household survey says that quality of support is favoured by most farmers, 26 percent of smallholder farmers reached surely represents a need for greater capacity. This tells us that we need to upscale our programmes to reach and support all smallholder farmers. Working together with MECs, we will channel financial, inputs and human resources to broaden our support and reach of our smallholders.

To assist smallholder producers, the Department of Agriculture, Forestry and Fisheries transfers a significant portion of its budget to support programmes. These funds are directly transferred sent to provinces for

programmes including CASP, Ilima/Letsema and LandCare. CASP aims at increasing farm output, especially for the beneficiaries of land reform, contributing towards the Fetsa Tlala food security initiative. It further aims to attract more women and young people into the sector.

CASP has been allocated an amount of R1.861 billion, an amount of R460 million for Ilima/Letsema and R67.8 million for LandCare. There is a study underway to look into monitoring the impacts of CASP and changes in its approach. Going forward, together with the provinces, we will realign the focusing and targeting of CASP. All of these are grants that are aimed at assisting smallholder producers, however, penetration needs to be maximised.

FOOD SECURITY FOR CITIZENS

Achieving food security for all citizens is a non-negotiable priority. We are therefore particularly happy with results shown by the 2013 General Household Survey, which reveals that 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. This collective sense of purpose is captured in the Food and Nutrition Security Policy, approved in September 2013, which will be championed in earnest together with the Department of Social Development. This policy requires the acceleration of Fetsa Tlala which the productive response to food insecurity.

The Maputo Declaration is a call for African governments to commit 10 percent of their annual country budgets to the agriculture sector. In South Africa, a 10 percent budget would allow us to realise the vision for agriculture, in particular our goals for job creation and feeding our nation.

In line with the Maputo Declaration, we are working on quantifying the total public investment in the sector and its impact. Thereafter, we will engage with our colleague in the National Treasury.

GROWTH SECTORS

Agriculture's contribution to the Gross Domestic Product is approximately 2.7 percent which is 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 however

integrally 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 **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. Aquaculture development would ensure we close the fish protein gap that may be created by the declining marine capture fish resources. Under Operation Phakisa we plan to grow the aquaculture sector value from two billion rand, as according to our 2010 figures, to up to six billion rand with a potential job creation of up to two hundred and ten thousand (210 000) by 2030.

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.

We need to ensure that the commercial rights allocation reflects the commitment of government and industry to transform the sector. 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. This should contribute to their livelihoods.

We are calling upon the Fisheries sector to proceed to develop its transformation programme with the facilitation of our department.

The **livestock sector** plays a crucial role in the economy of resource-poor communities. It is estimated that forty percent (40%) of livestock in South Africa is owned by black small holder farmers. In our attempt to accelerate the participation of small holder producers in the mainstream livestock value chain, we will continue to expand our animal improvement schemes.

However, challenges to growth are further exacerbated by emerging issues, including climate change, as well as diseases and pest outbreaks. In our quest to improve Veterinary Services in South Africa we requested the World Organisation for Animal Health (OIE) to conduct an evaluation on

the Performance of Veterinary Services (PVS) in South Africa. The report was released in May 2014.

We will use the recommendations from the report to further enrich our interventions in the veterinary sphere. To date interventions include the procurement of thirty (30) Mobile Veterinary Clinics, of which twelve (12) were already transferred. The remainder will be transferred within the current financial year, once the modification of the vehicles has been completed.

Apart from the Mobile Veterinary Clinics, there are other interventions that we have targeted in the area of veterinary and para-veterinary fields that will assist in ensuring that the sector has access to veterinary services whilst ensuring good biosecurity and job creation. These interventions include:

- The implementation of the Compulsory Community Service – this intervention when implemented will see 140 (one hundred and forty) newly qualified veterinarians deployed to rural areas and critical service delivery areas in the 2015/2016 financial year,

- The revitalisation of rural infrastructure such as Animal Health Clinics, dipping tanks and other animal handling facilities; and
- The provision of border and animal diseases security requirements such as personnel, fences, and patrol resources.

The **forestry sector** presents a more long term investment opportunity for rural economic development. The transfer of state assets to communities, as a viable business model is key in empowering our rural communities.

During 2015, we will host the 14th World Forestry Congress. The Congress, which will be the first to be held in Africa, will highlight the mainstreaming of the global agendas on sustainable development as well building new partnerships.

Sustainable management of our natural resources, namely land, soil, water, and climate systems are critical for sustainable use of our resources and food security. The loss of prime agricultural land through degradation and competing demands such as human settlement, or mining, poses a *serious* threat to food security and the sector as a whole. To address this challenge, we have formulated a policy and legislative framework, namely

the Preservation and Development of Agricultural Land Framework (PDALF). Consultations are currently underway with all stakeholders. These will be followed by a Parliamentary consultation process on the draft Bill.

Honourable Members, South Africa successfully hosted the Third Global Conference on Agriculture, Food and Nutrition Security and Climate Change in 2013. The Conference reached watershed conclusions such as establishment of a Global Alliance on Climate Smart Agriculture, which will be launched by the General Secretary of the United Nations this year.

TRADE

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 have agricultural attaches at missions we view as key agricultural trade destinations. We will ensure that their work is re-focused and aligned to the new vision going forward.

We are acutely aware of the current situation regarding our citrus exports to the European Union. Our exports are affected by a disease called Citrus Black Spot and I have engaged with the Minister of Trade and Industry and will be meeting with the Citrus Growers' Association (CGA) on finding solutions to this challenge. However, we urge all farmers to comply with the current European conditions for the import of citrus from South Africa.

LEGISLATIVE REVIEW

The mandate of our Department covers the entire value chain of agriculture, forestry and fisheries. It is covered by thirty one (31) pieces of legislation all of which have been reviewed, with seven of these prioritised for amendment.

Conclusion

Honourable Chairperson, I am proud to announce that the Department had five consecutive unqualified audits reports on our financial information. The findings reflect faith in our financial management systems. I therefore, present this Budget Vote 26 of six point six billion rands (R 6 692 383) for your approval.

ACKNOWLEDGEMENTS

In conclusion, let me take this opportunity to thank my wife and my family for their support.

I would like to acknowledge the Deputy Minister, the Honourable General Bheki Cele for his agility and hard-work since assuming office. We have introduced principle and culture of working as a team and together we will move agriculture, forestry and fisheries forward.

I wish to appreciate my predecessor, Honourable Minister Tina Joemat-Pettersson for her leadership and successes in establishing the new Department of Agriculture, Forestry and Fisheries in 2009.

I also wish to thank the all our partners in the sector, for their warm welcome and commitment to growing the sector. I am confident that with your enthusiasm, experience and expertise we will transform the sector and realise radical transformation of the economies of agriculture, forestry and fisheries.

I appreciate the Portfolio Committee and I am grateful for their guidance and oversight. I would also like to thank Members of the Executive Council responsible for Agriculture. We have met and understand the imperatives of our deployment to agriculture as the growth sector of the future.

I would like to acknowledge the Director General, Prof Edith Vries and senior managers, the Ministry and the rest of the staff of the Department.

Ngiyabonga,

Ke a leboga,

Roleboha,

Enkosi,

Baie Dankie,

Thank you!