



**MINISTER
AGRICULTURE, LAND REFORM AND
RURAL DEVELOPMENT
REPUBLIC OF SOUTH AFRICA**

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**MRS A.T. DIDIZA (MP)
MINISTER OF AGRICULTURE, LAND REFORM AND RURAL
DEVELOPMENT**

20 JUNE 2023



Department of Agriculture, Land Reform and Rural Development · Departement van Landbou, Grondhervorming en Landelike Ontwikkeling · Muhasho wa zwa Vhulimi, Mbuedzedzo ya Mavu na Mveledziso ya Mahayani, · uMnyango Wezolimo, Izinguquko Kwezomhlaba Nokuthuthukiswa Kwezindawo Zasemakhaya · Ndzawulo ya Vurimi, Antswiso wa Misava na Nhluvukiso wa Matikoxikaya · Litiko Letekulima, Tingucuko Kutemhlaba Nekutfutukiswa Kwetindzawo Tasemaphandleni · UmNyango wezokuLima, ukuBuyiselwa kweNarha nokuThuthukiswa kweeNdawo zemaKhaya · Kgoro ya Temo, Peakanyoleswa ya Naga le Tlhabollo ya Dinaga- magae · Lefapha la Temothuo, Kabotjha ya Naha le Tlhabollo ya Dibaka tsa Mahae · Lefapha la Temothuo, Pusetso dinaga le Tlhabololo ya Metsemagae · ISebe lezoLimo, uBuyekezo lwemiHlaba noPhuhliso lamaPhandle



Honourable Chairperson of the National Council of Provinces
Honourable Members of Parliament
Deputy Minister Capa (MP) and Deputy Minister Skwatsha (MP)
Ministers and Deputy Ministers
Senior Officials from the Department and its Entities
Ladies and Gentlemen

Chairperson, this address happens when we are in the middle of the citrus season where one of our regions in the country , Citrusdal here in the Western Cape is experiencing the impact of heavy rains that is making it impossible for the farmers to go to the fields and pack houses. In consultation with the Provinces we will look at interventions that are appropriate to salvage as best as is possible the crops and meet the demands of the market. These rains while welcomed , its disruption and destruction point to the inclement weather patterns that once again remind us of the reality of climate change. Adaptation and adoption of new technologies and farming systems must become part and parcel of our planning process.

This year marks 47 years after the June 16 riots marked the braveness of our young in confronting the apartheid government and contribute towards the liberation of our country. It is these young whom we honour and want to emulate them by ensuring that their young people of today work towards the reconstruction and development of a post apartheid South Africa.

It is these young people who are asking for government to hold their



hands in developing new industries and strengthening old one with new innovation partion and technologies. Young farmers about five hundred of them who we met at NASREC in partnership with food for Mzansi and John deer are giving us comfort that our countries food security is secured. Obakeng, in livestock farmers in North-west, Kabelo the cucumber farmer from Limpopo, Jean Lekhanya a Macademia farmer Hlobisile Yende ,and Ipelegeng Kwadi Sebone are showing us that constructive, courageous action and revolutionary prowess of our youth to fight new challenges of today. The youth cooperative of young people known as Marapyane Bakgatla have not only shown farming is a business, but that through farming can create employment in their rural community. It is these small beginnings that give us hope that todays youth are making the future today.

This budget vote also happens when parts of the world are experiencing serious economic issues, some related to the ongoing conflict in Europe, other post covid 19 events and energy crises. These crises, point to the interdependence and interconnectedness of the global food systems. Any disturbance of the system is likely to cause unforetold imbalance in the system. It is therefore important that as policy makers, legislatures we create enabling environment that create resilience in our food system.

During this month of June, South Africa has been a beehive of activities, hosting several global partners to advance research for development in our sector. In this month, South Africa hosted international events, including:

- Co-hosting with the Federation Forum for Agricultural Research in



Africa (FARA), the 8th Africa Agribusiness and Science Week in Durban – at the apex of discussions were the facilitation, coordination and advancement of agricultural research and innovation on the African continent.

- The International Seed Federation hosting the World Seed Congress in Cape Town – the Congress discussed a variety of issues relating to seeds noting the significant of seeds towards the transformation of our agrifood systems as to bring them to become more efficient, inclusive and resilient.
- The South African Poultry Association hosting AVI Africa poultry industry hosting in Johannesburg – this is the biggest poultry conference and exhibition in Africa. This event showcases the latest in products, techniques and services aimed at enhancing business and maximising the profits of commercial poultry agricultural enterprises.

Chairperson, allow me to reflect on the commitments made during Vote 29 and the State of the Nation Address in the previous financial year and gauge the level of progress made to date:

- Through input vouchers from the Presidential Stimulus Initiative, the Department has supported 157 000 subsistence farmers.
- Through the Comprehensive Agricultural Support Programme (CASP) and Ilima/Letsema conditional grants, the Department has, in the past financial year, supported 15 853 and 25 781 farmers respectively. As examples, in Gauteng Province, two red meat mobile abattoirs were supplied to two enterprises in Rust De Winter (Sizalo Bonsmara) and Kaalfontein (Eves Eden Farm) for slaughtering to ensure compliance with the Meat Safety Act. In



the Free State, Mme Poonyane was assisted with R3.5 million for her vegetable and cut flower business and she has created 10 permanent employment positions.

- Through Land Development Support, the Department reached the target that we have set of supporting 83 farmers on Pro Active Land Acquisition (PLAS) farms. One of the beneficiaries Mr Frank Monage, a farmer in Limpopo specialising in sunflower production was supported to 250 hectares of sunflower. He has since expanded to 371 hectares in the past planting season, and he is planning to add an additional 70 hectares in the coming planting season. Another farmer supported is Ms Chade Groenewald of Cutt Agric, a broiler farmer from North West province, who was supported with two new 40 000 capacity broiler houses and the refurbishment of an additional 40 000 capacity house. At this point in time, all the three are producing at full capacity.
- The blended finance facility with the Industrial Development Corporation (IDC) has approved 20 transactions creating 845 jobs, 30 percent being women-owned businesses and 10 percent being youth.
- The blended finance facility with Land Bank has approved 35 transactions which thus far has created 588 jobs. 33 per cent of these are women-owned enterprises and 27 per cent are young people.
- We were able to set up two demonstration facilities for hemp production, one in Rustenburg in the North West and the other in Roodeplaat in Gauteng provinces. This is one lesser than we had committed in the previous budget year. We were also able to



issue 397 hemp permits were issued by the Department for hemp production.

- Market opportunities for small-scale farmers continued to be opened at local level supported by the department and through partnership with stakeholders. Mr Lehumo Mokgotho, a young farmer from Moletji in Limpopo, supplies Goseame Shop and R and G Meat with sixty carcasses of lamb and goat meat on a monthly basis. In Mpumalanga province, through the greening programmes, women farmers have accessed retail shops such as Boxer and Spar for their vegetables.
- The Task Team on Biosecurity tabled its report with recommendations and valuable insights into how we can improve our animal health systems as a country. The Department is already implementing the recommendations of the Task Team although some will require additional resources from National Treasury to implement.

Honourable Chairperson, for this year, we are tabling Vote 29 of the Department of Agriculture, Land Reform and Rural Development for your consideration and support. The overall allocation is R17, 254,348 billion including transfers to the Provincial Departments of Agriculture as part of the Division of Revenue Act as well as to the Entities that support the work of the department in terms of our Constitutional mandate.

This 2023/24 allocation will enable us to implement programmes that continue to address food security needs of our communities and our country, address land hunger, transform spatial planning, and contribute towards the development of our rural areas in partnership with other



spheres of government.

These allocations relate to-

- a) Ilima /Letsema Conditional Grant – R620 478 000;
- b) CASP (Comprehensive agricultural support program) – R1 531 222 000;
- c) CASP Extension Services – R95 007 000;
- d) Landcare – R86 328 000;
- e) Commission on Restitution of Land Rights - R3 947 100;
- f) Agricultural Research Council (ARC) – R 1 191 600;
- g) National Marketing Council – R49 800 000; and
- h)) Ingonyama Trust Board – R23 800 000.

TARGETING RURAL AREAS AND THE YOUTH

In this financial year, we make a case for investment in communal areas, following an analysis concluded by the Department and the National Agricultural Marketing Council (NAMC). Through this analysis, if we restore 10 percent of this land by putting it back into production, we can increase the Gross Domestic Product (GDP) of the sector by R59 billion over and above the business-as-usual baseline if everything remains the same. This could unlock approximately 500 000 job opportunities in agriculture and related rural economic activities. In this financial year, we will, with traditional leaders and communities, bring fallow and under-utilised land into production. Mapping the potential of the land for various communal areas has already begun and will further be supported through a comprehensive, integrated approach to spatial planning and development. This mapping includes the use of drone technology for crop and livestock production suitability assessment.



In this year, we will also continue targeting youth and equipping them with farming and business skills through the agricultural graduate programme which primarily grants the youth experience through a placement programme, including on farms. To date we have 2 016 graduates from the programme and through the Beneficiary Selection and Land Allocation Policy, we will target these youth for land allocation and agricultural support programmes. This will ensure that build their enterprises and ensure that there is inclusive economic development that is resilient to future crises and shocks and contributes to realizing our NDP targets.

LIVESTOCK DEVELOPMENT

Livestock production remains the major contributor to the GDP contribution for our sector, with over 50% contribution. It is also a major contributor to the 888 000 jobs that we have in our sector. Reports also indicate that 40% of this livestock is in the hands of 240 000 black smallholder farmers. Therefore, if the Agriculture and Agro-processing Master Plan has to succeed, our primary target has to be on the livestock industry. The collaborative efforts between ARC and the KwaZulu-Natal Department of Agriculture and Rural Development to implement the Kaonafatso Ya Dikgomo (KyD) Farmer Support Scheme in order to improve market access among smallholder livestock farmers is starting to bear fruit. This effort has resulted in the duo unveiling a new Black-owned auction company, which hosted its inaugural auction events at Kortnek village in uPhongolo in March this year and Ezwati village in AbaQulusi Local Municipality in the same month. In addition, to providing job opportunities for local communities, the auctions



attracted local small businesses and hawkers who sold a variety of goods at the events – an important step towards invigorating the rural economy.

CLIMATE CHANGE

Honourable Chairperson, addressing the impact of climate change is important for the sustainability of South African agricultural value chain. Observed and anticipated changes in the climate include higher temperatures, changes in rainfall patterns, changes in the frequency and distribution of weather events such as droughts, storms, floods and heat waves, sea level rise and consequent impacts on human and natural systems. As we reflect on this budget, the Western Cape is experiencing floods with devastating effects on areas such as Citrusdal, Vredendal and surrounding areas in the Olifants River Valley. This happens when the citrus harvest season is peaking. The Department will work with the National Disaster Management Centre and the provincial department to assist farmers once damage and impact assessments are concluded.

CANNABIS MASTER PLAN

This week, government, business, labour and civil society are convened for an Operation Phakisa week to fast-track work on the Cannabis Master Plan. Critical matters for the work streams at this Phakisa are on bridging the legal and regulatory framework and building a competitive strategy and financing framework for this sector. At the end of this week, I will be receiving a report and the determinations of the Phakisa for sharing with the other Ministers at the Inter-Ministerial meeting.

In terms of the legislative reform, the current Cannabis for Private



Purposes Bill has been expanded to include the commercialisation of Cannabis and Hemp. Currently, the National Assembly is seized with processing public comments on this section of the Bill.

AGRI-FINANCIAL SUPPORT

Honourable Chairperson, support to black producers in Agriculture and Agro processing is an important vehicle to bring about transformation in the sector, to this end the Department continues to strengthen the Blended Finance model to increase access to affordable finance. To broaden the scope of support even further, the Department is in the process of concluding agreements to extend the blended finance scheme to commercial banks in the 2023/2024 financial year, I will soon make an announcement in that regard. We have also released a second tranche of R400 million to the Industrial Development Corporation to continue with financing enterprises within our Agri-Industrial Fund.

Financial support to subsistence and small-scale farmers

Honourable Chairperson, in this year, the provision of R2.33 billion towards CASP, Ilima/Letsema and Land Care will further assist farmers with production inputs, infrastructure and sustainable land use.



The provincial breakdown for these programmes is as follows:

CASP; ILIMA/LETSEMA AND LANDCARE 2022/23 ALLOCATIONS

Province	CASP Allocation R'000	ILIMA/LETSEMA Allocations R'000	LANDCARE Allocations R'000
Eastern Cape	255 336 000	77 483	12 935
Free State	193 483 000	74 402	8 616
Gauteng	103 014 000	37 885	5 360
KwaZulu-Natal	230 574 000	76 685	13 310
Limpopo	241 700 000	76 592	13 480
Mpumalanga	167 730 000	71 678	9 830
Northern Cape	124 811 000	71 675	8 016
North West	188 148 000	74 099	9 101
Western Cape	121 653 000	59 979	5 680
Total	1 626 449	620 478	86 328

For the current 2023/2024 financial year, the LDS programme will support 66 farms with a budget of R449 million with production inputs, on-farm agricultural infrastructure, mechanization, implements and equipment, and finally operational costs. The Department continues to conduct this work in partnership with commodity organisations and commercial banks.

MARKET ACCESS

Access to international markets as a national competency, continues to be a key focus area of the Department. This month we are hosting the Saudi Arabia and the United Kingdom Veterinary Authorities as they



assess our compliance for red meat exports to their countries. We are inviting China to conduct assessments of our livestock sector control measures in order to resume our exports of beef.

In terms of trade in horticultural and agronomy commodities, we continue to explore new markets with our industries. Together with the fruit industry, we have identified markets where government and industry will join hands and visit these markets to unlock outstanding market access requirements. Together with Minister Patel, we are also trying to resolve the trade impediments affecting our citrus exports to the EU. Options explored to resolve this issue includes the utilization of the Dispute Resolution Mechanism of the World Trade Organisation. We are also technically engaging on market access with the United States of America and will soon be sending a delegation to address pending bilateral market access issues.

ONDERSTEPSPOORT BIOLOGICAL PRODUCTS (OBP) AND VACCINE MANUFACTURING IN SOUTH AFRICA

Honourable Chairperson, safeguarding our herd and animal health is a priority for a prosperous livestock industry. The OBP which has been the bedrock of critical vaccine production in our country has been experiencing production challenges in the past few years. I met with the leadership of the OBP in the past week to discuss availability of key strategic vaccines. At the present, we are exploring a few partnerships for contract production and in other instances external procurement of vaccines in order to ensure that we are produce or procure adequate vaccines to support production, including vaccines for Bluetongue and African Horse Sickness. I am conducting a follow-up meeting with the



OBP leadership this week to finalise plans on the available options. In addressing alternative vaccines, the Registrar of Act 36 has approved the registration of a bluetongue booster vaccine manufactured by one of the pharmaceutical companies in our sector.

The pace towards strengthening the country's ability to produce FMD vaccines and ensure animal health security has gathered momentum. Following re-registration as a stock remedy under Act 36 of 1947, the ARC can now use its vaccine as part of the Department's FMD prevention programme. Building on that registration, the ARC has proceeded to formulate 20 000 doses of the vaccine and made it available to the Department to be deployed as and when its needed.

To ensure that the country has sufficient capacity to produce the FMD vaccine in future, the ARC has completed Phase I of the FMD Vaccine Production Facility towards a fully-fledged facility that will be able to fully meet the requirements of the country and beyond. While the factory is being developed, investment towards mid-scale production capacity has also begun with support from DALRRD and this will put the country at a much better position.

Chairperson, all the work of the Biosecurity Task Team will go to waste if we do not revitalise and reimagine the role of our veterinary system in biosecurity. We are working with the provincial departments to ensure that vacant posts with the veterinary and para-veterinary fields are filled and resourced to ensure better performance of our system.



THE AGRO-ENERGY FUND

Honourable Chairperson, earlier this year, in response to the energy challenges in the sector, I established a Task Team comprising of sector partners, the Task Team has engaged with ESKOM on solutions to mitigate against the impact of energy cuts on the sector. In addressing alternative energy sources in the sector, we have established an “Agro-Energy Fund” at the Land Bank. The focus for the Agro-Energy Fund will be on energy intensive agricultural activities. These will include irrigation, intensive agricultural production systems and cold chain related activities. The criteria that will be utilised is as follows:

- a large-scale farmer will receive 30% grant funding to be matched with 70% loan portion, where the grant amount is capped at the maximum of R1.5 million.
- A medium scale farmer will receive a 50% grant to be matched with 50% loan portion, where the grant is capped at the maximum of R1 million.
- Smallholder farmers will be supported by a grant portion of 70% to be matched with 30% loan. For this category the maximum grant funding is capped by R500 000. There will be a special recognition and application mechanism for small-scale irrigation schemes.

HOSTING OF INTERNATIONAL EVENTS

In conclusion Honourable Chairperson, we continue to engage in multilateral fora in order to advance our national interest in respect of agriculture. We must remain focused in ensuring food security for our country.

The Department will host the BRICS Agriculture Ministers Meeting in



August this year as a precursor to the BRICS Summit, which our country is hosting. The overall aim of BRICS Agriculture Cooperation is to improve access to food and increase comprehensive food production. The event will be hosted in Limpopo and South Africa will showcase rural development and climate change programmes.

I thank you.

