

Budget Vote Speech for 2007/08

Department of Agriculture and Land Reform

By

Ms Tina Joemat-Pettersson (MPL)

MEC for Agriculture and Land Reform

14 June 2007

Madam Speaker and Deputy Speaker

Honourable Premier

Colleagues in the Executive Council

Chairperson of the Portfolio Committee

Honourable Members of the House

Traditional Leaders

Mayors and Councillors

Heads of Department and other Managers in Government

Management and staff of my Department

WARD members

Representatives of the Business Sector

Distinguished Guests

People of the Northern Cape

Compatriots, Comrades and Friends

South Africa and the rest of the world will once more be re-evaluating the implementation of the commitments made at the World Summit on Sustainable Development (WSSD) as we celebrate the 5th anniversary of this historic event held in our country.

With poverty eradication having been identified as the indisputable greatest global challenge, we would be challenged once again with responding to how best we have crafted **national policy** that speaks into human dignity for all. Indeed, the Summit's clarion call was to solicit our collective effort in preserving the earth and every being enveloped in it.

Madame Speaker,

Today I am immensely proud to acknowledge the presence of the 93 year old, Mr. William Ramaise of the Barkly West food security project, Kopanong Small Farmers Association in the house. His participation in the project epitomizes selflessness, social consciousness and solidarity beyond his age. Papa Ramaise is indeed his own liberator in a collective culture of volunteerism. His urge and that of his fellow elderly beneficiaries is to free themselves and their community from food insecurity, poverty and disease. I salute you!

May I also express my warm greetings to members of Women in Agriculture and Rural Development who have graced this occasion. It is a great milestone in agriculture and rural development to have rural women organised as a united front to take up challenges and fight all forms of discrimination in our joint quest to fight rural poverty and economic injustices.

Without any doubt, WARD shall continue to enjoy my unwavering support in its endeavour of achieving socio-economic justice for our sisters and mothers.

Madame Speaker, Honourable Members of the House, Ladies and Gentlemen according to Statistics South Africa, Agriculture was one of the largest contributors to the GDP of the Province, which stood at 3,9% in 2005, agriculture contributed 6,9% with growth in the following sub-sectors playing a major role:

- Field crops
- Horticulture
- Livestock

Despite the challenges faced by the sector, among others, the continuous dry spells in most parts of the province, the Department of Agriculture and Land Reform will continue to ensure that an enabling environment is provided for the agriculture sector's contribution towards the national quest of growing the economy and reducing poverty and unemployment.

Our budget spending for 2007/08 will therefore be directed towards identified targets and priorities as outlined in our Provincial Growth and Development Strategy, Programme of Action and national initiatives such as ASGISA. We will also ensure that local government is supported in the implementation of their District Growth and Development Strategies as a vehicle to advance economic growth at local level. The support is also aimed at assisting municipalities in their endeavours to finalise and implement their land administration policies.

Madame Speaker, the following forms part of our main focus areas for development and interventions during the 2007/08 financial year:

1. ASGISA

During the past year, Biofuel and Commercialisation of the Goats were the only two agricultural programmes identified under the ASGISA initiative.

To date, we established a task team and commissioned a feasibility study on the biofuel production in the Province. A preliminary report thereof will be tabled before end of June and will be used as our input into the national biofuel strategy. At this stage Madam Speaker, I would urge particularly the farmers and industry to continue making input into the study. We are working with GWK on the Biofuel initiative.

With regards to the Commercialisation of the Goats programme, we continued with conducting a feasibility study in collaboration with our partner IDC while supporting the registered Goat cooperatives with appropriate training, technology, information and the purchase of 500 goats. For this year an amount of R3,4 million has been allocated for the implementation of the programme. The funds will be used to strengthen and expand the programme through the:

- ❖ Construction of relevant infrastructure**
- ❖ purchase of goats (100 does and 3 rams each) for 30 goat cooperatives.**
- ❖ Further training of goat farmers (production and processing) and**
- ❖ Marketing of goats**

The established co-operatives will further be aligned with the national initiative on jobs for growth and the development of self-help groups.

2. Second economy interventions

In broadening access and participation of black farmers in the mainstream agriculture we have certain interventions in place to ensure that an enabling environment is created for black farmers to have access to and participate in the sector.

Wine development initiative

In line with AgriBEE, my department is collaborating with the Wine Development Trust and the Orange River Wine Cellars in developing emerging farmers in the province to be part of the production and processing of selected wine grape cultivars. This is in response to the current national shortfall of distilling wines which is presently being imported. With the current available capacity in the Northern Cape, there is potential for local production of these wines, which will further lead to a saving in foreign currency.

Madame Speaker, the project will provide entry of previously disadvantaged individuals into the wine industry and it is estimated that at full potential the project will create at least 400 full time and 1300 part-time jobs in the province. The envisaged income to be generated through this project could be in the region of R15 million per annum. Production and marketing of BEE produced table wines for local and export markets will be the next step. The spin-offs to supporting industries will be substantial with regard to additional business, which in itself will create additional jobs.

Madam Speaker, I would like to thank the Orange River Wine Cellars and Mr. Johan Pienaar (the project co-ordinator) for their

commendable efforts in making sure that this initiative comes to reality so that our emerging farmers, particularly land reform beneficiaries benefit as well. Participants in the programme include:

- ❖ Riemvasmaak
- ❖ Realeboga (Kanoneiland)
- ❖ Eksteenskuil Farmers (Keimoes)
- ❖ Boipelo Small Farmers (5J14 in Vaalharts)
- ❖ Sandraai Arbeidsgenot (Groblershoop)

Massification of Livestock production

Madame Speaker, in line with the National initiative to massify livestock production in the second economy, we have actionalized our livestock production and development programme. The programme will be applicable to Beef, Commercialisation of goats, Sheep, Ostrich and Aquaculture production.

Nguni cattle development

Madame Speaker, Nguni cattle development remains a priority in our drive to develop the indigenous cattle breed for local and international markets, targeting emerging farmers. During July 2007, we will distribute Nguni cattle to the identified beneficiaries of the pilot projects in Frances Baard and Kgalagadi Districts. This will be done in conjunction with our partners from the IDC and the University of the Free State. An amount of R500 000 will be used to purchase Nguni cattle for the beneficiaries while an amount of R700 000 will be used to support research initiatives on our research station.

Support and promote export readiness to emerging farmers

In an effort to ensure that emerging farmers participate in the export market, we piloted a traceability system linked to an EU approved abattoir. The system will assist our emerging farmers with regards to record keeping, improving production and quality and, understanding of compliance or regulatory requirements for export markets. An amount of R1million has further been allocated this year to use the system on the goats and Nguni cattle that will be distributed to various identified cooperatives and communities.

Land Reform

In support of the Minister's Gijima Programme, we will strengthen our support mechanisms to ensure that land delivery is fast tracked, along with the necessary support to ensure the establishment of viable farming units post transfer. The support should also ensure that socio-economic needs of beneficiaries, such as health, education, and housing services are attended to.

Since 1994 to date, the Northern Cape –Provincial Land Reform Office has redistributed more than 700 000 hectares of agricultural land in the Province. This bears testimony to the fact that the Northern Cape – Provincial Land Reform Office is making huge strides towards reaching the target of redistributing 30% of white commercial agricultural land by 2014.

The total allocated budget for the 2006/7 financial year was R54 million and the Northern Cape - Provincial Land Reform Office spent R56, 083.529 an over expenditure of more than R2 million. 29 Projects have

been transferred comprising of all land reform products. A total of 78 500 ha was redistributed to 505 beneficiaries.

The successes for financial year 2006/7 under the Land Reform Products are as follows:

Commonage:

7 Commonage projects, 31 923 ha were transferred in Siyanda, Namaqua and Kgalagadi respectively, this include 2002 ha of land which was transferred to Moshaweng Municipality which is their first ever commonage owned by the municipality.

LRAD:

Siyancuma Women Game project comprising of 100 women beneficiaries has been transferred.

Komnader Boerdery Farm Equity Scheme between land owner and 95 of his workers who acquired 25% share of the potato production business have also been transferred. The workers further acquired security of tenure on the farm.

Tenure Security:

4 off site settlements in terms of Extension of Security of Tenure Act No. 62 of 1997 have been achieved.

Tenure upgrade: 206 title deeds for the Blocuso Trust have been upgraded.

PLAS:

The Pro Active Land Acquisition Strategy is not a program like LRAD but an approach which seeks to speed-up land acquisition. The Strategy flows from the Land Summit resolution. Land acquired pro actively is registered in the name of the State to allow time for proper

selection of beneficiaries and project design, by Land Affairs supported by Provincial Department of Agriculture. 8 Projects have been finalized in terms of PLAS totalling 12 436 ha,

- ❖ 4 projects in Siyanda for grazing in Askham and Groblershoop and grapes and mixed farming in Upington.
- ❖ 3 Projects in Frances Baard for grazing and crop production and
- ❖ 1 project in Namaqualand.

PLAS is not replacing LRAD but aimed at accelerating the pace of land acquisition.

2007/8 Plans: Madame Speaker the 2007/8 plans include the acquiring of land for the commercialisation of the goats programme in line with ASGISA initiative. 20 000 ha have already been identified.

In the Kgalagadi area, preparations to implement the Area Based Plans are underway. The Area Based plan would assist to ensure an integrated and sustainable land reform implementation strategy and therefore yield more economic benefits for the communities of this area.

Furthermore, this year the Office intends to commence with two tenure upgrade projects for the two townships namely, Pampierstad and Mothibistad, following their incorporation into the Northern Cape from the North West. It is worth mentioning that the residents of these areas did not own their houses in terms of Title Deeds, but had Deeds of Grants. The tenure upgrade process would culminate in them having Freehold Ownership (full title). This process would benefit about 5 000 households.

With demarcation of Kgalagadi Municipality, Communal land has been incorporated into the Northern Cape, including the 141 villages. This

would therefore require us to start with the implementation process of the Communal Land Rights Act. (CLARA)

Madame Speaker, with regard to restitution, despite numerous challenges that we are faced with, there has been evidence of hard work by the Regional Land Claims Commission for Northern Cape and Free State. 33 claims were resolved during 2006/07 financial year, which brings a total of 3623 claims settled to date for Northern Cape.

Various strategies are employed by the Commission to fast-track the settlement of all 431 outstanding claims by 2008, which include staff retention interventions and communication road shows to raise awareness among communities. This is because our people have fallen prey to bogus consultants, who rob them off their hard earned money, promising that they will help them lodge new claims and speed up the settlement of existing ones. My office has also played a very critical role in sensitizing the public about this unscrupulous act.

For the Northern Cape, the most significant claims settled were the Droogfontein and Vaalbos claims, which combined 385 households and 1790 beneficiaries. Madam Speaker, Pniel has also been in the spotlight, following its expropriation. As you all know this matter is before the court.

Among the restitution highlights was the resolution of the Richtersveldt Land Claim, which will see the community receiving among others, a settlement amount of over R190 million as compensation for rights lost in minerals expropriation. The community of Richtersveldt will also receive state land, opportunities to develop Mariculture, establish mining companies and further rights to land. The CPA is in the process

of appointing a new legal Counsel to represent them while the department of Agriculture and Land Reform, the Regional Land Claims Commission and the department of Public Enterprises will be working together to implement the full agreement.

Targets for 2007/08 include the prioritisation of 202 claims for this first quarter, which are currently in various stages of settlement.

Although some strides have been made in terms of finding an alternative land for the settlement of Lohatlha claim, we are still experiencing challenges in identifying more land between Kuruman and Khathu for the Gathose community. I would like to appeal to farmers in these areas to please assist us with the speedy resolution of the matter. We have identified land in the Postmasburg area for the Maremane community and are in the process of purchasing different farms in that area. The farmers in the Postmasburg area are commended for their assistance in this regard.

Comprehensive Agricultural Support Programme (CASP) and Landcare

CASP continues to be a priority in our attempts to make a difference in emerging farmers farming practices and access to means of production. Since its inception in 2004, CASP benefited 2897 emerging farmers and 814 jobs were created from R29,4 million. This year R28,555 million will be spent on 17 projects, benefiting 755 emerging farmers and creating 272 jobs.

R6,808 million goes to Pixley Ka Seme district. The funds will be used for livestock infrastructure for goats' co-operatives and designs for

main water supply for Karoo irrigation project. Frances Baard receives R7,750 million for irrigation infrastructure and farming implements for land reform projects in Vaalharts. R400,000 will be spent this year in Kgalagadi, with finalisation of plans for funding in 2008/09. For Siyanda, R4,965 million will be spent on irrigation infrastructure on land reform projects, which have received water rights as part of the Orange River Emerging Farmer Settlement and Development Programme. R6,447 million goes to Namaqua, mainly for livestock farming infrastructure.

MAFISA

Madame Speaker, in her State of the Province Address of 15th February 2007, The Honourable Premier mentioned MAFISA as a key Programme that will address the Financial Services needs of the Micro and Small Agricultural Enterprises with particular emphasis on Rural Women. To date the Department has piloted MAFISA in Kgalagadi, Siyanda and Pixley Ka Seme Districts.

The roll out is done concurrently with an awareness campaign to further inform farmers of the programme's existence as well as to inform them on how it could be accessed. The programme will be officially launched on the 19th July 2007 in the Vaalharts area in the Frances Baard District.

AgriBEE

In line with the objectives of the AgriBEE charter, work is continuing on the implementation of programmes aimed at broadening access and empowerment in this regard include:

- ❖ **Commercialisation of goats**
- ❖ **The Orange River Agricultural initiative such as:**
 - **Siyancuma Women in Game Project and**
 - **Karoo Irrigation Development Project**
- ❖ **The Vaalharts Olive Project**

These projects will be implemented in partnership with a number of institutions such as Try Me, IDT who are assisting at the Siyancuma Women Project, IDC, Genesis, DBSA, the Land Bank and GWK.

3. Agro-processing

There are several investigations currently underway, including the proposed Hoodia cultivation and processing, Rooibos Tea and Buchu. A draft feasibility report on the Tetra-Pak project has been completed. Based on the feasibility reports, plans will be finalised this year, which will include identification of possible sources of funding.

4. Food Security

The Department of Agriculture and Land reform's contribution towards the programme has been through various food security interventions, key among others were food security projects, distribution of production starter packs, irrigation infrastructure, fencing and implements.

- **8 projects throughout the province received support during 2006 to the tune of R2.4 million**
- **Production starter packs were given to 306 households in Frances Baard, Pixley Ka Seme and Kgalagadi. As part of IFSNP starter packs were also given to 48 schools in Frances Baard and**

Kgalagadi and to 28 health centres in Frances Baard and Pixley Ka Seme.

- Starter packs were reviewed with a view to massify production.

For 2007/08 we have set aside R4.9 million for food security programme. The funds will be used to:

- ❖ Increase food production at household and community levels through provision of production inputs, including the necessary infrastructure and equipment. Production inputs will be provided to 560 households, 120 schools and 70 clinics.
- ❖ Letsema la Mantsha Tlala in Kgalagadi will be revived, starting in 5 villages.
- ❖ 10 projects will be established throughout the province, which will also be used for income generation through sale of surplus produce.
- ❖ Training urban and peri-urban food garden producers on agro-processing techniques of their excess produce for home consumption, storage and marketing purposes is well underway.

5. Risk and disaster management

Madame Speaker, since 1999 we have annually experienced drought conditions in the South Western parts of the Province. This makes farming a difficult enterprise to venture into in our Province. By the same token, we have also experienced devastating veld fires particularly in the Frances Baard, Kgalagadi and Pixley Ka Seme District municipal areas.

We also cannot ignore the recent debates on Global climatic change and suggestions that our province will be among the first to be affected. Since our Province is in a water scarce area, I would like to

implore all role players to participate in the workshops which will be held during the year in this regard. The aim of the workshops will be to develop a draft strategy which will advise the department on the steps needed with regard to research and development, especially livestock production and the impact on the veld/pasture/natural resources.

Madame Speaker, the investigations on the Vaalharts salinisation and water logging problem is at an advanced stage and to date a task team which involves members of all role players and stake holders has been established to develop a scoping report and plan for the area. The plans will be used to negotiate for the release of funds to address the salinisation problem in the Vaalharts irrigation scheme.

6. Bio-security

Madame Speaker, bio-security is a priority for our country at large and in this regard we will, in collaboration with all spheres of government, stakeholders and industry,

- ❖ Finalise the bio-security strategy
- ❖ Continue with extensive animal disease and food safety surveillance
- ❖ Conduct an extensive food safety campaign that will cover illegal slaughtering and supplies of animal protein (meat & milk) to institutions such as, hospitals and boarding schools.
- ❖ Participate in the World Rabies Day that will be held on the 8th of September 2007. This will be preceded by a National Rabies Week to be held on 3-8 September 2007.

Furthermore, an amount of R923 000 has been allocated to improve on the capacity of the province and this will include the training of our

emergency preparedness unit and the appoint of a Veterinary epidemiologist and laboratory technicians

7. Research and development

Madame Speaker, we are still battling to find and employ relevant scientists with skills in horticulture and pasture science that will fit the bill to assist with research in Arid zone ecology and who are prepared to relocate to Upington and Jan Kempdorp. It is our hope that we will soon be able to recruit members who will be able to complement our small but very efficient team. It is also our aim to close the gap between commercial and emerging farmer research by engaging both parties to identify and document their needs.

8. Trade Issues

Following the agreement between South Africa and China in 2006 market for table grapes to China is now open. With regard to the Lower Orange area inspection by China has been carried out and the area has been granted an approval to export. The first consignment to China is expected this year. This was indeed a critical 1st economy intervention on our part.

9. Development of human capacity

The provincial HRD strategy will certainly assist us in the recruitment, development and retention of required expertise and skills. The revised remuneration scales for Veterinarians and Engineers, which was implemented on 1 April 2007, would hopefully assist our efforts to

retain these scarce skills in the province, and most of all address the problem of job hopping between provinces.

We have for many years lost most of our technical personnel including vets to other provinces, most if not all that we took effort in developing. This was because other provinces were pitching these positions at a higher level.

This year to improve Extension service in the province, our Extension Officers will undergo various training programmes that will improve their knowledge and skills capacity, in line with the national norms and standards for extension services.

We will continue our relations with institutions such as SA Agri Academy in our pursuit to build capacity of our emerging farmers to be market ready. This partnership, which has now been extended to include the Northern Cape Institute for Higher learning, will be concretized by the signing of the co-operation agreement in the very near future. The partnership agreement aims to create synergies between the three organizations in benefiting the clients in the agricultural sector in the Northern Cape, through the provision of business support, training and mentorship services.

Last year I indicated in my Budget Speech that the Department will put measures in place to improve communication and information sharing with stakeholders. Some of these measures included the development and launch of the new web portal (www.agrinc.gov.za) and the establishment of a new GIS unit for upgrading agricultural database. Part of our future plans include amongst others; the finalization of the establishment of the GIS system for the department and piloting the wireless technology at Koopmansfontein and Kgalagadi areas during

the 2007/2008 financial year. We are indeed embracing the information age with all our might.

Madame Speaker, the Budget Allocation for the Department of Agriculture and Land reform has increased steadily since 2004. This increase has allowed the Department to improve its capacity to deliver services to our clients and thereby improve its image and profile. Improvements in spending the allocated budget for the 2006/2007 have been recorded notably in spending the allocated Conditional Grants Budget. I have therefore, instructed my Department that this high level of performance must be sustained, so that the roll over of funds for Conditional Grants must be a thing of the past. This is because the rolling-over of funds delays the reduction of poverty and slows down accelerated service delivery.

I further commit my Department to address all the queries raised by the Auditor-General in his audit opinion for the 2006/2007 financial year.

The overall departmental budget allocation for the 2007/2008 financial year is R164 million, which represents a 6% increase. This allocation includes an amount of R43,436 million for Conditional Grants and R6,604 million earmarked funds.

The Budget has been allocated as follows to the different Programmes of the Department:

Programme 1: Administration has an allocation of R31,449 million, which constitutes 19% of the departmental budget allocation.

Programme 1 consists of the Office of the MEC, Senior Management, Corporate Services and Financial Management.

Programme 2: Sustainable Resource Management received R24,261 million. This includes R6,075 million Landcare and R8,806 Provincial Infrastructure grants. The budget will be used for the provision of agricultural support services to farmers in order to ensure that there is sustainable management of agricultural resources.

Programme 3: Farmer Support and Development. R67,373 million has been allocated. R28,555 million for CASP and R4,281 million for specific agricultural sector economic interventions. Programme 3 allocation will also be used for the provision of extension support and rural development, implementation of land reform and food security programmes.

Programme 4: Veterinary Services. R19,958 million goes to Programme 4 which is responsible for the promotion of sustainable economic growth through export/import and ensuring health and welfare of people and animals in the province.

Programme 5: Technology Research and Development receives R17,341 million. The allocation will be used to render agricultural research service and development of information systems with regard to crop production technology, animal production technology and resource utilisation.

Finally, Madam Speaker for

Programme 6: Agricultural Economics, an amount of R3,622 million has been allocated. This is for the provision of economic support to

internal and external clients with regard to marketing, statistical information, including financial and economic viability studies.

In conclusion **Madame Speaker** despite the challenges that confront us, we commit to spend and deliver on our mandate and, we are hopeful and confident that our interventions and strategic programmes will make a meaningful contribution to the economic growth of our province and impact positively on the lives of our communities.

I also wish to express my utmost gratitude to the following:

- ❖ HOD of the Department, Mr Viljoen Mothibi, The Acting Commissioner for the Regional Land Claims Commission, Mr Tozi Gwanya, The Head of the Provincial Land Reform Office, Mr Obed Mvula, Senior Management and staff
- ❖ The ministerial staff
- ❖ The Chairperson of the portfolio committee, Mr David Rooi and fellow members particularly the farmers in the Portfolio committee for their insightful guidance and expertise.
- ❖ The financial institutions (Land Bank, Standard Bank, ABSA, DSA and FNB) NCEDA, Farm Africa, GWK, Agri Noord Kaap, WARD, NAFU, IDT, IDC and Agricultural sector at large for their unflinching support.

Let there be affordable and sufficient food and fibre for all South Africans!

I thank you,
Kealeboga,
Baie dankie,
Asante Sana