

POLICY AND BUDGET SPEECH 2012/13



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MPUMALANGA PROVINCIAL GOVERNMENT



BUDGET VOTE ADDRESS PRESENTED BY MEC FOR AGRICULTURE, RURAL DEVELOPMENT AND LAND ADMINISTRATION, MRS KC MASHEGO-DLAMINI (MPL)

Honourable Speaker
Honourable Premier, Mr DD Mabuza
Madam Deputy Speaker
Fellow Honourable Members of the Executive Council
Honourable Members of the Legislature
Baholi bemdzabu, nemakhosi endzabuko
Balimi nabosomabhizinisi
Organised farming
Ladies and Gentlemen



Honourable
KC Mashego - Dlamini
(MPL)

It is indeed a privilege and an honour to address this august house during the year when we are celebrating a hundred years since the collapse of barriers to form what became the mass democratic movement, the African National Congress (ANC). We celebrate the gains for which our people have fought long and hard. As the ANC led government we continue to remain committed to the people's contract to create work and fight poverty.

As our people continue in their positive outlook towards the government as shown in the elections from 1994, we are pressing ahead with the five priorities we have set ourselves. With employment at the heart of these priorities, we are striving towards a course of sustainable, equitable and democratic development. Government programmes over the last seventeen years have been designed and are meaningful only in the service of the people, particularly in extricating them from the yoke of vicious poverty and underdevelopment. Through these programmes we have sought to provide efficient services and to be more responsive to the needs of our people.

Honourable Speaker, I have mixed feelings of sadness and elation at the same time at the loss recently of our comrades who served our people with distinction in various capacities. I feel sad because we have lost people who were immersed in the lives of the people, especially the poor, who spared neither effort nor energy in the service of the people. I have an exalted feeling of power because these fallen servants of the people have left us a great example to emulate. We convey our heartfelt condolences to the Shiceka, Padyachee and Nyanda families. Lalani



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ngekuthula machawe!

Honourable Speaker, the debt we owe these fallen comrades and many others before them is to keep alive the dream of a better South Africa. We have and will always strive to be a united front and forge ahead to address our common challenges as a collective. As government we remain resolute and committed to the political struggle of the masses against economic inequalities to bring material change in their lives.

Ranking high in the list of our challenges that demand our urgent attention are the problems of food security and rapidly rising food prices. These are by no means exclusive or unique to South Africa as they affect countries of the G77 and the EU. There is no doubt that we are living in times of escalating food prices globally. According to the World Bank report, food crop prices remained high in 2008 and 2009, before prices began to decline as supply and demand respond to high prices. However, the likelihood is that food crop prices will remain in higher levels through to 2015.

Honourable Speaker, South Africa is not immune to market volatility as we are also affected by the rising prices, although not at the same scale as in many countries. Higher food prices impact negatively on the purchasing power of poor households. Thus it is important that our budget focuses on and speaks to providing cushions to the poor. Our short term intervention measures should also ensure that they provide safety nets for the poor. Given the risks currently facing the vulnerable groups due to high food prices, I am proud to say that our department's mandate, like those of my counterparts, is to expand on programmes that support the vulnerable groups in our country. Thus it is imperative that we join hands with our counterparts in business to ensure that we come up with mechanisms of addressing costs of agricultural inputs such as fertilisers, seeds and starter packs for household vegetable production.

Many subsistence and small-scale farmers already have assets in the form of livestock. Here I can mention goats, cattle, pigs and sheep in the hands of black emerging and communal farmers and yet less than 10% goes through the formal marketing channels. This clearly shows that our people have the means to improve their standard of living by participating in the agriculture industry in an economically gainful manner as competitive players. Honourable Speaker, it has always been known that the average age of a commercial farmer in South Africa is 55 years. But I am glad to say that our government doubled its efforts to attract the youth and women farmers by providing education and training for them in agriculture. This is an opportunity our women and the youth should take advantage of.

In the context of celebrating the hundred years of the struggle against apartheid, as government we must elevate the bread and butter issues that afflict the majority of our people. The noble values that guided us throughout our

struggle, which are still relevant today, dictate to us that we must be ever aware that we are not side tracked from our overwhelming mandate.

Our country is faced with deep seated challenges and we must marshal our limited resources to ensure that we incisively deal with them. Our province, given its rural character, has its own myriad of dynamic challenges. Chief amongst these is providing skills and creating employment for a vast segment of our people and creating an inclusive agriculture sector that benefits all the people of the province. The implementation of the Comprehensive Rural Development Programme in the province has been the most relevant intervention in dealing with the problems we are faced with in our rural communities.

SITUATIONAL ANALYSIS

Honourable Speaker, I echo the words of the Minister of Agriculture, Forestry and Fisheries, the Honourable Ms Tina Joemat-Pettersson when she stated in her budget speech that the right to food is enshrined in our Constitution and the Freedom Charter. Thus food security is a basic human right. In line with this noble principle, the Department will this year further invest in agricultural infrastructure. This we will do with the intention to ensure that we upscale our production capacity in order to address increasing demand for affordable food. This will be implemented in line with the National Zero Hunger Strategy which integrates many stakeholders.

Honourable Speaker, having understood the fact that agriculture remains a key driver of the rural economy, we must thus make concerted efforts that its fruits are widely spread. With unemployment in the province hovering at a high of 27.7%, the Department has the responsibility to ensure that the rural dwellers engage in agriculture, not only as a source of extra food but to produce a surplus which can generate the much needed household income and expand the job market. Agriculture, as a backbone of the province's economy employs 8,1% of the total workforce within Mpumalanga, compared to the national average of 4,7%. A total of 83 000 individuals, 12 000 more than last year, is engaged in formal agriculture while a further 158 000 is engaged in subsistence farming within the province. This reality clearly illustrates the ability of agriculture in fighting rural poverty since it has the muscle to create employment while addressing food security.

Although agriculture contribution to the provincial GDP has declined from 4.2% in 1996 to 3.5% in 2010, the comparative advantage of agriculture over the same industry in the national economy remains, providing the province with expansion opportunities within the sector.

As the Department of Finance continues to analyse our socio-economic situation more particular in the seven CRDP municipalities; if one compares our seven CRDP municipalities with the remaining eleven municipalities it



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emerges that the functional literacy rate of the 11 non-CRDP are 932 700 persons or 64.7 per cent of Mpumalanga's functionally literate population, while approximately 399 600 persons of the population-20 years and older in the CRDP areas-were still functionally illiterate in 2010. This clearly illustrates that agriculture will remain an important job creator in these CRDP areas through the existing asset base.

In light of the recent announcement made by the Honourable Premier DD Mabuza in his State of the Province Address, the Department must prioritise the production capacity of all land lying fallow in rural areas. Such capacity is crucial to bring back the land into full scale production.

In an effort to swing the fortunes of potential agricultural land, the Department has identified 292 land reform farms in the past two years which are now in various stages of being resuscitated. Thus, increasing our production capacity and enhancing our capabilities with regards to value addition activities will profoundly influence an increase in agro processing.

The development of the agricultural hubs within the province will surely build up towards further enhancing the capacity of rural areas to produce for selling. It is accordingly envisaged that these agricultural hubs would inevitably breathe life into the proposed fresh produce market with produce to the retail and export market for local and international consumers.

2012/13 OUTLOOK

Honourable Speaker, the Department continues in delivering in the three distinctive mandates which are the development of the agriculture, forestry and fisheries sector, championing and coordinating the implementation of the development of the rural areas and working with local municipalities to carry out spatial planning, township establishment, and formalization of title deeds in rural areas.

We have realised that in order to transform the agricultural sector into a united and prosperous one, we need to focus on seven key strategic areas of cardinal importance. When implemented to their fullest both commercial and emerging farmers will no doubt reap the benefits.

The strategic focus areas are:

- The Massification of Crop Production through the Masibuyele Emasimini Programme
- Accelerating and strengthening of the Animal Production and Improvement through Masibuyele Esibayeni
- Accelerating the Land and Agrarian Reform transformation agenda
- Accelerating Agribusiness Development and Marketing

- Strengthening the Skills Development, Community Mobilization and Empowerment.
- Investing in Research and Development
- And the Improvement of Spatial Planning and Tenure Security

ADMINISTRATION AND GOOD GOVERNANCE

REVIEW:

Honourable Speaker, as we go about to deliver on our mandate, there are issues that distract our attention by forcing themselves into our agenda. This usually happens at the expense of our priorities. To deal with this situation and to make sure we remain on the right course, we have developed a policy on communication and guidelines on public participation. This will ensure that the Department remains a true agent of change. This move will also give meaning to being subject to public scrutiny. Our actions as we roll out services should be able to withstand public scrutiny and that will be indicative of whether or not we are doing what is expected of us by the people. This has also enhanced the departments reporting to citizens for transparency and public participation as per the recommendations from the Public Service Commission.

Honourable Speaker, the Auditor-General raised a number of challenges with the Department not least amongst them related to employees doing business with government. To respond to these concerns, the Department has reviewed its Supply Chain Management policy with a view to include specific controls that would seek to prevent the appointment of service providers that are owned by government employees.

SUSTAINABLE RESOURCE MANAGEMENT

REVIEW:

We are continuing to see steady progress in the **Sustainable Resources Management** programme as it plays a major supporting role for the implementation of agricultural infrastructure projects since the engineering team is housed in this programme. During the course of the previous financial year, the Department has significantly improved its capacity related to engineering to support the roll-out of various infrastructure projects, fencing and boreholes for the establishment of food gardens and household water. Through this capacity the department has responded swiftly to the recent disaster by repairing and replacing damaged infrastructure in less than two months following the floods.

As we continue to strive for innovative ways to markedly reduce the woeful use of our natural resources, the



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programme is ensuring that agriculture water consumption is reduced by implementing new technologies in irrigation and water conservation measures. In relation to this, the programme is also responsible for the proper use of agricultural land by assisting communities and land reform beneficiaries with proper farm planning.

Equally importantly, the Land Care Programme is continuing in its support of farmers and rural communities where soil conservation measures to prevent erosion were installed. Other services included the building of contours, gabions, water ways and other soil conservation systems which are done in labour intensive manner, thereby creating green jobs and improving awareness regarding the importance of soil and water conservation to improve the productivity of their lands.

Honourable Speaker, we are happy to report that we have exceeded our target of controlling **600** hectares of land under the invader plants with a total of **1 047** hectares. This was brought about by collaboration between our Department and Working for Water Programme by the Department of Water Affairs and this presents a clear sign that through working together, we indeed can do more. A total of 18 schools have benefited from the Junior Land Care Programme. In this way, we are instilling and nurturing the culture of the green economy in these young minds as we strive for sustainable development. Through this intervention a total number of **714** Green jobs were created in the Province although shortfall of our target of 1 500.

In order to improve our response to agricultural disasters the Department has realigned the Sustainable Resource Management Programme to include Agricultural Disaster and Risk Management. It is expected that this programme will create at least **700** Green jobs through its various Land Care interventions. In addition, **1 040** hectares will be improved through conservation measures, and it is envisioned that **800** hectares will be controlled for invader plants.

DISTRICT SERVICES

OVERVIEW:

Spurred by the positive outlook of farmers towards them, the **District Services**, who are at the coalface of development, continue to champion the hopes and aspirations of our farming communities. They continue to travel the uncharted course in their endeavour to engender an agricultural sector based on a levelled playing field. Their role is to support and develop subsistence farmers, smallholder farmers and land and agrarian reform farmers while fostering partnerships and creating a conducive environment for the commercial farmers. Uppermost in their role, they seek to address household food insecurity, rural household job creation and sustainable rural income generation.

INFRASTRUCTURE DEVELOPMENT

Honourable Speaker, the Department has continued to aggressively place infrastructure development projects at the forefront of its priorities. In this regard the revitalization of Sugar Cane projects is worth mentioning. Counting as part of its successes, we can mention the completion of **Spoons 8, Magudu and Sibange** irrigation infrastructure where the river pumps have been upgraded and drip systems installed to improve irrigation efficiencies to improve productivity while saving water. The upgrading of the **Mfumfane** water mainline which was done in partnership with the Department of Water Affairs has also been completed. The **Ngogolo, Nhlangu West and East**, and **Mbhunu B** will be completed by the first quarter of the 2012/13 financial year. This will improve the effectiveness of the utilization of irrigation water on more than **3 160** hectares to the benefit **485** sugarcane growers.

Honourable Speaker, one is relieved to note that Coromandel is beginning to take the shape that we have hoped for. With the revitalization of 120 hectares during the previous years, the Trust has managed to engage Mr Jan Steyn as a farm manager and mentor to put **800** hectares into production. A further **400** hectares has been leased to neighbouring commercial farmers who are not only creating jobs and value but also transferring the skills to the beneficiaries. These interventions have seen the restoration of at least **50** direct permanent jobs and **60** seasonal jobs.

Through an intensive community engagement, the department together with the Giba community has managed to partner with Mr Ian Lourens “*Mehlwana*” and Standard Bank to redevelop Giba Banana Farms. On the onset, more than **100** people who were jobless are already benefiting as they replant **400** hectares of the land. This is demonstrating how the turning around of the failed land reform projects will restore the much needed jobs.

The Department is continuously building on these achievements as it presses ahead with the revitalisation of irrigation infrastructure at **Hoxane, Champagne and Saringwa** irrigation projects. Although the progress in Bushbuckridge has taken longer than anticipated, all these projects will be completed in 2012/13 through new strategies and strengthening of our capacity in the district. Turning around these projects will help the province in the job creation drive as the citrus industry is known to absorb more labour force due to the various operations that are involved in their agronomics.

LIVESTOCK DEVELOPMENT PROGRAMME

Our livestock programme is indeed a matter of proud record. However we are under no illusion about the enormous work that lies ahead. During the previous financial year, the Department kick started the implementation



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of the **Livestock Development Programme** which was rolled out in some parts of the Province. The Department has partnered with Independent Development Corporation (IDC) and the University of Limpopo on the implementation of the Nguni Project which is aimed at improving and enhancing Nguni indigenous genetic material and animal performance. Through the **Nguni Project** the Department managed to deliver **16** bulls and **420** breeding cows to about 80 emerging farmers in the Mpumalanga Province.

We further implemented the **Bull and Heifer** project whereby farmers were assisted with commercial bulls and heifers to improve the genetic pool and introduce the exotic high performance breeds for commercialization of livestock production. Through the **Bull and Heifer project** we managed to deliver **78** performance-tested bulls and **100** pregnant Heifers to land reform farmers, cooperatives and other farmers who are being commercialized.

We have also supported these aspiring farmers through the construction of livestock handling facilities, fences for livestock grazing camps and the provision of water networks through the drilling and equipping of boreholes.

OUTLOOK

The Department will forge ahead with the **Masibuyele Esibayeni Programme**, which has provided a lifeline for many farmers, especially the previously disadvantaged. In partnership with IDC and the University of Limpopo, the province will continue rolling out the Nguni Project. The programme will now also emphasize the roll out of other livestock such as sheep, goats, and pigs. The success of this programme will serve as a barometer to gauge the impact this is having on meat production and food security. This will further serve as an anchor for the planned Fresh Produce Market in the province.

In partnership with the experienced livestock breeders, the department will work through our research stations to bring more high performance bulls and heifers for the roll out of the Bull & Heifer Project to all the eighteen municipalities in response to the high demand of the Livestock Improvement Programme. *Siyacela kubafuyi kutsi babambisane nebalimisi nabalulekwa kutsi bancume letinkunzi nematfokati langakhichiti ngalokugculisako.*

MASIBUYELE EMASIMINI

The enthusiasm with which the **Masibuyele Emasimini programme was received by the farming community gives credence to its inception and is continuing at full steam.** Through it the Department is supporting subsistence farmers, smallholder farmers and Land and Agrarian Reform farmers.

The Department had supplied an extra **65** tractors, which totals **357** tractors in the Province to smallholder and land

and agrarian reform farmers. Through this intervention a total of **43 200** hectares were ploughed and planted in the 2011/2012 financial year, benefitting **32 615** households. What is encouraging is the partnership with The Snack Factory that we have facilitated for the **12** farmers in Thembisile Hani Municipality and are involved with contract farming on **500** hectares which guarantees markets for their groundnuts produce. In the process of working with the farmers to plough and plant their land, a total of **914** jobs were created through the mechanization programme alone.

This is despite the fact that the province experienced late rains and that some areas have erratic rainfall patterns which affected the planting season especially for grain crops. Worsening this already unfavourable state of affairs; the province was further affected by floods in December last year and January this year with negative impact on agriculture production. The realities of climatic change are beginning to haunt us and we need to move quickly with our innovative and effective strategies.

Honourable Speaker, the Department, recognising the dire need for water which is also stifling the success of our food production initiatives, mainly food gardens; we successfully drilled **295** boreholes in 2011/2012 financial year. These boreholes are linked to crop and livestock production in the water stressed areas. Out of these 295 boreholes, **128** have already been equipped with drip irrigation systems, providing water to food garden projects linked to integrated human settlement. Through this intervention a total of **113** EPWP jobs have been created. The results of this project are encouraging more particularly in areas where the supply of domestic water is still a challenge.

OUTLOOK

Honourable Speaker, the Department will continue supporting the communities with the initiatives of food production in three categories of farmers-subsistence, smallholder and land & agrarian reform farmers. Farmers producing food will be provided with mechanization support (i.e. tractors and implements), production inputs (i.e. seeds, fertilizers and agro chemicals), extension and advisory support. The Department plans to provide mechanisation support to **108 000** hectares for subsistence and land & agrarian reform farmers. The Department will enhance and facilitate strategic partnership agreements with commercial farmers and investors to assist the land reform beneficiaries. The Department will further put more focus on increasing the land value by investing in on-and-off farm agricultural infrastructure.

Through the past years, there have been instructive lessons that we have learnt with the implementation of the **Masibuyele Emasimini Programme**. These have helped us to improve the programme's management with emphasis on efficiency and effectiveness. All the interested beneficiaries are now required to apply and register to



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benefit from the services of the programme to ensure that we assist relevant and deserving candidates as identified. Registration of beneficiaries is therefore paramount. *Sishaba sekhethu ngiyathemba bonyana isishaba ngeze savimba intregere nakufanele siberege amsimini, ngithemba nonyana sozokuba nebambiswano elihle khulu.* All farmers are expected to have registered by the end of June 2012 for this summer season. We will continue drilling boreholes for immediate water relief, while investigating and carrying out feasibility studies for the Mountain View and Donkerhoek Dams for a long-term water development.

VETERINARY SERVICE

REVIEW:

Honourable Speaker, in the year 2011/12, we continued our efforts to promote human and animal health through the delivery of comprehensive veterinary services. This includes, amongst others, the vaccination of animals against diseases; the issuing of permits in order to regulate the movement of animals locally, nationally as well as for export purposes.

As a result of these efforts, a total of **153 647** animals were vaccinated against Anthrax, **51 194** against Rabies, 37 823 against Brucellosis as well as a total of **133 316** animals vaccinated against foot and mouth disease. Veterinary Services also plays a vital role in ensuring that the diseases of economic importance, (e.g. Foot and Mouth Disease) are controlled and animal movements carefully managed.

Our farms which are in close proximity to the Kruger National Park continue to be haunted by the foot and mouth disease. This is creating an unbearable strain to our farmers, and it limits the sale and consumption of the affected meat and other products.

OUTLOOK

The **Veterinary Services** programme will continue with the promotion of human and animal health through activities such as animal disease surveillance, diagnosis and control as well as veterinary public health activities. In broadening access further to remote rural communities and integrating skills development, the Department will construct an Animal Healthcare Centre in the Dr. JS Moroka Municipality at the Marapyane Campus of the Lowveld College of Agriculture. Through the provincial equitable share grant, the Department will continue to maintain and developed livestock dip-tanks and related facilities, this will contribute in ensuring that meat safety is achieved and human life is not jeopardised. As we have witnessed the outbreak of Swine Fever during the 2011/12 financial year,

the Department is working closely with the Department of Agriculture, Forestry and Fisheries to strengthen the management of these diseases.

TECHNOLOGY, RESEARCH AND DEVELOPMENT

REVIEW:

Honourable Speaker, in responding to the concerns raised by our Premier, Honourable DD Mabuza, in his State of the Province Address of February last year, we continued to give due attention to our agricultural research, which we had to ensure that it is properly planned and that it responds to the needs of our people.

During the 2011/12 financial year, we continued with the research demonstrations on fruits, blueberries and blackberries under the Highveld climate. We also evaluated the potential of certain species of medicinal and essential oil plants.

We have realised that the integration of research with College teaching and extension is key in ensuring maximum benefit to our farmers and communities. Such integration has ensured that our students have access to the intellectual capital of our researchers. Moving forward, we will ensure that students in our Colleges are given priority when research and laboratory assistants are employed.

OUTLOOK

The National Agricultural Research and Development Strategy of 2008, requires us to focus our research efforts on the needs of our people and also to ensure that we have trials on-farm in order to ensure adaptation of the varieties.

Ms Elizabeth Smith of Victor Khanye Municipality in Nkangala District, was the overall winner of the Female Entrepreneur Awards in the province, and went on to win the Small Scale Category at national level. She has a small scale operation focusing on tilapia fish species. We are learning from her and we want to build on her success and ensure a thriving fisheries sector in the Province. We will partner with her to introduce and strengthen research on the aquaculture and roll it for the benefit of more farmers more particular women and the youth.

AGRICULTURAL ECONOMICS

The **Agricultural Economics** programme continued with the provision of support to farmers with regards to Agricultural Marketing, and statistical information. During the previous financial year the programme managed to



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conduct an agricultural baseline study in conjunction with Stats-SA for a better understanding of our clients.

The focus in 2012/13 FY will be on organizing farmers into cooperatives and distinct commodity groups. Agreements have already been reached with the Department of Education to start with the seven CRDP municipalities to provide the food nutrition schemes by supporting the local farmers and there has been a further engagement with Standard Bank to ensure provision of production facilities to these cooperatives.

To further assist cooperative with supply logistics, the Department will establish production hubs and packaging centres that will ensure the supply of good quality produce and ensuring that the demand from the institutions is met. We are gearing towards the achievement of the goals set in the Zero Hunger Policy driven by the DAFF.

Honourable Speaker, the programme is also expected to deliver on the planned Fresh Produce Market, which presents one of the strategic infrastructure projects which have also been registered in the national infrastructure plan. In terms of the establishment of the Fresh Produce Market, the Department has concluded the pre-feasibility study and is now at an advance stage with the site configuration processes. The project is envisaged to be an anchor in both the field of crop and livestock production of the province. All commodity groups supported by the Department such as sub-tropical and deciduous fruits, as well as fresh meat are expected to be processed in the facility for export and domestic markets. Special attention will also be given to the inclusion of smallholder farmers to ensure that they receive real benefits from the establishment of the market.

All these initiatives will ensure that the sector creates more jobs in line with the Mpumalanga Provincial Growth Path and ensuring that we meet the international markets standards for our farmers to increase their export market. The province will tap on the relationships that have been secured with Oman (Middle East markets), BRICS and also our neighbouring countries – Swaziland and Mozambique.

STRUCTURED AGRICULTURAL TRAINING

Honourable Speaker, as directed by the President during the hand over of the 85 tractors in Dr JS Moroka Municipality in June 2010, I am excited to report to this house that the Marapyane Campus finally re-opened its doors as a part of the Lowveld College of Agriculture in February this year. A total of **122** students are registered for Diploma studies in both Crop Production and Animal Production and the demand for space in the next academic year is growing. Furthermore, Honourable Speaker let me take this opportunity and report to this house that most of the issues that were disabling the Lowveld College of Agriculture have been resolved. The culture of teaching and learning has returned, and the College has again taken its position as a beacon of hope to our province, given that it is one of the few centres of higher learning we have. We headhunted and have already employed a Principal

at operations level, and we continue to conform to accreditation requirements.

Through our partnership with the Perishable Products Export Control Board (PPECB), a total of 15 students have completed the one year Agri-Export Technologist Programme at the end of March 2012 in addition to the 2 year training at the college. With this initiative, the province is already preparing the capacity required for the successful implementation of the fresh produce market. Already 11 students have been offered jobs by the PPECB as we speak. This was indeed a successful engagement, which we intend to enhance.

Honourable Speaker, the Department welcome the centralisation of the bursaries scheme within the Department of Education as part of the provincial human resource development strategy. In terms of our skills development plan, during the year 2011/12 the Department granted **295** internal and external bursaries and implemented an internship program to enhance the skills within the sector. In partnership with the University of North-West, the College has sent more than **100** students who are currently pursuing Bachelors Degree in Agriculture Sciences at various stages. All these programmes will assist in developing the skills in the agriculture sector as we are currently having less than 2% professionals in Mpumalanga among the people employed in the agriculture sector.

OUTLOOK

Honourable Speaker, we are renovating the Marapyane Campus in phases. Phase 1 of the renovation process was aimed at ensuring that the College is ready and able to take up the first intake of students in line with our plans. The second phase of this project is aimed at ensuring the renovation of additional hostels and laboratories and constructing new facilities required for a modern agriculture training institution.

We have further identified the need to resuscitate Funda Mlimi Training Centre to be used as an experimental farm for the Marapyane Campus. We also listened to the concerns raised about the naming of this College, given the fact that we had to open it as a satellite campus of the Lowveld College of Agriculture. However the process of renaming will start this financial year with the aim of accommodating the Marapyane Campus.

With specific regards to academic programmes we anticipate to expand the offering to include Animal Husbandry and Forestry, as well as a B. Agric at NQF level 7. This expansion will necessitate the establishment of additional infrastructure such as well equipped training centres, laboratories, accommodation facilities, administration blocks as well as employment of qualified staff.

In pursuit of the spirit of the India-Brazil-South Africa (IBSA) agreement, the Department embarked on the Agricultural Exchange Programme with India, whose overall objective was to assist both countries to develop their



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respective small-scale and emerging farmers. A total of 40 delegates, of whom 20 were emerging farmers and 20 DARDLA officials made part of the first trip to India on this Farmer Exchange Programme. The tour focused on the creation of a better understanding of the small scale irrigation production systems, and how they could be adapted for implementation in some of the restitution and land reform farms. The creation of a better understanding of organic food production as a way of sustainable economic livelihood was also a key focus of the tour.

Honourable Speaker, I am pleased to announce that the Lowveld will come alive when we host international guests at the Litchi Conference in December. It is interesting to hear of the progress made by the South African Litchi Growers Association and the Department about the preparations for the conference thus far. Delegates will use our College litchi orchard as an excursion site.

COMPREHENSIVE RURAL DEVELOPMENT PROGRAMME

Honourable Speaker, since 2009 when we first introduced the Comprehensive Rural Development Programme in Donkerhoek in the Mkhondo Municipality and from 2010/11 we expanded this programme to seven identified local municipalities, which are Mkhondo, Nkomazi, Dr JS Moroka, Chief Albert Luthuli, Bushbuckridge, Thembisile Hani and Dr Pixley ka Isaka Seme. We however acknowledge that this intervention does not cover all poverty sites as identified in the province and within the identified municipalities themselves. With the engagement of stakeholders, the department has facilitated the development of a draft CRDP strategy that is intended to give direction on how we should expand to cover most of these poverty sites. The draft strategy is being taken further for discussion and input by all stakeholders. The finalization of the Provincial CRDP Strategy will guide all stakeholders on how best to integrate our efforts towards poverty reduction.

Honourable Speaker, in responding to the issue of women and children abuse the CRDP has provided a platform through the Council of Stakeholders where issues that affect these targeted groups are being addressed. These structures have proved to be very effective in getting communities to participate in a dialogue that focuses on the social and economic emancipation of our people. Thus, we shall continue to advance the objectives of CRDP through this well positioned and empowered structure.

Our commitment to War on Poverty and focus on job creation remains positively intact. In 2011/12 we managed to create **13 000** job opportunities through CRDP and are continuing this current financial year with the seven identified municipalities. A budget of **R1, 3 Billion** has been set aside for 2012/13 FY with a potential to create **19 000** jobs and all these are limited to Provincial Departmental plans. We are still engaging our local municipalities as they conclude their IDPs which will be adding to these provincial interventions. The department will continue with the massification of Masibuyele Emasimini and Esibayeni programmes in the CRDP municipalities. These will be

enhanced by the improved logistical arrangements for the emerging farmers in these seven municipalities where the piloting of the production hubs will be initiated linked to the Zero Hunger Strategy and the School Nutrition Programme. These programmes will be anchored by a comprehensive agriculture second generation cooperative development programmes.

To lay a solid foundation so that rural children do not lag behind when they start school, again this year through CRDP, 20 early childhood centres catering for a total of **1 000** kids will be supported. The CRDP programme has planned three Community Health Centres in Bushbuckridge, Mkhondo and Dr Pixley ka Isaka Seme, two clinics in Thembisile Hani and Dr JS Moroka as well as a hospital in Dr. JS Moroka.

A total of **5 300** PHP houses are going to be constructed in the seven CRDP municipalities to ensure the provision of basic infrastructure. There will be construction of new schools and renovation of existing infrastructure in all CRDP sites. The **“CRDP Project Model”** which has been approved by cabinet will serve as a vehicle in creating jobs for local people as they have been capacitated with building related skills and already participated in these infrastructure projects. It is encouraging that the construction work at the Marapyane College has seen the training of at least **300** young people by our department who are now grouped into contractor cooperatives with 15 members each and are now engaged in other projects like the housing projects and Funda Mlimi renovations.

Our approach to ensure sustainability of all initiatives and jobs created is to continue providing training of all established cooperatives. The training will target the main core areas in the development of cooperatives as business entities. We are also up-scaling our coordination of CRDP. Currently we are having fruitful consultative meetings with Municipalities to join hands in implementing the programme on the ground. There will be consistent representation at the Council of Stakeholders as stakeholders have re-affirmed their commitment to this programme.

Honourable Speaker, the involvement of private sector in the CRDP programme is of pivotal importance. We would like to acknowledge the contribution made by companies like Mondi, who are increasing their involvement in the establishment of an Agri-Village in Jabulani in the Mkhondo Municipality, and Gobain-Saints which is a global company in Gauteng who collaborated with a co-operative in Dr JS Moroka. We are therefore happy again to announce that Standard Bank has committed to the Honourable Premier to assist with the funding of cooperatives in CRDP sites. Price Waterhouse Coopers (PWC) has also joined hands in training 20 of our young farmers in business management skills as a support to our CRDP programme. We cannot forget the entrepreneur, Mr Mike Masuku, who has joined hands with Dadaza Cooperative in Nkomazi and are now producing fence for our fencing projects.



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Engagement of private sector is going to be intensified and we anticipate more participation of investors in the programme. We will continue building on the foundation that has been laid by our President Mr Jacob Zuma when he launched the Masibambisane Rural Development Initiative in Mkhondo in November 2011 when he challenged the business community to join hands with government.

LAND AND AGRARIAN REFORM

Honourable Speaker, we are still on course in pursuing our aspirations to revitalise all Land Reform farms and bring them back into production. It is a known fact that the backlog in the development of Land Reform farms is huge. While the Department of Rural Development and Land Reform is still pushing to finalise land claims, the department is dealing with those previously restored. Unfortunately most of these are characterised with in-fighting and conflicts, making it impossible for the groups within CPAs or Trusts to agree on the development they want for their farms. As stated earlier, the Department targeted 292 identified land reform farms to bring them back to their production capacities. Out of these, we will focus on 125 for infrastructural development. The rest will be receiving community mobilization facilitation to ensure that conflicts are resolved and an enabling environment is created for development.

The Department will continue to assist farmers who are keen to get into partnerships with prominent commercial farmers. We will assist the farmers to develop production infrastructure in order to increase their equity. The strategic investor and partnership models are new and very sophisticated for our farmers, who as a result of past systemic disposessions and alienation from the land have not developed special entrepreneurial acumen and capacity to operate high value agricultural estates. These partnerships are therefore critical and ideal to close the gaps for requisite management, equipments and operational expenses, that are required to avoid job losses and keep the farms productive once they are transferred to the new owners.

Honourable Speaker, in addition to partnerships, we also pursue the mentorship approach which we are positive that it will yield the desired results. Dr Mthombeni, a well established and experienced black farmer in Gert Sibande is already taking along his fellow emerging farmers in a mentorship programme. We are very excited with this development because it is a sign that we are about to turn the tide and get land reform farms back into production. Some of the projects are already producing for the fresh produce markets with high quality apple products under his mentorship. We really need people like **Dr Mthombeni, Mr Lourens** and **Mr Steyn** who are coming with different strategies to support the department in developing the land reform beneficiaries and generating the much needed jobs.

The Department has taken a decision to take agricultural graduates to go for internship programme under

successful land reform farms. This is going to be a milestone because in addition to giving these graduates experience, they will also be exposed to farming as a business opportunity.

Our partnership with Standard Bank and other financial and development institutions is going to be strengthened this year through joint investment into land reform development in the province. Currently, they are on a mission of upraising 20 land reform farms as part of funding process.

IMPROVEMENT OF SPATIAL PLANNING AND TENURE SECURITY

Honourable Speaker, the Department supported all 18 municipalities to ensure that rural development is included in the **Integrated Development Plans and Spatial Development Frameworks**, to safeguard food security and enhance economic development in all our municipalities. The creation of agri-villages will offer security of tenure as well as the required supportive land uses to their residents. The infrastructure development that would follow will decrease the vulnerability of the rural poor and is an important objective of the Comprehensive Rural Development Programme. To this effect three agri-villages have been mapped and surveyed in Jabulani, Rustplaas and eMaphepheni in Mkhondo Local Municipality.

The Department continued its support towards tenure upgrading and 2 014 erven are in progress at Matsulu C, while 3 313 erven are in progress at Kwaggafontein A. In terms of town establishment a total of 2 166 sites were provided for development at Lekwa Municipality Extension 8.

OUTLOOK

Honourable Speaker, the Department is continuing to support the development of Provincial Planning Legislation to enhance the Spatial Planning and Land Use Management Bill, which is currently being developed by the National Department of Rural Development and Land Reform. Implementation of uniform legislation will improve spatial planning and will ensure that land development in the province is managed effectively, and high potential agricultural land is protected from uncontrolled development.

In support of the Comprehensive Rural Development Programme one agri-village will be planned and surveyed in Mkhondo Municipality and another in Albert Luthuli Municipality. As part of our tenure upgrading programme, 3 000 title deeds will be delivered at Matsulu-C and Kwaggafontein-A.



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CONCLUSION

As I conclude, Honourable Speaker, I wish to appeal to this August House to approve the 2012/13 budget of R **980, 476** million which is allocated in nine programmes as follows:

Programme 1: Administration, an amount of R **140, 479** million

Programme 2: Sustainable Resource Management an amount of R **54, 866** million

Programme 3: Farmer Support and Development Services an amount of R **489, 054** million

Programme 4: Veterinary Services an amount of R **103, 420** million

Programme 5: Technology, Research and Development an amount of R **42, 521** million

Programme 6: Agriculture Economics an amount of R **36, 943** million

Programme 7: Structured Agriculture Training an amount of R **74, 659** million

Programme 8: Rural Development an amount of R **14, 981** million

Programme 9: Land Administration an amount of R **23, 553** million

The budget will enable us to drive the programmes that constitute the work of the Department of Agriculture, Rural Development and Land Administration.

Let me also take this opportunity to thank Members of Legislature, especially the Members of the Portfolio Committee for their oversight role, and the Executive Council for their continued support. I thank all DARDLA personnel under the leadership of the HOD Ms Nelisiwe Sithole for their hard work, dedication and commitment. Their selflessness enables us to contribute to the delivery on the 5 priorities and 12 outcomes as stated in the programme of action of the government.

My gratitude also goes to all the stakeholders that continue to support us in our endeavours to realise our mandate. Without the support of farmers, farm workers, farm dwellers, organised farming and labour representatives; there is no food security and sustainable livelihoods.

I would also like to thank the continued support from my entire family even at this darkest hour by allowing me to serve our people.

I THANK YOU

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