



agriculture & rural development

Department:
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PROVINCE OF KWAZULU-NATAL

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SPEECH BY KZN MEC FOR AGRICULTURE AND RURAL DEVELOPMENT, MR CYRIL XABA, AT THE KZN POULTRY INSTITUTE'S DAY FOR THE DEVELOPING POULTRY FARMER 2ND JUNE 2015

The Program Director

Members of the Board of the KZN Poultry Institute

General Manager of the Poultry Institute, Ms Janet Lee and her Team

Officials from the KZN Department of Agriculture and Rural Development

Poultry farmers from throughout our province, thank you for the special effort you made to be here today

This event is being held at a time when the poultry industry as a whole is facing a number of challenges. Yet at the same time, new opportunities are opening up especially for small and medium scale producers, and you will hear more about this.

I am well aware of the very real problems within the sector. There is the drought, high feed costs as well as having to balance local growth of the industry with chicken imports.

On the international front, the South African Poultry Association (SAPA) is fighting a brave battle to keep the international trade deal known as AGOA or the African Growth and Opportunity Act deal fair for South Africa's poultry industry. For those of you who may not know all the details, a new trade deal, known as AGOA, is currently being negotiated between the United States and South Africa, where our country gets certain concessions when it exports such products as fruit, wine and motor vehicles and their components. However, in exchange for these

concessions, the American poultry sector wants to export more of their chickens to South Africa. The South African Poultry Association (SAPA) is very involved in negotiations regarding this matter. It is concerned about cheaper chicken imports flooding the local market and its effects on the growth and development of the local poultry industry. The next round of talks is expected to take place this month and I understand Minister of Trade and Industry, Mr Rob Davies, will also be at this meeting.

We know from our own history in this country that when we face adversity and challenges, the best way to deal with them is to stand together. This is why the guiding principle in the KZN Department of Agriculture and Rural Development's new Strategy for Agrarian Transformation is to work as a united front and through partnerships with the commodity sectors.

This is the simple basis of the Department's vision for poultry farming in the province.

As part of the strategy, we are in the process of negotiating a tripartite agreement with SAPA, including the Development Poultry Farmers Organization and the KZN Poultry Institute. The agreement is about working together to grow the poultry sector. More importantly, it is about the farmer and in your case about developing and supporting the poultry farmer. As I said in my recent budget speech, we want to bridge the gap between the first and the second economies and create an environment to assist those who want to make the transition from emerging to commercial farmers.

I am well aware that access to markets is a key challenge for small poultry farmers. The Department's vision or plan going forward is to work closely with SAPA, the Developing Farmers Organization and the commercial poultry sector to enable joint ventures and creative market linkages. These will see the small poultry players, especially those based in rural areas, included in the value chain and being linked up to markets.

The development of the economy in rural areas is key to this vision. This means strengthening support for poultry farmers at a local and district level. KZN DARD together with the National Department of Rural Development and Land Reform, are in the process of setting up ten Agri-Parks in the province. Chicken is the cheapest form of protein for the majority of our consumers, and chicken hubs will undoubtedly form part of these Parks. The aim going forward is to have depots to allow small-holder poultry farmers to have access to quality feed, chicks and health products.

Work on this has already begun and there are plans for the refurbishment of a hatchery in the Umgungundlovu District to provide day old chicks to small scale farmers. The aim is to develop hatchery hubs that will supply the entire province.

Unity and growth through partnerships, means that we must also be able to negotiate across sectors to find solutions to such challenges as high feed prices.

I have repeatedly said that farming is both a scientific enterprise and a business, and those of you who have been fortunate to attend the KZN Poultry Institute's courses have certainly learnt this. I must take a minute here, to say thank you to the Institute for its impressive training program and for the excellent work that has been done in growing our future poultry farmers. I believe that more than 6000 people have undergone training by the Institute. I was particularly pleased to hear about the business skills course that you offer poultry farmers. Training includes how to conduct successful business feasibility studies, writing a business plan, keeping production records, marketing and managing finances. This is the kind of future farmer that we need, they must be business savvy in order to survive in a competitive environment.

Your work is certainly leaving its mark, I read some impressive comments from farmers who attended your training courses. The one said: "I will recommend to anyone who intends to start a chicken farm to attend at KZN Poultry Institute."

Another said: "I enjoyed everything from lectures to practical farming, keep up the good work."

The Department's cooperative arrangement with the Poultry Institute will include taking advantage of your thorough, specialist poultry training. Extension officers, animal health technicians and students from our Colleges will be sent to the Institute for Training.

The Department's poultry specialists will go on to be based at local and district level and will be readily available to support and continuously up-skill small poultry farmers. Similarly, the Department has re-structured in line with its new strategy for Agrarian Transformation in the Province. More authority has been devolved to the district offices, poultry farmers are encouraged to interact and visit the KZN DARD offices in their districts to find out more about the services on offer.

At this stage, I cannot go into more detail on the agreements being negotiated between the Department and the poultry sector as all of this

will be finalized once SAPA's involvement with the AGOA matter is completed.

I am optimistic about the future of the poultry industry and the potential and opportunities will soon become obvious, even more so, if we work in partnership as the sector and as government.

Chicken remains South Africa's food of choice and an affordable source of protein for the majority of our consumers. I understand that the country's poultry industry today is worth more than R27 billion a year and that it is continuing to grow. Lives are improving in South Africa and lifestyles are changing. Today the per capita consumption of chicken stands at around 37.3kg and reflects a 57% growth compared to 21kg of chicken that was consumed in 2000. Market research has shown that poultry consumption will continue to grow and that per capita consumption of chicken is expected to exceed 45 kg by 2020.

This is a market waiting to be exploited and together we can do it and grow our future poultry farms. In all of these developments, the person who matters most is you the farmer and the support that you can be given to become successful.

I thank you.