



agriculture, forestry & fisheries

Department:
Agriculture, Forestry and Fisheries
REPUBLIC OF SOUTH AFRICA

BUDGET VOTE SPEECH

BUDGET VOTE 24:

AGRICULTURE, FORESTRY AND FISHERIES

DELIVERED BY

DEPUTY MINISTER

HON. GENERAL BHEKI CELE (MP)

21 APRIL 2016

HONOURABLE CHAIRPERSON;

**HONOURABLE MINISTER SENZENI ZOKWANA AND OTHER
MINISTERS PRESENT;**

HONOURABLE DEPUTY MINISTERS;

**CHAIRPERSON AND MEMBERS OF THE PORTFOLIO COMMITTEE
ON AGRICULTURE, FORESTRY AND FISHERIES;**

MECS OF AGRICULTURE;

MEMBERS OF PARLIAMENT;

DISTINGUISHED GUESTS;

LADIES AND GENTLEMEN;

Sanibonani, Good Afternoon

It is indeed a humble honour for me to address this august house today, on such a pertinent and relevant subject in the current affairs agenda of government.

This is undoubtedly the subject that talks to the hearts and minds of fellow South Africans; the subject that defines humankind, the subject that talks to the solution of poverty and hunger, the subject that is at the face of drought and climate change issues and most importantly the subject that is at the critical point of service delivery.

Chairperson, we fully support the presentation of the budget vote 24 by Minister Senzeni Zokwana, we further reaffirm that the subject of Agriculture remains the catalyst for economic growth and food security. This country is at a period that calls for a revolution in the agricultural sector.

As American writer Daniel Quinn, in his book *Ishmael: An Adventure of the Mind and Spirit*, wherein he argues, I quote "***that our agriculture revolution is not an event like the Trojan War, isolated in the distant past and without relevance to your lives today. The work begun by those Neolithic farmers in the Near East has been carried forward from one generation to the next without a single break, right into the present moment. It's the foundation of your vast civilization today in exactly the same way that it was the foundation of the very first farming village***" close quote.

Indeed, the story of today and tomorrow must be different to the story of yesterday. We certainly do not want to dwell much on the non-progressive stories of past about this sector; however we are more interested to listen to a remarkable and progressive good story.

The Honourable President during the State of the Nation Address said Phezu'komkhono! He gave us the marching orders, when he spoke passionately about the Revitalisation of Agriculture and the Agro-Processing Value Chain. The Minister unpacked the strategy in this regard and hence our budget is channelled towards the realization of the vision.

The strategy will unashamedly be biased in bringing more black small holder farmers as progressive beneficiaries of this programme. Honourable members, radical transformation will hit the spinal cord of the sector; we can rather deal with the casualties of the implementation process; than to be trapped in the paralysis of transformation that is by mouth and on paper with no tangible results.

Chairperson, honourable members and fellow South Africans, we remain resolute in our resolve for a better life for all. The story must change, the language must change and the walk must change. Indeed the budget must change to represent the paradigm shift in the sector.

It is rather unfortunate that, the 2016 budget vote directly coincides with the most severe challenges of drought and budget cuts. Nonetheless the agriculture revolution will continue to soldier on, right in the midst of rigid and tough conditions, both environmentally and financially.

FORESTRY MANAGEMENT

Chairperson,

During Honourable Minister Zokwana's Budget Vote for 2015/16 financial year, he announced that the country will host the 14th World Forestry Congress (WFC) from 07 – 11 September 2015 – for the first time on African soil since its inception in 1926. I am delighted to report that the Congress was a success in terms of quality of participation, inputs and outcomes. It attracted more than 4 000 participants from 142 countries and was addressed by the Deputy President, Cyril Ramaphosa. Lessons drawn from the Congress are being considered for improvement of forestry in South Africa and Africa at large.

Honourable Members, Forestry remains one of the critical development areas in the natural resources management realm and the nation's hope for achieving the Sustainable Development Goals (SDGs). Our country continues to be endowed with over **40 million hectares** of natural and commercial plantations all of which play a critical role in the social, economic, institutional perspectives of our communities as well as for biodiversity. Its close proximity to rural areas makes it (forestry) an economic activity which holds a potential to contribute to development of rural economies and youth employment. However the sector is still dominated by the tradition ownership patterns which must be addressed. It is on this basis that government is championing programmes to ensure radical socio-economic transformation of the sector in line with the Forest Sector Transformation Charter. This is done with the aim of ensuring entry of blacks, youth and women in the forestry value chain. For instance, government has now identified areas of forestry growth such as the planting of **147 000 hectares** over time as an area that

should promote the entry of women and youth in the sector across the value chain.

Madam Speaker, it is public knowledge that commercial forests or plantations take longer time to mature. This has a potential to discourage youth and communities from practicing forestry. I am therefore pleased to announce that government is pursuing the **AGRO-FORESTRY** programme to bridge this economic gap. This programme will ensure the promotion of the coexistence of agriculture and forestry thereby benefit communities and other owners while they are waiting for trees to mature. However the success of this programme will require that government and industry works in harmony with communities in line with the spirit of our democratic government: ***Working together we will do more.*** To ensure legal strengthening of these measures Mr Minister has just announced legislative reform being undertaken by the department.

Madam Speaker, our greening efforts have also proven their worth in beautifying our localities while also providing for food security through fruit trees being planted across the length and breadth of our country. For this we salute all municipalities which are participating in this course as well as sister departments and NGOs which are supporting this course. It is on this basis that the Arbor Week campaign which takes place from **01 – 07 September** annually remains one of the fundamental campaigns in driving forestry and sustainable forest management targeting preservation of trees within and outside forests.

LANDCARE

Honourable members, the LandCare programme remains one of our key programmes for natural agricultural resources management under the Expanded Public Works programme (EPWP). It is also a programme which contributes to enhancing the resilience of the sector from natural hazards and disasters thereby adapting to climate change and variability. I am pleased to report that during the 2015/16 financial year the programme implemented 106 projects in all nine Provinces amounting to R65, 011. This resulted with the creation of the target number of 2803 jobs in rehabilitating **16000 hectares** of agricultural land. The department will therefore continue to support LandCare and other disaster risk reduction programmes to ensure resilience and sustainability of the sector to ensure national food security. Notable measures linked to this programme include the promotion of Climate Smart Agriculture (**CSA**) as launched under the United Nations.

The programmes and success stories of Land Care confirms the views of agricultural intellectual, Wendell Berry, in his book, The Unsettling of America: Culture and Agriculture, where it reads I quote

“The soil is the great connector of lives, the source and destination of all. It is the healer and restorer and resurrector, by which disease passes into health, age into youth, and death into life. Without proper care for it we can have no community, because without proper care for it we can have no life” unquote.

Honourable Chairperson, the Department is pleased to announce that this year’s LandCare conference will be hosted by Northern Cape Province in Kimberley from **3 to 6 October 2016**. Chairperson, allow me

to extend my input to the politics of the markets and further echo and reiterate the position of the department.

TRADE

As Minister stated, the department continues to strive to ensure that South African producers have much needed increased market access both locally and globally, and to this end the department is now focusing on new trade agreements currently being negotiated within the African continent and in Asia. Furthermore, other market access initiatives are on-going with specific emphasis on strategic commodities identified with high potential for growth and labour absorption. In 2015, two plant-related technical trade protocols were concluded, for exporting South African Litchi fruit to the USA using irradiation as a pest risk management measure, and for Table Grapes to Thailand, We will also work with the AGOA eligible products such as fruits, nuts and meat products to open access to the US markets, but we must be alert that gains made can be still reversible.

The main beneficiaries of AGOA in South Africa are Automotives and Chemicals however there are now growing export opportunities for agricultural products.

The South African government, after assessing the benefits of continuing to be eligible versus possible negative impact, mandated negotiators to find positive solutions to South Africa remaining in AGOA. Specific issues pertaining to trade access for poultry, beef and pork were put on the negotiating table. It must be said it was not easy.

A minimum of fifty per cent of the 65 000 metric tons quota will initially be allocated to Historically Disadvantaged Individuals (HDIs). The rest of the quota will be allocated to historical importers of Bone-in Cuts.

The Department has so far allocated the first term of the quota, April 2016 – June 2016, of 16 250 tons to 29 companies, 9 of which are HDIs.

During 2015, two plant-related technical trade protocols were concluded, for exporting South African Litchi fruit to the USA using irradiation as a pest risk management measure, and for Table Grapes to Thailand.

Chairperson, I want to reiterate in this august house that, we are watching this space with an eye of an Eagle, the figures of 9 out of 29 companies will have to be more convincing in the near future. We want to see the companies of Msinga, Khayelitsha, Nkomazi, Ga- Malebogo, Los my Cherry and Hammanskraal benefiting from these programmes.

Moreover, even the surnames of the ownership and control of the companies must unapologetically be African. It is a matter of principle; in fact we even demand that the entire value chain be that of the Shongwes, the Ndlovus, the Mulaudzis and the Mofokengs of this country. Honourable members, the tide is changing and it must change.

Transformation can never be complete without the empowerment of youth and women. The environment of the agricultural sector is conducive enough to absorb, mentor and support the youth and women of this country. Hence our budget is directed towards making an impact in this space, although much still needs to be done

As a matter of fact honourable members, this we owe to the lives of our fallen heroes and heroines of our struggle. As the country prepares to honour and commemorate the 40 years since the 1976 youth uprising in

June 16 and equally commemorating the 60 years since the women's March of 1956.

The contribution of our sector must be equally relevant and remarkable in the progressive empowerment of our youth and women of this country.

Furthermore, other market access initiatives are on-going with specific emphasis on strategic commodities identified with high potential for growth and labour absorption.

IMPLEMENTATION OF YOUTH DEVELOPMENT INITIATIVES FOR 2015/16

EXTERNAL BURSARY SCHEME

Chairperson, the area of skills development is at the heart beat of growth and development in our sector. The nerves and veins of all our planned programmes must equally address skills development. This is one area that will ensure genuine sustainability of the scarce skills, professionalism and the development of subject experts in our sector.

During 2015/16, the department offered financial assistance to 311 young people to further their studies in one of the identified scarce and critical skills in agriculture, forestry and fisheries of which 116 were new Awards. Of the 311 students sponsored, 47 were postgraduates, 264 undergraduates (Veterinary Science, Engineering, Food Science, Viticulture & Oenology and Soil Science. To this end, R 15.9 million was allocated to implement the scheme during 2015/16 financial year.

For the current financial year 2016/17, the department is sponsoring 286 young people to further their studies in one of the identified scarce and critical skills in agriculture, forestry and fisheries of which 96 are new

awards. Of the 286 students sponsored, 35 are postgraduates, 251 undergraduates (B.V.Sc, Engineering, Food Science, Viticulture & Oenology and Soil Science. A total amount of R 14.4 million is budgeted for this financial year.

EXPERIENTIAL TRAINING, INTERNSHIP AND PROFESSIONAL DEVELOPMENT PROGRAMME

Honourable members, the programme of professional development and experiential training will forever remain a priority in the area of human capital investment. During 2015/16 financial year, the department recruited 287 unemployed graduates as interns. Of this total, 51 were placed in APAP aligned commodities for practical exposure while 236 were placed within directorates in the department. An amount of R18 284 000.00 was allocated to implement the scheme.

Furthermore, for the current financial year 2016/17; a total number of 299 interns are recruited and they commenced with their training on 01 February 2016. Of this total, 68 are placed in APAP aligned commodities for practical exposure while 231 are placed within directorates in the department. A total amount of R18 million has been allocated to implement the scheme in this regard.

Chairperson, the department working with the National Agricultural Marketing Council (NAMC) are coordinating the implementation of a market access infrastructure development programme - the Strategic Integrated Project or SIP 11. To date a total of over 800 projects have been included in the national database. 30 of these projects are considered “anchor infrastructure projects”, catalytic in the development of the sector in the rural areas.

They have so far created 40 000 jobs since 2013 and R28 billion has so far been raised through MTEF, the IDC and other sources to fund these projects. The Department and NAMC are working with other stakeholders to raise the rest of the funding through the Presidential Infrastructure Coordinating Commission (PICC).

The NAMC's Supply Chain Logistics Programme assists small producers of fresh fruit and vegetables in accessing international markets particularly the EU. The project in which 18 producers of stone and pome fruit are currently participating will be expanded.

FOOD PRICE MONITORING COMMITTEE (FPMC)

Chairperson and honourable members The department established the Food Price Monitoring Committee (FPMC) at the NAMC to track and report on food price trends in South Africa and also to provide explanations on the observed trends and advise the Department on any possible action that could be taken when national and household food security is threatened.

Increasing food inflation continues to remain a major concern for the department. According to the Food Price Monitoring report by the NAMC, the cost of the basic food basket increased by R44 (+8.7%), from January 2015 to January 2016, in nominal terms from R509 to R553.

A number of factors are contributing to this situation namely, the depreciation of the Rand impacting production input costs and import costs, and the impact of the current drought which has led to the imminent import of maize.

With regard to the dry conditions that South Africa experienced towards end of year 2015 and beginning of 2016, this will highlight the increase of food and food products prices in future. Based on these facts, we can

conclude that this will have a negative impact on household food security in South Africa affecting the affordability of selected staple foods and other various food items.

It is on that score, that as the leadership of the department, we engaged on an intense marathon visiting provinces to encourage the establishment of back yard or household gardens to the food insecure families.

Chairperson the food that we eat is not from Pick n Pay or Shoprite, the food is from our own back yard gardens hence we say Masibuyele Emasimini - umnotho usemhlabathini. Our soil is our wealth - hence our understanding of Agriculture needs a mindset change, as Allan Savory argues in his book, Holistic Management: A New Framework for Decision Making. I quote:

"Agriculture is not crop production as popular belief holds - it's the production of food and fiber from the world's land waters. Without agriculture it is not possible to have a city, stock market, banks, university, church or army. Agriculture is the foundation of civilization and any stable economy". Close quote.

CITRUS BLACK SPOT (CBS)

The Exports of Citrus fruit from South Africa to the European Union (EU) remain under threat in the 2016 export season due to the EU's import requirements for Citrus Black Spot (CBS). The CBS is present in many Citrus producing areas in South Africa and, if we do not comply with the

EU import requirements, this may result in even more severe restrictions on our exports, with potential negative economic implications for the Citrus value chain and all who depend on it.

South Africa does not believe that commercial fruit are a risk to plant health with regard to CBS. Even so, in order to further improve compliance with EU import requirements for CBS, the Department continues to ensure strict implementation of a stringent CBS risk management system. In 2015, an audit team from the EU's Food and Veterinary Office (FVO) found that South Africa had significantly strengthened its official export procedures.

The FVO concluded that these are fully in line with the relevant revised EU requirements. Regardless of EU concerns, South Africa ended 2015 with a significantly lower number of CBS interceptions in the EU.

As I draw towards my conclusion, Honourable Chairperson and honourable members, allow me to elevate and restate the important issue, of government's drought relief intervention programme; which has turned into a political jumping castle in the Western Cape. The truth of the matter is that the black farmers in the Western Cape, in particular the farmers of Piketberg in the west coast region are still subjected to massive oppression. Honourable members this behaviour must be discouraged, black farmers of the Western Cape must receive government assistance from the provincial government.

Chairperson, we need to remind this august house that, this government exists not to maintain any standards but it exists to create new standards; this we owe to the fellow South Africans that have entrusted us with the responsibility to lead, to deliver and to address the triple challenges of poverty, hunger and unemployment.

The drought relief programme has no eyes to differentiate between black or white farmers. The principle around the criteria of the assistance is to

prioritize small holder farmers with no reference to a specific race card. If the category is dominated by a particular race, then blame it to the non-progressive history of this sector and not on the current intervention measures.

While drought challenges demand extra assistance from government, It is imperative to note and acknowledge progress made thus far, and to equally balance the demands of food security and water security respectively. Regardless of the budget cuts, and other dynamics; the department has recommitted itself to directly address the fundamental priorities of Food Security, Job Creation and Economic growth.

Chairperson, let me close with an encouraging quote relevant to our sector from the bible, in the book of Proverbs 28 vs 19 - "he who tills his land will have plenty of food, but he who follows empty pursuits will have poverty in plenty".

The Agriculture revolution continues...

I thank you.