

I would like to begin by thanking you for the invitation to be part of this 2015 Farmers Day event at Makhathini Gin. Minister Nkwinti also sends his compliments and apologizes that he could no longer be with you today due to other pressing commitments.

As we meet today, we have just concluded some very robust discussions at the cabinet lekgotla and job creation was one of the issues that were at the heart of the debates. I wish to assure you that government is serious about finding solutions to the problems of unemployment and joblessness and is making every effort to ensure job creation. Our Constitution exhorts us to “improve the quality of life of all citizens, and free the potential of each person”, and we all share the responsibility of finding the best way to do this. The Ministry of Rural Development and Land Reform has been working very closely with the department of agriculture in driving elements of the nine point plan as announced by the President in the State of the Nation Address.

One of the key aspects that we are focusing on in the 9 point plan is the issue of revitalizing agriculture and the agricultural value chain. The National Development Plan is the road-map for our programmes and Chapter Six of the

Nation Development Plan sets out the trajectory for rural economic transformation and development. The vision is rural areas that are spatially, socially and economically well integrated - across municipal, district, provincial and regional boundaries - where there is economic growth, food security and jobs as a result of agrarian transformation and infrastructure development programmes with improved access to basic services, health care and quality education. Within this, the department of rural development and land reform has been driving the Agri Parks Programme for the country and this project in my mind will definitely contribute positively to the objectives set in this programme.

This project begins to focus as on the element of processing. For too long smallholder farmers have not had an opportunity to participate in the full value chain of agriculture and through the agri parks programme; we are hoping to achieve that by ensuring that our farmers reap the benefits throughout the value chain rather than just from primary production. The Agri-Parks will be designed in a manner that allows the central component of the model to eventually emerge into a centre for various activities not limited to agriculture including warehousing, processing, retail, input supplies; distribution, services

access, financial services, market access, training and development.

These parks will organize and mobilize farmers and agribusiness entrepreneurs. Partnerships with government departments, such as DAFF, the DTI, the Department of Small Business Development, COGTA, Department of Water And Sanitation ,Provincial Departments of Agriculture and Rural Development and district municipalities; is critical to develop economic infrastructure like, roads, energy, water, ICT, transportation and logistics corridors that support the Agri-park value chain.

We are looking to the Agri-Parks model to achieve a transformational breakthrough- improving capacity and production of smallholder farmers, value chain development, market access, encouraging private farmers participation and investment, and most significantly, ensuring that resources are better utilized through focused interventions that can contribute to significant job creation.

In this financial year, the Department will drive the establishment of the Agri-Parks using the current programmes as levers for implementation. The following

programmes will assist us to drive this initiative: River Valley Catalytic Programme, Animal and Veld Management Programme, Enterprise and Industry development, infrastructure development and the Narysec programme. Accordingly, the Department has had consultative sessions with provincial and local government. As a result of these interactions, sites have been identified in all 10 districts across the province and in some areas work has already commenced. A potential budget of

R 500 million has been allocated to KwaZulu-Natal for the roll-out of AgriParks. This amount does not include contributions from other sector departments such as Department of Agriculture and Rural Development, COGTA and others.

You would note that when the Department was established in 2009, we started with the implementation of the Comprehensive Rural Development Programme which included a critical element of rural enterprise development. This initiative here at Makhatini represents one of the successes within the enterprise element of the CRDP. The R11,5m investment made by the Department has served as a catalyst for the initiative and we are glad that it will drive job creation in the cotton industry. We have not

been alone, the National Department of Agriculture Fisheries and Forestry has also provided significant support to this project. The joint efforts of various departments towards this project is commendable and encouraged.

Further to this given the work that we are doing around Agri Parks and enterprise development; we trust that this represents the beginning of a relationship with the cotton farmers and the cotton industry as a whole. We are working at present to strengthen the linkages from primary cotton production right through to the textile industry. We are currently in this regard busy with discussions with the cotton commodity sector and the textile industry to create a long term partnership that will focus on skills development; infrastructure development; enterprise support and market access. In essence therefore; this initiative taken by the cotton farmers in this area is going to serve as a spring board for many future such interventions.

This initiative aims to enhance cotton production by small holder farmers in the Makhathini region to enable them to become sustainable producers of quality cotton and become involved additional phases of the value chain.

This will also apply to the on-going job creation potential of the project related to continuous cotton production to feed the entire value chain via the Makhathini Gin. In the past over 3000 small holder farmers were successfully producing cotton in the Makhathini region. However with the liquidation of the Makhathini Gin this had decreased. The Gin was subsequently purchased by DAFF with the intention of recommissioning it to process local cotton production. DAFF is currently in the process of transferring the Gin to the Ubongwa Farmers' Co-Operative which comprises of 32 farmers' associations with a total number of 1579 farmers. This Co-operative will become solely responsible for the successful operation of the Gin. This will result in farmers being involved in more stages of the value chain of cotton processing. They will also be responsible for the marketing of the cotton processed through the Gin and have already negotiated contracts with spinners. Their intention is to take responsibility for their own cotton from production until processed into garments for the retail industry. The Department of Rural Development and Land Reform will focus on the "Enhancement of cotton production by small holder farmers in the Makhathini region".

During the implementation of the project, the department has supported Ubongwa Cotton Development Services, which is a representative body of all small-holder cotton farmers on the Makhathini flats, to establish the Gin as a profitable enterprise through mentoring of farmers in cotton production and the running of the Gin. There are also specific deliverables relating to farmer liaison, training and cotton procurement for which Lima has been contracted by Ubongwa to undertake. The area of UMkhanyakude District – Jozini, Umhlabuyalingana and The Big five local municipalities have been identified for cotton production:

Lima Rural Development Foundation was appointed by Ubongwa to provide Extension and training support to farmers. Three full time extension staff with vehicles was employed by Lima. Activities entailed marketing of the Gin to farmers associations and encouraging farmers to get involved in cotton production. A database of farmers that were interested in planting cotton was generated as part of this process.

A data base of potential growers covering the 32 farmers associations under their umbrella body (Ubongwa) has been developed. This data base will be updated on a regular basis as and when field visits take place. An

assessment of the gender of the farmers identified shows that 33% of farmers in the above associations are male (525) 59% are female (938) and youth is 8 % (129).

Revitalization of the gin has been completed. Currently the maintenance and cleaning of the gin premises is ongoing. 17 permanent jobs for the gin staff have been created.

A total of 511 tons of 2012/13 seed cotton has been ginned over two and a half months and about 300 tons of seed cotton was sent to Loskop cotton since the Gin was not yet completed during the first picking time. A total of 848 tons of 2013/14 seed cotton has been ginned over two and a half months. A total number of farmers that were beneficiaries during the 2012/13 season were 513 and during the 2013/14 season 577 farmers benefited. A total of 517 out of a potential of 1590 farmers planted 710Ha out of 2500ha of land available. Fencing of 150ha was done at Ikhwehle, which is a field where some of the farmers from Ubongwa have cotton fields. A total number of 51 farmers will benefit from the fenced land. The office furniture and computers were purchased and delivered to the Gin. Three vehicles had been purchased and one of them has since been transferred to the Gin.

A draft of the five year plan which will be used to guide the business going forward and to apply to the DRLR for funding was submitted to the Department for further advice.

A total of R3 990 035.27 has been paid to cotton farmers during the sale of their cotton in the Gin. An estimation of more than 1 500 farmers are the potential beneficiaries in the area. There is also a potential of more than 2 500 hectares of land that will produce cotton around Makhathini.

We hope that the people of Jozini will hold hands together with Ubongwa to ensure that this project is sustainable and becomes a shining example throughout the country.