



## agriculture & rural development

Department:  
agriculture & rural development  
**PROVINCE OF KWAZULU-NATAL**

# **BUDGET VOTE SPEECH**

## **2019/20**

**VENUE: KZN LEGISLATURE, PMB  
TIME: 09H00 AM**



**Mrs B.N. Sithole-Moloi**  
**MEC: KZN DARD (MPL)**



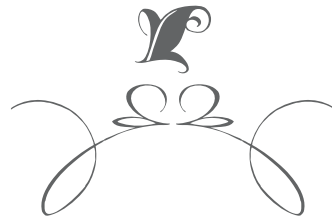
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KwaZulu-Natal Department of Agriculture  
and Rural Development



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# **BUDGET POLICY SPEECH 2019/20**







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## PROVINCE OF KWAZULU-NATAL

Budget Speech Address by Mrs B.N. Sithole-Moloi on tabling of the Budget Policy Speech in the Provincial Legislature 30 July 2019

Honourable Speaker of the KZN  
Legislature

Honourable Premier, Mr Sihle Zikalala  
Honourable Members of the Executive  
Council

Honourable Members of the Legislature  
Former President of the RSA, Mr Jacob  
Gedleyihlekisa Zuma

House of Traditional Leaders  
Chairperson Inkosi Chiliza

Amakhosi aseNdlunkulu  
Judge S. Ngwenya, Ngonyama Trust

District Mayors  
Local Mayors  
Councillors

Political leaders  
Officials of KZN DARD and Entities  
Distinguished Guests

Stakeholders  
Ladies and Gentlemen,

Presenting our budget when it coincides with Mandela's Birthday Celebration month is in itself, an honour, and it feels good to say, I am honoured to stand before this august house and to announce our plans with which to serve the people of our Province following their renewal of our electoral contract with them.

I am happy, not only to represent the Department of Agriculture and Rural Development, but also to commit the ruling party, the ANC, in its quest to make a Better Life for All policy, a reality and a living testimony for our people.

Motivated by this binding commitment between the people and the ANC, we gather our confidence to present to this House, the 2019/2020 Budget for Vote 3 – for the Department of Agriculture and Rural Development.

We are guided by the speech delivered by his Majesty the King, Isilo Samabandla during the opening of the House earlier this year, when he said "There is no honor, no dignity and no rights in poverty." Agriculture can end poverty completely."

## INTRODUCTION

Honourable Chairperson,

I stand before you at the outset, being fortunate to do so, during this centennial period during the life and times when we celebrating the first President of the new South Africa, Dr Rolihlahla Nelson Mandela, uMthembu Omkhulu. Umhlaba wonke uyavuma, that Mr Mandela was indeed a towering figure, that led this country to its new dispensation, under difficult times in the life of this our beautiful land.

To him and those that led before him, in this regard I refer to all the nine Presidents of the ANC before its unbanning in 1990, **NIYIZINGQALABUTHO ZEZWE LETHU. ASOZE SANILIBALA IMISEBENZI YENU YOKUSIKHIPHA EBUGQILENI BENGGINDEZELO YAMABHUNU NONGXIWA.**



In echoing the words of Isilo Samabandla, it is true to say, that the Department of Agriculture and Rural Development with its mandate to lead in fighting to eradicate poverty, food security and jobs creation through the agricultural economy, especially in rural communities, has the primary responsibility to stand in the coalface of building sustainable economic growth.

The triple challenges of inequality, unemployment and poverty is a constant reminder of the scourge of under development our country faces up to now. Historically black South Africans were excluded even to participate in the mainstream food value chain with their own resources at hand. Black people have always had abundant cattle and food crops supported by land availability before it was mercilessly removed from them by the colonizers.

The communities of Mthwalume and the challenges faced after restitution is a constant reminder of the socio political issues we need to be alive to, regardless of the fact that some of these claims have been resolved.

We have taken note of the accidental loss of some 1200 cattle in feedlot/abattoir in Wasbank after feeding from a poisonous feed. We have unleashed our veterinary services as well as the police to probe claims of shooting of some 20 hunting dogs of Black farmers by white farmers in the same area within the same week. This is a live issue requiring our urgent attention as tensions and amazement run high in that area.

Honourable Chairperson, this budget vote provides a timely opportunity for us to outline our plans and programmes that will enable us to execute our mandate in line with the expressions and views of Isilo Samabandla.

In the same vein, the Premier of KwaZulu Natal, Hon Sihle Zikalala during the State of the Province Address on the 28th June 2019 said, "Over the next five years, we will see this Province embarking on the agriculture revolution to ensure food security, the growth of the sector and job creation."

Since my appointment as the MEC for the Department of Agriculture and Rural Development, I have visited various districts of the Province of KwaZulu-Natal interacting with our officials, stakeholders, and the farmers both commercial and subsistence farmers, on issues relating to their agricultural activities and market circumstances.

I must say, Honourable members, we have carefully listened to our people and commit to deliver on their expectations. Whilst a fair amount of work has already been done by my predecessors a lot still needs to be done to develop and transform this sector. We aim to build on that solid foundation, guided by the National Development Plan, the Provincial Growth and Development Strategy and Plan as well as the Agriculture Master Plan.





Honourable members, I have communicated with the management of the Department on what I have observed as service delivery gaps and have provided direction in terms of what must be done to accelerate quality service delivery to our farming communities as well as to consumers.

Honourable Members, this budget speech represent what would be the immediate responses to unlocking the agricultural potential and support needed in our Province.

We need to direct government resources on many agricultural activities taking place both in the mainstream and rural communities in particular. We have made it very clear that in order to transform the agricultural sector in our province we will need all stakeholders to play their part.

As I have started engagements with stakeholders and farmers, I commit to work with organized farmer organizations; livestock associations as well as ordinary farmers and all sector stakeholders in the province. This government will deliver programmes and solutions based on proper consultations to understand and develop appropriate response programs.

Honourable Chairperson, despite the fact that we present this Budget against the backdrop of the depressed and sluggish economic performance of the country and the Province, but our focus will be ensuring that we deploy our resources in areas and programs that have potential for a higher yield.

Whilst agriculture was a major contributor in bailing out the economy from technical recession in 2017 but it is the same sector that ill-performed and therefore plunged back the country to recessionary status in 2018 second quarter.

With the above being the case, we are however excited about the prospects for growth that have been shared by the President of the Republic, His Excellency President Ramaphosa in his address to the Nation recently. Honourable members, agriculture plays a significant role in growing the provincial economy and contribute immensely in the Provincial GDP. Our task as this line Department is to increase our efforts in the injunctions of Thuma Mina spirit to turn agriculture in the province as an important economic activity through which rural economy, jobs, food security and therefore poverty will be addressed.

The deteriorating global economic outlook, as encapsulated in the IMF and World Bank reports points to a challenging economic environment throughout the world, in particular, trade policy uncertainty and the escalating tensions between the two biggest economies of the United States and China.

Of particular concern to us, is the proliferation of extreme weather conditions, natural disaster incidents and the general uncertainty brought about by climate change to the agricultural sector. Nevertheless, we are of the view that our programmes are resolute and will prevail over these challenges to usher in a period of improved food security in our province for each and every household.





Honourable members, as government, we have a responsibility to bring stability, policy certainty and improved capability to execute programmes and services in order to improve market and investor confidence. Our programmes must be underpinned by prudent deployment of scarce public funds and resources, ensuring value for money and improved socio-economic outcomes.

The agricultural sector in KwaZulu Natal was one of those leading agricultural Provinces in various agricultural commodities. The decline of agricultural activities in the Province and numbers of farmers is a concern to us. We want to regenerate the passion for agriculture and increase the numbers of both smallholder producers and commercial farmers.

It is through this sector that we can fully realize the rural development objectives that government has put to the fore. In our context, we commit ourselves to work closely with His Majesty, the King and traditional leadership in galvanizing the agricultural revolution using the acres of land lying fallow in the rural communities.

As the Honourable Premier of KwaZulu-Natal, Mr Sihle Zikalala said during his State of the Province Address. ***“We will also rely on His Majesty the King, Isilo Samabandla whose love for farming is legendary. It is through Isilo Samabandla and the institution of traditional leadership that we will be able to encourage our people to prioritise agricultural production and supply many countries that have asked for our fresh agricultural products”.***

Last year, Honourable members, the Department successfully held an Agricultural Summit and Master Plan in November 2018, which brought together a range of agricultural stakeholders to deliberate on the future and the direction of the sector in the province. As the MEC, I am going to take forward this process beginning with immediate delivery imperatives arising from key resolutions of the Summit and the details contained in the Agricultural Master Plan.

I am very clear in my mind that the Agricultural Master Plan must not be a piece of document in government offices but a framework that must enjoy a broad multi-sectoral buy-in, including Amakhosi and Commercial Farmer organizations as key stakeholders.

To that extent, it means a lot of stakeholder engagements and popularizing of the Plan so that we move hand in glove in the implementation. Of strategic importance is the articulation and strategic dovetailing of what the RASET framework and its plan outlines and Master Plan.

Related to this alignment is the KZN Poverty Master Plan (the areas within it that articulates the role of agriculture) and the Provincial Growth Development Plan as an economic trajectory plan of the province. The successful implementation of our agricultural master plan will hinge, largely, to the strategic alignment and interconnections to the other key provincial plans that are already existing.



## FOOD SECURITY AND NUTRITION

Honourable Speaker, our former President Nelson Mandela once said: “Overcoming poverty is not a gesture of charity. It is an act of justice. It is the protection of fundamental human right, the right to dignity and decent life.”

Accordingly, our Constitution states that “everyone has the right to have access to sufficient food and water” and enjoins government to ensure these rights are realised through appropriate legislative and policy interventions.

Honourable Members, as you would have heard from the State of the Nation Address, government has made food security an apex priority, as the President boldly declared that “within the next decade no person in South Africa will go hungry”. That pronouncement resonates strongly with our efforts to ensure comprehensive food security programmes and agricultural support to our communities.

Whilst the current number of households who experience hunger is reported to have decreased relative to those reported in the year 2002, the incidences of hunger remain a significantly stubborn challenge affecting our Province.

The Department holds a view that part of the answer in dealing with this scourge includes ensuring an increase in the involvement of households in agricultural activities at subsistence farming level. As at 2017 the province accounted for 20% of Households involved in agricultural activities relative to the national average of 15.6%.

Food security will remain one of the department’s priority areas of focus especially as it relates to vulnerability at the household level. In 2017, KwaZulu-Natal Province reported that 18.6% of households had inadequate access to food above the national average of 15.8%.

The Department will intensify its food security programmes to ensure that more people are uplifted from the shackles of food poverty.

The food security plan for the department focuses mainly on community and household garden by providing production inputs such as fencing, seeds, fertiliser basic infrastructure, tools and advisory services. A budget of R 11 million has been earmarked for food security interventions in the current financial year. A total of 17 968 households will be supported with agricultural food production initiatives as part of the food security programme.

The department boasts a state of the art mushroom base at Cedara with two satellite bases at KwaDindi and Dukuduku producing oyster mushrooms. The department will be producing 145 000 mushroom packs and distributing them to mushroom gardens across the province. These mushrooms are a high source of protein and can fight malnutrition amongst the vulnerable groups in our society.







## PLANTING SEASON PROGRAMME

Madam Speaker, the plight faced by rural poor communities in improving their socio-economic conditions, partially caused by inadequate operational farming resources has prompted the Department to develop a mechanization and the planting program.

In these programs, the Department is intervening with an aggressive and holistic mechanization program to assist in the resourcing the poor and underprivileged communities to alleviate poverty, promote food security and creation of vibrant agricultural communities with improved opportunities to participate in the mainstream economy of the province.

Amongst, these initiatives in the subsistence organizations through which to leverage ailing small input producers and blenders in fertilizers for the small growers in the agricultural industry.

The Department has identified numerous arable lands to be utilized for food production and to intensify agricultural production thus dealing decisively with the scourge of poverty and underdevelopment in communal areas.

The Department will make available its own fleet of tractors or contracted Service Providers to render a comprehensive ploughing and planting service inclusive of production inputs (seeds, fertilizer and chemicals) for the indigent, vulnerable sector and smallholders of society within the communal areas. Provision of production inputs is dependent on both the status of natural resources and climatic conditions to sustain a particular crop production enterprise.

The Department will also provide, using its own extension staff, related agricultural advisory services as part of the package to ensure successful delivery of the program.

A total amount of R150 million has been earmarked for multi planting season this financial year. This money will be used to plant more than 16 162 hectares of land focusing mainly on maize and beans which is a staple food for our rural households.







## FOOD SECURITY AND NUTRITION

Honourable members, the Honourable Premier during his State of the Province Address announced that there is a need for the Department to review its mechanization model. In this regard, I am happy to announce that a new regime of policy provisions on mechanization services will be introduced in order to increase access and ensure comprehensive and equitable services to the majority of our farmers.

The reviewed model will focus on ensuring procurement of tractors by the state to service the vulnerable households and this will be supported by sound plans for maintenance and repairs.

This model will also have a pronounced development aspect for Small Medium Micro Enterprises (SMME) and creating a package to assist these businesses to increase or improve their fleet to augment services that will be rendered by the state fleet.

Furthermore, the policy review will see the introduction of a scheme which will enable individual farmers or farming enterprises to access funding for the acquisition of mechanization equipment.

## SEEDS PRODUCTION



Government is committed to transform this sub-sector and build its own capacity throughout the agricultural value chain. In this regard; the Executive Council has directed that the department must develop its own nursery capacity and fertilizer in partnership with relevant institutions and colleges as a long term plan.

Government needs to be increasingly efficient and innovative in view of increasingly limited financial, human and other resources, relative to what is required to achieve its developmental goals. Thus it is imperative that we build our own capacity to produce seeds to achieve Radical Economic Transformation.

Our Agricultural scientists are hard at work developing a comprehensive seed production plan focusing on two pillars: Horticulture (vegetables and fruits) and Agronomic crops (maize, beans, potatoes, soya and groundnuts). During the implementation of the programme, it will incorporate youth empowerment elements.

This move will ultimately produce young black seed producers in an industry that is dominated by few mainstream market players.





## IMPLEMENTATION OF RASET

Honourable members, the adoption of Radical Agrarian Socio-Economic Transformation to address the barriers to entry in the agricultural value chain of the historically disadvantaged farmers was one of the ground breaking achievements of the fifth administration. RASET was conceptualized to fundamentally alter the skewed economic dynamics that ensured that only a selected few are part of the mainstream economy.

While this programme is currently being piloted in five districts, namely, Harry Gwala, eThekweni, Illembe, King Cetshwayo and Umkhanyakude, we have since established that the current demand outweighs the ability of farmers to supply the full scope of RASET requirements.

In an attempt to meet this demand, the Department is finalizing a plan to establish and in other instances rebrand, five of its major nurseries within our cluster family of research stations namely, Cedara, OSCA, Dundee, Makhathini and Kokstad for vegetable seedlings and fruit trees production. These nurseries have a capacity to produce seedlings that can be planted over 1500 hectares of vegetables over and above the current food production program.

This intervention is aimed at improving food security by reducing poverty and hunger but also aggressively fulfilling the RASET objectives in order to increase participation of the previously marginalized in the sector. It will further provide opportunities for youth empowerment first at the nursery level and incubation across the value chain.

I am pleased to announce that, in order to optimize RASET program support, the Department will deploy staff with required skills to the Project Management Unit within Department of Economic Development, Tourism and Environmental Affairs and further attach district staff to the 5 Development Agencies (DDAs).

This will enhance coordination amongst participating role players in the program and ensure its ongoing success. As per the President's pronouncement we want to eradicate poverty within a decade and in this regard we have declared war against poverty as a Province of KwaZulu Natal. PHANSI NGENDLALA !!! PHANSI.

## MARKET ACCESS

The Department will be establishing partnerships with South African Bureau Standards (SABS) in particular as it relates to the quality standards of production for markets. Our focus in marketing agricultural produces should not only be on domestic opportunities but we should seek to exploit all avenues available in terms of the export market opportunities.

In this regard, we will be forging partnerships with the National Department of Agriculture especially with their Perishable Product Export Control Board (PPECB) ensuring high levels of compliance and quality standards which will enable our farmers to be export ready. The partnerships should translate in the training and development of both our farmers and the states advisory services personnel.

Barriers to entry continue to be attributable to inconsistency in supply, poor quality of produce and the limited scale (quantity) of production by our farmers. Through these partnerships we would be ensuring that farmers are mentored and trained on these areas.

We urge all industry players to assist us in opening up their markets to black producers within the Province, and we invite the private sector to partner with the department in establishing sustainable markets to ensure an inclusive, thriving and sustainable agricultural sector.





## **REVITALISATION AND RESUSCITATION OF LAND REFORM FARMS**

Honourable Chairperson, the Department remains committed to the sustainable transformation of the sector and empowerment of historically marginalised producers. The success of the agrarian revolution that the Hon. Premier Zikalala is championing, should among other things translate in the creation of sustainable black commercial farming enterprises.

The Honourable Premier in his State of the Province Address indicated that the MEC for agriculture will be making an announcement regarding land reform assessments to determine the required intervention for their resuscitation.

I am happy to announce that work has already commenced and the exercise will culminate into a costed resuscitation plan.

As we devise a new strategy to bring back these farms into full production, we wish to urge all stakeholders and industry at large to support the government in its endeavour to seek solutions to some of the failures that have bedevilled some of the land reform farms.

To date over 1000 farms have been assessed and a report is expected to be presented in due course.



## **IMPLEMENTATION OF THE AGRI-PARKS STRATEGY**

Since the inception of the Agri-Park concept, the department has been working in collaboration with its national counterparts in discharging this responsibility. An Agri-park is a net worked innovation system of Agro-production, processing, logistics, marketing, training and extension service, located at District level.

It enables the integration of various agricultural and rural development activities and comprises of three distinct components: Farmer Production Support Unit (FPSU), Agri-hub (AH) and Rural Urban Market Centre. We have been hard at work and ten of the first components of the Agri-parks which are FPSUs are currently being finalised which are: Manana, Hlathikhulu, Tugela Ferry irrigation, Bens Dorp Red Meat, Bululwane irrigation, ST Paul, Indumo B, Horse Shoe, Insuze and Jikijela FPSU.

In collaboration with the National Department of Agriculture Rural Development and Land reform in the current financial year we will be continuing with the second component of establishing an Agri-Hub.



## **MASSIFICATION OF NUTS (MACADAMIA, CASHEW NUTS & GROUND NUTS)**

A macadamia nursery has been established at Makhathini Research Station and the Directorate for Agricultural Crop Research Services will be providing technical advice on the principles of seedling nursery establishment.







## LAND CARE PROGRAMME

Honourable Members, the department remains committed to the sustainable use and management of natural resources. The department implements the management of natural resources through the Land-Care Programme.

This programme is community based and is aimed at optimizing productivity and the sustainability of agricultural natural resources through development of appropriate infrastructure, job creation as well community empowerment and support.

The purpose of the Programme is to halt degradation of agricultural natural resources through promoting community participation in sustainable use and management by addressing the degradation in

agricultural natural resources in the Province. In the current year, the Land-Care programme will involve alien plant control on grazing areas, vegetation clearing, donga rehabilitation and installation of fences. This will also aid in the development of the livestock development initiatives of the department.

About 8 800 hectares of agricultural land will be rehabilitated at end of the year and 71km of fences will be constructed. As result close to 1 100 green jobs will be created. Under the Junior-Care, the department will be hosting 11 school awareness events, 11 district schools competitions, 1 Provincial Schools competition and 7 community awareness. Conservation Agriculture will also host 6 events in different Districts.

## YOUTH, WOMEN AND PEOPLE WITH DISABILITIES

Honourable members, we remain committed in the development and participation of the vulnerable groups within the sector. In the short to medium term we will be developing specific programmes to enhance the inclusion of women, youth and disabled people in agricultural development. It is common course that woman in particular have largely been excluded in the agricultural economic participation especially in Livestock.

In this regard, the department will continue to participate in the flagship sector competition, Female Entrepreneurs of the Year. This competition provides an opportunity to women in the agricultural sector and reward their efforts and contribution to food security, job creation, economic growth and poverty alleviation.

The following categories are targeted: Best Female Farmworker; Best Subsistence Producer; Top Entrepreneur Smallholder; Top Entrepreneur Processing; Top Entrepreneur Commercial Producer; and Top Entrepreneur Export Markets. To this end a provincial event is earmarked to take place in August and winners will compete nationally on the 29th August this year.







## UNEMPLOYED GRADUATE PROGRAMME

Honourable Members, no one can dispute that as part of the sector transformation, we have to prepare the young generation to take over the agricultural sector from the ageing cohort of farmers.

This is the fundamental rationale that informs the Department's agricultural graduate development programme which provides on-the job experience to unemployed agricultural graduates with the short-term aim of making them employable. In the long run, the programme will develop a pool of competent young agricultural producers and entrepreneurs.

Whilst progress has been made in the placement of the first 120 graduates, the Department will place a further 85 graduates in the current financial year bringing the total number to 205 graduates over a two-year period. Seventy-seven (77) commercial farmers/host employers are participating in the programme.

The Department will further review its agricultural development funding policy to create set asides for the advancement of the vulnerable groups. This will be preceded by stakeholder engagements with the vulnerable groups to inform the development of a comprehensive programme action on how to promote their inclusion ultimately realising their emancipation within the sector.



## LIVESTOCK PROGRAMME

Honourable members the province of KwaZulu-Natal has favourable natural resource base that favours great potential for livestock production. For instance, a total of 82% of the province is suitable for livestock production, with only 18% being arable land. According to the reports based on the animals that are serviced at the communal dipping tanks by Provincial Veterinary Services, there are 2.1 million cattle owned by black communal farmers.

To give perspective of the livestock potential in rural areas, this 2.1million herd constitute 60% of the Provincial cattle herd, leaving only 40% in the hands of commercial farmers. However, at the moment, many people who own livestock in rural areas are not deriving full economic benefit out this asset. There are strong indications that livestock production can help grow the rural economy and contribute significantly more to the sector if the communal stock can be integrated into the mainstream market.

Madam speaker I am a strong believer in building on what I have and what I know, livestock that is in the hands of our people is a low hanging fruit whose potential needs to be maximized. It is in this context that we will be revitalising our Livestock Strategy to unlock rural development, and create wealth in the hands of black livestock farmers particularly in Communal land.

At the heart of this strategy will be the reviving of the Department's support to Dip-tank Committees and Land Reform Beneficiaries and Trustees. They will be encouraged to re-establish and strengthen Local Livestock Committees and District Livestock Associations.





**Support to these Livestock Committees and Associations will amongst others entail:**

- a) Primary Animal Healthcare such as dipping, deworming and vaccinations, and Animal Identification including anti-stock theft measures such as cattle branding and small livestock tattooing
- b) Grazing Management and nutrition improvement through grazing camp fencing, planting of pastures where appropriate, introduction of mineral blocks and licks, and the scooping of stock watering dams
- c) Livestock Breeding and selection in cattle, goats and sheep to improve Bull and Ram Genetics and to increase livestock marketability
- d) Marketing and Value Adding including Seasonal and Monthly Livestock Association Auctions at a District and Local Level, the construction of Livestock Handling Facilities, and Mini-Feedlots for Livestock Associations, and finally,
- e) Applied and Adaptive Research into indigenous breeds, animals adapted to particular bio-resource regions, and the application of appropriate Farmer Capacity Building to build upon existing indigenous livestock systems

In the current financial year, our interventions will prioritise the three main categories, namely, beef, poultry and piggeries. We have started with beef production, focusing on the supply of breeding stock, fencing of grazing camps, stock watering dams, animal handling facilities and other activities. These interventions will be focusing in 8 district municipalities and an investment of R 41.799 million has been made available in the current financial year.

On poultry we are earmarking to construct 14 poultry structures (commercial/semi commercial), both layers and broilers. They will be fully equipped and provided with inputs and breeder flock at a cost of R18.188 million.

A total of 10 districts will be targeted for these interventions across the province. Lastly, 13 Piggery projects (commercial/semi commercial) are being supported to the value of R21.862 million targeting 7 districts. Interventions will include the construction of piggery structures, procurement of breeding stock, renovations and feed.



## **VETERINARY SERVICES ANIMAL HEALTH**

Honorable members, through a team of highly skilled Vets, animal health technicians and a state of the art laboratory service we facilitate and provide Animal Disease Control Services in order to protect the animal population against highly infectious and economic diseases.

Veterinary Services of the Department provide basic care to the communal livestock through a network of 2053 functional dip tanks throughout the province. This service will impact 2.1 million communal herd of cattle with a basic service being weekly cattle dipping and strategic vaccinations.

The department shall spend over R30 million on Vaccines and dipping chemicals. We will also vaccinate against Anthrax, with a target of 670 000 herd of cattle to prevent the disease from spreading onto the province.

This financial year, the target for rabies vaccination is 345 000 dogs and cats. This will be done in an attempt to eliminate human fatalities throughout KZN. The department has put aside R2.5 million to support the compulsory community service project.

This includes the five Static Clinics (Owen Sithole College, Umthwalume, Ulundi, Harry Gwala and Pieters office) to provide remedies, vaccines and other consumables for the clinic to function. The other part of the Compulsory Community Services shall be Mobile Clinical services including Sterilization Clinics.





## **PARTNERSHIP WITH INDUSTRY TO PROMOTE AND DEVELOP THE AGRICULTURAL POTENTIAL OF KZN**



As part of the implementation of the Provincial Growth and Development Plan the Department is responsible for convening the Action Work Plan Group 1 mandated to champion the strategic objective of Promoting and Developing Agriculture Potential in KwaZulu-Natal. We will have a renewed focus in terms of management and the strategic direction in terms of implementation of the interventions of the Action Work Group.

As the MEC I will take a key interest in the work undertaken by the Action Work Group as it should feed into the advisory framework of the Department and Government in general on areas affecting the sector. We therefore urge all industry stakeholders within the Agriculture fraternity to take a keen interest in enriching discussions to find solutions to challenges impacting the sector.



## **FOURTH INDUSTRIAL REVOLUTION AND SMART AGRICULTURE**

Honourable chairperson, the phenomenon of the 4th industrial revolution is upon us. Already, various countries both in Europe and Asia have long debunked traditional methods of agriculture and introduced what is called Smart Agriculture, which in essence is to embrace technology within the sector. The 4th Industrial revolution has already taken over and for us to survive, we need to catch up quickly. We are presented with the challenge of having to attract the youth to agri-businesses which are operated through Hi-Tech methods. As the Department, working with our national Department and industry we want to lead in inspiring the youth and funding emerging agri-value chains that embraces the phenomenon of smart agriculture. However, it's important that technological advancement be adapted to local conditions and be infused with indigenous knowledge practises.

## **BUILDING CAPACITY OF THE STATE-SKILLS DEVELOPMENT**

The Department will scale up its efforts in meeting equity targets and dealing with youth unemployment. A mentorship programme will be implemented during 2019/2020. The filling of funded vacant posts will be facilitated which will contribute in job creation as well as meeting service delivery requirements.

To contribute to the scarce skills, the Department will implement the Agricultural Engineers development programme to fast track the registration of technician engineers. Currently the Department has six (6) candidates who will be beneficiaries of this programme. Furthermore, the Department will roll-out its Artisan Development Programme, where a total of twenty (20) tractor maintenance artisans will be developed during this financial year. This is intended to augment the department's internal capacity to repair tractors which are used in the mechanisation programme.

I have further directed that a skills audit be commissioned to identify skills gaps and training to close skills gaps. Information obtained will be further utilised to deal with possible misplacement of employees. All of these efforts form our contribution to strengthening the capacity of the state to deliver better public services.



## MENTORSHIP PROGRAMME

Some of the causal factors identified as contributing factors to the failures of some of our projects and the collapse of some of the farming entities or enterprises has been lack of training and mentorship for our farmers. The department will be rolling out a strategy to ensure that our farmers have access to credible mentoring services to ensure that their farming businesses or farming enterprises are sustainable over the long term. The Department will make it mandatory for all projects of a particular size which are supported to be enrolled within the mentorship programme. In the current financial year, a total of 51 projects will be supported with mentorship in various aspects of farm/business enterprise management.

## AGRICULTURAL FINANCING

In recognition of the importance played by the financial sector in supporting the growth and development of the sector, it remains a reality that government should seek constant engagements aimed at increasing the fiscal envelope to promote further investment especially for the historically marginalised sections of our community. The department is projecting that the land reform resuscitation plan alone with require a significant amount of investment which is anticipated to be in excess of government's current fiscal resources.

The Department will pursue engagements with agricultural financiers in order to leverage on the resources at their disposal to support the development and transformation of the sector. In this regard we will forge partnerships first with our own development financial institutions (DFI's) to leverage finance to graduate farmers into commercial level. This will include Ithala, National Empowerment Fund, Growth Fund, Land Bank amongst others.

## RURAL DEVELOPMENT STRATEGY

The changes in the MTSF and the reconfiguration of the National Department of Agriculture, Rural Development and Land Reform has necessitated that as a Province we realign ourselves with the national priorities. To ensure sustainable rural development, Rural Socio-economic Strategy will be developed in the current financial year through a consultative approach with stakeholders, strategic partners, relevant Departments, District and local municipalities.

This Strategy will ensure co-ordination, integration and implementation of all programmes within the national, provincial and local sphere that will embrace a strong and economically viable rural economy. In this regard a Rural Socio- Economic Summit will be held as part of the consultative process with all stake holders. This process will outline our vision of advancing comprehensive rural development in KZN that is centred on viable livelihoods and expanding economic opportunities for rural citizens for sustained development.

## PUBLIC ENTITIES

The Department is a shareholder to three entities which are Mjindi, Agri-Development Agency (ADA) and Ntingwe Estate (62% DARD and 38% Ithala). As part of the Executive Council's directive, the Department commenced the process to amalgamate these entities into a single entity. Amalgamating different entities affects the operations of the entities and brings anxiety to staff. We are therefore committed to bring it to a speedy conclusion. We are anticipating that this process will be concluded by December 2019.

## MJINDI FARMING (PTY) LTD

Mjindi Farming's mandate is the provision of irrigation water, maintenance of infrastructure and agricultural advisory services in the Makhathini Irrigation Scheme. Mjindi Farming has continued to support Makhathini Irrigation Farmers by providing irrigation water at rates lower than the industry's going rate. The estimated subsidy benefit to farmers per hectare for Industrial and Food Crops is R3.7 million and R4.5 million respectively. The total estimated farm produce output in the financial year 2018/19 was 92 571.3 tons with 11 508.8 tons being food crops and 81 062.5 tons industrial crops.

Mjindi continues to repair and maintain the aged infrastructure amid the high frequency of breakdown. The entity ensured the removal and clearing of 159.6 km vegetation along the drainage canal, irrigation canal, fences, maintained 104.1 km of in-field roads in the irrigation scheme to improve field accessibility in the irrigation scheme.

Whilst Mjindi Farming will continue to maintain and repair the infrastructure, which includes fences, canal, drainage canals, pump stations and in-field roads, and render advisory services in the irrigation scheme, it is important to highlight that the current farmer support model, which has viability challenges, will evolve as part of the ongoing amalgamation of entities.

We have noted that over the years, the revenue collected from farmers is insignificant when compared to the cost of water, electricity and maintenance currently incurred by Mjindi Farming and the irrigation scheme in heavily reliant on government subsidy.

The turnaround strategy to be introduced will address the concerns and lays parameters for professionally operated farmer driven entities of Makhathini Irrigation Scheme.



## AGRIBUSINESS DEVELOPMENT AGENCY AGENCY (ADA)

Honourable members, Agricultural Development Agency continues to support commercial projects aimed at empowering and broadening space for new black emerging farmer's participation in the food value chain. This financial year, the Agribusiness Development Agency will continue to focus on the implementation of livestock projects which include six rabbit production projects. I am proud to announce that the rabbit production projects are owned by youth and women. We have set aside more than R20 Million for the infrastructure of the rabbit project. The market has been secured to sell these rabbits.

A partnership agreement has been signed with Ithala, the aim of the agreement is to assist farmers that are applying for loans with blended finance credit facility so far four projects have been approved through this process. Currently ADA is assisting five farms that are in distress which were identified through this partnership agreement with Ithala.

Eston Abattoir a youth owned and operated project is currently under construction. Once operational, this project will create fifty permanent jobs slaughtering twenty cattle per day. This is a R12 million investment.

As part of ADA infrastructure development two dairy farms, Summerhill and Celokuhle at Nkosazana Dlamini-Zuma Municipality are being assisted with the dairy equipment and building of infrastructure. These two projects have created more than hundred permanent jobs already and ADA has invested a combined amount of R7.4 million on these projects.

ADA in partnership with iLembe Enterprise Development Agency will be launching a twenty thousand egg laying facility which is youth owned in Mandeni, with an investment of R10.5 million. This project will create eighty permanent jobs once the project is completed. Furthermore, the entity is working with uThukela District Development Agency for the production and processing of chicory to be supplied to Nestle in Escort.



*...which include six rabbit production projects. I am proud to announce that the rabbit production projects are owned by youth and women.*

## NTINGWE TEA ESTATE

On the future of the Ntingwe Tea Estate, I have tasked a capable team of Senior Managers, Economists and Crop Scientists to work together with the team amalgamating our Entities to develop a resuscitation plan for the Tea Estate. The Estate has never been developed to its full potential of 600ha and its factory can only process 200ha of Black Tea and an extremely limited amount of Green Tea which overseas markets demand. The resuscitation plan will have to address the challenges facing the profitability of the Tea Industry even if it means a diversification of commodities grown at the Estate. At one stage the Estate employed over 600 seasonal workers and provided in-direct income to thousands of households in one of the very poorest of our rural communities. It must do so again.

## CONDITIONAL GRANTS

In 2019/20 the department will receive conditional grants CASP, Ilima-Letsema, Landcare grant and EPWP Integrated Grant for Provinces. The department remains concerned about the slow pace of utilization of grant funding especially Comprehensive Agricultural Support Programme. We remain committed in this financial year to ensure that systems are put in place that will see efficient and effective utilization of the grant funding for the benefit of KZN producers.

We will be strengthening our monitoring and evaluation mechanism and systems regarding the implementations of projects and ensuring that such projects are sustainable over the long term. Key to this will be ensuring that we have an integrated approach in project implementation through coordination with other sister departments and entities who provide services of a similar nature.

Comprehensive Agriculture Support Programme Grant This grant has a reduced allocation from 2018/19 due to the National Department re-directing funding towards Black Producer Commercialisation Programme that will still be accessible to the KZN farmers but managed at national level. The allocation of R199.351 million will be utilised for farmer development, mentoring, placement of graduates, upgrading of College infrastructure and Extension Recovery Plan.

## ILIMA/LETSEMA PROJECTS GRANT

The grant sees a continued increase from prior years with an allocation of R75.253 million that will be utilised for development of strategic irrigations schemes as well as mechanisation and food security at household and subsistence level.

## LAND CARE GRANT

An allocation of R12.418 million towards optimising the sustainable use of natural resources to ensure greater productivity, food security and job creation.



## **EPWP INTEGRATED GRANT FOR PROVINCES**

The department will be receiving R4.842 million that will be re-invested into projects that are implementing EPWP principles and job creation.

## **TABLING OF THE BUDGET PER PROGRAMME**

The Department hereby tables the following budget:

**Programme 1: Administration – R567.101 million**

**Programme 2: Agriculture Development Services – R1.828 billion**

**Programme 3: Rural Development – R31.974 million**

## **MONITORING, EVALUATION AND ACCOUNTABILITY**

One of the weaknesses of the department in terms of supporting planning and policy development is the inadequacy of reliable, current and accurate data or statistics within the agricultural sector. The sector has seen significant growth levels over the last 20 years through infrastructure, research and technology development, however the department lacks the tool to be able to track and monitor trends in agricultural development.

In this regards we've committed ourselves over the medium term period to embark on an exercise which will enable us to collect such statistics aided by the use of geographic information system. We will be conducting a survey which will provide the province with credible baseline production and commodity performance required to inform policy development and planning within the sector. We need to continuously monitor government programmes and their impact on addressing the triple challenges of poverty, inequality and unemployment. Further, we must track the value for money for our programmes.

The commitments we have made on this Budget Vote and on the accompanying Annual Performance Plan will be strictly monitored and reported on by the Department. In August, the Department will convene a Policy and Strategy Lekgotla that will develop appropriate policy programmes to support the pronouncements made in this vote and in the State of the Province Address to ensure there's sufficient institutional mechanisms for effective implementation. I expect full accountability from management of the Department on the execution of these pronouncements. I will accept no excuse from officials in delivering less than expected as our people are in desperate need of appropriate government services and support.

## **CONCLUSION**

**Honourable Speaker,**

We wish to record our appreciation to the ANC, the peoples movement and to the Honourable Premier Sihle Zikalala for entrusting me with the leadership responsibility of this Department and all our colleagues in the Executive Council and the Legislature for their support. We would not be able to accomplish all our goals without the support of our Departmental stakeholders. I also express gratitude to the Acting Head of Department, management team and all Department officials for their unyielding support and commitment to serve the people of KZN with distinction. As I present this Budget I look forward to working with the Portfolio Committee who has already provided valuable guidance the department's annual performance plan.

Honourable Speaker and members, as no man nor woman is an island, I wish thank my family for their support, my church for spiritual guidance and lastly but not least, my husband, Lucky Moloi for his kind loving and support.

Accordingly, I table the Budget for the KwaZulu- Natal Department of Agriculture and Rural Development for the 2019/20 Financial Year.

**I thank you**





## agriculture & rural development

Department:  
agriculture & rural development  
**PROVINCE OF KWAZULU-NATAL**

# BUDGET VOTE SPEECH

## 2019/20

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