

BUDGET VOTE ADDRESS BY MINISTER A T DIDIZA
DURING THE BUDGET DEBATE OF THE DEPARTMENT OF
AGRICULTURE LAND REFORM AND RURAL DEVELOPMENT:

13/05/2021

Madam Speaker

Honorable Members

Ministers and Deputy Ministers

Deputy Minister Skwatsha and Dlamini

Chairperson and Members of the Portfolio Committee

Members of our Statutory Boards and Councils

Farmers Organizations and CEOs of Commodity organizations

Farmers and Farm Workers

Senior Officials

Ladies and Gentlemen

This year we honour and celebrate the life of Me Charlotte Mannya Maxeke. Through her life, we can learn how she confronted the challenges that faced her society during her time. Charlotte was both a social and a political activist. In examining her life through the lenses of those who have done research on her life, it is clear that she continuously fought for political freedoms that were denied to many of her people. She mobilised women

through campaigns on issues that affected them, such as pass laws and the land question. The quest for gender equality and women's emancipation formed part of her struggles. Speaking at the memorial service of the Great Xhosa prophet Ntsikana in Johannesburg Maxeke said:

"We want men to protect the women of their nation, not men who hurt and endanger women when they become aware of their rights. We want men who are the salvation of the young girls of their nation whom can depend on their presence. We need men who will humble themselves so that the nation may lift then up to the starts of Africa for future generations. That is what Africa wants, that is what the women of Africa are weeping and praying for." These words spoken in 1922 are still relevant to this day.

Madam Speaker and Honourable members, it is for this reason that our Government today, working with women's organizations and civil society continues to fight against gender-based violence. The need to review our legislation is critical as another instrument for fighting gender based violence in society. Raising awareness that enables us to learn to respect women and girls in our homes, religious institutions, traditional leadership systems and the society is important. To change behaviour we need to unlearn the practices and customs that oppress women. We need to learn to uplift conflict resolution as an important people for dealing with conflict in the homes and elsewhere. In addition, we need to mainstream gender equality in our policies and programmatic interventions.

Women's empowerment cannot be an afterthought nor an add-on, but it ought to be integral in our policy, legal framework and our socio economic development plans.

Land Reform

Madam Speaker and Honourable members, you must have noted that even on the land allocation policies and processes, we have made a deliberate target that fifty per cent of the land allocation will go to women, forty per cent to youth and six per cent to people with disabilities. The land is an asset that can liberate women, not only in terms of ownership but also in the productive use of this asset for economic participation and livelihood.

Last year, President Ramaphosa announced that Government would release 700 000 hectares of state land for agricultural purposes. These land parcels included communities who have been utilising state land, farmers whose leases had either expired or never had any and some of these, there were no allocation made. We outlined a process that will ensure that we affirm the tenure rights of those who have been utilizing this land following the land enquiry process.

To date, we have managed to allocate 436 563 hectares of the 700 000 ha. Of the 436 563 ha allocated, the Department had, as of yesterday, issued leases for 206 765 hectares, of which:

- 53 880 hectares comprising of 78 farms were allocated to 211 females;
- 14 251 hectares comprising of 18 farms were allocated to 131 youth;

- 842 hectares (0,4%) comprising of 1 farm (0,5%) were allocated to a person with disabilities.

There are 116 farms totaling 127 743 ha which are occupied by communities. Given the nature of how this land has been utilized we have not achieved the fifty per cent allocation that we set for ourselves.

On the other forms of land redistribution through Pro Active Land Acquisition, Labour tenants and TRANCRAA, the Deputy Minister of Land Reform, Deputy Minister Skwatsha will have detailed how we have performed as well as how we seek to address the challenges that we face in respect of land administration.

Labour Tenants

Madam Speaker, Honourable Members, I wish to report that Professor Levin was appointed by the Land Claims Court as the Special Master for Labour Tenants in order to work with the Department in RESOLVING THE 9033 CLAIMS that are remaining out of the 20 000 that were lodged.

The Special Master working with the Department has tabled the execution plan in the Land Claims Court on how in the five years these claims will be resolved. Madam Speaker I need to indicate to this house that the Labour tenants plan has been informed by the provincial visits that the Special Master has undertaken in order to familiarize himself with the extent of the Labour tenancy challenge.

During these visits, the Special Master met with Labour tenants, civil society and farmers. On 17 May 2021, a workshop will be held in

Paulpietersburg where all the stakeholders will participate in engaging on the implementation plan, which includes development support for the Labour tenants who will receive the land.

Land Restitution

Honourable Members, Land Restitution continues to be a matter of concern. We indicated our commitment to accelerating the resolution on old order claims. In the past financial year, we have settled 240 claims, which covered both urban and rural claims. The District Six development is continuing as planned, though disturbed by COVID-19 pandemic. In June 2021, the allocation of 108 housing units will be completed for qualifying beneficiaries, and the elderly will be prioritised.

Agricultural Land Leases

Madam Speaker, the management of farmland leases has caused concern from farmers, financial institutions, would-be investors and members of this very house. The Rakgase, Cloete and Zigana cases, though resolved, have amplified the need for a complete overhaul of our system of property management as a department.

We have also noted that some of the farms in Rust de Winter are under land claim. Noting the challenge brought by this development, Government will ensure that farmers with valid leases in this area continue with their farming operations. The Department will look for alternative land where they will be allocated. The Deeds Registry will also ensure that farm leases that are earmarked for farmers are registered in order to create certainty from the financial institutions and interested investors.

Madam Speaker, land delivery is vital in reversing the land inequality in our country. However, the productive use of the land is equally an important function. In the past year, agricultural activity was critical in providing food security for the country and the region. The performance of the sector remains positive throughout the year. In tabling the budget, it is essential to give an agricultural outlook.

Agricultural Sector performance and outlook

In 2021, the outlook on agriculture is positive; and we expect the sector to show strong growth figures and create employment. This optimism is supported by good weather, expansion in area plantings, and improving business confidence in the agriculture and agribusiness sectors. Effective public-private partnerships and transparency in policy-making partly underpin the positive business confidence in the sector.

Today, we have the Beneficiary Selection and Land Allocation Policy and Land Donations Policy. These policies emanate from the Presidential Panel's recommendations on Land and Agriculture and aim to bring fairness and effectiveness in land reform.

Cabinet has also approved the Phytosanitary Bill and the Agricultural Products Standards Amendment Bill for tabling in Parliament. These Bills are critical in strengthening the regulatory environment within the sector. As a Department, we will also increase our capacity for animal health at the national level to support our regulatory environment.

Honourable Members, animal and plant health, are important for food security and agricultural trade. The current outbreak of Highly Pathogenic Avian Influenza affecting about six commercial farms in the country is being

attended to by our veterinary services in the Province supported by the national. Containment measures have been put in place in the affected farms. We continue with our surveillance so that we manage the spread. We have noted the setback that this has had in our regional markets.

Although there may be these setbacks in the poultry industry, the following agricultural commodities have and will continue to do well even in this current year. The citrus industry has increased its volumes and has broken into new markets. This year, we could see another record citrus exports. Moreover, the grain and oilseeds industry has also done well during the year 2020/2021. The current harvesting season is currently underway, and farmers are reporting record yields in various crops.

The contribution of black commercial farmers in our country's agricultural economy is still low, though they are steadily growing at 11 per cent in the livestock sector. The low levels of inclusion call for serious intervention from both the Government and other stakeholders in driving inclusive growth. Madam Speaker I wish to locate our interventions on the pillars of the Economic Reconstruction and Recovery Plan which are the following;-

- Massive roll out of infrastructure;
- Massive increase in local production;
- Employment stimulus to create jobs and livelihoods; and
- Rapid expansion of our generation capacity.

On the Employment, a stimulus to create jobs and livelihoods, our Department was allocated R1 billion to support 70 000 subsistence farmers whose operations are of the size of a soccer field. Currently, 53 000 subsistence farmers have been approved. About 1434 unemployed

graduates and NARYSEC youth were enrolled to assist in the verification of applicants. A total of 1209 of these young people will continue to do monitoring and evaluation of the program.

The issue of agriculture infrastructure remains important in particular infrastructure that supports local production. Together with the MEC of Agriculture in the Western Cape Province we will unveil the irrigation infrastructure in Ebenhaezer that will assist the emerging farmers who have benefited from the land claim. We will continue with the rehabilitation of irrigation infrastructure and consider new irrigation systems that will expand land under irrigation. In areas where water challenges remain a challenge, we will ensure that we support farmers with boreholes and other means of water harvesting. Deputy Minister Dlamini will have detailed information on infrastructure development under rural development.

Massive Increase in local production.

In agriculture, this will require a combination of interventions as well as different support systems. Some of these interventions are;

a) Increase land under production.

-This will mean cultivating land that has been given to individuals and communities through our land reform program and those in communal areas.

b) Strengthening our Extension and advisory services by employing capable individual Officers

The importance of extension services in agricultural development cannot be underplayed. In the seminars that I conducted in the nine provinces in April and May 2021, I was able to meet over 2 000 farmers and

agribusiness people, and in all these seminars, there was an emphasis on the importance of extension services and the visibility of these officers. As committed by the Minister of Finance, the Department and the provinces have crafted a Strategy on the Employment of Extension Officers, and we will employ 2 447 in this financial year. Noting the importance of regulatory services in addressing biosecurity matters in our provinces, we will employ an additional 50 animal health technicians this year.

- c) **Collaborating with Private Sector and individuals** who are willing to be mentors as well as able to give off take agreements to those who produce. Honourable Members, such partnerships can work if structured well. This morning I was with Tiger Brand in Nigel, Gauteng where they have been working with Khumo Ea Tsabo in supporting the commercialization of black farmers. About five farmers participating in this program were given 30-year lease by our department. In total, 10 farmers are involved in the aggregate propeller model.

Through this commercialization model, the farmers have access to mechanization, technical support and the market, which is Tiger Brand itself.

Tiger Brands have through this program of smallholder farmer development supported 80 black farmers to a tune of R40 million Rand.

They have committed to work to enroll 100 new black farmers and have challenged government to collaborate with them in this journey.

There are a couple of other private sector companies and individuals Lusanda Moeletsane of Khumo Ea Tsabo who are willing to work with government in order to leverage our resources in the development of black farmers while we ensure that we give meaningful support to those who are beneficiaries of land reform.

d) Strengthening our agri-financial services to support production remains critical.

Madam Speaker, Land Bank remains an important institution in supporting the agricultural sector and we will do anything possible to secure its future. My department is working closely with National Treasury to work out a sustainable financial model that will ensure that the Bank continues to fulfil its mandate. The Minister of Finance announced in the 2021 February Budget that an amount of R7 billion over the MTEF has been secured to support Land Bank. This allocation will help to resolve the bank's current default and re-establish the development and transformation mandate. My department will also ensure that additional resources are diverted to the Land Bank. All of these efforts will complement the efforts that are in place to support emerging farmers. Food security is key.

Finalization of the DALRRD-Banking SA Blended Finance Facility

The Department re-launched the Blended Finance Scheme (BFS) in March this year to leverage private funding to support investments that will unlock and enhance agricultural production, agro-processing and comprehensive

land acquisition by black producers through deliberate, targeted and well-defined financial and non-financial interventions.

This approach will enable the Department to collaborate with development financial institutions, private financial institutions and commodity organizations to mainstream the participation of black producers along the agricultural value chains.

e) Agricultural Research

The International Food Policy Research Institute conducted a study and found that:

"Extensive empirical evidence demonstrates that agricultural research and development investments have greatly contributed to economic growth, agricultural development, and poverty reduction in developing regions over the past five decades."

The Agricultural Research Council will utilize the Parliamentary Grant to focus on the development of scientific solutions, inclusive of the development of new technologies and crop varieties, enhancing the quantity and quality of agricultural produce, devising climate change adaptation and mitigation strategies, increasing sustainability, reducing consumer food prices. The ARC will also be training at least 600 NARYSEC participants and continue training young scientists through the Professional Development Program to attain higher degrees such as PhD and MSc to applicable in the sector. Deputy Minister Dlamini will elaborate on the NARYSEC program.

f) Strengthening our Climate Change Response and Biosecurity challenges

The impact of climate change and human migration affects the outbreak of pests and diseases. Of late, South Africa had outbreaks of brown locusts, exotic fruit flies, African swine fever and Foot and mouth disease. Putting up early warning systems, rapid response mechanisms and control measures are important for our country to protect production, environment and trade. Relating to the FMD, the ARC has now approved an implementation plan for the design, construction and commissioning of the new Foot and Mouth Disease Vaccine production facility. Very soon, we will be breaking ground upon obtaining the necessary municipal approvals. Upon completion, this facility will provide the country with an important tool to combat the outbreak of this disease and accelerate livestock production for adequate market access and trade. We, therefore, urge the ARC to accelerate the process towards the construction. The Onderstepoort Biological Product will also, as part of improving its service offering in animal health solutions, work towards concluding its construction of the GMP facility.

g) Massive infrastructure Roll out

Agriculture infrastructure is critical both on farm and off farm. With respect to support to farmers working with the provinces, we need to reflect how we assist farmers with fences, boreholes.

Extending land under irrigation will be our priority. Am happy to inform this house that we will be handing over an irrigation infrastructure in Vredendaal with MEC Meyer. This intervention will go some way in enabling production in this area.

In order to have a template of our interventions, the Master plans serve as a mechanism for collaborative planning. Of importance is the agreement on the vision as well as targets to achieve such a vision statement.

The Master Plans

Agriculture and Agro-processing Master Plan

After recognising different challenges constraining the growth and development of commercial and emerging farmers in the country, the Agriculture and Agro-processing Master Plan (AAMP) had recommended the adoption of a "Theory of Change" to train farmers and grow the agricultural sector in an inclusive manner. The theory advocates for a co-existence of commercial and emerging farmers to promote the agricultural and food sectors on a new growth trajectory that can ultimately contribute to taking South Africa's economy out of the "Middle Income" trap. The conceptual framework for this Master Plan has been concluded, and the sector partners are to meet for consultation in June 2021. This Master Plan is complementary to the Poultry and Sugar Master Plans.

Cannabis Master Plan

The legalisation and commercialisation of Cannabis have been at the forefront of public debate and on top of the agenda of policymakers globally. An inter-departmental team comprising of representatives from various departments was established to guide the development of the

National Cannabis Master Plan with DALRRD as the convener. The Cannabis Master Plan is being presented to NEDLAC before the end of May 2021. The Department will, as of October 2021, begin issuing and monitoring permits for the production of hemp in South Africa.

Market access

The NAMC is currently driving research intelligence and trade and marketing policy advisories, and these are used for market access processes. In the past eleven months, the NAMC has advised the International Trade and Administration Commission (ITAC) on the optimal setting of tariffs, taking into account the impact on consumer prices and local production on poultry, sugar and wheat products. This year, working with the Department of Trade, Industry and Competition and International Relations and Cooperation, we are devising measures to take full advantage of the Africa Continental Free Trade Agreement and other multilateral and bilateral opportunities in the field of agricultural trade.

Strengthen governance and proper management of public resources

The process of strengthening governance in the Department and State-Owned Enterprises is proceeding, the new Boards at the Agricultural Research Council and Onderstepoort Biological Products, Perishable Products Export Control Board were put in place in 2020. Cabinet yesterday approved the appointment of the National Marketing Council. We wish to thank all those members who served us before for the work done. The work of these councils are critical in providing strategic direction of the work of the entities as well as provide oversight on behalf of the shareholder.

STRENGTHENING THE ADMINISTRATIVE SYSTEM

We have started to advertise in order to fill vacancies in the department following the finalization of the NMOG process. We have identified areas of weakness in the configuration of our newly formed department, which we will be addressing in the fit for purpose structure.

The matter of building the capacity of the State cannot be under estimated. We are examining the qualification of our staff following the announcement that was made by Minister of Public Service and Administration particularly at an SMS level. Minister of Public Service and administration issued a circular that instructs all SMS members to populate Persal so that correct data of the qualifications can be properly accounted for. As of this week, we have noted that within our department we only have five members who are affected.

Building state capacity also means being able to implement consequence management where wrongdoing has occurred. We wish to assure members that we are acting and we will not hesitate to act so that public resources are accounted for and that the conduct of our officials are not questionable by citizens. We need to revive the ethos of Batho Pele once more in order to build a capable administrative system that is responsive to people's needs.

Budget Allocation for 2021/22

Chairperson, the Department has an allocation of R16.9 billion budget for 2021/2022 financial year. A sizeable portion of this budget is for transfers to Provincial Departments of Agriculture as part of the division of revenue.

These allocations relate to-

- (a) Ilima/Letsema Conditional Grants – R 597 126 million;
- (b) CASP Infrastructure Grant – R1 157 176 billion; and
- (c) CASP Extension Services – R310 343 million.

The Commission of Land Restitution will receive a budget of R3, 3bn for 2021/22.

The other transfers are to our agricultural entities, such as the Agricultural Research Council, which received a grant of R1 282 632 billion. The National Agriculture Marketing Council received an amount R47 305 million, and the Ingonyama Trust received an amount of R23 517 million.

I thank you.