



agriculture & rural development

Department:
agriculture
& rural development
PROVINCE OF KWAZULU-NATAL

BUDGET POLICY SPEECH 2015/16



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& rural development
PROVINCE OF KWAZULU-NATAL

VISION

A united, sustainable and vibrant agricultural sector with thriving rural communities in balance with nature.

MISSION

To promote, through partnership, sound agricultural practices that promote economic growth, food security and advancement of rural communities in KwaZulu-Natal

PROVINCE OF KWAZULU-NATAL

Tabling of the Vote 3 Budget Policy Address by Mr V C Xaba,
MEC for Agriculture and Rural Development:
KwaZulu-Natal Provincial Legislature

Date: 15 May 2015



Mr. Cyril Xaba
MEC for Agriculture and Rural Development
KwaZulu-Natal

Chairperson

Honourable Premier and colleagues of the Executive Council
Honourable Members, Amakhosi present, Distinguished
Guests, Chairpersons and CEO's of the Commodity
Associations, Leadership of KwaNalu, AFASA and OAF,
Representatives of WARD and YARD, Ladies and Gentlemen

Introduction:

Agriculture in this province is poised to emerge from the shadows to become, as President Jacob Zuma said in his State of the Nation Address, a catalyst for economic growth. Let me give you a glimpse into that future by welcoming one of my guests here today, Sifiso Ntshiza.

Sifiso was the first matriculant from Zakhe Agricultural College to go overseas to learn the business and science of farming. This was thanks to the vision of a handful of farmers who started a project called "Future Farmers." He is currently employed as the manager of a large, highly mechanised dairy farm in Creighton and is studying business management as he plans to own his own commercial farm one day. He is a mentor to other young aspiring future farmers. Currently fifteen young KZN farmers are in Denmark at an Agribusiness College. They spent the past ten months there and will be returning after their graduation in June having received training in modern livestock production and running commercial operations. They were selected from land reform farms through a project run by KZN DARD entity, the Agribusiness Development Agency.

Getting young people involved in farming is one side of our plans going forward to grow agriculture in the province. The other is to unleash the potential of small-scale farmers. The biggest challenge that smallholder farmers face is the issue of economies of scale, they will always struggle to compete with their commercial counterparts and remain as they have been labelled for a long time now as "emerging farms." It is time to create an environment to assist those who want to make the transition from emerging to commercial farmers. This means bridging the gap between the first and second economy.

Corporate Governance Matters

More good news is that, the Department's new organisational structure was passed in April this year by Acting Minister of Public Service and Administration (MPSA), Mr Nathi Mthethwa, save for a few areas that are under discussion. Again, this is taking us into action. I am pleased to announce that the Premier has appointed the Head of Department and we will be migrating from the old to the new structure and filling in all critical posts. Under the new structure, more delegated authority occurs at a district level. The new structure gives recognition to the core business and the reconfiguration of the Department. This means a speeding up of service delivery. The Rural Development Unit is to be resourced and strengthened so that we can deliver on our mandate to grow the rural economy of our province and create jobs, as set out in the National Development Plan.

Forensic investigations were carried out into a number of allegations of maladministration, fraud and corruption. The investigations have been completed and reports have recommended disciplinary actions, civil recoveries as well as criminal investigations. These are currently being carried out. The reports have not been shared with the public yet, but only with members of the Portfolio Committee. This is until we have satisfied ourselves that the recommendations thereof have been fully implemented and they have been handed over to law enforcement agencies for criminal investigation. Provincial Treasury has also been requested to consider blacklisting of service providers cited in the reports.

In my last budget speech, I said the Department would come up with a strategy for agrarian transformation. I am happy to report that the strategy is now in place and we are currently migrating it to a five year plan that is further broken down into an annual operational plan. We are moving to action. Resources from government will be aligned to the operational plan each year, starting with the current budget.



MEC with Sifiso Ntshiza at a Dairy Farm
in Creighton



YOUTH FOCUS

Members, I am excited about young people like Sifiso. Before I discuss the Department's new approach, I want to talk about how we intend taking agriculture to our youth.

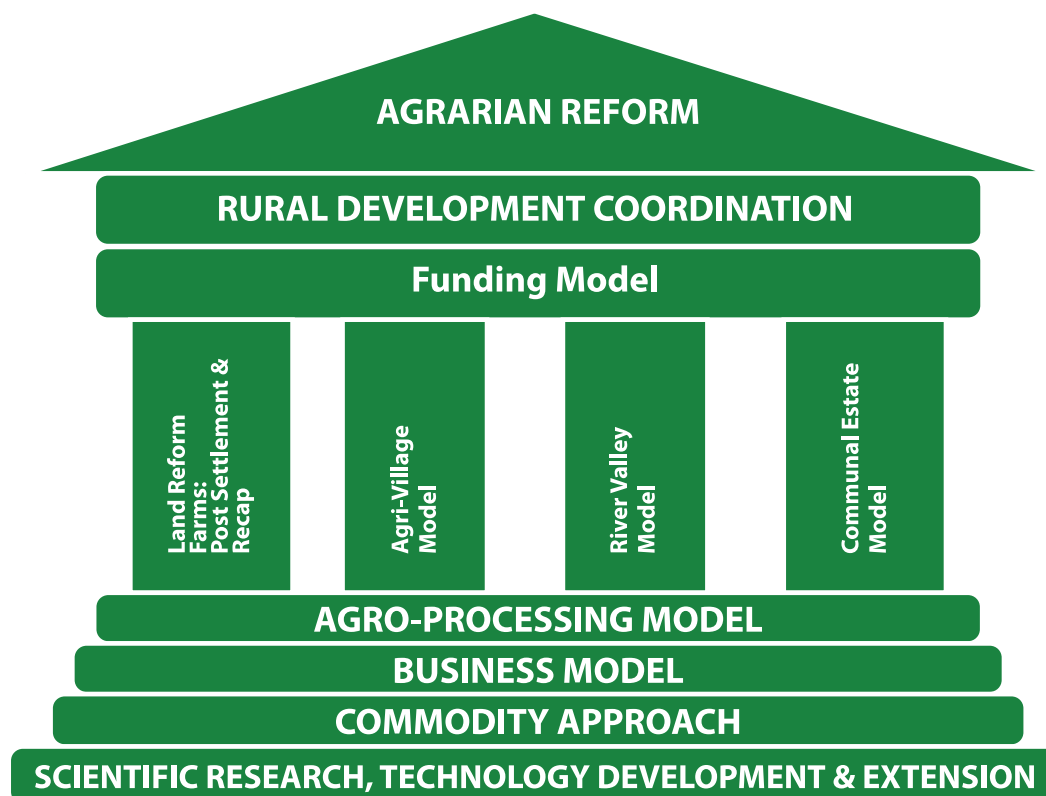
The KwaZulu-Natal Agricultural Schools Programme is aimed at facilitating the development of interventions that will stimulate the interest, passion and commitment of our youth to agriculture and agriculturally related opportunities that exist in the sector. The programme will create interest in pursuing agriculture as a career of choice and at developing farming skills. It is based on an approach which includes career awareness, agricultural and farming skills transfer, promotion of innovation in agriculture and the recapitalisation of agricultural schools and colleges. We are improving the image of agriculture by making the learner aware not only of the professional aspects but also of the scientific and business nature of the sector.

I have announced the introduction of a revitalisation grant as my token of appreciation and expression of support to the four agricultural schools in the province. The agricultural schools revitalisation grant will, among other things, aim to assist in the provision of equipment and other infrastructure necessary to improve the quality of agricultural education and practical training. It will make provision for in-service skills upgrading and career guidance. Part of the grant will enable agro-processing and agribusiness management to be offered as courses and funds will be provided for the strengthening of information and communication technology.

I will also ensure articulation between the agricultural schools and the colleges of agriculture and the Schools of Agriculture in the Universities of KwaZulu-Natal and Zululand. The MEC for Education and myself have also agreed to collaborate in introducing more schools that will offer agriculture as a discipline.



Zakhe College of Agriculture student's during the college's Founders day event



STRATEGY AND NEW APPROACH TO AGRARIAN TRANSFORMATION

In a nutshell the new strategy is based on the premise that agriculture is science and agriculture is business. We must continue our research on conservationist agricultural practices and take bold steps towards commercialisation. To facilitate this, the Department has initiated the adoption of a commodity approach that will allow for the optimal use of resources.

This is in line with the Agricultural Policy Action Plan (APAP) which advocates a commodity approach and conservation agriculture. The strategy is built on a foundation of scientific research, technology development and extension. All projects will be based on sound business models that will support the development and running of farms as businesses.

Agro-processing has been built into the model to ensure that value is added to primary agricultural products to expand the market for products. At the heart of the strategy is the development of the farmer.

New knowledge has to be passed onto the farmers. Professor Sayed Azam-Ali, from the University of Nottingham said that if Africa is to feed itself, the women and the men who grow its crops need access to technical expertise on how to manage their variable natural resources and inputs and market intelligence on what to grow, what to sell and what to keep."



Research and Technology Development

Honourable members, Ladies and gentlemen, Cedara is fortunate to have an internationally-renowned research facility and going forward research will focus on the needs of our agrarian sector. This will include research into better cultivars and drought tolerant varieties of crops; understanding our soils, fertiliser management, appropriate crop rotations and the propagation of genetic material to improve our livestock

The province has been in a drought situation for the past five years and the effects are being particularly severely felt this year. Losses and reduced production have been experienced, particularly in the sugar, maize and livestock sectors. The research unit is involved in many collaborative studies with other institutions. Understanding climate change, and its effects on farming is one such area.



Extension Services

The role of the extension officers is critical. In his January 8th statement, President Zuma said that government must radically step up efforts to provide extension services to rural areas. Since January last year extension officers have to be specially trained and registered with the South African Council for Natural Scientific Professions.

This means that no agricultural advisor can give advice to any farmer if he or she is not qualified and registered. In this financial year extension officers will be receiving specialist commodity training. We are very grateful for our robust and positive interactions with commodity organisations in implementing this specialist commodity training.



BUSINESS FOCUS

As alluded to earlier, Honourable members, it has become incumbent on this department to come up with sound business models that could be applied to suit a variety of different situations of ownership as well as management skills to assist farmers to run their farm business, enter into the commercial agriculture arena and penetrate the value chain.

The KZN agricultural sector grows and generates employment. The targets for the Agricultural Sector over the next five years are to increase employment in this sector from the current 110 000 jobs to 200 000 in 2020. The Department, is leading and advocating for comprehensive participation by all in the sector.

It has started the process of engaging agricultural commodity organizations, organized agriculture, developmental financial institutions and other relevant stakeholders for a viable and integrated approach in achieving the sectoral targets. There will also be inter-provincial partnerships on projects and several agreements were concluded in this regard recently with the Eastern Cape Department of Rural Development and Agrarian Reform (which visited KZN as part of a benchmarking exercise in March this year).

The Department has developed a robust set of policies for funding agricultural development. These policies and funding models propose that farmers are encouraged to consolidate their areas of production into one composite area, which will provide for a sustainable profitable farming business. The group of farmers will form a managing business entity for their farming enterprise. It may be agreed that the farmers can lease their land to the farming business entity to ensure a regular income.

Yes, The Department will continue to invest substantially and fully in community agricultural enterprises where grain and livestock potential remains untapped. However, gone are the days when the Department would provide millions of rands of investment to one farmer at the expense of many others. Equally, only business ideas (projects) that are financially sound will be supported so as to ensure value for money.

As I indicated last year in my budget speech, where farming enterprises (projects) are of a substantial nature some risk must be carried by the farmers themselves as a token of commitment to the success of their business. I know farmers will welcome such a move as progressive and sustainable. We will say to our small but commercially aspirant farmers, show us your initiative and commitment, and we will match you with a 50:50 funding arrangement.

But we will not stop there we will continue our support with skills and training. In this regard we are entering into exciting partnerships with commodities such as the South African Sugar Association, Grain South Africa and Forestry South Africa to implement small farmer development programmes that are aimed at equipping farmers with the right technology and training to become commercially successful. Further partnerships will be established in the Livestock, Poultry, Piggery, Subtropical Fruit and Wool industries, amongst others.



AGRARIAN TRANSFORMATION PROGRAMMES

LAND REFORM SUPPORT

Honourable Members, I spoke at length during my budget speech last year about this very important programme for agrarian reform. One of the key factors identified in the failure of commercial land reform projects is the lack of alignment between the pre-transfer and post-transfer activities.

These are essential to ensure a seamless transfer process as well as to have the necessary support systems in place for the new entrant commercial farmers. We all are aware of the challenges encountered by new entrant black farmers. It is for this reason the Department has developed a dedicated programme to support land reform in this Province. The key elements of this programme are the development of a land acquisition strategy, recapitalisation and post-settlement support.

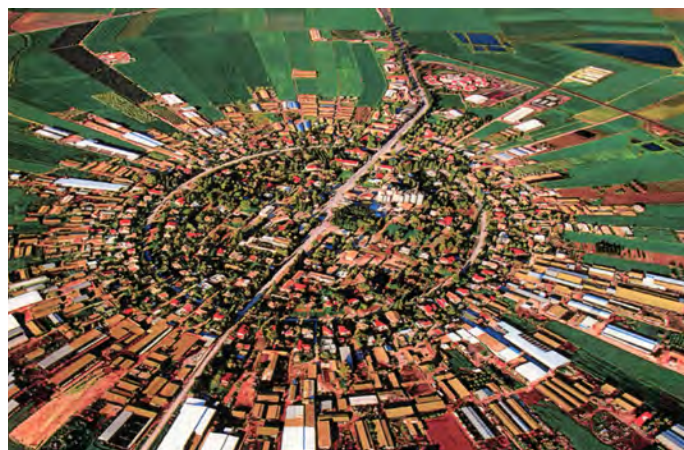
Currently institutional arrangements are being put in place through the establishment of District Land Committees across the Province. These committees are supported by a Provincial Technical Committee.

KZN DARD, together with the Department of Agriculture, Forestry and Fisheries, the Department of Rural Development and Land Reform, National and Provincial Treasury and financial institutions are taking steps towards implementing a comprehensive integrated finance policy based on specific principles which will lead to an effective funding mechanism for land reform farmers.

AGRI-VILLAGES

Another identified programme of our Agrarian reform strategy is the establishment of agri-villages. An agri-village is distinct from an agri-park and more on the latter concept will be spelt out later. An Agri-Village is the development of a new settlement, or converting an existing nucleus settlement for the purpose of settling farm workers and dwellers in a concentrated settlement pattern.

They will live in close proximity to their places of work without having to live on the farm. The layout and density will be such that a rural lifestyle can be maintained. Land tenure can be secured and households will be able to produce food for their own as well as for market consumption. Basic services and essential social amenities will be provided to the village and over time it could develop into a fully-fledged small town.





River Valley Model

The River Valley Catalytic programme of the new approach is intended to create a platform for integrated planning and development. The river catchment is used as the basis for the development of the rural area. It will encompass a range of projects including irrigation schemes, economic infrastructure, improved market access, social infrastructure and skills development among other. The aim is for the river valley development to re-green the environment and integrate environmental dimensions with other aspects of planning and management. The plan is to attract development into a river valley area and to promote sustainable rural development.

Communal Estates

A fourth programme in our new Agrarian reform strategy, namely the agricultural communal estate programme, was developed with the purpose of ensuring a radical shift from sub-optimal farming yields and returns to a business where yields and profit is optimised and development takes place. This will happen if the economic and agricultural potential in communal areas are unlocked. The communal estates model is based on a three-phased approach which starts with agricultural profiling - natural resource analysis, economic analysis and market analysis), the introduction of the commodity-driven model and then introduction of the most workable business enterprise model.

PUTTING THE STRATEGY INTO ACTION:

Honourable Chairperson, ladies and gentlemen, I have introduced you briefly to our new strategy and its programmes, but please allow me to expand on the activities we are planning and our steps towards putting the strategy into action.

A first approach to implementation is based on the Operation Phakisa model which means Big, Fast Results. In taking our strategy to action, we have participated and will be implementing the Provincial Operation Phakisa on Makhathini, Poverty and Oceans.



Irrigation Structure

Operation Phakisa: Makhathini

In 2014, the Executive Council took a resolution to adopt the Makhathini Operation Phakisa as a model to develop the economic potential of the area. The Makhathini Operation Phakisa was conducted in an integrated manner focusing on agriculture, tourism and cross-cutting elements. In line with the National Development Plan, Provincial Growth and Development Plan as well as the Integrated Development Plans and Spatial Development Frameworks of local government, a 2030 vision was adopted for Makhathini. This vision includes increased agricultural production under both irrigation and dry land in both Jozini and Umhlabuyalingana. It will furthermore lead to the establishment of hydroponic structures in less suitable soils and the creation new agro-processing facilities. Activities for the 2015/16 financial year include the development of infrastructure for crop and livestock production.



Hydroponic Structure

Operation Phakisa: Poverty

Honourable Chairperson, under this Phakisa Strategy, the Department is committed to enhance household food security, entrepreneurship and agribusiness youth empowerment.

Fetsa Tlala is an integrated government strategy aimed at ensuring food security and addressing structural causes of food insecurity in South Africa. The framework has set a target of 1 million hectares under food production by 2019. KwaZulu-Natal is expected to achieve food production over 80,000ha on communal land and 120,000ha on commercial land under the framework. Household production units, school and food security gardens at other institutions can then be organised into a network and eventually link to existing markets such as the National Schools Nutrition Programme.



The Commercialisation of Communal Livestock

This project will introduce a market for communal livestock and create income for owners. The project will improve the genetics of livestock and prepare them to be marketed on a sustainable basis. Furthermore, the approach will better ensure adherence to grazing land carrying capacity and reduce disease in the communal herds. Linked to this is the creation of proper grazing camp infrastructure and jobs related to castration and livestock sales to mention a few. Over time, the calving percentage and the quality of meat will improve.

I wish to specifically mention the ox initiative here - where extension actively promotes the castration of young bulls towards improving the genetics of the herd through the use of selected bulls and reducing the risk of in-breeding. Young oxen (and heifers not selected for breeding) would be sold off at weaning.

This will serve to reduce the impact on the surrounding natural resources whilst ensuring commercialisation of the livestock. Active marketing will take place through livestock sale yards which will be linked to both local or export markets. This initiative will go hand in hand with the provision of the required infrastructure (fencing, sale yards, feedlots, handling facilities etc.) and eventually value adding abattoirs, meat processing, and the hides industry.



Agribusiness Youth Empowerment

I said I would be returning to youth agribusiness empowerment. The concept of an Agribusiness Youth Empowerment model under the KZN Poverty Phakisa is based on integrating unemployed agricultural graduates in agribusiness initiatives in the Province. The Department will make it a priority that graduates are incorporated into agribusiness projects via the Agribusiness Development Agency (ADA).



Oceans Phakisa Model

The Oceans Economy Phakisa was initiated by the Department of Agriculture, Forestry and Fisheries (DAFF) in August 2014. The aim was to formulate a study to analyse the economic potential of South Africa's oceans. One of the facets of the "Oceans Economy" is the development of the Aquaculture Sector (incorporating both marine and fresh water species).

The province has identified Amatikulu as an aquaculture site and sees this as paving the way for future projects in other areas. The development of a current ornamental fish production project together with the establishment of a Dusky Kob (marine species) project is planned. The Department with DAFF, has engaged with investors and role players to establish a community trust that would ultimately take ownership of the project.

An EIA has been commissioned which will be completed by February 2016. A provincial aquaculture platform will be established in KZN in order to coordinate efforts, expertise and funding amongst all aquaculture stakeholders.

Commodity Approach

As I said we are concentrating on a commodity approach and will focus on the following commodities: sugar cane, maize, beans, vegetables, livestock, dairy, poultry, goats, sheep and pork.



Sugar Cane

The sugarcane industry is confronted with challenges relating to the sustainability of the small growers' programmes on communal land and the speedy resolution of restitution claims (38% of commercial sugar cane is still under claim). Many towns in the sugar belt depend on the sugar industry for their existence and therefore should be supported as they form a nucleus for economic activities in specific localities.

Since 2013, the minimal addition of only 2000 Hectares has been put under cane production. The Department is planning to put new 7 600 Hectares under cane over the next five (5) years. In the current financial year 3 650 Hectares will be put under sugar cane, focusing in areas around the coast which are more suitable (uMkhanyakude, uThungulu, iLembe and uGu). This development will bring under-utilized land in the communal areas and land reform farms into production. This support will be rendered under the land reform and communal estate programme of the new strategy.



Maize

White maize is a staple food for the rural communities and we will continue supporting maize production across the province to promote food security. In terms of bio resource data the following districts have a high white maize production potential: Amajuba, Zululand, uThukela and Harry Gwala. The Department will strategically massify the production of maize in these districts and will also focus on agro- processing (silos and maize mills).

I am currently exploring the possibility of hiring storage facilities from grain companies for farmers we are supporting. The Department is also exploring possibilities of acquiring its own storage under a principle of Build, Operate, Train and Transfer working in partnership with established companies such as Afgri. We aim to put 7 720 hectares under maize production across the province in the current financial year, with major focus on those four districts mentioned.

As indicated by our Premier, the Honourable Mr E S Mchunu's State of the Province Address, the Department will no longer own a fleet of tractors. We are taking steps to ensure that these tractors are transferred to rural communities. This will be done in line with the "communal estate" program of the Department's new strategy, as alluded to earlier. The plan is that farmers are able to produce their own maize and that the Department gives them once-off support of tractors, equipment and inputs. It is anticipated that this support will promote self-reliance with minimal support from government moving forward.

South African Breweries (SAB) yellow maize Partnership:

The Department has established a partnership with SAB, whereby we support farmers to produce Genetically Modified Organism (GMO) -free yellow maize for the production of beer. This partnership assists to provide a stable market for our maize farmers. During the last financial year, 1 645 Hectares were put under yellow maize production at Amajuba and uThukela. I am happy to announce that this partnership is growing from strength to strength. In the current financial year R64.5 million has been set aside to develop 5 100 Hectares of yellow maize in these two districts. There is vast potential for this partnership to escalate to other districts in the province.





Beans

South Africa produces an average of 59 329 tons of dry beans per annum and imports more than 70 000 tons per annum. The majority of beans is imported from China. The Province of KwaZulu-Natal consumes about 30% of the beans available in South Africa and only produces 5%. KwaZulu-Natal's good climatic conditions and land availability, particularly in the communal areas, leads it to being able to produce its own dry beans and further export the surplus to other provinces and even internationally.

The Department has recognized this potential and will, in this financial year, put 3 436 Hectares of dry beans under production. Farmers will be supported with inputs, tractors and implements to produce beans. The production of beans will be concentrated in high potential areas including uMkhanyakude, Ugu, Harry Gwala, uThungulu and Amajuba Districts.



Livestock

Chairperson and honourable members, as you are aware, South Africa is a net importer of meat, while 40% of the South African livestock remain in the periphery of the market.

It is the aim of this Department to continue its focus on commercializing the communal livestock system and building South Africa's export capacity. There is still a severe shortage of basic livestock infrastructure in the communal areas to support livestock production. How will we do this? We are interrogating initiatives, to find new ways to narrow the gap between the first and second economy such as taking our communal herds to economically sustainable livestock.



Dip tank

An exciting development in this regard is that the Department will be investing R20 million a year over the next three years on a KZN Dip tank Assistants program. This EPWP funded program will employ, train and equip 900 dip tank assistants to provide support at a local level in the management of the Departments 1,800 dip tanks. This is to improve the management of dip tanks, thereby reducing mortalities and improving disease surveillance and, above all, contributing to the fight against stock theft.



Animal Identification is in progress with the procurement of Radio Frequency Infrared Device (RFID) Ear Tags and RFID Microchips to enhance Animal Identification.



Vegetables

Vegetables are largely dependent on irrigation in open fields or under hydroponic structures. The National Development Plan guides us to ensure that 500 000 hectares across the country be put under irrigation by 2030. This Department is focusing on revitalizing the existing irrigation schemes and establishing new ones under the "river valley" programme of our strategy.

KZN DARD in partnership with the Department of Rural Development and Land Reform, revitalized four irrigation schemes i.e. Ndumo B (uMkhanyakude), Bululwane (Zululand), Insuze (uThungulu) and Tugela Ferry (uMzinyathi) in the previous financial year. Moving forward, we will ensure that these irrigation schemes are under continued production by supporting farmers with inputs and machinery. In addition, we will establish a further 2 236 hectares under irrigation. This will allow farmers to produce vegetables throughout the year, whilst creating jobs and earning a sustainable income.



Dairy (Texas Valley)

The Harry Gwala District can be described as the dairy belt of the Province. Currently iXopo and surrounding areas are producing 1 million litres of milk per day.

Honourable Members my department has as one of its major aims, the introduction of emerging farmers into the dairy industry. In this regard, three dairy projects will be funded in the current financial year, two at Harry Gwala and one at Amajuba. A total of 500 Hectares will be developed into pastures.

This figure is expected to increase over the next 5 years with more dairy farmers being established. The Department is aiming at using the state land around Harry Gwala (Texas Valley, Pondarosa and Dawn Valley) as an anchor to take dairy production into the future.



Pork

We have learnt that most areas of the province are suitable for pork production, however the determining factor is proximity to inputs, agro-processing facilities and markets.

It is a fact that feed alone accounts for 60% of the production cost, and analysis of this is of paramount importance to enter into this business. Consequently, the Department encourages the establishment of piggeries in strategically located areas in terms of logistics and to appropriate scale.

Districts including uGu, uMgungundlovu, iLembe, uThukela, aMajuba and eThekwinini will be supported with piggery projects this financial year. A total of 7 structures will be constructed to support 700 sows throughout these districts. The Department will also be partnering with institutions such as the South African Pork Producers' Association, especially in terms of its training academy, to ensure the capacity building of farmers and Extension Officers.



Poultry

Poultry production provides a lucrative opportunity for enterprise development. However we have learnt from experience that this industry is quite delicate and unless the enterprise pitches at the right level where market demand is met through taking advantage of economies of scale, poultry development can be a risky undertaking.

We are taking a cautious approach. In this regard, the department will be supporting two poultry projects this financial year at uGu and uMgungundlovu, The success of these projects will pave the way for us to spread our support to other areas.



Goats

KwaZulu-Natal imports most of its goats from the neighboring provinces (Limpopo & Northern Cape) as well as neighboring countries (Namibia, Botswana and Lesotho). Given the prevailing climatic conditions, uMzinyathi particularly Tugela ferry has the highest potential for goat production. The department will be supporting 7 goat projects at uGu, iLembe, uMzinyathi and Zululand. Grazing areas totaling 1 308 Hectares will be developed throughout these districts.



Sheep

At least two districts in the province have a high potential for sheep production that our farmers can participate in. These are Harry Gwala and uMzinyathi. The Department has plans to support sheep farming for wool production as well as provision of sheep shearing sheds and grazing pastures. We support the renewal of the partnership between our farmers and the National Wool Growers' Association of South Africa as this creates an opportunity for development of technical capacity and access to markets.



Animal Vaccination

Primary Animal Health Care

The Department's Veterinary Services continues to perform its Primary Animal Health Care function through the provision of vaccines and medicines as well as cold room storage facilities. A total of 945 938 animals were dewormed while a total of 1 418 443 animals were vaccinated against diseases.

In 2015/2016 Financial year, the Department has allocated R12 million for the continuation of Primary Animal Health Care activities. The Department has plans to spend R32 million on livestock infrastructure during the 2015/16 financial year. This includes rehabilitation of 55 dams, drilling and equipping of 55 boreholes, construction of one sale yard and two feed lots and purchasing of medicines and vaccines.

In partnership with the Department of Rural Development and Land Reform, a total of R60 million was invested in uThukela, uMzinyathi, aMajuba, uThungulu, Zululand and uMkhanyakude resulting in the following projects: 29 new dams, 42 fenced grazing areas; 31 new dip tanks, 67 rehabilitated dip tanks, and 1 sale yard. The Rural Development and Land Reform Department has invested R40 million at uGu, Harry Gwala, Ilembe and uMgungundlovu for establishment of livestock infrastructure projects.



Foot-and-Mouth Disease (FMD)

Honourable Chairperson and Members, are aware, South Africa was banned from exporting cloven-hoofed animals and their products after the outbreak of Foot-and-Mouth Disease (FMD) in uMkhanyakude District Municipality in 2011. We can celebrate today, as the ban on animals and products of animal origin was lifted after a visit by the World Organization on Animal Health (OIE) in February this year.

However, the OIE stipulated a number of conditions the country had to commit to in order to sustain the lifting of the ban. These included the erection of a 108 km long redline fence separating the infected area from the infection free zone. Additional infrastructure facilities such as dip tanks had to be built on either side of the fence. This Department will ensure that lifting of the ban stays in place and undertakings are honored.



FARM SECURITY

I have been deeply concerned over the murders and attacks that have affected our farming communities. We want to encourage people to take up agriculture, it is therefore imperative that as a department we support interventions that lead to a stable, vibrant and prosperous agricultural sector. I have been engaging in discussion with the agricultural stakeholders and KwaNulu in particular on the strengthening of the framework for interventions to promote rural safety as contained in the National Rural Safety Strategy to address issues of farm security. To this end I will establish a trust fund to assist with specific interventions designed, in collaboration with the farming communities, to contribute to a safer agricultural community, which could result in a more confident, committed and prosperous sector.

PUBLIC ENTITIES:

Mjindi Farming (Pty) Ltd

The Executive Council of Mjindi took a resolution to review operations through the Makhathini Operation Phakisa. This is currently taking place to see how the entity will fit in with Operation Phakisa. While this process is underway, the focus of 2015/16 will be on commercializing farming operations in line with the KZN DARD strategy.

Automated pump stations are to be introduced to improve the irrigation system further. Replacing of old infrastructure will continue to increase the life span of the system. Expansion of the current 4 572 Hectares under irrigation to 15 000 Hectares is at an advanced stage and land has been identified and designs are underway for this phase of expansion.

Agribusiness Development Agency (ADA)

Negotiations are underway between the department and ADA to streamline our work. KZNDARD will take over the primary agricultural projects run by ADA, freeing the agency to concentrate on agri-business development and in particular on agro-processing.

The new approach going forward will be on catalytic projects. It will also focus on high impact, complex projects that will assist in unlocking public and private resources, as well as assistance in turning around declining industries.

ADA will look at niche and new products that support import substitution and exports. The entity will continue to assist land reform and distressed farmers but this will be in the area of value-addition and agro-processing.

Comprehensive Rural Development:

The Department is making strides in embracing its mandate of driving the co-ordination and implementation of Rural Development in the province. The Department has established a KZN Interdepartmental Task Team to co-ordinate activities towards the achievement of the Rural Development vision. The Task Team will finalize and approve a provincial rural development implementation plan this year. The plan will clearly outline how the province will achieve the vision of an integrated and inclusive economy as outlined in the NDP and PGDP.

KZN DARD is also supporting the National Department of Rural Development and Land Reform through the District Land Committees to identify 20% of agricultural land for transfer to previously disadvantaged citizens for profitable farming. Part of this support will be the finalization of District agricultural commodity plans and land use plans which are integrated and aligned with municipal Integrated Development Plans and Spatial Development Frameworks.

Honourable Members, I said I would be returning to the issue of Agri-Parks. A key focus of the Department will also be the establishment of Agri-parks. President Zuma said in his State of the Nation address that R2 billion will be set aside for the development of Agri-Parks. KwaZulu-Natal is to have ten district Agri-Parks, which can be viewed as an operation on a smaller scale to that of an Agri-Village.

The park will center around the dominant commodity of the area and the idea is that it must be within a 50km radius of where a processing center is placed. The process of setting up the Agri-Parks through consultation with and through the District land Committees and municipal structures has already commenced. It is anticipated that concrete progress in implementation will be clearly visible in each District by the 3rd quarter of this year.



The program is aimed at halting degradation of agricultural natural resources through promoting community participation in sustainable use and management. During 2014/15 the programme achieved 2 277 job opportunities and numerous conservation initiatives.



Land Care Program 2015/16 has been allocated a conditional grant of R10.666 million; Equitable Share: R22.483 million and EPWP Incentive Grant: R2.296 million – Total Allocation: R35.441 million. The planned activities for 2015/16 include:

- Promoting the implementation of sustainable production technologies and practices
- Rehabilitation and protection
- 2000 job opportunities
- Fencing

Comprehensive Agricultural Support Programme (CASP)

The Total CASP budget for 2015/16 is R226.161 million. The CASP budget allocated for agricultural projects is R159.714 million. This budget will be used for the development of agricultural infrastructural projects and for grain, vegetables, livestock and aquaculture production.

Extension Recovery Plan (ERP) has been allocated a budget of R45.466 million for utilization within the following pillars: visibility and accountability of extension services; improving the image and professionalism of staff; staff recruitment; re-skilling and upgrading; ICT and other resources.

Agricultural Training Institutes (Colleges) have been allocated a budget of R10.981 million for improvement of colleges' infrastructure and facilities.

Training and Mentorship has been allocated a budget of R10 million for capacity building and skills development for farmers, through embarking on credit and non- credit bearing training.



Ilima/Letsema

In 2015/16 the total allocated budget for Ilima/Letsema is R69.402 million. The grant will be directed at food production initiatives to address food insecurity and reduce poverty and unemployment particularly in vulnerable households with an emphasis on assisting women and youth. It will also focus on projects aimed at unlocking agricultural potential for example; revitalisation and expansion of irrigation schemes.

Conclusion

Agriculture is indeed poised to come out of the shadows and take its place as a catalyst for economic growth in this province. With our new strategy and operational plan our work is to bridge the gap between the first and second economies. We have got the letter right we now need to maintain the spirit to drive this agrarian transformation forward.

Before tabling the budget for approval, I wish to thank all my partners across the agricultural spectrum for their support and enthusiasm to grow the sector. My gratitude also goes to the Acting HOD and staff at KZN DARD for their hard work. I am grateful for the contribution that the two entities, Mjindi and

the ADA continue to make. Thank you to the Chairperson and Members of the Portfolio Committee for Agriculture and Rural Development for your guidance and oversight. To the Premier and fellow members of the executive council thank you for your unstinting support.

I now table the Vote 3 Budget for the 2015/16 financial year for approval by program:

Programme	Amount	Percentage
1. Administration	R407 830 000	18%
2. Agriculture	R1 776 283 000	81%
3. Rural Development	R18 961 000	1 %
Total:	R2 203 074 000	100%



agriculture & rural development

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