

Budget

Speech

VOTE 03 2023

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Hon. Super Zuma (IMPL)

MEC: Agriculture & Rural Development, KwaZulu-Natal



KWAZULU-NATAL PROVINCE
AGRICULTURE AND RURAL DEVELOPMENT
REPUBLIC OF SOUTH AFRICA





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KwaZulu-Natal Department of Agriculture
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VOTE 03 2023



- Honourable Speaker, Ms. N Boyce
- Honourable Deputy Speaker, Mr. RT Mthembu
- Honourable Premier, Mrs. N Dube
- Honourable Members of the Executive Council
- Honourable Members of the KZN Legislature
- House of Traditional Leaders Chairperson, Inkosi Shinga
- Religious and Traditional Leaders
- Mayors and Councillors
- Officials from the Department
- Sector Stakeholders
- Our citizens of KZN
- Members of the Media
- Ladies and Gentleman

INTRODUCTION

Honourable Chairperson and members of the House, I have the honour to table my maiden budget speech for the Department of Agriculture and Rural Development. At the onset, I wish to express my appreciation to the Honourable Premier, Mrs Dube-Ncube and my political home, the African National Congress, for the opportunity to serve our people in this beautiful province of KwaZulu-Natal.

Stakeholder Engagements and Partnerships

Since I have been mandated with this task Honourable Chairperson, I have had an opportunity to visit various parts of the province and engage with our people. The primary aim of these engagements was to solicit their perspective on what the Department needs to do to strengthen our programme of action.

I held a press briefing in Durban on the 1st March 2023, as part of our 100 days programme, to introduce our vision and outline our planned initiatives. This was followed by a agricultural stakeholder engagement on the 2nd of March, at Cedara. In this engagement we emphasized the importance of collective responsibility and why the sector stakeholders needed to work together.

Honourable Members, I have been moved by the hard work and dedication of our farmers who are striving to make meaningful contribution to the economy. They have reminded me, Honourable Chairperson, of the wise words by our former President Nelson Mandela that “Poverty is not natural. It is man-made and can be overcome.”

Under the leadership of the Honourable Premier Ms Dube-Ncube, on the 4th March 2023, we held the KZN Agriculture Indaba in Mandeni, wherein she outlined a suite of agricultural development initiatives and further demonstrated our commitment to dialogue and working with all stakeholders, including Amakhosi whom we need for a number of strategic developmental programmes including land access.

We really want the industry to have a collective voice. The industry must be at the forefront with regards to transformation in the agricultural sector. It is therefore imperative that we have ongoing engagements and partnerships, where appropriate, on issues affecting the sector including the important and urgent issue of energy.



Honourable: Ms Nomusa Dube-Ncube

Premier of KwaZulu-Natal

"The trials of the past three years forged us into a stronger province, and we are accelerating the pace of economic development, the creation of jobs, and eliminating poverty and suffering among the people of our Province"

Honourable Members, I wish to express my appreciation to Portfolio Committee for Agriculture and Rural Development for their continued support and guidance. There is no doubt that the committee has provided valuable inputs in the preparation of this budget vote through the various deliberations we have had on the Annual Performance Plan and the Budget of the department. Same goes to other committees of the legislature, such as the Finance Committee and SCOPA. We appreciate all the inputs by members of this august House.

Delivering the KwaZulu-Natal State of the Province Address, the Honourable Premier Ms Nomusa Dube-Ncube remarked, "The trials of the past three years forged us into a stronger province, and we are accelerating the pace of economic development, the creation of jobs, and eliminating poverty and suffering among the people of our Province". Indeed, Honourable Chairperson, this is being implemented by the Provincial Government and as the sector we are playing our part.

As we surge along Honourable Members, we are implementing this in line with His Excellency, President Cyril Ramaphosa call when he said, "we shall leave no one behind". Our programmes will be inclusive of women, youth, people with disability and interested parties.

Whilst life has been incredibly difficult for most people and the sectors of the economy were disrupted, we have noted the improvements that have happened and the resilience, not only of the wonderful people of this land, but also, the economic sectors whereby we derive a living.

Agriculture is one of those sectors, primed for growth and in constant need of our collective investment to secure both our food security and to stimulate socio-economic activity. With this Budget Vote, we hope to demonstrate our resolve to drive agricultural growth and rural development.

We are grateful for His Majesty's remarks when he addressed the Opening of the KwaZulu-Natal Legislature early this year. His Majesty asserted that his vision for KwaZulu-Natal is that the province should be ***"a trail blazer in encouraging its inhabitants to collectively work towards maximising the land potential, human capabilities and the fauna and flora of our environment, for the benefit of our localities and South Africa as a whole"***.

In this address, the King emphasized the importance of agriculture as a sector to bring about economic development, growth, and social cohesion which, in turn, could bring job opportunities and self-reliance amongst the citizens.

Our Budget Vote today takes cognisance of what the Honourable Premier raised during the State of the Province Address. The Premier highlighted two flagship interventions implemented by the Department of Agriculture and Rural Development, namely, RASET and Agri-Hubs and called upon the MEC for DARD will provide more details in the Department's Budget Vote regarding provision of comprehensive Farmer Support, Seed Multiplication and also reviving the One Home One Garden interventions, amongst others.

Today, we wish to use this opportunity to do exactly that. We are going to outline to the House our suites of agricultural development programmes the Department will be executing in 2023/24 financial year. Our programme as a department is focused on unlocking growth, create jobs, and achieve food security.

Honourable members, I have directed the Department to refocus all interventions to directly respond to the triple challenges of poverty, unemployment, and inequality. Most importantly to improve efficiency in the delivery of services to our people.

I believe, it is in order that before we provide details of new programmes that we spend some time to reflect on the commitments the Department had made in the previous budget vote to ensure we remain transparent and accountable to this House.

Implementation of Agri-Hubs

Last year, the Department announced the programme of establishing Agri-Hubs in the province of KwaZulu-Natal as a game changer in agricultural development and value-chain. I am pleased to report that the Department has gone some distance in planning and execution of the Agri-Hubs.

To date, the Department has received confirmation of a funding commitment of about R153 million over the 2023/24 MTEF. The Department will be utilising funding of R8.4 million allocated from the BFI in 2023/24 to continue with the planning and finalising of specifications and implementing agent agreements.

The total cost of all five Agri-Hubs is estimated at over R3 billion. Environmental impact assessments are at advanced stages of approval in respect of all five planned Agri-Hubs. Furthermore, Geotech studies have been conducted for most of the identified sites.



▪ Red meat hub focusing on Beef and another Red meat hub focusing on Pig and Sheep.



▪ Hide, Skin & Wool processing facility

The following Agri-Hubs are planned:

- Fresh produce Hub
- Dairy Hub
- Grain Handling Facilities
- Red Meat Hub focusing on Beef and another Red Meat Hub focusing on Pig and Sheep.
- Hide, Skin & Wool processing facility.
- White Meat Hub

Agri-hubs have strong resonance with the Government's agricultural growth strategy because of each Hub's ability to integrate secondary and tertiary value addition centres for primary agricultural products. They carry prospects to transform the agricultural landscape by reducing the huge gap between commercial and developing agriculture in the province, and ultimately, South Africa. This gap is particularly evident in terms of access to production infrastructure, financial resources, and markets where the previously disadvantaged producers are benefiting less from agriculture value chains.

Agriculture industry is one of the worse sectors in terms of market concentration and it still privileges big industry players, whilst providing minimal opportunities for new entrants to operate successful at commercial scale, we are committed to changing this phenomenon.

It is this administration's resolve to ensure that the concentration of previously disadvantaged people in primary production is addressed and upward mobility opportunities are created for capable producers to move into the secondary and tertiary levels of production.

Job Creation and Opportunities through Agricultural Interventions

In the 2023/24 financial year, through implementation of various Departmental programmes, the Department is planning to create over 3900 job opportunities.

RASET Programme being the main contributor with over 1950 jobs followed by the Land Care Programme with 621 jobs, then the Unemployed Graduate Programme with 340 jobs and then other programmes.

These programmes include among others, EPWP, Internship Programme, Learnerships Programme and Horticulture and Agronomic Seeds Programme.



Establishment of Construction Unit

Following the major floods that hit the province in April 2022, the Department received a suggestion from the Portfolio Committee of Agriculture and Rural Development that it should consider buying the yellow plant equipment to assist farmers affected by floods to clear their infield and on-farm roads to speed up their operational recovery.

The Department is pleased to report that the yellow plant equipment has been procured and was officially unveiled for use by the Honourable Premier at Mandeni during the KZN Agriculture Indaba.

The Department is proud to announce the establishment of a construction unit within its Agricultural Engineering Services that will utilise this yellow plant equipment to improve service delivery through construction, rehabilitation, and maintenance of agricultural infrastructure.

The construction unit will focus on Dip tanks; Boreholes; Dam Construction and rehabilitation as well as Farm Road construction and maintenance.



Load Shedding Impact on Agricultural Sector.

It is now a reality of our lives that as a country we are undergoing serious energy challenges. The constant electricity outages militate against efficient agricultural production.

The sector is suffering significant economic losses due to the power problems. We have received complaints from different farmers across the province regarding load shedding. Farming business are forced to spend more money on installing back-up generation and alternative energy, which diverts investment from production.

The unfortunate aspect of this will manifest in lower than anticipated yields for the irrigation sector (fruits and veg crops). It is becoming increasingly difficult to predict yields.

The farmers in dairy and poultry industry have also shown particular vulnerability. Consumers will eventually have to carry the additional costs burden, which in the long term has food security implications.

As a province, we therefore support the energy plan for agriculture initiative that the National Minister of Agriculture, Land Reform and Rural Development Honourable Ms. Thoko Didiza is driving to have the sector exempted from load shedding and support for alternative energy sources for farmers.

We will continue to participate in these engagements working with all our social and business partners in the industry.





Agricultural Development Interventions

Today, the Members of this House will be pleased to note that we have set aside an allocation of R376.659 million of which R204.688 million will go towards providing comprehensive farmer support and R171.971 million to food security interventions.

Under the Comprehensive farmer support, R74.751 million will be implemented by the Agri-Business Development Agency, R99.887 million for agriculture support for farmers in the form of direct funded grants for infrastructure and inputs as well as credit and non-credit bearing training for farmers.

The Department's Food Security interventions include communal investments (Boreholes, dip tanks, fencing, etc) amounting to R57.186 million, R80.785 million for mechanisation services and production inputs, R10 million for communal beef and goat improvements and R8 million towards Township Agriculture.

Also, Sugar Cane industry will receive an allocation of R10 million to fund the Sugar Cane for Seed Cane Programme to assist the emerging black cane growers.





Food Security and the Impact of Food Inflation

Honourable members, significant strides have been made by Government to reduce the levels of food insecurity in the province over the past three decades. This has been done through various interventions targeting the poorest of the poor.

It is concerning that according to General Household Survey published by Stats SA in 2022, about **20.9%** of households in KZN, still experience inadequate food access. To this end, all social partners will continue to be mobilized to face this challenge head-on, through the ongoing promotion of household food security initiatives like the One Home One Garden and various other programmes unpacked in this budget policy speech today.

Honourable Chairperson, Government remains concerned about the rising levels of food inflation in the recent past. According to StatsSA prices for food and non-alcoholic beverages had increased by **13,6%** over the past 12 months by February 2023. This also affected staple commodities including the price of maize meal which recorded a **34.7%** increase over the same period.

Although this is influenced by several factors, including the prevailing geopolitical terrain affecting agricultural inputs and supply chain. Our citizens are dependent on the state's agility to provide an enabling environment to support their livelihoods. With these prevailing constraints, the programmatic responses by the state and the Department will be biased towards the vulnerable households.

Furthermore, to reduce levels of food insecurity which could rise exponentially if left unabated; the Department will intensify its call for the involvement of more households in agricultural related activities; especially amongst the most vulnerable sectors of our society.

To this end the Department has over the past five years supported **60 806 households** with food security interventions, translating to **206 740 people**. A further **15 644 households** will be supported in the current financial year. The Department will strengthen food security interventions by intensifying distribution of seed packs to over 100 000 households in the current financial year.



Township Agriculture

Honourable Speaker, the levels of food insecurity has been rising in the urban settings owing to migration from rural areas. The Department has allocated R 8 million to pilot Township Agriculture especially in KwaMashu, Umlazi, Inanda, Mbumbulu and Msunduzi. The programme will then be rolled out to all other major town centres in the Province.



Agricultural Farmer Support Project Performance

Honourable members, the Department's approach to farmer support since its review in 2019/20 is showing signs of maturity especially as it relates to the utilization and the performance of the conditional grants under the Comprehensive Agricultural Support Programme.

In the previous financial year, the Department recorded 100% expenditure in the utilization of conditional grants, breaking its historic obstinate record of chronic underspending. In the 2023/24 financial year, the Department will invest R131 million to support 41 projects with on and off farm infrastructure, biological assets and production inputs.

In 2019 the Department reviewed its funding policy and implementation approach which previously focused on the quantity of projects implemented towards a change in focus on the quality of projects implemented. The main intention of this approach is to see farmers graduating to small-holder and commercial production. This approach was applied mainly to the red meat, white meat, horticulture and grain value chains. To date, **228 agricultural projects** of economic value were implemented with an investment of **R486 million** supporting **1138 beneficiaries**.

This has seen positive results with projects implemented producing successful Black Commercial Farmers who can compete with their white counterparts. Under the Red Meat commodity, the Department prides itself for having produced 9 commercial farmers and 10 smallholder farmers who are currently actively producing into the South African value chain. The best performing Red Meat farmers include **Nyenzehle Holdings** and **Ezekhethelo Products** and we congratulate them for setting the standard for many to follow.

Another story of success is the establishment of the three commercial farmers and four small-holder farmers under the horticulture value chain. One the black farmers who successfully graduated from small holder to commercial farming is Bradley Dickens. He was supported with centre pivots, a shed, a potato

sorting machine, and production inputs. Through this support, Bradley is currently the main supplier of potato seed in the region and is also supplying potatoes to McCain and Fresh Mart.

The Department is also proud to indicate that it has established eight small-holder and two commercial farmers within the white meat value chain, amongst them being Soguba Farming. Soguba Farming scooped up three awards during the recent 25th Annual Carcass Competition organized by South African Meat Industry Company (SAMIC).

Their awards were: Pork Group National Champion, Pork Group National Reserve Champion, and Pork Group Single Reserve Champion. May you join us, please in a hearty congratulations to this farmer who has now become a force to be reckoned with in pork production in the province.

Our agricultural development approach is guided by the National Agriculture and Agro-Processing Master Plan, which is a Sectoral Economic Framework that supports our commitment to develop a competitive, transformed, and inclusive agriculture and food value chains.





Red and White Meat Value Chains

South Africa produces approximately 21.4% of the total meat produced on the continent and 1% of global meat production (Agri-Seta, 2020). Changing lifestyles and the diets of the emerging middle class have changed to incorporate animal proteins.

Therefore, the meat industry is well placed to grow and, in the process, contribute to the wider economic development of South Africa, both in production and provision of employment in the more rural population of the country. To capitalise on this growth the Department's plans to establish Red-Meat Hubs in uMgungundlovu and Zululand respectively, are at an advanced stage.

The Department has assisted **1 761 beneficiaries** within the red and white meat value chains since 2019/20 with total expenditure of **R248 million**. Furthermore, the Department is planning to assist 38 beneficiaries in the 2023/24 financial year with a budget allocation of **R 74 million**. Support will be provided across the economic classification of farmers and producers, which includes subsistence, smallholder, and commercial producers.

Horticulture Value Chain

The horticulture value chains are quite critical for the food and agribusiness sector. In the 2019/20 financial year, the Department has assisted **851 producers** in the horticulture value chain with a total investment of R29 million. The support provided includes establishment and revamping of horticultural infrastructure and supply of production inputs.

The Department is planning to support **20 producers** in the 2023/24 financial year with an allocated budget of **R26 million**. These projects include production of high value enterprises like macadamia nuts, pineapple, and medicinal plants.

This horticulture programme promotes vegetable production, including mushrooms for household food security, in line with the Radical Agrarian Socio-Economic Transformation (RASET) programme.

Grain Value Chain

The Province is well endowed with natural resources to support the creation of a thriving grain value chain. To this end, the Department supported **6725 grain producers** since the year 2019/20 who planted a total of **47 549 hectares**.

The Department, through the Multi-planting Season Programme, will put **22 300 hectares** under production to support **2 639 grain producers** with a budget of **R56 million**.

Communal Investment and Infrastructure Programme

This year's January 8 Statement recommitted Government to *"increase investment in infrastructure and ensure that construction of projects is undertaken with the necessary urgency"*. This Department is expected to provide critical agricultural infrastructure that will help grow the sector and expand farmer productions.

In an endeavour to ensure that communal farmers participate in the Red-Meat Value Chain, the Department has introduced the Communal Investment Programme. The Department has allocated **R57 million** to **rehabilitate and scoop 34 dams, construct 52 dip tanks, construct 32 boreholes** and **fence 14 grazing camps**.

The Department has lined up massive investment in irrigation projects to be implemented in 2023/24 financial year. An amount of **R26 million** has been made available for the implementation of irrigation projects across the province, but with a significant portion in uMkhanyakude and Zululand districts respectively.



Mechanisation model

Fundamental to the success and development of the sector especially in the rural areas is the provision of sustainable mechanisation (tractors and implements). The Department will be strengthening its approach by firstly, increasing the fleet owned by the government.

Secondly, we are considering limiting the utilisation of service providers to mainly focus on major operations. Thirdly, the Department is in advanced stages with the disposal of tractors which were allocated to Communal Estates. The intention is to allocate these tractors to those Communal Estates which have proven to be functional and still operating guided by the founding principles.



One Home- One Garden

The Department is steadfast in its resolve to promote One Home One Garden programme. This programme is aimed at encouraging vulnerable households to reduce their reliance on handouts and produce their own food to supplement their daily food nutrition requirement.

Honourable members, the Department will intensify the programme through the provision to deserving households' items such as handheld implements, seeds and seedlings and fertilizer. Furthermore, the Department will be in a drive to augment this with the distribution of seed packs to more than **one hundred thousand households**.



Seed and Seedlings Multiplication Programme

Honourable Members, the availability of good quality seeds is of the utmost importance for sustainable production and for food security. The Department has made in-roads in ensuring that poor households have access to quality seeds as mandated by the Provincial Executive Council.

The Department will expand on the seed multiplication programme at Makhathini, Dundee, Cedara and Kokstad research stations. In the last financial year the department planted **4 145 ha** of land utilizing own seeds and created **105 job opportunities** for youth including training officials as seed inspectors in compliance with the Plant Improvement Act, Act 53 of 1973.

Agricultural Product Branding and Certification

Commercial markets in South Africa and globally are currently undergoing rapid evolution with modern retailers and consumers placing emphasis on stringent food safety and quality standards. This development is partially driven by changing consumer preferences, induced by rising living standards and growing concerns about food safety. As such, farmers, especially small-holder producers, are also expected to produce good quality products that meet minimum food safety standards.

The inability to meet the required minimum market requirements is one of the major constraints limiting small-holder producers and historically disadvantaged farmers to access the formal markets. The Department will continue training farmers on quality standards in partnership with the Perishable Product Export Control Board (PPECB).



Livestock Programme

Honourable Members, the Department had declared the year 2022 as *the year of livestock*. In line with that commitment a total of 28 livestock value chain projects valued at R76 million were implemented. A portion of this investment is aimed at the provision of animal feed, fencing material, breeding stock, extension, and advisory services, as well as other forms of support. The Department will continue with the provision of support to livestock farmers.



Improving Genetics in Communal Breeding Herd and Communal Grazing Schemes

The Department has conceptualised a Cattle Breeding Plan whereby selected breeding cows including small stocks (sheep and Goats) will be distributed to communal farmers thereby improving the genetics and quality of the communal herd. The Department will conduct regular genetic testing to identify animals with desirable genetic traits and identify areas where the herd requires improvement. The breeds will be selected based on the vegetation type and their adaptability to the environmental conditions of the province and will amongst others include Beefmaster, Brangus, Bonsmara, to mention but a few.

In addition to cattle, the Department will also unveil a Merino Sheep Breeding initiative whereby selected breeding ewe's offspring will be distributed to communal farmers to improve the quality and genetics of the communal herds.

Honourable Members, regarding fencing of grazing lands, whilst recognising the dynamic landscape and the spatial settlement patterns in the communal areas of our province, the approach to fencing of agricultural land will prioritise establishment of grazing camps as part of containing uncontrolled movement of livestock.



Establishing a camping system in the rural area will further enhance the commercialisation and the implementation of genetic improvement of livestock through distribution of superior bulls and rams including better veld management. We call on Amakhosi to designate areas to be utilised as part of a grazing scheme to enable government to support with fencing material.

Furthermore, it will be encouraged that beneficiaries take full ownership of the process by availing their manpower to install the fencing on their own through training by the Department.





Animal Feed Support and establishment of a Hatchery

Honourable Chairperson, we have noted with concern the hardship our farmers face with rising costs of animal feed. The Department in the current financial year plans to establish animal feed manufacturing facilities as a pilot at the Dundee and Cedara research farms to support livestock farmers and also use it to train livestock farmers on producing their own quality feed. Furthermore, poultry feed production and hatchery will be established at the research station to support food security programmes among the communities.



Implementing Biosecurity to Reduce Animal Disease Risks.

The importance of establishing biosecurity measures to protect the livestock industry was once again put to sharp focus in the Province as we wedged a struggle against Food and Mouth Disease in the past two years. Ensuring adherence to established biosecurity measures by all livestock farmers will help reduce risks of infectious diseases being transmitted amongst animals.

The Bhambanana quarantine camps in Jozini forms part of biosecurity in controlling Foot and Mouth Disease and other controlled animal diseases. The Department will be upgrading this quarantine camp in the current financial year and the process is at an advanced stage.

We congratulate all industry stakeholders including the officials of the state in various departments for the level of support and cooperation in the past two years for containing the spread of the disease.

However, we remain concerned with Hluhluwe IMfolozi Park (HIP) as a FMD infected area and we will be intensifying FMD Vaccination of estimated 63 000 herd of cattle. We therefore urge our livestock farmers to cooperate with the Department in efforts to curb any further spread.



Establishment of Import and Export Certification Unit

The Department is in a renewed drive to enhance veterinary services offerings. In this regard a new Import and Export Certification Unit has recently been established to reduce dependency on services offered by third parties in regard to matters which are legislated and mandated to the state by creatures of statute.

The Department recently finalized the recruitment of suitably qualified veterinary personnel to operate the new unit. To illustrate the economic importance of the unit, in the previous year it processed and issued over 1557 export permits. However, a lot needs to be done to transform the industry as our records show that only 10% of certificates or export permits were issued to companies owned by Black people. We believe that the establishment of this unit we go a long way in bridging this gap.



Increasing Access to Veterinary Laboratory Services

Honourable Chairperson, the Department prides itself of the state of the art and SANAS accredited Veterinary Laboratory which offers a multitude of diagnostic services to livestock farmers in the province.

This year, the Department will refocus and expand the services in the most rural and remote areas of the Province of KwaZulu-Natal. The rural, marginalized poor livestock farmers have not been able to fully enjoy the benefits of the diagnostic services offered by the Department.

The acquisition of the **Mobile Veterinary Laboratory vehicles** in 2023/24 will assist in ensuring equitable access and refocus our services to the vulnerable farming sector of our community. A budget of R3 million has been set aside for the procurement of at least two fully equipped mobile veterinary laboratory vehicles.



Cannabis/Hemp implementation

During the SONA of 2023, the President of South Africa reiterated the commitment of Government to create the enabling conditions for the hemp and cannabis sector to grow. In line with that, the Premier of KwaZulu-Natal announced in her SOPA that Cannabis projects will be implemented in four districts (Harry Gwala, uMgun-gundlovu, uMzinyathi, and uThukela).

The Department will be supporting farmers intending to venture in the cannabis/hemp space through a fund that will be set aside of approximately **R10 million**. The province currently has **78 farmers** in possession of suitable permits for cannabis farming.

Climate Change

Honourable Members, we have noted the significant impact of climate change on food security. In some Districts, the timing and amount of rainfall has become unpredictable, making it difficult for farmers to plan and manage their cropping programme. To address the issue of food security in the face of climate change, the Department is promoting more resilient crop varieties; conservation agriculture; improving water management practices to conserve water and make the most of available supplies (dam scooping) as well early warning systems and disaster preparedness to mention a few.



Smart Agriculture and New Technologies

Honourable Members, the Department has developed a plan to implement Smart Agriculture and embrace the Fourth Industrial Revolution (4IR) to improve agricultural production. This plan outlines new technologies that will be developed and implemented to convert research stations into centres of excellence. We will work with our two colleges, Cedara and Owen Sithole to support their digital transformation and embrace of new technologies. The opportunities offered by the 4IR will continue to be explored within the research realm of the Department and ensure there are concerted effort for technology transfer to farmers and other agricultural stakeholders.



RURAL DEVELOPMENT

When opening KwaZulu-Natal Legislature on the 23rd of February 2023, His Majesty, *Isila Samabandla* highlighted three critical points on the importance of rural development. His Majesty pointed out that:

“First, traditional institutions in all their different forms and levels should drive rural development... Second, development can best be carried out through a collaborative effort of sectors and stakeholders. Third, development is a multi-faceted concept; therefore, rural development should be undertaken in a holistic manner involving social, human capital and economic dimensions”.

We agree with the assertion by His Majesty. Our approach to rural development starts with the recognition of the traditional leaders as custodians of land and rural customs. The success of agricultural production relies on the availability of land, and we appreciate that in rural areas, land is a common good available to all citizens to utilize.

Therefore, we encourage the citizens of KwaZulu-Natal to ensure that they utilize land for agricultural production. This could be a food garden at home, community gardens *noma ukulima emasinimini ukuze abantu bakithi bakwazi ukuziphilisa ngakho ukutshala*.

NjengoMnyanga, sino Ngoti ophikweni lwezokutshala kanye nezokufuya okubala nabeluleki kulemikhakha abafundele ukwelekelela imiphakthi kanye nabalimi ngolwazi alunohlonze ukukhulisa imikhiqizo yabo ukuze bafike ezingeni eliphezulu lokuhweba ngemikhikizo, befakela izimake the nezimboni ukuze bakhe inzuzo.



Capacity building, Mentorship, and Incubation Programme

Sinezinhlelo ezibhekene nokuthuthukiswa kwezindawo kanye nemiphakathi yasemakhaya.

Ngaphansi kwezinhlelo ezibhekiswe emakhaya, kuphiko lweRural Development, sinezinhlelo ezifana no-RASET, ovulela abalimi iminyango yokuthengisa imkhiziso yabo ezimakethe; siphinde sibe nezinhlelo ezifana ne-Mentorship lapho sithatha abalimi abasafufusa emkhakheni wabo sibahlanganise nezingwevu emkhakheni ukuze bacobelane ngolwazi futhi kusizakale abafuyi abasebasha ukuthi bathole amaqinga okuzikhulisa, ngisho nangendlela abaphethe ngalo ibhizinisi labo. Lokhu sikwenza ngoba siqonda ukuthi akekho umuntu ovela aqhimuke njengekhowa, kodwa ukuze uphumelele emkhakheni webhizinisi uyakudinga ukucathuliswa ngoNgoti asebeyihambile lendlela.



The mentorship programme has been augmented to incorporate **incubation pillar**. R5 million has been set aside to support an incubation programme also focusing on the red meat value chain. In terms of this initiative, an incubator will assist the Department's aspiring enterprises in agribusiness (especially youth and women start-up businesses) to own up their ideas, providing them space, nurturing, and hands-on technical, technological, management training on their specific projects/enterprises.



Social Facilitation Programme

Asigcini lapho. Siphinde singenelele njengoMnyango lapho kukhona ukungezwani phakathi kwabalimi bebedwa noma imiphakathi okuphazamisa inqubekela phambili yalabo esisuke sibaxhasile ikakakhulukazi.

Siyakuqonda ukuthi umkhakha wethu wezolimo uyaba nazo izingqinamba ezifaka nokungezwani kwesinye isikhathi okunesihlaba sokucwasana ngebala, ubuhlanga noma ubulili kanye nezinye izindlela zokubukelana phansi okuvusa uhlevane. Ingakho iSocial facilitation siyibone njengamanye amasu esingalekelela ngayo ukuze zidambe iziwombe zokungezwani, kukhule ezolimo kanye nabalimi.



Unemployed Agriculture Graduates Youth Programme

In 2023/24, DARD will be enrolling the third cohort of 340 Agricultural Graduates onto farms. The benefit of this programme is evident in the young people that have received coaching and mentorship from the experienced farmers in the field. This is helping to inject innovation, employability and a culture of entrepreneurship in the sector.

AGRI-BUSINESS DEVELOPMENT AGENCY (ADA)



Honourable Members, ADA will continue to develop farmers and entrepreneurs for agro processing, to achieve a more competitive, equitable and sustainable agriculture sector. We have reported several times about the reconfiguration of Mjindi and Ntingwe Tea, the aim was to enable the entities to generate revenue.

ADA Mandate and PFMA Listing

The Agribusiness Development Agency will transform its governance by reverting to its original mandate of supporting post settlement farms. This will be done without neglecting the agro-processing and commercialisation of agriculture. The Department is in a process to assist ADA to operate as a revenue generating entity by changing its PFMA listing from a schedule 3C to 3D state own entity (SOC).

Furthermore, this year, ADA will be undergoing a Business Process Re-engineering (BPR) to realign the entity's business processes following the amalgamation / rationalization with Mjindi, increased scope of the ADA mandate and to address capacity issues.



Commodity Value Chains and Partnerships

The ADA will continue to focus on the development of five (5) key commodity value chains: **Red meat value chain** (beef, cattle & sheep); Development of **animal feed value chain & feed processing**; **White meat value chain** with an emphasis to re-establish the poultry (broiler) industry; intensive **horticulture and high value crops** corridor programme focusing on township and semi-urban economy; and **goat production value chain** as the major contributor to rural economy) aligned production with strategic partnerships to contribute to the development of light industries and manufacturing.

ADA will continue to leverage on its existing partnerships to mobilize financial resources, enterprise development and business incubation opportunities for Agri-entrepreneurs, such as the partnership with Trade Investment KwaZulu Natal (TIKZN) for exporter development, market access and exposure.

The ADA will be supporting 58 enterprises with production inputs; stock; agricultural infrastructure (this will include provision of alternative energy sources to address unending load shedding which impact business operations); agro processing equipment; market access (product testing); mentorship and capacity building.

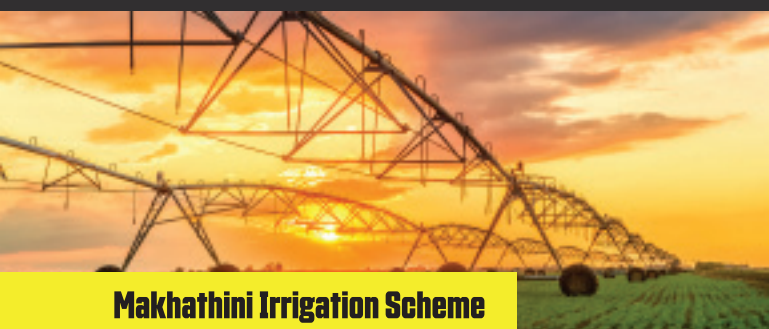


Market Access

In 2023/24 ADA will focus on marketing and branding of agricultural products produced by farmers in KZN. This initiative is aimed at ensuring access to market and full participation of emerging farmers throughout the value chain. This will include supporting twenty (20) enterprises with product testing and certification to enter a highly regulated formal markets and retail sector.

Ntingwe Tea Estate

ADA will continue to implement the turnaround strategy with the implementation of the comprehensive marketing strategy for Ntingwe Tea Estates to enhance its brand for better market exposure. This will include selling the tea to local markets and government establishments through the RASET programme. An off-take agreement has been signed for supply to the RASET markets which will start in May 2023 to 27 KZN public Hospitals. Ntingwe Tea will embark on acquiring the Rain Forest Alliance Accreditation to be able to access and attract higher prices in the export market. TIKZN will provide technical support as part of an existing partnership agreement.



Makhathini Irrigation Scheme

ADA will continue to provide water and electricity services to the Makhathini Farmers through the Mjindi Irrigation Scheme. As part of improving water provision, ADA will continue with the rehabilitation of the irrigation canal and rehabilitation the Pump-sets at Makhathini Irrigation Scheme.

Partnership with AgriSeta for better coordination of programmes

The Department will be concluding a Memorandum of Agreement with AgriSeta. discussions are at an advanced stages in this regard. The conclusion of the agreement could see more unemployed graduates benefiting through graduate placement programmes including capacity building focusing on soft skills amongst others.

Clean AG Audit Outcome

Last year, the Department reported that it had achieved a successive unqualified AG audit outcome in 2020/21 financial year and committed working towards achieving a clean audit.

We are pleased to report to the House that indeed, for the first time in the history of the Department, a clean audit outcome was achieved in the 2021/22 financial year. The ADA also achieved a similar feat when they received a clean audit outcome as well. We are immensely proud of these achievements for both Department and the entity. This serves as testament of the maturing systems of internal controls and governance within the Department.

Chairperson, our commitment to clean, efficient, and effective corporate governance is unyielding. We are building on these outcomes to ensure administrative excellence to support robust and comprehensive agricultural support to the KwaZulu-Natal farmers and citizens.

Improved Budget Expenditure

The Departments efforts are indeed bearing fruits, we are honoured to report that in the 2022/23 financial year, the Department achieved 100% expenditure of R2 549 248 budget in both conditional grants and equitable share as at 31 March 2023.

To put this achievement in perspective, when this administration came in office in 2019, the Department was sitting with R264.4 million under-expenditure. Indeed, the department has turned a corner in this regard.

Honourable Chairperson, allow me to present the Summary of the 2023/2024 financial year Budget Vote 3: Agriculture and Rural Development.

- **Programme 1- Administration: R699 076 Million**
- **Programme 2 - Agriculture: R1 753 811 Billion**
- **Programme 3 - Rural Development: R62 266 Million**
- **TOTAL: R2 515 153 Billion**



CONCLUSION

As I conclude, I wish to express my sincere appreciation to the Acting Head of Department, Departmental Staff, Stakeholders, our entity ADA and the entire board members led by the Chairperson uMacingwane for their continuous support.

I extend my gratitude to the Premier: Hon Dube-Ncube and Members of the Provincial Executive Council; Members of this House; Members of the Portfolio Committee on Agriculture and Rural Development led by the Chairperson for their guidance and support. My appreciation also goes to my political home, the African National Congress for the support and affording me the opportunity to serve the people of our province. To my family, I will forever be grateful for their love and support.

I am excited to travel this journey with the citizens of our province in changing their lives for better and ensuring that we use the agricultural sector to deal head on with the triple challenges of poverty, unemployment and inequality engulfing our society.

I thank you! Ngiyabonga!

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