

**ADDRESS BY MEC FOR THE DEPARTMENT OF AGRICULTURE IN FREE STATE,
HONOURABLE MR MV MOKITLANE, ON THE OCCASION OF THE PRESENTATION OF THE
DEPARTMENTAL BUDGET FOR THE FINANCIAL YEAR 2006/07**

28 March 2006

Speaker se hlomphehang,
Premier,
Ditho tsa Lekgotla la Phethahatso,
Ditho tsa Palamente ya naha tse teng kwano,
Le ditho tsa Lekgotla la Ketso ya Melao la Profensi,
Baemedi bohle ba Mmuso wa se-lehae,
Baemedi ba Ntlo ya Borena Foreisetata,
Borapolasi le basebetsi,
Baqolotsi ba Ditaba,
Bahlanka ba mmuso,
Batho bohle ba Profensi ya Foreisetata,
Ke re ho lona bohle,
Madume,

Honourable Speaker, re boetse re ema mona kajeno ka tshepo e tiileng ya hore Ditekanyetso tseo re tlang ho di teka kajeno ke tse reretsweng ho beha ntshetsopele ya setjhaba sehlohlolong.

Lefapha la Temo Free State le dumela hore ka ho lekanyetsa lefapha re itlama hore Selemong sena sa Ditjhelete le Ditekanyetsong tse Teletsana (Long term MTEF) re nka boikarabelo ba ho tsamaisa ditekanyetso tsa Lefapha ka tsela e tla ntshetsa setjhaba pele, haholoholo boramapolasi ba tswelang pele. Re dumela hore tsamaiso e ntle ya ditjhelete e ke ke ya phethahatsa merero ya Lefapha feela ka ho nepahala, empa e tla e phethahatsa ka potlako, ka nako e behilweng.

Our responsibility in providing food as the Department is important and should be continuous and sustained because we will be unable to survive for any length of time if we stop the continuum of food production.

The Department of Agriculture in the Free State occupies a more critical position in food production because of its centrality and significance in the food production industry, yet we have to contend with the irony that it is in the same industry whose workforce, farm workers with blistered hands, salty sweat pouring down from their brows, should do with meagre salaries while the toil of their sweat is enjoyed by many of us who cannot hear them sing in monotony their poignant song of pain and sorrow.

Many remain content with their low income by reasoning out that we must balance the farm outputs with what the markets offer out there. I call upon all farming communities, black and white, to seize the time to define for them what they want to make of their shared destiny in order to make theirs a sector immersed in equality and justice.

Honourable Speaker, I think we can do more to ameliorate the situation at farms and other rural communities. Clearly, our intention is not only to intervene in fighting poverty and creation of sustainable livelihoods but to turn the rural communities into an effective economic powerhouse of the province. It is therefore important that we include farm workers and other rural communities in the process of creation of equitable wealth in the province in which they also will enjoy the sweet fruits of our economy.

Die tyd het aangebreek dat ons die landbougemeenskap, die plaaswerkers en ander wat op plase woon met hulle probleme help. Dié probleme is onder andere behuising, water en sanitasie en gesondheidsgeriewe.

Ons almal moet nou saamwerk om 'n permanente oplossing te kry sodat ons met trots kan sê ons het 'n ware bydrae gemaak tot die ontwikkeling en transformasie van die landbousektor.

President Mbeki said "It will always be impossible for us to say that we fully restored the dignity of our people as long as the overwhelming majority of our people suffer under the burden of poverty and deprivation." As government we therefore call on all our social partners to join us in making a difference in the lives of the farming communities.

Speaker, re utlwisisa hore karolo e kgolo ya moruo wa profensi ena ya Free State e itshetlehile Temong, mme ke kahoo Lefapha le boelang le tsepamisa maikutlo ntlafatsong, ntshetsopeleng le kgolong ya moruo wa dibaka tsa mapolasi le dibaka tsa mahae. Re ke ke ra fihlela tokoloho, toka le teka-tekano e phethahetseng ha feela baahi ba mapolasing le ba dibaka tsa mahae ba ntse ba le maemong ao ba leng ho ona kajeno. Re ke ke ra re kgolo ya moruo e ntle ka hara profensi ha lekeno la mapolasing le ntse le le tlase, bofuma bo iphile matla mme le tlala e ntse e le ya boja dikata.

Lengolo le Phatlalatsang Ditokelo tsa Tokoloho leo baahi ba mapolasing le ba mahaeng ba ileng ba nka karolo ho le theha le ho le amohela Kliptown ka 1955, le dula le ntse le re tataisa ka dinako tsohle. Ke lona le hlalolang hore batho batla arolelana Leruo la naha, mme le tswele pele ka ho re, "... mobu o tla arolelwa ba o sebetsang..." Re tataiswa le ho kgothatswa ke polelo tse na tse monate tse re kgannang hore re phehella ho etsa haholwanyane ho tseka toka sedikadikweng sa temo.

Speaker, the following departmental programmatic tasks are relevant and today's budget outlay has been interwoven in these needs. These programmes are agricultural economics, veterinary services, farmer support and development, sustainable resource management, structured agricultural training, technology, research and development and administration.

Ours is a rural province. The Free State is well suited to a number of agricultural activities. And this resonates well with what the Premier rightly pointed out in her State of the Province address; that agriculture is at the core of rural development. Agriculture occupies a central place in the Free State Provincial Growth and Development Strategy (FSPGDS) because it is relevant in all fields of the strategy. Agriculture is directly involved in developing and enhancing infrastructure for economic growth, social development and sustainable job creation.

Some of our programmatic tasks like training and food security answer to some of the clauses of the FSPGDS in that they are directed at specific targets, for example, the vulnerable and the food insecure sections of our communities on whom we need to focus. The growth and development strategy ensures poverty alleviation through human and social development.

Our interactions and relationship with other structures of government (law enforcement agencies) and organised agriculture ensures a safe and secured environment for all the people of the province

Land reform

Speaker, we hold firmly onto the Freedom Charter and shall in all our activities be directed by its wisdom. The technical assistance that the Department provides to a number of community projects in all the districts of the province remains a testimony to our adherence to this glorious document.

We are always inspired and guided in our journey of hope in building a better sector and therefore let me share with you this inspiring verse:

'You shall set the 50th year apart and proclaim freedom to all the inhabitants of the land.'

'En julle moet die 50ste jaar heilig en 'n vrylating in die land uitroep aan al sy bewoners. Dit moet vir julle 'n jubeljaar wees.'

'Le tla halaletsa jwalo selemo sa mashome sa mahlano, mme le tla tumisa tokoloho naheng ya lona ho baahi ba yona kaofela, e tla ba selemo sa thabo ho lona.'

For those who would like to know further about this good tiding, read the Good News Bible, Leviticus, chapter 25:10

Selemo se fetileng e ne e le sa bo mashome a mahlano a ho keteka kananelo ya Freedom Charter mme re lokela ho ikamahanya le yona ka mehla hobane ho yona re bona tataiso e molemo.

The Freedom Charter says, "The Land shall be shared among those who work it. Restrictions of land ownership on racial basis shall be ended and all the land re-divided amongst those who work it to banish famine and hunger"

This is relevant to the programme of Land Reform. The provincial Department of Agriculture will support the State President's remark in his State of the Nation address when he stated that the Minister of Agriculture and Land Affairs will during 2006 "review the 'willing buyer willing seller' policy, review land acquisition models and possible manipulation of land prices and regulate conditions under which foreigners buy land". He further stated that the Minister and the Department will also ensure that the land redistribution programme is aligned to the Provincial Growth and Development Strategies (PGDS) as well as the Integrated Development Plans (IDPs) of municipalities.

Speaker, the Department of Land Affairs has distributed 22 720 hectare of land benefiting 556 farmers on 49 projects in the province. In 2005/06 the Department of Land Affairs in the province was allocated a budget of R45 million and for the 2006/07 this amount has been increased to R74 million. This will assist the province to further settle black farmers on land to join the mainstream agricultural economy.

The Department of Agriculture in partnership with the Department of Land Affairs will ensure that land reform programmes are accelerated and most importantly, the land so released, productively used to support economic growth in the province. As a result the Department created a Land Reform Directorate that will amongst other functions closely monitor progress pertaining to land redistribution and ensure the disbursement of state-owned land in the province.

Speaker, the Department will pay particular attention to emerging farmers regarding the land reform programme, including commonages and communal land. This will be done in collaboration and partnership with municipalities. Last year we informed this honourable House that the Department was in the process of developing a commonage development policy. I am pleased to announce that that policy has been finalised and we are in the process of rolling out its implementation throughout the province. The Department is already implementing a development initiative in the province to enhance capacity in this regard. This is a partnership project with the Development Bank of Southern Africa (DBSA) and South African Local Government Association (SALGA) where approximately R4 million is being invested in capacity building for agricultural development in the province and alignment between the Department and municipalities.

The Land Claims Commission serves as a fulcrum in facilitating restitution of land. The commission has settled a number of claims in the province in which the Department of Agriculture took direct interest and provided immediate support. In this case we can quickly mention the settlement of the Wittes family at their original land, Blesbokfontein at Bultfontein. The Department of Agriculture developed a business plan and provided funds for the development and support of these claimants.

About 34 000 hectares were given back to the 700 households who are descendents of Opperman in Xhariep. Our responsibility as the Department is to develop further on their gains. For this reason we have committed ourselves to the installation of an irrigation system in due course as part of our contribution to the development of this area.

Farmer support and development

Speaker, the life of the farmer does not only end on settlement, it requires timely support and continuous after care to ensure sustainable agricultural business profitability and growth.

The Department of Agriculture has invested in infrastructure support to emerging farmers through initiatives such as Comprehensive Agricultural Support Programme (CASP), LandCare and the Provincial Infrastructure Grant (PIG).

We have in the past year expended funds allocated to the Comprehensive Agricultural Support Programme (CASP) to respond to the needs of emerging farmers for a total of 876 beneficiaries.

CASP and LandCare business plans for 2006/07 projects were developed late in 2005 and 34 CASP projects and six LandCare projects have subsequently been approved by the national Department of Agriculture. An amount of R25 306 000 has been allocated for CASP projects and R3 150 000 for LandCare projects in the next financial year.

Speaker, while there may have been some delays in the distribution of funds in this category, we want to indicate to this honourable House and the people of the Free State and emerging farmers in particular who need assistance, that we have already embarked on a crusade to provide assistance to them as we cannot reverse the 'age of hope' that is upon us.

The granary is full and there is an abundant hope that tomorrow will be even better. The first emergent farmer has received assistance, the second one is in the process of getting support and the third and the fourth are looking forward with hope for they know that help is at hand soon.

A substantial number of farmers benefited from the Farmer Support and Development Programme (FSDP). We have provided farming enterprises with vouchers to purchase production inputs like diesel, seed and fertilisers and this will still be continued in the new financial year.

Speaker, we continue to improve our stakeholders' relations in order to fast track service delivery. The Department through its Production Inputs Funds and CASP, collaborated with some of its strategic partners to support farmers with production inputs to the value of R3,9 million together with First National Bank, we supported 114 farmers in the Maluti a Phofung District with dry beans inputs while at Arlington the Department partnered with Vrystaat Koöperasie Beperk (VKB) to support farmers with wheat production. We further assisted Thaba Nchu farmers with the improvement of wool production. This we did in partnership with the National Wool Growers Association (NWGA). The Department also donated high quality animals to emerging farmers to improve livestock production.

Food security

The level of agricultural support that the department provides must match the demand of those who were previously disadvantaged and are now seeking assistance to develop. A key tool for this is the food security budget to support rural and peri-urban communities through poverty alleviation.

As part of its contribution to the Integrated Food Security and Nutrition Programme (IFSNP), the Department will continue to implement the food security programme for poverty alleviation.

Our food security programme enjoyed significant progress and managed to:

- * Provide 1 300 households with chickens (layers) in the last financial year and chicken feed worth R1 429 255.00
- * 1 929 households were provided with agricultural starter packages (such as garden tools, seeds and fertilisers) to the value of about R1,2 million
- * We are in partnership with the Department of Education to provide 50 schools with garden essentials as a pilot programme
- * Infield water harvesting projects participants received agricultural starter packs to improve on what they are presently doing. This was done in partnership with the Agricultural Research Council (ARC)
- * The World Food Day was successfully celebrated in Qwa-Qwa in October 2005, with other Free State Provincial Government departments involved throughout.

Agricultural economics

Speaker, ladies and gentlemen, major enterprises such as small grain farming, maize farming, sunflower farming, large and small stock farming and horticulture are practised in the province. The Free State Province is known as the "Granary of the Country." On average 36 percent of the wheat, 34,4 percent of the maize, 53,1 percent of the sorghum and 44,7 percent of the sunflower in the country is produced in the Free State. The estimated gross income earned by Free State farmers during 2005 is R10 280 million. This means that there are many unfolding opportunities and economic benefits for emerging farmers.

Mohopolo o mong o moholo wa Lefapha selemong sena sa ditjhelete sa 2006/2007 ke ho tsetela karolwaneng ya Ditaba tsa Moruo Temong (Agricultural Economics) bakeng sa ntshetsopele ya kgwebo, haholoholo Matlafatso ya Batho ba Batsho Moruong wa Temo (AgriBEE). Lengolo le Phatlalatsang Ditokelo tsa Banka karolo Temong, mmoho le melawana ya teng (the Draft Sectoral Charter and Codes) di se di tla phethelwa, mme di tla thusa haholo ho tataisa matlafatsong ya moruo ho batho ba batsho ka hara profensi.

Teko ya mmuso ya ho matlafatsa batho ba batsho temong e bonahala hape ka Setsi sa Tshehetso e Tlase ya Ditjhelete Temong Afrika Borwa (Agricultural Finance Institute in South Africa), se tsejwang ka hore ke MAFISA. Mokgwa ona wa tshehetso ya Ditjhelete o tla thusa boramapolasi ba tswelang pele ka phumantsho ya tjhelete ya kgwebo ha bobebe le ka potlako. Lefapha la Temo Free State le nka karolo ho kenya mokgwa ona tshebetsong.

Ntlafatso ya kgwebo le ho fana ka dikeletso ditabeng tsa moruo temong ho bo-ramapolasi ba ntseng ba tswela pele ke mohato o mong wa ho eketsa sekgahla sa tswelopele ya moruo.

Lefapha le tla tswela pele ka ho fana ka tlhahiso-leseding mabapi le Agri-Black Economic Empowerment (Agri-BEE) le ditaba tsohle tse amanang le yona ho bohle ba amehang.

Speaker, these envisaged capacity investments are aimed at enabling the department to further increase its participation in leading activities to create an environment to expand agro-processing in line with the Free State Growth and Development Strategy (FSGDS).

The Department has in partnership with the Department of Communications and the Universal Services Agency recently launched an Information Communication Technology (ICT) Hub at the Department's Weltevrede office in Maluti a Phofung. The hub is intended to serve communities including farmers in that area. The ICT hub will provide the following services: telephone, faxing, photocopying, internet, e-mail and computing facilities, video conferencing, music and video digital recordings. This shows the commitment of the Department towards rural development.

Agricultural risk management

Speaker, for the past few years the province has been hit by one natural disaster after another and in the previous financial year the province did not escape the severe drought that swept over many parts of the country. As a result the Department disbursed R16,9 million from the national Department of Agriculture to farmers for the subsidisation of fodder and the transportation thereof.

This intervention benefited 3 960 emerging farmers and about 34 000 of their livestock. In support of commercial farmers in the province who play a critical role in the economy, 2 615 commercial farmers benefited and about 39 000 of their livestock were supported.

The severe drought of the 2004/05 summer cost water shortages on farms. Most surface water sources dried up, boreholes delivery diminished and springs stopped flowing.

The national Department of Agriculture also released R2 million for disaster drought water supply.

This amount was spent by November 2005 to address the disaster where drinking water for either humans or animals was not available. These disaster funds were mainly directed at commonages, tribal villages and land reform farms.

The available funding was relatively small; therefore the areas around seven towns which were the hardest hit were prioritised.

The capacity of the Department to manage agricultural risk and disasters will be increased during the 2006/07 budget year.

Speaker, we are also proud to announce that these interventions were implemented in collaboration with organised agriculture namely National African Farmers Union (NAFU) and Agri Free State.

In addition to the R16,9 million disbursed, we received a further R16 million from the national Department of Agriculture in November 2005 and as a result have about 9 800 assessment forms from farmers who need assistance. The funds will be directed to the worst affected areas which are Xhariep District Municipality, the western part of the Lejweleputswa District Municipality as well as a small portion of the Motheo District Municipality. The disbursement of these funds will be done in the spirit of supporting Broad-based Black Economic Empowerment (BBBEE) objectives.

Veterinary services

Speaker, the international and domestic demand among producers and consumers to protect the health of animal and the safety of products of animal origin continues.

As a result, Veterinary Services have been very active throughout the financial year and much of its activities therefore fell in the animal health arena. We saw sporadic occurrences of diseases in and beyond the borders of the Free. Serious risk to human health was posed by the occurrence of rabies in the province. Disease surveillance remains a major activity of the veterinary unit.

We also launched a major campaign against Classical Swine Fever through roadblocks in the Xhariep District in and along the borders of the Eastern Cape and Western Cape. These roadblocks continued throughout the festive season and we assisted these provinces in their efforts to contain the disease. Our officials also assisted during the occurrence of the bovine foot and mouth disease in Limpopo and Mpumalanga.

The participation of our officials in other provinces is an important learning curve that would stand us in good stead should there be any outbreak of such diseases in the province.

We are continually making a call to the private sector to partner with us in combating diseases and we are pleased to say that there are some who have responded to our call. A number of emergent farmers benefited from donated vaccines of Newcastle disease and Brucellosis. We value your partnership and your consciousness for social responsibility.

The following disease surveillances will continue in 2006/07 budget year, where samples will be taken from animals for laboratory analysis: avian influenza, mad cow disease, tuberculosis (TB), and classical swine fever.

Speaker, the importance of veterinary services cannot be over-emphasised, we have taken conscious steps in strengthening the section. There are some custom built vehicles outside here; these are mobile animal health clinics. The purchase of these five mobile clinics to the value of R3,5 million will enhance Veterinary Services considerably, especially to communities where there is no access to these services.

The Department thus far has succeeded in ensuring that the province is safe from outbreaks and we have risen to the challenges of increasing requirements for safe international trade and domestic consumption of animal and animal products.

Sustainable resource management

LandCare

Speaker, LandCare is another leg of support to farmers. We believe that utilisation and management of natural resources is critical to sound agricultural development. Land, water and vegetation form the epicentre of agricultural practice and other environmental needs. It is from these main three that the animal kingdom depends and forms part of the second level for agriculture.

Land and water are very critical to successful agricultural enterprises. LandCare is about the management of these resources.

Speaker, not only did the LandCare programme mount awareness campaigns in all five districts but has as well contributed to the Expanded Public Works Programme (EPWP) as many people took part in infrastructure projects, like the erection of fences, erosion control and construction of reservoirs, dams and the installation of windmills.

We have implemented 14 LandCare projects and 541 people benefited from these projects. Over 857 learners took part in the Junior LandCare project. R3,5 million was spent on these projects. During the

course of this year much has been spent on water reticulation projects, as this is the cornerstone of agricultural development.

Engineering services

Farmers need mechanisation to pursue successful economy within the sector. The mechanisation portion of the annual production cost contributes between 25 percent and 50 percent of total production cost. This is impossible to afford by any farmer without equipment. We have developed a policy that will help developing farmers to derive maximum benefit from their mechanisation. The policy will assist them with technical support, management and maintenance of the mechanisation.

We have disbursed R1,9 million for implements in which 96 individual farmers benefited and we have also used R5,5 million for eight mechanisation modules, consisting of a tractor and implements. With this support we have also provided training and mentorship on the use of these implements.

Structured agricultural training

Speaker, a person who does not want to pause and sharpen his axe because he is too busy cutting the forest will continue to cut the forest with the blunt axe, bringing down less and less trees in time. Whereas a wise man will take time to sharpen his axe so that he is able to bring down more and more trees in time and will continue periodically to sharpen his axe as he brings down the forest.

The formal and non-formal training at Glen Agricultural Institute can be delivered most effectively if it is done within the industry network. As such a thrust for Glen College is to increase its partnerships with industry and other institutions of higher learning. The University of the Free State and the Central University of Technology occupy special place in this regard.

The Glen Agricultural Institute is made up of the agricultural college and a farm. These two offer aspirant agricultural entrepreneurs and agricultural practitioners the necessary knowledge and technical advice and skills. The college has over the past year maintained a healthy pass rate of 87 percent in which 28 diploma students passed. In year 2005/06, 237 farmers attended short courses on crop production, farm management, farm finance, agricultural marketing and tractor maintenance.

Speaker, we believe good performance requires suitable conditions for this reason we have invested in renovating the institute. Currently renovations to the male student hostel and dining hall are being undertaken to a value of R2,2 million. This improvement will have to be continued in the new financial year on other facilities.

Partnership projects in areas such as applied research are imperative and instrumental in solving farming problems including providing scarce skills for the Department, such as veterinary and engineering skills. The Department could be a valuable strategic partner to state institutions of higher learning to enhance the quality of academic programmes especially post graduate studies requiring research work and therefore be directed at solving critical agricultural development challenges in the province, whilst promoting academic excellence. After all, the reason for existence of any university is to find solutions to the problems of its communities.

Technology, research and development

In order for the provincial strategic trajectory of agro-processing and value adding to be realised including bio-fuels in particular, technology research and development including the agricultural economics capacity of the Department, will require appropriate capacity investments for 2006/07 budget year.

The Free State technology research and development community will have to be mobilised to form mutually beneficial partnerships and collaborative projects that support agricultural business development, so that both small and big business can benefit and objectives of BBEE attained.

Accordingly, the Department will lead and facilitate processes of identifying agro-processing opportunities in the various districts of the province. In this regard we count on the support of all our partners in particular NAFU and Agri Free State, who have been very active in charting the way forward on agricultural business development. Your valuable inputs and good spirit are vital to turn the tide against poverty in the province.

Administration

Organisational revitalisation

Speaker, revitalisation and realignment within the Department is a necessity for improvement in governance, service delivery and development impact, better and faster service delivery.

Initiatives have already been started to intervene in critical areas of organisational design such as developing a new strategic thrust and focus around key issues to minimise bottlenecks in service delivery.

These key areas include capacity building investments in the following priority areas:

- * extension services
- * agricultural economics
- * agricultural risk and disaster management
- * land reform and farmer settlement
- * strategic communication
- * internal audit
- * supply chain management.

The capacity of the Department to implement the new thrust will be enhanced through interventions in management systems and business processes, performance management and improvements in people management. All these interventions are expected to increase staff motivation and commitment.

A deliberate attempt will be made in 2006/07 to recruit staff for the engineering, LandCare and agricultural economic functions of the Department. The initial setbacks experienced with the implementation of the supply chain legislation will also be addressed in an attempt to increase the spending rate of the Department from conditional grants.

We have once more revealed our commitment to contribute to the efforts of the National Skills Development Strategy (NSDS) and the FSGDS by focusing our efforts on people development. For the 2005/06 financial year we started the internship programme with 41 interns and of the 41, 11 have been employed.

Our learnership programme was a success. All eight learners who enrolled on this programme have recently graduated and six of them have been successfully employed. Our intention is to re-negotiate with the respective SETAs to fund the learnership programme in an effort to improve the skills of the youths in our province.

In line with people development as outlined in the GDS, the Department in partnership with the Department of Education has managed to establish an Adult ABET Centre at our Head Office, in addition to the Adult Basic Education and Training (ABET) centre at Glen. This year we have enrolled a total of 113 learners.

Speaker, the Department made a commitment last year to focus on the well being of the employees who in actual fairness are the machinery of the State for ensuring that service delivery takes place. I am pleased to highlight to this House that the Department has indeed with the limited resources at its disposal, achieved a lot in that regard. In compliance with the Occupational Health Safety Act, the Department was also successful in undertaking periodic examinations on 99 lower-level employees who are working in hazardous areas of the department.

Speaker, a National Co-ordination Job Evaluation Forum (NCJEF) has been established for the line function positions and the remuneration levels of seven posts classes determined and approved in an effort to standardise the salary levels within the sector and curb the brain drain to other provinces. This will enhance the Department's retainment strategies on scarce skills.

The Department has made strides in the development of service standards in pursuit to improve service delivery.

Community Projects Fund Support Programme (CPF-SP)

The overall objective of the CPFSP programme is "to improve and enhance the living conditions of the low income households in the rural and the peri-urban communities of the Free State".

To achieve this overall objective, the strategy used by the Department has been to approve large numbers of viable and sustainable agricultural projects which would provide sustainable income to the targeted groups consisting of poor households, the unemployed, low income earners and subsistence farmers. The targeted groups would eventually have complete ownership of these projects. Since the inception of the programme the number of beneficiaries' trained and involved in 194 projects amounts to 2 764 people.

The Project Management Unit (PMU) is also facing the imminent closure of the programme as the contract with the European Union (EU) expires early in 2007. As a result the PMU will only be focusing on projects that are under implementation and will not consider any new project applications in future. Notwithstanding the closure of the unit, the Department will continue to render support and aftercare to the established projects.

The investment capital of the Community Projects Fund Support Programme (CPFSP) has over the past four years been funded from rollover funds after the Department had been contributing to the capitalisation of the programme since 1998/99 financial year. These funds are now depleted and the programme will be concluded in the latter part of 2006/07.

The PMU has with the assistance of National Treasury drawn up a structured closure plan which will involve the following activities:

- * completion of projects under implementation phase
- * ensuring that outstanding suppliers/service providers' accounts are settled
- * verification of assets in collapsed projects and moving them to identified projects under implementation

* alienation of projects by giving beneficiaries full ownership of the completed projects.

MTEF allocation

Speaker, I now want to deal with the expenditure proposals per our standardised budget programme. The MEC for Treasury allocated an amount of R223,557 million to agriculture in 2006/07 which represents a decrease of 0,89 percent compared to the voted funds for 2005/06.

It is envisaged that this allocation will further grow with 10,1 percent in the second year and 6,9 percent to an amount of R263,323 million in the outer MTEF year.

Speaker, in terms of the economic classification of expenditure the allocation of R223,557 million will provide for:

- * 65 percent (which amounts to R145,107 million) of total expenditure for compensation of employees
- * 24 percent (which amounts to R53,264 million) of total expenditure for goods and services
- * 0,9 percent (which translate to R2,071 million) of total expenditure for transfers and subsidies
- * 10,1 percent (which is R23,115 million) of total expenditure for payments for capital assets.

Programme one: Administration

Speaker,

Programme one (administration) receives an allocation of R71,559 million which amounts to 32 percent of the total budget of the Department.

Administration is structured to manage and formulate policy directives and priorities and to ensure that there are appropriate support services to all other programmes with regard to finance, personnel, information, communication and procurement. The programme comprises of the offices of the Executive Authority, Senior Management including Internal Audit, Communication, Legal Services, Monitoring and Evaluation and multi disciplinary managers. Three other supportive sub-programmes, viz Corporate Services, Financial Management and the Community Projects Fund Support Programme also form part of the programme.

The budget assigned to this programme is disproportionate to its direct contribution to the core services of the Department, as a result of it hosting a number of centralised internal administrative and financial functions on behalf of the whole Department. Supernumerary staff, interns and all gratuities are also paid from this Programme.

Programme two: Sustainable resource management

This programme will be allocated seven percent (R15,988 million) of the total budget. This budget programme is structured to provide agricultural support services to farmers in order to ensure that there is sustainable management of agricultural resources. The key services to be performed are those in respect of agricultural engineering, soil conservation and LandCare.

Speaker, in the new financial year we will see the implementation of bulk water supply from the Gariep River to farmers through the 3 000 hectare Water Rights Project.

Programme three: Farmer support and development

The budget of the current financial year allocates R77,328 million for the farmer support and development programme. This allocation constitutes 35 percent of the total expenditure of the Department.

Speaker, this allocation will help the Department to ensure support for emerging farmers with mechanisation and agricultural inputs in the form of implements, tractors, fertilisers, livestock and animal vaccine.

In order to achieve growth and development in the province, we will continue to provide farmers with infrastructure for agricultural development. This will include sheds, animal handling facilities, water reticulation structures, etc. The Department will also continue to support farmers with production inputs such as fertilisers, seeds, diesel, livestock, etc.

Programme four: Veterinary services

About 11 percent of total expenditure which amounts to R25,153 million will be directed towards this programme. This allocation will be used to facilitate and provide veterinary services such as disease control, veterinary public health and veterinary laboratory services in the province.

Programme five: Technology research and development

This programme will account for nine percent of the total budget of the Department in 2006/07, with a proposed expenditure at R19,935 million.

The Department will ensure that technology research and development is implemented to support farmers with the latest technology in agriculture. The Glen Agricultural Institute will partner with all research institutions to ensure the implementation of a co-ordinated research and development strategy in the province.

Programme six: Agricultural economics

This budget allocates over one percent R2,629 million for 2006/07 financial year. The long-standing shortage of staff in agricultural economics has been addressed adequately to deal with the increasing demand for professional services. Access to markets is crucial for any farming enterprise to reach fruition this includes the identification and dissemination of information on marketing opportunities for value adding and to provide farm economics support to other programmes and clients.

Speaker, the Department will facilitate the growth of the bio-fuels industry, targeting job creation through Accelerated and Shared Growth Initiative for South Africa (AsgiSA) and ensure the finalisation of a bio-fuel strategy and business plan. We will also ensure the finalisation of the Integrated Agricultural Development Plan (IADP) in the new financial year. This plan will amongst other things assist the Department to oversee the conducting of agricultural marketing research to promote and support access to markets.

We will intensify assistance to Qualifying Small Enterprises (QSEs) previously known as SMMEs and operationalise the sector BEE Charter, codes and structures. We will finalise and implement a strategy for financial and non-financial support to co-operatives and enterprises.

Programme seven: Structured agricultural training

R10,965 million that constitutes five percent of the total budget will be channelled towards the facilitation and provision of education to all participants in the agricultural sector, in order to establish a knowledgeable and competitive sector.

Speaker, through this allocation we will ensure the provision of non-formal training to emerging farmers and land reform beneficiaries.

Conclusion

Speaker, these collective allocations made here today form the basis of our commitment to a people driven government that is free of fraud and corruption based on good governance and administration as interpreted by the 'Batho Pele principles' and other moral rearmament mechanisms.

Our responsibility is to translate the budget into a social and economic movement that will ensure full benefit for the poor of this province.

I am sure the officials of the Department see in this budget what a huge task awaits them ahead. To them I say there will be little time for rest.

Many of them are already hard at work in making the Department win the battle against poverty; I urge them to do even more. The rewards for their hard work is due and out of their grimace will come a true smile of contentment as Kahlil Gibran reflects in one of his many wise sayings; "Is it not the cup that holds your wine the very cup that was burned in the potter's oven. And is it not the lute that soothes your spirit the very wood that was hollowed by knives?"

The Department of Agriculture acknowledges the following strategic partners:

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I thank you!