



agriculture & rural development

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PROVINCE OF KWAZULU-NATAL

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PAPER ON THE KWAZULU-NATAL POVERTY ERADICATION MASTER PLAN: THE ROLE OF RURAL DEVELOPMENT AND AGRI-PARKS IN REGIONAL AND LOCAL ECONOMIC DEVELOPMENT BY KZN MEC FOR AGRICULTURE AND RURAL DEVELOPMENT, MR CYRIL XABA AT THE 5TH ANNUAL REGIONAL AND LOCAL ECONOMIC DEVELOPMENT (RLED) SUMMIT, SIBAYA CONFERENCE CENTRE, 20TH OCTOBER 2015

Last Tuesday, I was at the Premier's launch of the Poverty Eradication Masterplan in KwaMaphumulo. This is an area that can be described as deep rural KwaZulu-Natal and life there is characterized by high levels of poverty. Unemployment stands at just over 58 percent; 44 percent of the people have no income at all and more than 62 percent of the households are headed by females. It reminded me of that catchphrase, that the face of rural poverty is women.

Yet amidst all this gloom there was a ray of hope. A farming project initiated by the KZN Department of Agriculture and Rural Development in the 2011/2012 budget year is beginning to change lives. More than 50 hectares of land has been cleared of alien bush and fenced so that farming enterprises can be carried out by individual community members. The enterprise is run according to a business plan and up to 30 job opportunities are being created. The jobs include land care and donga rehabilitation.

The community are growing cabbages, spinach and they have produced a lucrative crop of chillies [Pelepele].

The community members involved in the project are not only able to feed their families nutritious food, but their surplus produce is sold to the local school nutrition programs. For the first time, many of the women are earning an income and they are vocal about how their lives have improved.

There were positive signs of expansion of the project. A vast vacant plot had been ploughed and trays of seedlings stood nearby ready to be planted. I was told that this extension of the project allowed for more individual ownership within the community.

Far from the information highways of the urban centers and with little fanfare a small agricultural project is beginning to make a startling difference in the lives of a rural community in terms of food security and income generation.

This is what President Zuma talked about when he said that agriculture was to become a catalyst for economic growth in the country.

I have no doubt that this is going to happen and it is not just wishful thinking. Research has shown that agriculture is an important input in changing the economic terrain in rural communities and delivers a powerful punch against poverty. Let me go on to examine this nexus of poverty, agriculture, rural development and agri-parks in regional and local economic development.

According to the introduction of the KwaZulu-Natal Poverty Eradication Master Plan - twenty eight percent of all KwaZulu-Natal citizens live in extreme poverty, and a further 29 percent live in absolute poverty. At least 32.9 percent are food deprived and KwaZulu-Natal has the highest gender based poverty incidence and the second highest level of rural poverty in South Africa. Umkhanyakude, Umzinyathi, Zululand and Sisonke have the highest poverty levels in the country. Rural poverty is a challenge we seek to address. To create growth and development in rural municipalities, create opportunities for unemployed youth and to stem the tide of people moving to the urban areas.

There is also the challenge of South Africa's dual economy – in agriculture we see this duality very clearly - there is the commercial sector operating in the first economy and the small-holder farmers barely make a living within the informal or second economy. This duality is unsustainable and has made our country one of the most unequal societies in the world. Another challenge we have set out to address, is to bridge the gap between the two economies. These are the underlying aims of our new strategy for agrarian transformation, outlined by Theo Van Rooyen yesterday. The objective is to develop the farmer and create an environment that will allow the small-holder farmers to make the transition to the commercial or first economy.

With October being the start of the planting season, it is all systems go in the various districts as the KZN Department of Agriculture and Rural Development puts into action its new agrarian strategy. This is a direct contributor to local economic development and it fulfils one of the Summit's resolutions from last year. The resolution called for agriculture to be revitalized to promote real business enterprise, job creation and poverty eradication. The launch of the communal estates program at a cost of R238 million, as you have heard from Mr Van Rooyen, is not about doing the farming for the farmers. Instead it is about skilling cooperatives in the communal estate, which is being done, and playing a supportive role so that these small-holder farmers can run sustainable and commercially viable operations. In doing this, we are fulfilling another of the RLED Summit resolutions from last year. Which is for communities to be encouraged to be self-reliant through skilling and instilling a spirit of self-empowerment of individuals (Asisukume sakhe sonke). Just to give you an example, 294 tractors are being handed over to 144 communal estates across

the country and will be utilized in the ploughing of over 23 000 hectares. These tractors over time will become the responsibility of the communal estates, thereby providing an opportunity for the development of a secondary industry. Young people will receive training in carrying out the maintenance and repairs of tractors and other farming equipment. In this way, mechanization is linked to entrepreneurship.

It is also my contention that the agri-park initiative, which Lisa Del Grande spoke about earlier in this Summit, is going to drastically alter and speed up local economic development. It is forcing a focus on district and local level development and it is bringing different levels of government, the community and private sector together in ways that have not happened before.

Even the private sector is encouraged by these developments and an editorial in the Farmers Weekly On October 2nd said, and I quote: "Never before in the 21 years since South Africa's transition to a democracy has the ruling party placed so much faith in the contribution that agriculture can make to the country. The farming sector must get its house in order or run the risk of letting this opportunity to grow the sector slowly fade from the national agenda."

The Agri-Park initiative is also adding another dimension to building an inclusive rural development economy as the work is not just about developing the primary agriculture sector but providing the infrastructure for agro-processing and developing the secondary agricultural sector.

From my visits to the different districts, I get a sense that for the first time we are all speaking from the same sheet and working together. Previously provincial government officials did not know what was contained in the municipality's Integrated Development Plans (IDP's). Neither were the municipal staff fully aware of the activities of national and provincial departments in the area. Today, the Agri-Park initiative and the Rural Development implementation plan is seeing the coordinated efforts of task teams and departments working in a much more integrated manner.

Let me elaborate on how all of this is coming together. An inter-departmental task team, involving both national and provincial departments has been established to coordinate the Rural Development Implementation Plan, which is based on the National Development Plan. The heads of departments and the heads of State Enterprise Organizations sit on this task team and they meet quarterly to review progress on projects being implemented and to iron out problem areas. The teams working on the Agri-Park initiatives reports to this task team. We have recognized a missing link in the chain. The Rural Development Task Team reports to Minmec but we have recognized the need for it to also report to Munimec. We are working on forging this link in the chain.

We may no longer be doing the farming for farmers but we are well aware of the supportive role that government has to play, to bridge the gap between the two economies. This is by building the infrastructure and access to markets to allow farming operations to flourish. The Rural Development Implementation Plan involves inter-departmental work in providing this infrastructure. Drive through

the rural areas of our province and you will see the signs of these developments ranging from silos to abattoirs; irrigation schemes being installed by the Department of Water Affairs, roads and fresh produce markets being built. If we continue to work in this coordinated manner, the legacy that this administration can leave is a marked reduction in poverty in the province bolstered by thriving rural economies at local level. We can leave established agri-parks and rural infrastructure that will serve future generations of farmers. Our work on skills development must see more young people taking up farming enterprises to ensure food security in our province. This is not a pipedream, but a reality that we have the power to make happen. I want to see a situation where there is no difference in the environment when driving from a commercial area into a communal area.

As Premier Senzo Mchunu often reminds us that the time for talk is over and it is now all about action. The next Regional and Local Economic Development Summit in 2016 must be about action. It must be an assessment of what has been achieved and what more needs to be done.

A challenge that I throw out to all of us and which is a very practical suggestion contained in the KZN Poverty Eradication Master Plan, is that of the commercialization of communal livestock. A question I often ask is how is it possible that the Harry Gwala district is known as the dairy belt of our province, but there are no black farmers in the area involved in milk production. Similarly in the beef producing districts of our province, there is an absence of communal cattle. We need to do much more at a local and provincial government level to assist in the commercialization of our communal cattle. The KZN DARD is fully involved in this project in terms of improving the genetics of the stock. Linked to this, is the creation of proper grazing camp infrastructure, and job creation in terms of castration programs, livestock auctions and the employment of more diptank assistants. In terms of the other agricultural game changers on the poverty Master Plan, you would have heard from the other presentations that the Agrarian Transformation Strategy addresses these and that they are being implemented. This would include the promotion and training of agricultural coops, linking mechanization to entrepreneurship, agribusiness youth empowerment through the agri-parks and projects of the Agribusiness Development Agency (ADA). For example ADA has just sent a second group of young people from land reform farms to Denmark for training in agribusiness and running commercial farm enterprises.

Talking about cattle, brings me to the issue of the current drought. Climate change has become a reality of farming in our country. Managing the drought and for that matter any hazard, is not solely the responsibility of government. As the provincial motto for disaster management states, it is "Everybody's business."

It is crucial that affected communities and farmers do their best to reduce the impact on their families and their farming enterprises. This will require of the farmer to apply conservation agriculture, farming with nature and not against it. The drought has reduced the resources available and hence the farmers have to

adapt by reducing the demand for resources. In terms of livestock production, farmers have to reduce livestock to ensure the survival of a few highly productive animal which would enable them to continue after the drought. Livestock farmers have to get rid of their old and unproductive animals. Similarly crop farmers have to adapt and plant drought resistant cultivars and adjust planting according to the season. The KZN Department of Agriculture and Rural Development through our district offices and extensions services, are available to support farmers in this regard.

Government is also playing its part. The Provincial government has requested for a declaration on the drought from the National Disaster Management Centre and we are awaiting confirmation of this declaration. The KZN Department of Agriculture and Rural Development has also proposed a drought intervention scheme that has been sent to the Department of Agriculture, Forestry and Fisheries (DAFF) which will be subject to approval once the drought disaster has been declared. In the meantime, the HOD of DARD has approved the rollout of a feeding scheme for communal farmers to the amount of R6 million.

Farming is about facing adversity head on. The project at kwaMaphumulo is also affected by the ravages of drought, but those small-holder farmers are continuing with grit and determination to make their enterprises work. They have seen the difference it has made in their lives. My parting message to all of you as you contemplate local economic development, is to look at farming as the future to unlocking the economy in your districts. I thank you



MEC for KZN Agriculture and Rural Development Mr Cyril Xaba, addressing delegates who attended the RLED Summit at Sibaya Casino in Durban



MEC Cyril Xaba flanked by KZN COGTA General Manager for Local Economic Development Mrs Barbra Mgutshini and Inkunzi Investments Managing Director Mr Clive Ramathibela during discussions at the RLED Summit



Discussions during Commissions