

ADDRESS BY MEC FOR AGRICULTURE AND RURAL DEVELOPMENT

HONOURABLE M.D. KHOABANE (MPL)

TO THE PROVINCIAL LEGISLATURE ON TABLING THE BUDGET VOTE 11

24 March 2017

HONOURABLE SPEAKER

HONOURABLE PREMIER ACE MAGASHULE in absentia

MEMBERS OF THE EXECUTIVE COUNCIL

CHAIRPERSONS OF PORTFOLIO COMMITTEES

HONOURABLE MEMBERS OF THE FREE STATE LEGISLATURE

**MAYORS, COUNCILLORS AND SPEAKERS OF OUR MUNICIPALITIES
PRESENT**

TRADITIONAL LEADERS

DIRECTOR GENERAL, HEADS OF DEPARTMENTS AND CEO OF ENTITIES

FARMERS AND FARM WORKERS' ORGANISATIONS

MEMBERS OF THE MEDIA

DISTINGUISHED GUESTS

LADIES AND GENTLEMEN

1. It is indeed a great pleasure to once again gather in this august house to recommit ourselves to the common objectives of improving the lives and living conditions of the people living in rural areas, farmers, farm workers, farm dwellers and the people of the Free State.

2. **Honourable Speaker**, today's budget is about people, not numbers. It is an opportunity for us to reflect on the goals and aspirations of our people. Our struggle was never only about political democracy but about radical economic transformation, it was about the Land and Agrarian issues. Our struggle for access to land should provide food security, job opportunities and the decent education of our future leaders. It is about wiping away the poverty and hunger, eliminating the hopelessness and despair.

3. **Honourable Speaker**, the tabling of today's Budget Vote speech happens three days after the commemoration of Human Rights day-- when Apartheid police mowed down 69 unarmed Africans and injured 180 people who refused to carry the hated dompas identity documents that were meant to control free movement of Africans and access to land and free tenure system after painful years of land dispossession; and Sol Plaatjie described that situation by noting that: "Even criminals dropping straight from the gallows have an undisputed claim to six feet of ground in which to rest their criminal remains. But under the cruel operation of the Land Act little children, whose only crime is that God did not make them white, are sometimes denied that right in their ancestral home." That system mercilessly impoverished Africans to a state of slavery for White farmers. The ANC government is facing a challenge of reversing that bitter past and transforming an Agricultural industry into a booming, job absorbing and industrializing sector.

4. **Honorable speaker**, South Africa's transition to democracy has been one of the world's most iconic testimonies of tolerance and peaceful co-existence. The recent spate of evictions by farmers, criminal attacks on farmers and farm workers are a threat to the prosperity of our economy and historical achievements as a nation. We must work hard to step up security on farms.

5. **Honourable Speaker**, Agriculture has always been considered to be one of the main sectors that plays a critical role to the economy of the country. Indeed in line with its rural nature and diverse natural resource base, the province has always had a thriving agricultural economy and even been referred to as the "bread basket" of South Africa. However, there is current and general agreement across political, economic and social divides that Agriculture in the country as a whole has been under severe and sustained stress for some time; and our province is no exception.

Comprehensive Agricultural Support and Development

6. Agricultural development initiatives are experiencing an unprecedented rate of failure due to several and often interrelated factors such as environment and natural resource limitations. However, despite other sectors having surpassed agriculture in their contribution to the province's economic growth in the recent past, the sector continues to dominate the Free State landscape with **32 000** square kilometres of cultivated and **87 000** square kilometres of natural veld and grazing land.

7. The agricultural sector of Free State is regarded as one of the most important food hubs in South Africa. Adding value to locally produced agricultural products will accelerate our movement towards industrialisation and agro-processing. Adding value to our primary agricultural products will bring necessary growth, that growth will bring jobs and concomitant growth injections in other industries.

8. As indicated by the Honourable Premier in the State of the Province address, to achieve economic growth and expansion of agriculture, support was provided to producers with high potential to contribute to the economy by focusing on commodities with high value chain and high potential to contribute to agro-processing and job creation.

9. The main commodities receiving support includes grain, poultry, ostrich, fish, red meat, vegetables and fruit production. The intervention led to the following achievements:

- 1737 Smallholder producers received support,
- 81 Commercial producers supported,
- 1921 Subsistence producers supported and;
- 28 959 Smallholder producers supported with agricultural extension advice,

This we did as we remember Allan Savory's words that, "Agriculture is not crop production as popular belief holds - it's the production of food and fiber from the world's land and waters. Without agriculture it is not possible to have a city, stock market, banks, university, church or army. Agriculture is the foundation of civilization and any stable economy."

Enhanced Production, Employment and Economic Growth in the sector

10. We intend assisting Black farmers and provide support to establish cooperatives that will enhance their business interests and serve their needs for growth

11. The launch of Operation Phakisa for Agriculture, Rural Development and Land Reform, by His Excellency the President of the Republic of South Africa, the Honourable Jacob Zuma on the 24th February 2017, strategically direct us to contribute towards inclusive growth as prescribed by the vision of the National Development Plan (NDP) 2030, and the Revitalization of Agriculture and Agro Processing Value Chain amongst others.

12. **Honourable Speaker**, Through our targeted investment, implementation of Revitalization of the Agriculture and Agro-Processing Value Chain (RAAVC), Agricultural Policy Action Plan (APAP) commodities and the development of the Agricultural Master plan we have achieved 1737 smallholder producers, 81 Commercial producers receiving support for agricultural production, Agro processing and access to markets in the form of financial, infrastructure and input costs.

Honourable Speaker in Mangaung Metro,

13. Our efforts to enhance livestock value chain along N8 corridor and to ensure that production efficiency support to smallholder producers remains key and fundamental. We have supported smallholder farmers with **744** breeding beef large stock as well as **880** sheep breeding stock benefiting 16 farmers. Despite drought spells we have managed to assist farmers with production inputs to plough and plant **1844** hectares of white maize, vegetables, sunflower, Soya Beans, Dry Beans etc.

14. From the total CASP budget of **R168 592 million**, for Mangaung Metro we have set aside **R23 261million** for the development of Thaba Nchu irrigation project at Woodbridge.

Honourable Speaker in Lejweleputswa District,

15. We have successfully implemented **7500** capacity layer houses and **40 000** capacity broiler houses in the province. We have also initiated production on three of five broiler houses at Virginia.

16. We have completed the construction of hydroponics and shade netting project; and this is an intensive vegetable production investment for the district.

17. This project will be linked to one of the budding and successful young vegetable processor, as active trader with Matjhabeng Fresh Produce Market. These youth projects have a market with Harmony Gold Mines as well as a huge potential to supply the government based market of school feeding programmes, hospital, and correctional services etc.

18. **Honourable Speaker**, the Sand-Vet Irrigation for potato production is one of the key commodities in the vegetable production initiative earmarked for local value adding and agro-processing. In Lejweleputswa we have created a total number of 122 permanent jobs.

Honourable Speaker in Thabo Mofutsanyana,

19. You will agree with me **Honourable Speaker**, that the land and agrarian reform is the pinnacle of the socio economic transformation that remains critical and pertinent in achieving sustainable economic growth and “A better life for all”. However this aspiration has come with few positive results to show due to the reluctance of the established capital and private sector to contribute in making this a reality for the majority South Africans. To date, we have supported Senekal Commonage with fencing and use of the Animal Feed Grow unit to support the establishment of an efficient fodder flow system.

20. For the next financial year, we have set aside **R63 178million** for illima/Letsema and the 2% of the total budget will go to Deciduous fruits, 10% to vegetables, 19% to red meat improvement, 5% to soybeans, poultry will be given 1% and 38% will be prioritized to go to other projects.

21. We will support Wilhemina with **R6.2 million** to replace old trees to maximize their production and also to enable them to market their produce locally and internationally.

22. We have set aside under Mohoma Mobung and CASP a total allocation of R40 million to construct an abattoir and for the development of Thabo Mofutsanyana Beef Development zone. With this allocation we will establish feedlots and support beef farmers with good quality beef animals.

23. Thabo Mofutsanyana remains our dairy hub and as such we will support Maluti a Phofung dairy belt with **R4 million** for the construction of ten point dairy parlour and production inputs. In Qwaqwa, we will support with fish production and equipments amounting to a total allocation of **R6 million**. In Thabo Mofutsanyana we have created a total number of **74** permanent jobs.

As we deal with Agrarian reform in Maluti-a-Phofung, we deep our banners in remembrance of the Martyrs of Namoha upheavals of 1950 who stood firm to racist decisions motivated by the 1913 Land Act to deprive African farmers of their growth potential. We must commemorate the events of that struggle, in November, as a sign of influence by that undying spirit for Economic Empowerment in Agriculture.

Honourable Speaker in Fezile Dabi,

24. Fezile Dabi being our poultry hub, we have set aside **R17 million** for the construction of Parys Chicken Abattoir and support Cornelia poultry with production inputs. We will further enhance fish farming as part of value chain in the district by constructing four fish production combo units with a total allocation of **R30 million**.

Honourable Speaker in Xhariep,

To ensure that the Gariep Fish Hatchery fulfil its mandate effectively the department has initiated 6 Fish projects with the capacity of 78 fish tanks for production of fingerlings and processing in the following towns Springfontein (13), Koffiefontein (Gotswametsing) (13), Bethulie (13), Petrusburg (13), Zastron (13) and Fauresmith (13). Of which the constructions are in the final stages at Petrusburg, Zastron & Fauresmith.

The department will further construct the Fish Processing plant at Gariep to the value R11 million to complete the value chain. The construction of the 6 fish projects has created 29 jobs.

Smallholder farmer development and support;

25. The impact of the implementation of the agricultural projects and targeted support to producers led to the creation of 51 permanent jobs, and 1 367 temporary jobs created through the implementation of projects

26. 31 101 Smallholder producers have been supported with agricultural extension and economic advice to enhance agricultural production, and 3704 participants have been trained in agricultural accredited and non-accredited skills programmes, Recognition of Prior-Learning and Learnership programmes.

- 22 309 Hectares protected / rehabilitated to improve agricultural production, and 1204 ha of agricultural land protected through subdivision.
- 1737 Smallholder producers receiving support.
- 81 Commercial producers supported.
- 1921 Subsistence producers supported.
- 28 959 Smallholder producers supported with agricultural extension advice.

27. We are going to have discussions with all municipalities to deal with challenges faced by small-holder farmers in their areas. Part of the issues to be discussed is to find ways of reducing the number of animals roaming the streets of townships and suburbs, how to improve extension services to agricultural production in the townships, among other issues.

28. **Honourable Speaker**, we have set aside **R22 million** for marketing infrastructure and equipment, agro-logistics as well as agro-processing support. Marketing and business development support, training and capacity building remains our key programmes for farmer development. Through training and capacity building we will provide our farmers with accredited and non-accredited short courses, we will also support learnership, Recognition of Prior Learning and mentorship for farmers.

Improved food security

29. **Honourable Speaker**, through Hlasela Tlala ka Diratswana programme we have established **3 540** backyard gardens which benefited **47 545** households across the province on **121.36** hectares. On the 3rd February this year, we held the Provincial Hlasela Tlala ka Diratswana awards at Glen College of Agriculture to promote, acknowledge and encourage the people of the Free State to continue to plant at their backyards for the benefit of food security.

- 16 305 Households benefiting from agricultural food security initiatives,
- 14 580 Households accessing food through DSD food security programmes,
- 304 Children accessing nutritious meals through registered ECDs,
- 574 695 Learners accessing nutritious meals through the National School Nutrition Programme,
- 274 People accessing food through DSD programmes,
- 323 Gardens established at institutions,
- 236 People benefitting from food security and nutrition initiatives, and
- 2142 Clients who have benefitted from agricultural economic advice provided.

30. In acknowledging and promoting women's contribution towards agricultural economy and food security the Department continues to produce female entrepreneurs of note—Ms Mimi Jacobs was named overall Provincial winner in grain and vegetable production. As a result, she was nominated to attend a Seminar on Grain Security in China.

31. In addition, we also have Ms. Dikonelo from Dihoai farming Cooperative who won the category of Female Worker during Female Entrepreneur Awards, she is now advancing her skills at United State of America through Cochrane Scholarship programme. We are working hard to ensure that women are empowered, developed, and become successful in their ventures.

Improved land administration and spatial planning for integrated development in rural areas;

- 987.90 Hectares of land have been allocated to people living and/or working on farms (Labour tenants, farm workers and farm dwellers)
- 100% of municipalities supported with the implementation of the Spatial Planning and Land Use Management Act
- 8 149.86 Hectares of land have been acquired and allocated
- 7 017.31 Hectares have been allocated to smallholder farmers

32. We have **76%** of the people who have benefitted from Agricultural economic advices, and **71%** of Agri-businesses supported with agricultural economic services to access markets. As part of international market access initiatives we have empowered Small Holder Producers to improve their export readiness. For the coming financial year, we have budgeted **R9, 3 million** to intensify the Agricultural Marketing Infrastructure Support for 15 Agribusiness enterprise.

Sustainable use of natural resources

33. In order to protect and enhance our environmental asset and natural resources, 22 309 ha was protected and rehabilitated as agricultural land for improved production.

34. Through guiding subdivision, rezoning, change of agricultural land use 1 204 ha has been protected for agricultural use.

35. The net impact of our work was the creation of 879 temporary green jobs equivalent to 151 FTE's.

36. **Honourable Speaker**, in current financial we have successfully implemented 18 Land Care and nine EPWP projects as well as one Junior LandCare project which benefitted more than **1200** learners. Through this programme more than **380** young people benefitted from the temporary job opportunity that was created to eradicate invader plants on 4955 hectares including waterways and contours infrastructure construction.

37. We have also eradicated invader plants on commonages around Edenburg, Zatsron, Bethulie, Vredefort, Steynsrus, Senekal, Clocolan, and Thaba Nchu. Furthermore, we have assisted emerging and commercial farmers by clearing invader plants in Tweespruit and Ladybrand areas. The Junior LandCare programme learners from all over our province visited the outdoor centres in Zastron, Willem Pretorius Nature Reserve and Mount Everest in Harrismith where awareness sessions were conducted for the youth to learn how to manage natural resources.

38. About 18 LandCare and one Junior LandCare projects will be implemented to the value of **R5, 865 million**; including eight EPWP projects which will benefit more than **370** local people.

39. These projects will focus on natural resource management to eradicate about 4806ha of invader plants, construct waterways, contours on 120 hectares of eroded lands, upgrade water reticulation systems on commonage land and conduct awareness sessions on natural resource management for the whole Province. We will also implement a Conservation Agriculture project where **150** hectares of soil quality will be improved in Verkeerdevlei.

Drought interventions

40. **Honourable Speaker**, drought has had devastating impact on the agricultural economy. It impacted negatively on agricultural contribution to Gross Domestic Product. The prices of food and agricultural inputs increased including transport costs; and this situation become a challenge particularly to food security and led to job losses.

41. The province drilled and developed 132 boreholes for farmers to assist livestock with water using Prevention and Mitigation of Disaster Risk (PMDR) funds.

42. The challenges that can also impact negatively on agricultural sector is the outbreak of Fall Armyworms and Red Locusts. We urge our farmers to continue scouting on their farms and report any suspected cases to the local Extension Offices and/or Research Institutions.

43. **Honourable Speaker**, as part of mitigating the drought for the coming years we will implement a Provincial Borehole Development and Water Reticulation Project which will develop boreholes to the budget amount of **R10 million** in the next financial year. An amount of **R3 million** will be allocated to put measures in place to prevent the outbreak of Fall Armyworm.

Veterinary services and animal health

44. **Honourable Speaker**, by focusing on the level of compliance of abattoirs towards meat safety legislation, the Province achieve 74% compliance in relation to the set 60% achievement as planned nationally.

45. This was achieved through the performing 552 748 tests where positive animals with various diseases such as Brucellosis, Tuberculosis, etc were removed from the population or treated satisfactory.

46. The healthier animal population and improved food/meat safety interventions contributed to the improved access to export markets as reflected by the increase to the 160 clients serviced. As a result, we will continue with vaccination of animals against various diseases to keep our health standards high.

47. During the coming financial year, we are intending to introduce an abattoir rating and we will the best performing abattoirs in the province which will be linked to the 2017 World Food Day celebration.

48. **Honourable Speaker**, we are geared towards building capacity for the two provincial veterinary laboratories to enable them to meet SANAS accreditation requirements. We have allocated **R10 million** for Infrastructure Enhancement Allocation for the upgrade of the Bloemfontein Veterinary Laboratory.

Structured Agricultural Education and Training

49. The department, through Glen College of Agriculture, continues to facilitate and provide structured agricultural education and training to all participants in the sector, to ensure increased contribution of the sector to economic growth and development.

50. **Honourable Speaker**, we have partnered with NARYSEC on training youth in agriculture, whereby **47** students have completed a learnership programmes in animal and plant production. We have also completed a Recognition of Prior Learning Programme where we recognize the skills of farm workers and farmers in partnership with Agri-SETA.

51. In the current financial year, a total of **147** students are registered at Glen College of Agriculture for the National Diploma. We will register **180** students at the Glen College during the 2017/18 financial year.

52. **Honourable Speaker**, we have awarded 237 bursaries to students for studies at various universities in the country and abroad. We are going to take 40 students to Brazil to study Veterinary Science and other Agricultural related fields and also take another 28 to Bulgaria for Agricultural related studies.

Rural Development Basic Infrastructure and Services

53. In support of the Rural Economic Transformation, we are continuing to provide support to the five Mega Agri-Parks in the districts. We have identified Excelsior and Tweespruit as our Comprehensive Rural Development Programme sites. As a result we have allocated **R9.8 million** for Excelsior vegetable production and **R4 million** for Tweespruit Unicom Agricultural school for the development of the farm.

Future Plans 2017/18 Aligned to Cabinet Lekgotla Outcomes

54. In dealing with the implementation of the MTSF, and the 9-Point Plan as announced in 2015 and towards the implementation of Radical Economic Transformation, Agriculture and Rural Development sector will contribute in areas of economic growth and job creation by insuring that:

- i. Access to export market of our local produce in line with the national import replacement strategy. We will be targeting all countries we have international agreements to create alternative market access for our producers.

- ii. Implement 30% set aside for the PPPFA, and ensure that local economy in the Urban and Rural areas is enhanced.
- iii. Promote and contribute to the 75% procurement from small holder farmers, working together with the department of Health and Education.
- iv. Implement Comprehensive Agricultural Producer Support Programme and ensure that we intensify access to land, production, agro-processing and access to local and international markets.
- v. Focus on the implementation of capacity support strategy for district and local municipalities to assist in the implementation of Agri-Parks through the implementation of Agriculture and Rural Development Master plan.
- vi. Hosting of the Free State Agro-Processing Summit
- vii. Increase investment in supporting farmers in Agro-processing (development of the Agro-processing Strategy)
- viii. Increase the number of Hlasela Tlala Ka Diratswana beneficiaries by an additional 10 000 from 100 000.
- ix. Continue developing rural areas such as Cornelia; Tweeling; Excelsior and Tweespruit and establish rural enterprise projects.
- x. Further support cooperatives and rural enterprises in partnership with processors (such as mini butcheries in partnership with SPARTA).
- xi. Continue providing support to farmers affected by drought by developing 100 boreholes with windmills, water tanks, linking pipes and troughs.
- xii. Strengthening partnership with AFASA, NAFU, and Free State Agriculture
- xiii. Re-engineer and reposition Research and Economics capacity
- xiv. Continue to support agricultural producers with agricultural skills development programs and promote vocational education and training.

Conclusion,

55. As I remind farmers about their vows in investing in Agriculture, I shall recite Wish Belkin's poem which reflects our attitude to farming, that

There is wisdom to be had from mistaken words and acts.
You'll find that failure's not so bad, it strengthens you in fact.
Rejection's fear or the fear of failure that paralyzes you.
Is the stuff of tears and that which keeps you dreams from coming true.

It takes a certain kind of nerve to tell someone you care.
But then nature tends to serve the person who would dare.
Bravery isn't something you can cultivate from seed.
It must be conjured up anew each time that there's a need.

So take these words and hold them close, it's certain you'll find that,
one second of courage to speak from the heart
will result in you hearing them back.

56. **Honorable Speaker**, allow me therefore, to express my sincere appreciation to the African National Congress, the leadership of Premier, the support of the MECs and MPLs in ensuring that we achieve our goals as a Department. I, also, wish to thank HOD Thabethe and the workforce of the department in ensuring that we support the Agricultural industry without fail.

57. Honourable Speaker, I hereby present the Budget vote for the Department of Agriculture and Rural Development.

I thank you.