

**ADDRESS BY MR. GNJ SHUSHU MEC FOR AGRICULTURE, LAND REFORM
AND RURAL DEVELOPMENT TO THE PROVINCIAL LEGISLATURE ON THE
OCCASION OF TABLING BUDGET VOTE 12
17 MARCH 2011**

Honourable Speaker and Madame Deputy Speaker
Honourable Premier, Mme Hazel Jenkins in absentia
Members of the Executive Council
Honourable Chairperson of the Portfolio Committee on Agriculture, Land
Reform and Rural Development, Honourable John Galela
Honourable Members of the Legislature
Leaders of Local Government
Traditional Leaders
Heads of Departments, Senior Managers and staff of the Provincial
Administration
Representatives of Women in Agriculture and Rural Development
(WARD)
Representatives of Youth in Agriculture and Rural Development (YARD)
Veterans of our struggle organized under the ANC Veterans League
Former members of our Glorious Army Umkhonto we Sizwe organized under
(MKMVA)
Distinguished Guests and People of the Northern Cape
Comrades

This budget speech is dedicated to the memory of Comrade Lesego Manyetsa, a former member of this august house and Provincial Treasurer of the South African Communist Party in the Northern Cape. We also present this budget speech in honour of Comrade Conrad Kaketso Motebe, who passed away on Saturday 12th March 2011 and will be buried this coming Saturday the 19th March 2011. He was a former member of the Galeshewe Student Organisation (GASO) and Galeshewe Youth Organisation (GAYO), a former member of our glorious army Umkhonto we Sizwe and a leader within the Military Veterans Association of our liberation movement the ANC. These two martyrs of our struggle have dedicated their entire lives to the liberation and emancipation of the people of our country, the working

class and poor for a just and equal society, may their dearly departed souls rest in peace. It is through the gallant efforts of leaders of the caliber of comrade Lesego Manyetsa and Comrade Kaketso Conrad Motebe and many others who have gone before them that we enjoy the fruits of liberation.

Honourable Speaker, our Province recently hosted the International Women's Day celebrations as recognition of the contribution that women have made and continue to make within our society. On the 9th July 2011, we will be celebrating 90 years since the resolutions of the 3rd Communist International in respect of the role that must be played by women in society, in particular, the working proletariat women within capitalist society. This congress acknowledged that we had entered a blind alley in terms of development for women within a capitalist economic system. It recognized that there is no scope for the development of working class women within a capitalist mode of production. The sharp decline in the living standards of the working people, the inability of the bourgeoisie to restore production, the rise of speculation and the disintegration of production, unemployment, price fluctuations, the gap between prices and wages inevitably lead to the sharpening of class contradictions within society. This is the prognosis that was done by the 3rd International on women 90 years ago and it is more relevant than ever given our conjunctural challenges. Price fluctuations, speculations within the so called invincible market that must be left to determine its own destiny whilst at the same time placing undue hardships on our people. It is as a result of this prognosis that the 3rd International? declare that there could be no revolution without women, it declared "No Woman, No Revolution".

We are also presenting this budget speech two months before the local government elections. We are aware that there are those who will come to the electorate with promises of glitter and gold knowing fully that they will not be able to deliver, let me quote from Nico Machiavelli, a revolutionary theoretician, when he wrote a dedication 1513 to the Magnificent Lorenzo Di Piero De Medici and I quote " Those who strive to obtain the good graces of a prince are accustomed to come before him with such things as they hold most precious, or in which they see him take most delight, whence one often sees horses, arms, cloth of gold, precious stones, and similar ornaments presented to princes, worthy of their greatness." This quotation aptly

describes those who will go to our people making promises and pronouncements of doing better than what the ANC led local government is currently doing with the full knowledge that they are only making promises.

I would further like to quote Machiavelli in the same text when he says “Desiring therefore to present myself to your Magnificence with some testimony of my devotion towards you, I have not found among my possessions anything which I hold more dear than, or value so much as, the knowledge of the action of great men, acquired by long experiences in contemporary affairs, and a continual study of antiquity; which having reflected upon it with great and prolonged diligence, I now send, digested into a little volume, to your magnificence.” This second portion is a description of the commitment of our government and the African National Congress of the hope, diligence and commitment we carry from noble men and women like President Nelson Mandela, Oliver Tambo, Walter Sisulu, Joe Slovo, Moses Kotane, Ma Ray Alexander, Francis Baard, Lillian Ngoyi, Dora Tamana, Ruth First, Ncumisa Kondlo, Mme Mittah Seperpere, Eullysis Modise and many others who have dedicated their lives to our freedom. We will not bring any material possessions to our people but the experience of governance, administration and political maturity. It is for this reason that we will go to our people with concrete commitments rather than promises.

ECONOMIC OVERVIEW

Honourable Speaker, the budget vote is tabled amidst improved and more positive economic outlook. The domestic economic activity has gathered pace in recent months, with a pickup in business confidence and private-sector fixed-capital formation. The rate of unemployment has started to decline. According to the National Treasury the South African economy is expected to recover gradually over the medium term, with projected gross domestic product (GDP) growth of 3.4 per cent in 2011, rising to 4.4 per cent in 2013.

In the agricultural sector, large areas in the western part of the Northern Cape Province were experiencing drought conditions during the 2010. Areas most

affected included the areas in the Bushmanland Bioregion, the Upper Karoo Region, the Succulent Karoo Bioregion and the Namaqualand Hardeveldt Bioregion. This situation has turned around after good summer rains were experienced during January and February 2011 over most parts of our province, which rains in some instances caused serious damage and losses to the agricultural community. While the marketing environment, especially for sheep has been influenced by the drought it is estimated that 280 000 head of cattle, 4 million sheep and more than 350 000 goats will be marketed in this financial year.

Floods during the early part of 2011 have had a significant impact on crops produced under irrigation. Winter crops were not affected and 255 000 tons of wheat and 48 000 tons of barley were produced. Maize production is predicted to fall from 635 000 tons in the previous season to 575 000 tons this current season. This is mainly due to low forecasted prices during the planting season as well as the effects of the floods. Dry bean, sunflower and groundnut yields are expected to be stable. The expected groundnut yield is 24 000 tons.

The grape industry in the lower Orange region experienced a bumper season during the 2009/10 production year with a record table grape crop of 16.7 million crates, a record dry grape crop of more than 50 000 tons. The wine grape intake also recovered to 170 000 tons which was 30 percent higher than the previous season.

Floods

Honourable Speaker, the agricultural sector has been adversely affected by various disasters that occurred within the Northern Cape Province of which veld fires and the recent floods are of major concern. The uncharacteristically high rainfall during January and February resulted in significant losses for both the wine and dry grape producers of the Lower Orange. Wine grape deliveries is down by 25 percent to approximately 120 000 tons while dry grape intake was almost 60 percent down on the 2009/10 season with only 20 000 tons produced. The impact of the lower wine and dry grape production meant a loss of approximately **R300 million** to these producers. This will impact severely on the security of jobs in this industry.

Furthermore, the floods impacted heavily on the employment of seasonal workers in both the identified catchment areas. Due to the fact that access to vineyards was limited, seasonal workers could not be employed. Furthermore, crops were lost in the vineyards as a result of the floods which therefore brought the vine season to an abrupt end. A total of 923 Land users, of which 288 are small holder farmers were affected by the floods and an estimated 4178 Permanent workers and 55 605 seasonal workers were affected by the floods. It is estimated that the province will need at least **R1 billion** to repair and replace damaged agricultural infrastructure.

Honourable Speaker, I would like to commend the manner in which the Department and other stakeholders responded to the floods by means of issuing warnings and assisting evacuations where needed. Continuous monitoring of the situation and updated situation reports were availed on a regular basis and various local Disaster Management Operation Centers were established. This did not only help us to avoid disasters but also facilitated the assessment of the impact of the floods.

PROGRESS REPORT

Honourable Speaker, it is important that we report to this august house, progress made in terms of the commitments made in the last financial year. The budget and outlook for the 2011/12 financial year seeks to consolidate the gains of this year.

Land Care

During the last financial year, the Department made commitment to implement the Land Care Programme focusing on finalization of the Risk Assessment Phase of our comprehensive disaster management and continue with the monitoring and assessment of disasters. Today, we report that all 12 projects listed under the LandCare Programme were implemented during the current financial year. Through this 252 job opportunities were created.

The Vaalharts Revitalization Programme was funded through the Illima/Letsema conditional grant and 2 new overnight dams were constructed and 1 sub-surface drainage system was constructed in order to address the water logging and salinization problems at the Vaalharts Irrigation Scheme. Through this 41 small-holder farmers benefited and 106 job opportunities were created.

The Department continued with the second phase in the development of an Agricultural Disaster and Risk Management Plan. In the 2009/10 financial year, a Gap Analysis was completed as phase one of three phases in the development of the Plan. A Risk Assessment Study which is phase two of the plan was conducted and finalized during the 2010/11 financial year.

Furthermore, due to the high frequency of disaster occurrences, it was decided to develop a Disaster Management Strategy which will include awareness creation in order to ensure effective disaster and risk management in agriculture. This strategy as well as phase three of the Agricultural Disaster and Risk Management Plan will be finalized during the first quarter of the 2011/12 financial year.

Rift Valley Fever (RVF)

Honourable Members will recall that during the 2010/2011 budget speech the province was going through an outbreak of Rift Valley Fever which required decisive action. The Department purchased 65 000 doses of the Live attenuated Smithburn, 5 000 doses of the inactivated vaccine and 60 000 doses of clone 13 vaccine and currently processing procurement for an extra 60 000 doses, which assisted emerging farmers on the path of the outbreak as per our commitment of last year.

A sero-prevalence study was also carried out by veterinary practitioners within the Department to see how many employees may have been exposed to RVF during the line of duty and also in compliance with the Hazardous Biological Regulations under the Occupational Health and Safety Act. Only 2 officials of the 70 tested had been exposed. This is far better compared with other provinces where officials lost their lives due to RVF.

In order to prevent the spread of RVF and to deal with the impact of the outbreak, the Department embarked on an elaborate communication programme which included TV adverts which ran on SABC TV channels for over a week and half in November 2010, radio interviews, smses with the assistance of the Northern Cape Red Meat Producers organization, 5 000 posters to co-operatives, schools and health facilities.

The RVF final report detailing all the above and closing out the 2010 outbreak has been finalized and going through the stage of technical comments before it is submitted to the Portfolio Committee and other stakeholders.

Anthrax

Honourable Speaker, as we had committed ourselves last year, the traditional areas of Anthrax, which include Schmidtsdrift, Campbell, John Taolo Gaetsewe and Richtersveldt, were vaccinated to boost immunity of livestock in those areas and so far there has not been an outbreak of Anthrax in livestock although kudu die from time to time of Anthrax. A total of 50 638 animals were vaccinated in the 2009/10 and 23 232 in the 2010/11 financial years.

Nieuwoudtville Rooibos Tea Project

During the 2010/11 financial year a total of R30 Million was spent in the development of the Nieuwoudtville Rooibos Tea Project. The design and construction of the pasteurizing equipment was completed in December 2010. The installation of the machinery at the factory commenced in January 2011 and will be completed and tested during March 2011.

YOUTH OLIVES PROJECT, JANKEMPDORP

Honourable Speaker, we provided maximum support to the Youth Olive Project in Jan Kempdorp but we must admit that nature has not been kind to us in as far as this project is concerned. The excessively cold winter season and frost damaged a significant number of trees and as such we will continue to provide professional and technical support to these aspirant young farmers to ensure the success of this project. There is, however, a need to pay particular attention to the levels of commitment amongst some youth in the project.

FARMER SUPPORT AND DEVELOPMENT

In the 2010/11 financial year, **R42,476 million** was allocated to provide comprehensive agricultural support to 3 500 farmers. Twenty seven projects were implemented and are expected to be completed by the end of the financial year. At least 447 job opportunities were created during various phases of implementation while 1 287 farmers were trained in various aspects of production, marketing and business management, 509 were youth, 805 men and 482 women in order to improve farming practices and optimize production.

Through the Extension Recovery Plan (ERP), all extension officers were provided with cell phones and Smart Pens to improve their communication with farmers and for the collection of production and marketing data. 88 new small holder farmers were established and supported through various programmes, such as the Proactive Land Acquisition Strategy (PLAS), CASP, Ilima/Letsema and LandCare.

With regard to the institutional arrangements and support for small holder farmers, 103 were organized and supported to affiliate to the National Emergent Red Meat Producers Organisation (NERPO) in the John Taolo Gaetsewe District. The objective of the affiliation to commodity organisations is to share information on good practices, capacity building and to give collective power in negotiations for inputs and marketing.

Improving food security at household level remained a key priority. 109 household and 9 community food gardens were established to enable production of food for subsistence and improve income.

Technological Research and Development

During the 2010/11 financial year, this programme conducted agricultural research at seven of our research stations spread throughout the province. These included the development and provision of technologies and information with regard to crop production, animal production and resource utilisation. Some of the major outputs were the conservation of scarce livestock breeds, crossbreeding of beef cattle, grain crop trials, establishment of bamboo and sweet potato trials and continued development of the milk goat research facility.

The development of information systems and support to developing projects was provided over a wide range of issues. This included the drafting of a Northern Cape Agricultural Information System Atlas and comprehensive support to the Rooibos, Henkries, Blocuso and Riemvasmaak projects, amongst others.

Cooperatives and MAFISA

During the 2010/11 23 Cooperatives have been established and the training of existing ones is continuing. The facilitation of the Micro Agricultural Finance programme **MAFISA (Micro Agricultural Finance Institutions of South Africa)** has enabled 61 farmers in the province to access loans amounting to R4 130 500 for various agricultural production activities, the main one being livestock production in the John Taolo Gaetsewe District. The two accredited institutions that disburse the loans are the National Emergent Red Meat Producers' Organisation (NERPO) and Kaap Agri. The facilitation of market access through auctions in the John Taolo Gaetsewe District continues where by the end of the third quarter three auctions were held and the total turnover of those auctions was **R604 524.92**.

Rural Development

Honourable Speaker, inequality and abject poverty remains high in rural areas. Thus, when we pursue a rural development agenda, it should be borne in mind that sustainable rural development must focus on reducing inequality in the *ownership and control of land*, which is the only productive asset in the rural economy as well as *who owns and controls the benefit streams* that is derived from this land. Hence the need to speed up the land and agrarian transformation programme aimed at redistributing power relations and benefits.

It is against this backdrop that we are able to report that in the 2010/2011 financial year, the Department drafted a Provincial Rural Development Strategy. This strategy provides guidance on delivery mechanisms and structures, clarifying roles and responsibilities for all stakeholders. The strategy also outlines monitoring and evaluation systems that will determine whether development programmes are implemented as planned and are they achieving the set objectives.

Honourable Speaker, remarkable progress has been made in advancing rural development. The first Comprehensive Rural Development (CRDP) pilot site launched in the Province in June 2009 in Riemvasmaak is a classical example in the improvement of the lives of the people of Riemvasmaak.

Some of the highlights in Riemvasmaak include:

- Completion of the clinic in Sending where 24 local people were employed
- Bulk water pipeline to provide water for domestic use which created 37 job opportunities
- Upgrading of community halls are underway with at least 16 job opportunities created
- Sports stadia in two communities upgraded and has created 54 job opportunities
- Solar panels provided to 100 households and the sports stadia has created 3 jobs

- Construction of 8km access road in Sending is underway and at least 32 jobs created
- The establishment of household vegetable gardens
- Construction of 78 houses and 70 people were employed
- A livestock handling facility has been constructed and 20 people have been employed. A total of R800 000 was spent in this project.
- We are currently in the process of upgrading the border fences on the new farms and currently there are 176 people employed. It is estimated that R13, 1 million will spend for this purpose.
- A e-centre was officially opened by the Premier on the 6th October 2010
- The Seriti Project which includes the cleaning of schools and library as well as home based care has thus far created 177 job opportunities
- We have just completed the construction of an irrigation system for a 2 hectare community garden and 12 members from the community have been employed. The budget for this exercise is R500 000.

Honourable Speaker, an amount of **R34, 5 million** has been spend since 2009 and a total of 665 job opportunities were created in Riemvasmaak through the activities mentioned.

During the year under review (2010/2011) the department focussed on providing support to land holding institutions such as CPA's and Trusts. This support included conflict resolution interventions in CPA's and Trusts (eg. Droogfontein CPA, Richtersveld Trust, Riemvasmaak Trust and the Griekwa Community Trust, where conflict amongst beneficiary groups caused a paralysis in the development of the communities. The Department continues to intervene on the conflicts involving the Pniel Land Committee and Sydney on Vaal Communal Property Association. Our intervention continues to be made with a conscious understanding that any resolution of these conflicts should be in the interest of our communities and not unscrupulous business people and leaders within our CPA's who want to exploit our land restitution programme to advance a narrow and selfish accumulation regime.

In addition, a dedicated official has been appointed to focus specifically on the support provided to municipalities as well as communities who are users of municipal land. This support refers to guidance on the establishment of commonage committees in each municipality as well as the establishment of farmers' organisations in municipal areas for the improved utilisation and administration of commonages lands.

Further, the appointment of a manager responsible for the coordination of the implementation of the farm workers summit resolutions bears testimony to the commitment the Department places on the development of farm workers in the Province.

Honourable Speaker, we are pleased to report that we have completed the process of in-sourcing the security services that were previously provided by a service provider and all that company's employees are now employees of the Department with full benefits, thus demonstrating our commitment to the creation of decent work.

Land Reform

Under land restitution, at least 466, 576 hectares of land has been transferred to about 21, 805 beneficiaries. This point to remarkable progress made due to the various policy interventions of government. It is important to reflect on two of the recently concluded major restitution cases in the province. The most significant of land restitution cases in the year under review was the settlement of the Gatlhose community in the John Taolo Gaetsewe District, the Gatlhose community lost 49 000 hectares of their land and now the community in the different locations have opted for a combination of financial compensation, alternative land for agricultural purposes, housing development and development of infrastructure like schools and clinics. Out of 1018 households, 638 opted for financial compensation and 380 have opted for resettlement.

An amount of 35 million rand was paid to 638 households who opted for financial compensation while an amount of 59.5 million rand was put aside for land purchase

of 17 000 hectares which will be the full and the final award for the resolution of the Gatlhose claim. As part of the ongoing settlement of land restitution claims an amount of 31 million rand was handed over to 326 households of Gong Gong restitution claimants in February this year.

In terms of land redistribution the approach of government is to ensure that more land is in the hands of the rural poor and provide them with technical skills and financial resources to productively use the land to create sustainable livelihoods and decent work in rural areas. During the current financial year 153 442 hectares of land were transferred to 88 beneficiaries for 26 projects. An amount of R197 million has been budgeted to purchase land in the 2011/12 financial year and R32 million is set aside for recapitalization of distressed farms. To date our land redistribution programmes has resulted in 1, 6 million hectares of land being transferred to 29 005 beneficiaries.

Job Creation

It is now common course that creation of decent work is the priority of the ANC-led government. During the *State of the Nation Address* the President declared 2011 to be a year of job creation through meaningful economic transformation and inclusive growth. The Honourable Premier also alluded to the focus on job creation when she tabled *State of the Province Address*. The Premier also made a commitment to the people of the province that Members of Executive Council will provide details when they table the respective budget votes.

Honourable Members will recall that last year government introduced the *New Growth Path* which outlines an approach to accelerate growth and employment, focusing on job-creation targets and sector-based actions that will help to achieve them. The strategy targets more labour-absorbing activities in the agricultural and mining value chains, manufacturing, construction and services as one of the job drivers.

Globally, the potential of agriculture to contribute to job creation is well known. Although agriculture contributes only approximately 2.6 percent to the national GDP of South Africa, it contributes 8.5 percent to all jobs in this country. It is for this reason that the *New Growth Path* identifies agriculture and agro-processing as one of the economic sectors where jobs can be maximized. The aim is to place 300 000 households nationally in smallholder schemes by 2015 through industrial products, forestry and export wine and fruit.

Agriculture is one of the big drivers of employment in the Northern Cape and where more than 70 percent of the land surface is used for extensive animal husbandry and approximately 140 000ha is utilized for high intensity irrigation farming. Gross farm production in the Northern Cape is estimated at almost **R8 billion**. Irrigation farming contributes approximately 60 percent of this income while animal production contributes approximately 40 percent.

By applying well accepted multiplier models, it is estimated that a further 23 000 jobs can be created by lifting the gross farm production by 10 percent. This will be made up of 12 480 direct jobs on the farm, 2240 indirect jobs, and 8320 induced jobs in the services sector. The target is very attainable in the broader sense of agriculture in the Northern Cape considering the fact that there is little room for lateral expansion due to the limited water resources for irrigation and also due to the fact that the provincial stock carrying capacity is limited.

The potential to increase gross income from animal production by 10 percent does not lie in increased stock numbers, but in increasing the reproduction and marketing percentages of livestock in the province. Depending on area and breed, these percentages are estimated to be fewer than 70 percent and are in some cases as low as 30 percent. It should be relatively easy to lift these reproduction figures by 10 percent if corrective measures are implemented on a provincial scale. Areas that will be targeted include:

- Utilization of adapted breeds and improved use of genetic material especially for use by new and smallholder farmers;

- Improved water reticulation and fencing (on-farm infrastructure);
- Optimal utilization of grazing land;
- Effective control of damage causing animals;
- Control of invasive vegetation;
- Effective black-fly control along the Vaal and Orange rivers;
- Veterinary services; and
- Development of early warning and disaster management systems.

Honourable Speaker, Most of these actions are already supported through a number of projects where support is provided in terms of animal health services, improved genetic material, water reticulation and fencing. For example, the Comprehensive Rural Development Programme (CRDP) at Heuningvlei in the John Taolo Gaetsewe District has been allocated **R11, 7 million** for bulk water supply for animal production while the Comprehensive Rural Development Programme in Riemvasmaak has been allocated **R2 million** for stock watering provision.

In support of increased production of livestock the Department has allocated **R31 980 million** of Comprehensive Agricultural Support Programme (CASP) funds to other projects. Apart from this, support is also given to the livestock industries through the continuous support to the Livestock Improvement Programme and the Nguni- and Commercialization of Goats programmes.

Currently, irrigation farming in the Northern Cape is challenged by a variety of issues which include, the deterioration in water quality, salinization and water logging, deteriorating infrastructure, high cost of mechanization and climate change to name but a few. A 10 percent increase in production is attainable if these issues can be successfully addressed and if we can optimize our production practices, improve irrigation practices and through rehabilitation of salinized and waterlogged irrigation lands. Over and above this, there are almost 7 000 ha of high potential irrigation land that can still be developed along the banks of the Orange River.

In support of increased production of crops under irrigation, the Department has allocated **R15 164 million** of CASP funds to irrigation projects. Most of this will be spent on production inputs, electricity supply, mechanization and irrigation equipment. The Department is also investigating the possibility of revitalizing ageing irrigation schemes at Boegoeberg, Onseepkaans and Vaalharts. **R10 million** of Illima/Letsema funds have been allocated to the revitalization of the Vaalharts Irrigation scheme during the 2011/12 financial year. **Another R14.4 million** has been allocated for the construction of a bulk water supply system for irrigation at Vredesvallei in Riemvasmaak.

Agro-processing creates linkages between primary agricultural production and food processing industrial systems resulting in the production of higher value products and increased employment. However, agricultural value addition has not developed to its full potential in the Northern Cape. The national target is to create 145 000 jobs through agro-processing by 2020.

The Department of Agriculture, Land Reform and Rural Development has identified the following drivers of job creation in agriculture and agro-processing for 2011/12:

- Rooibos Tea Project in Nieuwoudtville in the Namakwa District has created 73 temporary jobs in construction and 80 permanent jobs. Going forward 75 temporary jobs will be created during the construction of the packaging facility. The construction of the packaging plant will create 20 jobs of which 10 will become permanent upon completion. In total 276 temporary jobs have been created since 2009.
- The vineyard development scheme, which aims to develop 700ha of new vineyards before 2014 for the production of grapes for processing into wine, raisins and juice, particularly in the Siyanda District. The budget for this project is **R4, 2 million** and is expected to create 202 job opportunities in the during the 2011/12 financial year.

- The Riemvasmaak Irrigation Development is expected to create 322 jobs over the next three years
- Revitalization of Magareng through infrastructure development in the commonages, Moleko Farm and Majeng will be funded to the tune of R9 million in the 2011/12 financial year and at least 120 jobs will be created.
- Beef production and Heuningvlei Bulk Water infrastructure development project has an investment value of R196 million and is expected to create at least 215 job opportunities in the next three years.
- The revitalization of irrigation schemes and in particular Vaalharts in the Fransis Baard Region is expected to create 240 job opportunities in the next three years.
- Poultry development with emphasis on Warrenton Super Chicken in the Francis Baard Region which is expected to create 50 job opportunities over the MTEF period
- Increased vegetable production through intensive production units such as Tshwaraganang Hydroponics Project in Francis Baard is anticipated to create 150 job opportunities in the next three years.
- Ostrich and poultry production in the Pixley ka Seme District to the tune of R5 million with 32 job opportunities

In addition to the above mentioned our LandCare programme will implement 13 projects that will result in creation of 182 job opportunities with a budget of **R6, 4 million** while Comprehensive Agricultural Support Programme will implement 15 projects with the budget of **R23, 4 million** and is estimated to create 281 job opportunities. The ILIMA/Letsema has been allocated a budget of **R20, 3 million** and is expected to create 1053 job opportunities with 15 projects.

BUDGET ALLOCATIONS AND OUTLOOK 2011/12

Honourable Speaker, our strategic outlook and performance plans for the 2011/12 financial year endeavours to respond to structural and policy developments that

occurred since the beginning of the term of government in 2009. During the last financial year, government worked extensively to ensure that the planning processes and results respond sufficiently to the mandate as set out in the Medium Term Strategic Framework 2004-2009. Furthermore, the Cabinet Lekgotla held in January 2010 translated the MTSF into a set of twelve outcomes to enable increased strategic focus on critical issues. These developments necessitated the revision of our strategic plan to ensure that it addresses the relevant priority outcomes adequately. The plans we present today are an expression of our contribution to the five priorities of government as well as the relevant outcomes.

The overall Departmental allocation for the 2011/12 financial year is R357 084 million. Of the R357 084 million allocated, the equitable share constitutes 61 percent while 39 percent pertains to conditional grants.

Programme 1: Administration

Administration is expected to contribute immensely to outcome 12 which relates to *an efficient, effective and development oriented public service and improved, fair and inclusive citizenship*. This programme has been allocated an amount of R73 416 million in the 2011/12 financial year. During the current financial year, our Staff Indaba resolved that the department must institute a change management process aimed at transforming the organization, diversity management and improve the delivery of services to our people. This project is one of our priorities in the ensuing financial year and is expected to be concluded in June.

Last year we announced that resources will be set aside for bursaries to both internal and external applicants in order to build capacity for the department as well as for deserving working class and poor learners. To date the department has awarded 62 bursaries with 32 of these awarded to external applicants who are studying engineering, veterinary, economics and other studies.

In line with the work of government towards Clean Audit 2014, the Department still continues with its efforts in improving financial accountability by building capacity

within the office of the Chief Financial Officer through the appointment of appropriately skilled and qualified personnel as well as improving our financial systems. As part of the greater provincial effort for 2011/12, the Department will ensure that LOGIS is implemented by the 2nd quarter of the 2011/2012 financial years and the Asset Management Strategy is finalized.

In order to support our planning processes and improve organizational performance, we will also focus on operationalizing the Planning, Performance Monitoring and Evaluation Directorate. This will entail the provision of human resources, development of the departmental Performance Monitoring and Evaluation framework/plan and general capacity building for monitoring and evaluation processes and methodologies.

We would also like to report that as part of our decent jobs commitment, we will be in-sourcing the cleaning services at the Department and all those employees who were employed by the service provider at our Head Office will become Departmental employees with decent salaries and full benefits.

Programme 2: Sustainable Resource Management

This programme is allocated an amount of **R21 047 million** of which **R 6,355 million** will be allocated towards the LandCare Programme. 13 LandCare Projects will be implemented during the 2011/12 financial year. The unit will also complete the third and last phase in the development of an Agricultural Disaster and Risk Management Plan. Contingency planning will be finalized during the 2011/12 financial year which will ensure that this Department becomes the first Provincial Department of Agriculture to submit a Disaster and Risk Management Plan.

Furthermore, the department will, in collaboration with the Department of Agriculture, Forestry and Fisheries, create awareness in terms of veld fires in an attempt to reduce the high frequency of occurrences in the province.

Programme 3: Farmer Support and Development

The programme is allocated **R163 411 million**. Priorities for this programme include:

- Implementation of the Livestock Production Development Programme
- Focus on the identified rural development priority areas of Riemvasmaak, John Taolo Gaetsewe and Pixley Ka Seme Districts
- Integrated food security interventions through the 'No Hunger Campaign'

Support programmes will include the Comprehensive Agricultural Support Programme by implementing projects that include fencing, irrigation, infrastructure, tractors and implements, production inputs and marketing. We will also continue with the training and re-skilling of extension officers in order to improve the efficiency of extension services.

Programme 4: Veterinary Services

Veterinary programmes are very fluid and are determined by prevailing disease conditions in our Province, country or internationally. There is currently an outbreak of Foot and Mouth Disease in Northern Kwazulu Natal. We are still trying to determine the extent of the outbreak and what the risk is to the Northern Cape. We have formed part of the response team in KZN and have committed officials to assist in whatever role required.

Contingency plans have been activated and all Veterinary officials are on high alert until such time that the outbreak is resolved and the Northern Cape risk level is zero.

The Province is still anticipating another wave of RVF outbreaks as a result of the recent heavy rainfall and are continuing with awareness programmes in this regard. Northern Cape Radio jingles will run in all community radio stations, Motsweding FM, OFM and these would be complemented by those of the Onderstepoort Biological Products jingles on Radio Sonder Grense.

The Department will also run a commemoration day during the World Rabies Day on the 28th of September 2011 in the John Taolo Gaetsewe district. This will be in collaboration with the Department of Health, Education, and SPCA. In order to

facilitate effective provision of Veterinary Services in the Province, this programme is allocated an amount of **R32 809 million** in the 2011/12 financial year.

Programme 5: Technology Research and Development

The programme is allocated **R39 518 million** to continue providing research and information services to ensure the competitive capacity of its clients during the 2011/12 financial year. Strong focus will be on the development and expansion of human resource capacity in the Programme.

Research outputs will support the major commodities in the Province but will also focus on the production of alternative crops and livestock like prickly pear, bamboo, inland fisheries and goat milk processing. Linkages will be established with other role players to ensure that research and information services are coordinated in the Province to promote job creation. The upgrading of infrastructure and equipment at our research stations will receive special attention.

Programme 6: Agricultural Economics

The Directorate of Agricultural Economics will promote entrepreneurship in rural communities through the formation and support of cooperatives throughout the agricultural value chain. The main focus will be on the CRDP sites, which now include Joe Morolong and Siyacuma Municipalities in their respective districts.

The Directorate will investigate and facilitate joint venture partnership/equity for emerging farmers and entrepreneurs. Training and capacity building of farmers on marketing and trade requirement will also feature in the coming financial year. This serves to establish viable economic production units.

It will also develop, maintain market statistic information, disseminate market information, develop economic models, a comprehensive agricultural industrial strategy and analyze agricultural policies. The Directorate will facilitate the establishment and support of agro-industries that will contribute towards job creation and market linkages for agri-parks.

Cost-benefit analysis on the funded agricultural projects to determine if they are sustainable, making profit as well as turning around the livelihoods of their intended beneficiaries will be conducted. Micro financing for agricultural enterprises (farmers and entrepreneurs) through MAFISA and other financial institutions will be facilitated while economic support will be provided in terms of economic viability analysis to the proposed production and processing initiatives. Training of financial record keeping to smallholder farmers will continue to be a focus and extend to newly established cooperatives.

In order to facilitate this work the directorate is allocated an amount of **R12 500 million** in the 2011/12 financial year.

Programme 7: Rural Development

The programme is allocated **R14 383 million** to coordinate the intervention programmes of all departments and institutions in rural areas to ensure that the land and agrarian reform and rural development mandate is achieved. The Rural Development programme will be focussing on the expansion of the CRDP to additional pilot sites in the province. The rationale for the expansion of the programme is largely informed by the current success and impact that is evident in the Riemvasmaak pilot site.

Furthermore, it is also informed by the many years of deprivation suffered by communities who lost their land due to draconian land laws pursued by racist and colonial powers prior to 1994. The anti poverty programme of government, and more specifically the war on poverty programme, commonly known in our Province as the 500 families programme, has highlighted areas of dire need where immediate intervention by government is of critical importance for the sustainable livelihoods of these families.

An implementation plan for the CRDP strategy will be developed in the 2011/2012 financial year. This implementation plan will include the drafting of a costed social plan which will provide a clear indication of the costs and imperatives for the

development of rural areas in the Province. The profiling of all rural wards will be prioritised in the 2011/2012 financial year. This will be done in conjunction with the Balelapa project under the auspices of the provincial Department of Social Development, Department of Rural Development and Land Reform and StatsSA.

More work will focus on the establishment of peoples land committees in municipalities to ensure proper administration of communal land. Support to CPA's and Trusts remain a key priority to resolving the key challenges that relate to institutional arrangements within our CPA's. A special focus will be placed on the functionality of these institutions and supporting the drafting of development plans on community land. The development of farm workers and the provision of government support to people living on farms will remain a priority in the 2011/2011 financial year.

We will also work closely with land reform beneficiaries that are experiencing problems with respect to making their land productive by coordinating development support to these beneficiaries from state owned enterprises, the private sector and other government departments

Honourable Speaker, in conclusion, let us be reminded by what President Jacob Zuma said of O.R. Tambo when delivering the Oliver Tambo Memorial Lecture in Lusaka on the 8th of December 2009 and I quote "Comrade Tambo's greatest bequest to the South African nation is his universalism, the incredible ability to see more that unifies us as peoples of the world than that which divides us". Let us all put our shoulder to the wheel to ensure that we create a prosperous agricultural sector in the Northern Cape.

I would like to take this opportunity to thank:

- The Premier Mme Hazel Jenkins for her wise counsel and guidance
- Colleagues in the Executive Council for their support
- Chairperson and Honourable Members of the Portfolio Committee on Agriculture, Land Reform and Rural Development

- The leadership of the tripartite alliance in the Province for their guidance and political support
- Women in Agriculture and Rural Development (WARD) for their commitment to agrarian reform and rural development
- Youth in Agriculture and Rural Development (YARD) for being at the forefront of youth development in agriculture
- Members and the leadership of the National African Farmers Union (NAFU), the Griekwaland Wes Kooperasie (GWK), Agri Noordkaap, the Northern Cape Chamber of Commerce and Industry and other stakeholders for their support
- The Regional Land Claims Commissioner Mr. Sydney Hlongwane and his staff for their unwavering support
- Mr. Serame Mzizi and the Department of Rural Development and Land Reform for their support
- The Head of Department Mr. Viljoen Mothibi, Senior Managers and Staff for your dedication and commitment
- The Head of Ministry Pele Modise, support staff in the ministry for all the hard work, dedication and commitment to delivering on our electoral mandate

**I THANK YOU
KE A LEBOGA**