



**agriculture,
forestry & fisheries**

Department:
Agriculture, Forestry and Fisheries
REPUBLIC OF SOUTH AFRICA

BUDGET VOTE SPEECH

**BUDGET VOTE 24 & 39:
AGRICULTURE, LAND REFORM AND RURAL
DEVELOPMENT**

**DELIVERED BY
HON. THOKO DIDIZA (MP)
MINISTER**

16 JULY 2019

***EMBARGOED* until delivery**

**ADDRESS BY MS AT DIDIZA BUDGET VOTE SPEECH
DEPARTMENT OF AGRICULTURE, LAND REFORM AND
RURAL DEVELOPMENT ON 16 JULY 2019 AT 10:00 OLD
ASSEMBLY, PARLIAMENT**

“MAKING LAND PRODUCTIVE AGAIN”

Honourable Chairperson,

Ministers and Deputy Ministers Present

Honourable Members

Ladies and Gentlemen

The land debate in South Africa continues 25 years after 1994 first democratic election. Many commentators have written on the successes and challenges of land reform in South Africa. In this very legislative Assembly we too as public representative of our people would like to find a lasting solution to the legacy of dispossession in our country.

For many of us this matter not only relates to sovereignty, equitable access to land as a natural resource, but more so to address socio-economic challenges that our country face.

South Africa continues to face the tripple challenge of poverty , unemployment and inequality, whose face remain femine. Our collective responsibility is how we continue to address these

challenges in order to create a better life for all. We need to create shared value in tackling these socio-economic challenges, and in building an inclusive, thriving and globally competitive agricultural sector.

Addressing the land question and its productive use, will need a meaningful conversation with land owners, be they farmers, companies or trust. We need to be genuine and deliberate in transforming this sector. Historically, black South Africans were excluded from meaningful participation in the agricultural economy. The food value chain remains highly concentrated amongst a few players. This is hardly the basis of building a sustained agriculture economy that serves all. We need to work together to open up the sector, create opportunities for the historically disadvantaged groups, and make a concerted effort in growing the sector on an inclusive basis.

We are developing a deliberate strategy for youth and women in agriculture building on initiatives that have been undertaken already.

In addition, we have a responsibility to revitalise land that was given through restitution of land rights, as well as support farmers settled in agricultural state land and those in our

communal areas who have acquitted themselves as farmers even where land scarcity remains a challenge.

Honourable members, there are legacy issues that will require us to address in relation to restitution and security of tenure for farm workers and farm dwellers. The legacy issues I'm referring to are many. Among these is the community of District six. We wish to thank the community of District six represented by their respective committees for allowing us to meet with them albeit the fact that there are legal issues between us. We have committed to work together to find solutions to the current stalemate. We also call for the other stakeholders such as the Provincial Government and the City of Cape Town, to remain true to commitments that were made in the early 2000s when such a matter for development was resolved.

The communities of Wallmansdaal, Mangethe and many others reflects some of the challenges that we need to be alive too regardless of the fact that some of these claims might have been resolved.

We have taken note of the Lamoosa judgement and the need for us to clarify how we will deal with the 1998 lodged claims going forward that have not be finalised till to date.

Honourable members, the challenges I have highlighted require a responsive and capable state. In this regard, we will need to ensure that in the reorganisation of the new department, we bring requisite skills. Strengthening the institutions are critical for service delivery purposes. Strengthening the institutions and systems are critical for service delivery purposes. Ethical conduct is important as we utilise public resources for the development of citizens. It is for these reasons that we will follow up on those investigations that have been conducted and act in accordance with proposed recommendations.

Good labour relations are equally important in any organisation. To this end we have instructed the departments to resolve all outstanding labour relations matters by September 2019. We have taken note that some of the working conditions where our employees are? are not of standard. We will be engaging with the Department of Public Works and Infrastructure to improve on office infrastructure where our department is housed across the country.

As we table Budget Vote 24 and Vote 39 for your consideration and approval we wish to thank the Chairperson and the Portfolio Committee Members for having given us an opportunity to present to them our annual performance plans as

well as the budget that support such plans. Your valuable insights on the portfolio is much appreciated. We have taken seriously the criticisms, concerns and proposals that you gave us during the engagements we have had.

Chairperson , Honourable Members, following the State of The Nation Address in which the President indicated the work that will be done in the reorganisation of the State, we have already set the process in motion. Together with my Colleague, the Minister of Environment , Fisheries and Forestry we have signed a memorandum of understanding that will ensure that we manage decision making on the areas that will be transferred to her department. At administrative level, different work streams are doing their work to ensure that transition is smooth.

In respect of Vote 24, there will be shifts in the budget as some of the functions such as Forestry and Fisheries including the compensation of employees in these functions which will go to the relevant department.

Programme 1 of vote 24 relating to administration will remain and the process will be merged with the same function from vote 39 which is currently in the Land Reform and Rural Development.

Programme 2 will see some reorientation in that focus will be to priorities biosecurity in order to mitigate risks of animal and

plant disease. The national department will ensure that budget support goes towards stepping up surveillance of the foot and mouth diseases(FMD) red line zone which cuts across three provinces, Limpopo, Mpumalanga and Kwazulu-Natal.

Programme 3 will see enhancement of its monitoring capacity as it relates to transfer of funds to Provinces such as the Comprehensive Agricultural Support Program.

Honourable President in his State of the Nation Address

indicated that Agriculture is one of those sectors that will contribute towards growing the economy and make contribution towards job creation. In looking at our budget as well as Annual Performance Plans we have identified critical areas that we have aligned with the new direction of the sixth administration.

Chairperson, Honourable Members agricultural production linked to market access will enable us to make contribution to the economy as expected. The opening up of markets in countries such as the Republic of China for beef and fruits are just but one example of the growth opportunities that we can maximise.

Together with the Minister of Trade and Economic Development we have agreed to work on the following matters:

- a) Engaging our trading partners such as the Republic of China on to increase commodities for their markets where we have a comparative advantage.
- b) Develop an agribusiness master plan.
- c) Re-look at the poultry industry
- d) Prepare for the implementation of the Africa Continental Free Trade area and engage labour and industry.

In order to sustain our biosecurity in respect of livestock industry, we will ensure that we will recruit veterinary doctors and animal health specialist. We will also work with provinces to ensure that dipping services and other veterinary services are undertaken at scale.

During this financial year, Onderstepoort Biological Products company will be commencing with the upgrading of the facility to ensure that our vaccine production is undertaken within the prescribed international standards.

Agricultural Research Council will be commencing with the foot and mouth diseases (FMD) diagnostic facility.

Chairperson , honourable members in order to sustain the efficiency and expansion of these state entities, we would urge

Provincial Governments, in particular departments of Agriculture to procure their animal vaccine products from OBP.

Innovation and technology

Agricultural Research continues to be an important research facility that supports our work. Recently ARC has produced a water efficient maize seed variety for Africa. This maize variety will assist farmers in water scarce areas.

As a Science Council, ARC continues to produce doctoral students in Agricultural Research working with Higher Education Institutions through supervising students and utiising our facilities for their research.

Commercialization of Black Farmers

Chairperson, Honourable members, commercialization of Black Farmers remains an impoartant objective if we are to transform the country's agricultural sector. Better policy instruments will be developed in order to articulate what form of support will government give in this respect.

Currently, we are working with Statistics South Africa to develop a farmer register that will tell us how many producers do we have, the scale and nature of operations. This data is important in order to ensure targeted support by government.

Agricultural Finance

Chairperson, Honourable Members, financing of agriculture remains an important ingredient for farming whether a new entrant or established producer. Currently, the Land and Agriculture Bank of South Africa has a mandate to finance established farmers as well as developing farmers. This is an important mandate, however we need to reflect seriously whether given the current mandate and the financial environment in which this institution has to operate is it properly capacitated to undertake this task.

Secondly, we have various instruments that seek to support developing farmers which in large measure are grants for support in infrastructure such as CASP and land development which is currently with rural development. I have already instructed the two departments to look into areas of overlap and align. In addition working with the Land Bank together with the department we will need to look at how best we finance agriculture as a country.

Skills Development

Chairperson, Honourable members we will strengthen our monitoring and evaluation in respect of the comprehensive

agricultural support program in order to ensure that there is no sippage. Skills development in agriculture is critical. To this end we will work with the Minister and Department of Higher Education to strengthen the work of agricultural colleges. We will work with Universities to ensure that we build requisit skills for the sector.

Development of Markets and Markets information

Chairperson, we will work closely with the Naitonal Marketing Council so that it becomes an agency that can give timeous advice to Minister on Agricultural markets trends which will be of value for policy development. It is in this area where we as government can leverage resources that are there in the sector instead of reinventing the wheel on what exists. Information on markets access locally is equally of necessary to farmers.

The resources that are there in the industry trust play an important rolein developing new entrants into agriculture. More can be done to ensure that these trusts paly an effective role in the transformation and the development of the agricultural sector.

Partnerships with stakeholders

If we are to achieve our objective of increased contribution in the economy we have to work very closely with the industry. Our agri-business industry and producer organisation remain our critical stakeholders, therefore the realisation of the government objective with regards to economic growth requires all of us in the sector to work together. I have started consultations in this regard.

VOTE: 39

Chairperson, Honourable Members I allow me to table Vote 39 which relates to Land Reform and Rural Development. It is one of the important instruments that contribute towards progressively realising our socio-economic rights that enables all South Africans to have access to land.

Land plays a multifunctional role in our societies which includes economic, environmental and settlement functions. In the State of the Nation Address the President indicated that the state will rapidly release state land for human settlement and agriculture.

Honourable members, work has already begun in this area.

Land Reform in our country has three elements that is Restitution of Land Rights, Land Redistribution and Land

Tenure. Deputy Minister Skwatsha will speak in detail on this matter. I do however wish to highlight some of the challenges that we are experiencing. The recent incident of Mthwalume, in Mathuluni area, South of Kwa Zulu Natal is indicative of challenges being experienced in respect of Communal Property Associations. The intention of the Communal Property Act was to create a holding facility for the recipients of land from government as beneficiaries in particular in groups. The Act provided for the establishment of the trust who will hold the land asset on behalf of communities. However in a majority of instances, such structures meaning the trusts, do not comply with the requirements of the law. They hardly convene meetings where they report on what is happening about the land either where such is leased to third parties. No reporting is given about the revenue which has accrued to the community whose land may be leased for purposes of generating income. My predecessor had instructed the department to build the capacity of the CPA's through basic training that covers the aspects of being a trustee.

Currently we are examining the impact of this work and will strengthen where such is required. In the fifth administration we had amended the legislation and tabled it in parliament. Regrettably this legislation was not passed as it was still at the committee stage. We hope that it will be amongst legislation that will be prioritised.

Land acquisition processes

Honourable members, during our presentation to the Portfolio Committee, the issue of identification of beneficiaries for acquisition and allocation of land has come under scrutiny. We are reviewing such processes and will ensure that these systems are not easily susceptible to corruption.

Rural Development

Concerns were also raised on the investment that the State has and is making through Agri-parks. Honourable members, agri-parks as a concept relates to a combination of elements that if implemented can change the rural landscape of our country. These relates to the creation of Farmer Production Support Unit. This is a facility that will ensure that in a given district municipal area identification will be made of what is commonly produced and or what has a potential in terms of the soil types and climatic conditions. For an example in an area where grains are dominant the Production centre will have relevant implements to support farmers though the provision of tractors, planters, haverster, seeds, fertilisers, sprays and pesticides. Extension and research services will be there to support farmers. The next phase will then include a facility to store, process the grains, package and sell to the market. This widespread target focus will then ensure that farmers produce

at scale and are supported collectively instead as individuals. The question we need to ask ourselves is whether or not in our implementation we have explained the concept in detail to those it is meant to serve? Have we trained and ensured that those in the Farmed Production Support Programme Unit(FPSU) are adequately trained to support farmers?

Honourable Members in response to your concerns we have met with the team in rural development to examine the implementation of this program. We have also done some spot checks on some Agriparks.

Honourable Members as the Function of Spatial Planning, Survey and Registry of Deeds are critical instruments for the State and society. We are currently transforming our deeds registry . We are also training and building capacity in respect of surveyors. Our mapping services continue to ensure that we continue to support the demarcation board as well as geographical information systems.

I wish to thank Deputy Ministers Skwatsha and Dlamini for the team work as we lead this important work of government. To MECs responsible for Agriculture,thank you for the commitment in ensuring that we lead this sector together. To the representatives of the farmers organisations, the agribusiness industry thank you for your continued hard work and support.

To the Chairperson and Portfolio Committee thank you for your collegiality in the way we work. To the staff in the Ministry, departments and entities thank you for the hard work.

In conclusion, I table vote 24 and vote 39 for your consideration and approval.

I Thank You