

Minister Didiza's budget vote speech centered on the themes of private-public-partnership approaches

On 13 May, the Minister of Agriculture, Land Reform and Rural Development Thoko Didiza presented the budget vote speech to Parliament. The minister took her time to thank the men and women on the ground working to better our economy in these extraordinary times.

The budget for the department amounted to R16,9 billion which is just a slight increase from the previous year's budget of R16.8 billion. The R16,9 billion budget will be shared with provincial departments of agriculture and other government entities as part of a division of revenue. Minister Didiza mentioned that over 50% of the budget goes to land reform, food security and restitution as these are pressing matters in South Africa.

Agricultural production, biosecurity and natural resources management received the third-largest allocation of R2,6 billion. This budget goes towards curbing disease outbreaks in the sector. KwaZulu-Natal, one of the most populated provinces in the country, was hit by foot-and-mouth disease and that poses a huge risk for our meat industry, which generates at least R2 billion a year from exported products. The budget allocated by the minister made provision for swift control of the KwaZulu-Natal foot and mouth outbreak, a much-needed response and a job well done to the government and its partners.

Programme 3 which includes food security, land reform and restitution was allocated R8.8 billion which is the biggest allocation of the budget. The money allocated to all the programmes is meant to close up the gaps in the sector, create jobs, and strengthen the economy. When Minister Didiza addressed Parliament, she mentioned her strategies on strengthening the department through public-private partnerships. For instance, the blended finance scheme will be re-launched in the hope of assisting black commercial farmers in the country, this scheme will inject millions of rands from the private sector providing both financial and non-financial support. This approach will enable the department to collaborate with development financial institutions, private financial institutions, and commodity organisations, to mainstream the participation of black producers along the agricultural value chains. Minister Didiza mentioned the importance of infrastructure development on and off farms and how public-private partnerships will be a key driver for this, as she mentioned the importance of private investments and extension of irrigated land which will increase production in agriculture.

The minister mentioned the overall good performance of the sector in 2020 despite the pandemic and how the sector is still expected to hit record-high performance again in 2021. The annual consumer price inflation was 4,9% in June 2021, down from 5,2% in May 2021. The consumer price index increased by 0,2% month-on-month in June 2021, with food and non-alcoholic beverages increased by 6,7% year-on-year, and contributed 1,2 percentage points to the total CPI annual rate of 4,9%.

Due to Covid-19 job losses and the ripple effects such as closures of bars, restaurants and restrictions on alcohol and tobacco sales, the agricultural sector really took a knock in some of the sectors, however, the industry performed very well in 2020 despite the challenges and is expected to keep that momentum in 2021 on the back of good production, stronger commodity prices and strong export prices for export goods. The vaccination roll-out in the country is underway. The government has rolled out 5.3 million vaccines throughout the country, which brings about the hope of restoring all major value chains and an improvement in employment. A deal has also been reached by Pfizer and

BioNTech to produce Covid-19 vaccines locally which bodes well for all industries and the local economy.