



agriculture,
forestry & fisheries

Department:
Agriculture, Forestry and Fisheries
REPUBLIC OF SOUTH AFRICA

BUDGET VOTE SPEECH
NATIONAL COUNCIL OF PROVINCES

BUDGET VOTE 24:
AGRICULTURE, FORESTRY AND FISHERIES

DELIVERED BY
MINISTER
HON. SENZENI ZOKWANA (MP)

11 MAY 2016

14:00

Honourable Chairperson

Honourable Ministers

Honourable Deputy Minister and other Deputy Ministers

Chairperson and Members of the Select Committee on Land and Mineral Resources

Members of National Council of Provinces

MECs of Agriculture

Distinguished guests

Ladies and gentlemen

We are tabling this Budget Vote in the month that we celebrate the rights of workers and the second anniversary of the fifth democratic elected administration. Honourable Members, this month we also celebrate Africa Day to mark the unity of the African continent. This department will engage different communities as part of celebrations in this month of May.

In his 2016 State of the Nation Address (SoNA), His Excellency President Jacob Zuma reiterated the centrality of the Nine-Point Plan in fast-tracking economic growth. Prominent in the plan, is the Revitalisation of the Agriculture and Agro-processing Value Chain (RAAVC) and growing the Oceans economy.

This Budget Vote Speech will reflect on our mandate and our work over the past year. I will report on progress made as outlined in our Strategic Plan and the Annual Performance Plan of the 2015/16 to 2019/20 Medium Term Strategic Framework (MTSF) period.

Our vision for the agriculture, forestry and fisheries sectors is food security for all, creation of one million jobs by 2030 as outlined in the National Development Plan (NDP) and to increase the contribution of these sectors to the GDP.

I would like to reflect on a few achievements in these areas over the past year. The gross value of the agriculture sector has shrunk by 12.5% in the third quarter of 2015. However, there have been positive signs on the other indicators within the sector. During the third quarter of 2015, the number of smallholders increased by **743** and the **agro-processing sales grew by 8.4%**. Comparatively, **jobs in the sector increased by 211 000** in the third quarter of 2015 as compared to the same period in 2014.

As part of our resolve to bring underutilised lands into production, in the 2014/15 financial year, **136 253 ha** of land were put under production of maize, wheat, beans, vegetables and fruits among others, through CASP and Ilima/letsema.

The drought experienced in 2015/16 negatively affected crop production resulting in only 43% of targeted hectares planted. Despite the drought challenge, we can report that in Frances Baard in the Northern Cape 348 ha of maize was planted under irrigation and 10 tons per hectare are expected during harvesting in May 2016. In Pixley Ka Seme 136 ha of maize were planted and the expected yield is 12 tons per hectare. These good results were also achieved in the Eastern Cape, in Centani where the provincial department of agriculture together with Wiphold planted 1000 ha and harvested approximately 8 tons per hectare under dry land, along the coastal areas.

It is against this background that we have identified more than 150 000 ha in all nine provinces to be put under production of maize on 122 000 ha, vegetables on 9000 ha, beans on 4 400 ha, wheat on 2 200ha, sorghum on 5 000 ha, fruits on 3 300 ha, fodder on 3 000 ha, nuts on 1 400 ha, and sugarcane, rooibos, chicory, cotton, canola, seeds and sunflower on 2 300 ha. R880 million from CASP and Ilima/Letsema is set aside for this purpose. Effective public-private partnerships are vital in achieving our goal of bringing 1 million hectares of underutilised land into production.

Chairperson, the programmes being implemented by my department through the provincial departments of agriculture continue to create jobs. In 2014/15 CASP and Ilima/Letsema created 28 000 jobs and in 2016/17, 34 500 jobs will be created through the planting programmes and infrastructure constructed in farms and agri-parks.

Chairperson, I am pleased to announce that in all three sectors exports value has increased and South Africa remains in a positive trade balance. The value of agriculture, forestry and fisheries exports increased from **R135 billion in 2014 to R144 billion** in 2015. In the same period, our **exports into other African countries** increased from **R59 billion to R62 billion** and **into Asia from R34, 5 billion to R37,1 billion**. The conclusion of the EU Economic Partnership Agreement has provided increased quota access for a number of existing and new products such as wine and sugar.

We have continued to open new market opportunities, a notable achievement was the recognition by the Indonesian government of the highest standards of food safety control measures. This comes after a protracted negotiation process between the technical teams of the two countries, which have eventually led to the opening of the Indonesian market to South African exporters.

15 agricultural commodities including deciduous fruit, citrus fruit, grapes and nuts have gained access to the Indonesian market. Our exporters will be allowed to use the Port of Jakarta and Tanjung Priok Port, which are closer to the main Jakarta market thus reducing transport costs and preventing the loss of quality. This recognition will cover the period from April 2016 to April 2018 and will offer the necessary guarantees in terms of market access for the listed commodities.

In safeguarding our bio-security the ARC has developed a new vaccine against Heartwater that will be made available to farmers after evaluating for safety and registration by relevant authorities.

The availability of a Heartwater vaccine will boost mohair production as Angora goats are the most susceptible to animal diseases. Development of new vaccines will play a vital role in expanding the number of successful livestock farmers resulting in reduced losses and increase in revenue for the farmers, particularly in the Eastern Cape.

The Department is the custodian of SA forest resources which cover over 40 million hectares of the country's land surface. An amount of R945 562 million from the

Department's budget has been allocated to forestry and natural resources management.

Honourable Chairperson, the total value of Budget Vote 24 for 2016/17 is **R6, 333 billion**, of which R3, 292 billion is ring-fenced for transfers of conditional and parliamentary grants:

In terms of Conditional Grants:

R1, 642 billion has been allocated to the Comprehensive Agricultural Support Programme (CASP); and this has been allocated to the provinces as follows:

The Eastern Cape will receive R263 million,

Free State R174 million,

Gauteng R85 million,

KwaZulu-Natal R222 million,

Limpopo R260 million,

Mpumalanga R172 million,

Northern Cape R128 million,

North West R171 million and

Western Cape R164 million.

These allocations are aimed at supporting 19 973 farmers of which 16 000 are smallholder with infrastructure, production inputs, training and capacity building that includes the South African Good Agricultural Practices (SA GAP) certification as well as strengthening extension services amounting to R1,494 billion.

Chairperson, included in the CASP allocation is R70.8 million which will be used to revitalise ten colleges of agriculture in Eastern Cape, Free State, KwaZulu-Natal, Limpopo, North West and the Western Cape provinces. R76.6 million will go towards

recovery work of flood disasters of 2012 in Limpopo, Mpumalanga and Western Cape provinces.

R491, 4 million of Ilima/Letsema will be used to support of Fetsa Tlala projects; and this has been allocated to the provinces as follows:

The Eastern Cape will receive R63,8 million

Free State R59,4 million

Gauteng R26 million

KwaZulu-Natal R63,8 million

Limpopo R63,8 million

Mpumalanga R49 million

Northern Cape R55 million

North West R59 million and

Western Cape R50 million.

Work will continue in revitalising three irrigation schemes namely: the Vaalhaarts in Northern Cape, Ebernheiser in Western Cape and Makhathini in KwaZulu Natal.

In Vaalhaarts, the department has spent R67 million since 2007 and built 26 irrigation dams, installed 63 kilometers of subsurface internal drainage systems and put 675 ha of land for production and installed 14 km of main communal outfall water lines servicing 924 hectares. In Ebenheiser a balancing dam will be constructed servicing 153 plots while the work planned in Makhathini will see the installation of subsurface drainage pipes covering 250 ha and an urgent repair of main canal enabling irrigation to 2000 ha of land in the area.

R69, 3 million has been allocated to the LandCare Programme as follows:

Eastern Cape R10.6 million

Free State R5.5 million

Gauteng R4.8 million

KwaZulu-Natal R10.6 million

Limpopo R10.4 million

Mpumalanga R6.2 million

Northern Cape R9.3 million

North West R7.6 million

Western Cape R4.1 million

Chairperson, in North West the department will implement five LandCare projects in Bojanala and Ngaka Modiri Molema districts in 2016/17 focusing on bush control, conservation agriculture and Junior LandCare programmes and 500 jobs will be created.

Honourable Members, the department is pleased to announce that this year's LandCare conference will be hosted by the Northern Cape Province in Kimberley from **3 to 6 October 2016**. The theme for the LandCare conference is "*Making my LandCare difference towards land degradation neutrality*".

The theme seeks to create awareness and intensify efforts by farmers, government and partners to use LandCare ethics and approach in advancing the realisation of the country's obligation to Sustainable Development Goals (SDG). In particular, SDG 15 seeks to combat desertification, restore degraded land and soil by 2030. The 2016 LandCare conference theme is premised on the notion that land based adaptation and mitigation is the foundation phase of addressing food insecurity, climate change and natural disasters.

In terms of Parliamentary Grants

R241, 8 million has been allocated to the Marine Living Resources Fund;

R813, 0 million to the Agricultural Research Council; and

R35, 0 million to the National Agricultural Marketing Council.

R5.935 million to Ncera farms

AGRI-PARKS

Chairperson, my department together with the Department of Rural Development and Land Reform are spearheading the development of Agri-parks in each Province along already existing agricultural development corridors. The Agri-parks programme is aimed at addressing the challenge faced by smallholders in accessing markets and will become the point where smallholder producers' production will be integrated, collated, packed and/or processed to enable their participation in the value chain. In Gauteng for example, three agri-parks have been developed through CASP and their construction is near completion namely: Westonaria near Bekkersdal, Tarlton and Merafong Flora Agri-park.

The Province has since increased collection sites and more agri-hubs are being planned for Brandvlei, Sebokeng Zone 10, City of Johannesburg at Eikenhof, Soshanguve and Rooiwal in an effort to encourage urban agriculture and what the province call Agropolis (agriculture in Metros).

Aquaculture 2016/17

Chairperson, the Aquaculture has become an important growth area within the oceans economy segment of Operation Phakisa. The Aquaculture sector offers significant potential for rural development, especially for marginalised communities and can create a significant number of jobs. The sector has a high growth potential due to the increasing demand for fish products in most developing countries.

During 2015/16; one year after the launch of Operation Phakisa in October 2014, the catalyst projects have reached 94% and 68% of their lab targets in terms of annual production and job creation, respectively. This has contributed to an increase in GDP of R29 million. To fast-track the growth of the sector, there has been a combined investment from government and the private sector of R444 million, which will translate into an increased contribution of R256 million to the annual GDP. Through Operation Phakisa, there is unprecedented inter-governmental collaboration as well as stakeholder engagement, which have already resulted in unblocking access to finance, land and water for the sector.

The draft Aquaculture Bill, which aims to support the sustainable growth of the sector, is at an advanced stage of development and has been through public participation.

Nine Aquaculture farms are already in production. These farms are located within the Eastern Cape Hamburg kob and Oyster farms in the Hamburg, Wild Coast Abalone ranching in Cape Recief, Dusky Kob farm in Richards Bay in KZN. In the Western Cape there is HIK Abalone in Hermanus, Doring Bay Abalone, Saldanha Bay Oyster, Abagold Abalone and Molapong Trout. We have also implemented an Abalone ranching project in the Northern Cape.

Furthermore, the department is also promoting Aquaculture development in the various provinces, some of these projects include:

- The China-South Africa Agriculture Technology Demonstration Centre in Gariep, Free State has appointed various Aquaculture specialists to conduct research and is developing a curriculum to meet the freshwater training requirements for a growing sector.
- The Turfloop Hatchery in Limpopo is being revitalised and aims to produce freshwater fingerlings for the sector.
- In the Northern Cape the DAFF is working with the province to investigate the viability of large scale production of trout in Vanderkloof Dam. Water quality monitoring has been undertaken to calculate site suitability and carrying capacity

of the dam. A research growth trial with trout is planned for the 2016/17 financial year. The pilot phase of Hamburg Kob Farm in the Eastern Cape is operational and harvested its first fish for market in 2015. The quality of the fish was excellent and the next phase is to attract investors to partner with the Siyazama community and fund the full scale commercial farm infrastructure.

In the 2016/17 financial year, government in collaboration with the industry, will further accelerate growth of the sector in terms of jobs and production to meet the aspirations of increasing the Aquaculture sector five-fold to 20 000 tons annual production, 15 000 jobs and a GDP contribution of R3 billion by 2019. The department in partnership with private sector will ensure that 24 projects identified in the plan are implemented.

The Aquaculture Lab will continue the implementation of the Lab outcomes and the following initiatives will be implemented during 2016:

- Implementation of (6) six new projects and the selection of additional projects that will contribute towards the targets of increased production, job creation and income generation.
- The Aquaculture Bill will be finalised and to provide a legislative framework for sector development
- The establishment of a globally recognised monitoring and certification system to ensure safety and quality of aquaculture products
- Continue with the implementation of capacity building for support services towards the sector and lastly,
- Increased efforts towards the awareness and marketing of the Aquaculture sector and products

South African will be hosting the Aquaculture Conference in June 2017 in Cape Town and the department will lead this occasion.

“Your corn is ripe today; mine will be so tomorrow. It is profitable for us both, that I should labour with you today, and that you should aid me tomorrow. I have no kindness for you, and know you have as little for me. I will not, therefore, take any pains upon your account; and should I labour with you upon my own account, in expectation of a return, I know I should be disappointed, and that I should in vain depend upon your gratitude. Here then I leave you to labour alone; you treat me in the same manner. The seasons change; and both of us lose our harvests for want of mutual confidence and security.”

— **David Hume**

We have to strengthen our partnership with private companies to grow this sector further. We have to find new technologies and new methods of agriculture to meet the challenge of drought. Sibambisene singakwazi ukuyilwa siyahlule lembalela sijongene nayo.