



**agriculture, land reform  
& rural development**

Department:  
agriculture, land reform & rural development  
NORTHERN CAPE PROVINCE  
REPUBLIC OF SOUTH AFRICA

## **BUDGET SPEECH**

**2015 - 2016**

**MR GNJ SHUSHU MPL  
MEMBER OF THE EXECUTIVE COUNCIL**



***A TRANSFORMED, VIBRANT AGRICULTURAL SECTOR FOR FOOD SECURITY AND  
SUSTAINABLE RURAL DEVELOPMENT***

Honourable Speaker and Madame Deputy Speaker

Honourable Premier, Mme Sylvia Lucas

Members of the Executive Council

Honourable Members of the Legislature

Leaders of Local Government

Traditional Leaders

Agricultural sector Partners present;

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

Ladies and gentlemen

We are presenting this budget speech in the year wherein we celebrate the 60<sup>th</sup> Anniversary of the Freedom Charter adopted by the people of South Africa in Kliptown which is a guiding document on the kind of society we seek to build. The Freedom Charter declared to South Africans and all other peoples of the world to know that "The Land Shall be Shared Among Those who Work it" and that the state shall help the peasants with implements, seeds, tractors, and dams to save the soil and assist the tillers. The policies and programmes we implement seek to fulfill the vision and mandate

of the Freedom Charter. The Freedom Charter is a product of consultation with every citizen and every patriot who shared in the common vision of a new South Africa led by a government based on the will of the people.

Honourable Speaker, the agricultural sector within our province has shown growth in real terms in comparison to the previous year's performance in that whilst we saw a decrease in constant prices in 2006 that had rebounded by 2008 to surpass the levels last seen in 2005. This sector slowed as a result of the global capitalist crisis of 2008 but we then saw the sector recovering in 2012/13 to have a contribution of 3,3 percent to the GDP in the same year. Reflecting on the performance of the sector in current prices, the sector experienced an increase from R2,6 billion in 2004 to R4,3 billion by 2009 but then declined to R4,29 billion in 2011. This GDP contribution surpassed the R4,5 billion mark in 2012 and rose to R4,71 billion in 2013.

The excessively hot and dry weather conditions experienced at the beginning of this year do not augur well for the maize crop estimates for this year. The lower crop production estimates are already having a bearing on the upward influence on the prices of both yellow and white maize. By mid-January, the price of yellow maize for delivery in July 2015 traded at South African Futures Exchange (SAFEX) was around R2000 per ton and that of white maize was around R1950 per ton. By mid-February the prices for yellow maize scheduled for delivery in July 2015 had shot up to around R2400/ton for yellow maize and R2750/ton for white maize. The direct impact of higher white maize prices is that it would lead to higher prices on maize products which are

used primarily by the working class and poor within our communities as a staple diet. Yellow maize is, in the main, used as animal feed which would then lead to higher input costs for farmers as the price of feed would increase and the ripple effect of this is that it may lead to an increase in the price of meat to ensure the sustainability of production levels. It is therefore expected that white maize products prices and feeds would increase immediately while higher feeding costs will lead to increase in meat prices later on.

Honorable Speaker, in pursuance of our work, we are encouraged by the words of Antonio Gramsci and I quote "I hate the indifferent. I believe that living means taking sides. Those who really live cannot help being a citizen and a partisan. Indifference and apathy are parasitism, perversion, not life. That's why I hate the indifferent. The indifference is the deadweight of history". We have decided to choose sides to work with the landless, the dispossessed and those who were robbed of their land through wars of dispossession by the colonial settlers in South Africa.

In this regard, we are pleased to report that during the 2014/15 financial year we were able to acquire 59 027 .1984 ha of land through the Pro Active Land Acquisition Strategy amounting to 15 farms at a cost of R141, 8 million. We have also, through the Recapitalization and Development Programme been able to recapitalize 11 new projects to ensure their sustainability through, among other things, the purchase of on farm infrastructure. This was done at a cost of R33 million and in addition to that a further 6 projects received the second tranches of their recapitalization funding at a cost of R16, 5 million. Moving forward, in the 2015/16 financial year we intend to acquire a further 68 000 ha of land in order to support historically disadvantaged small holder and

emerging farmers including those that we must support to move into the commercial sphere. We furthermore intend to recapitalize 11 additional farms for the 2015/16 financial year.

Honourable Speaker, the Comprehensive Agricultural Support Programme Conditional Grant was used, during the 2014/15 financial year to fund 22 projects in the different districts in the form of implements, irrigation and infrastructure development as well as capacity building. This expenditure is consistent with our commitment following the declaration of the people at the Kliptown Congress of the People that "The Land Shall be Shared Among Those Who Work It". In the 2015/16 financial year, a total of R3 million in the Francis Baard District with our flagship projects being the construction of stock handling facilities, water reticulation infrastructure for borehole and this will create 210 temporary jobs. We will be spending R22 million in the John Taolo Gaetsewe District for livestock water reticulation, material for stock handling facilities, testing and equipping boreholes and the construction of border fences and the refurbishment of the Heuningvlei Morafe Ranch creating 290 job opportunities. The Namakwa District will get the biggest slice of the CASP funding for the Onseepkans Irrigation Development, Livestock Infrastructure, Soil Preparation for the Coboop Irrigation, Upgrades to the Cooling facilities at our dates factory, production inputs at the grain development initiative at the Kamiesberg Municipality, purchase of fertilizers, seeds and pesticides among other things for the Richtersveld crop Production Initiative and the Pella Irrigation Development. The allocation for these initiatives from the CASP Conditional Grant is R53, 5 million and will create 353 temporary job opportunities. The Pixley Ka Seme District will receive R15,1 million for the mechanical clearing of the

fencing path at Schmidtsdrift and the construction of 16,7 km's of inner fencing and the testing of 3 boreholes and livestock water reticulation infrastructure, sighting and drilling of boreholes at Masselfontein and Katlani, Production inputs for the Emthanjeni Hydroponics Project, Inner and border fences at the Kareeberg Farms and the construction of 2 handling facilities, 20 km's border fencing at the Siyancuma Livestock Project and we expect these initiatives to create 175 job opportunities in the district. An allocation of R7, 6 million is made to the ZF Mgcawu District for the sighting and drilling of boreholes, testing and equipping boreholes as well as for the purchase of windmill equipment in Gasendmond, 20 km's of Inner fencing at Aasvoelpan Farms and the testing of 19 boreholes at the Maremane Livestock Infrastructure Project, drilling of boreholes at the Keimoes Commonage and the construction of water troughs as well as a 20km water pipeline. We would also be purchasing rams and ewes for the Kai Garib Breeding Stock project and construct a 10 km water pipeline at the Nakop Farms. We expect these initiatives to create at least 130 temporary job opportunities.

Honourable Speaker, in continuing the initiative that was launched by the President of the Republic in Batlharos, John Taolo Gaetsewe District in October 2013, we are pleased to announce that the Fetsa Tlala Integrated Food Production Initiative, which endeavors to contribute towards food and nutrition security for all has been successful in that there was an increase in the hectares planted in the summer planting season. The total hectares planted in the 2014/15 summer planting season is 1313ha compared to 632 ha that was planted in the 2013/14 planting season when we launched the programme. We are striving towards putting all arable land that is lying fallow under production with the support and provision of inputs and mechanization.

The National Development Plan Vision 2030 enjoins us to work towards the development of our irrigation infrastructure and to utilize our scarce water resources optimally for the development of our agricultural sector. It is for this reason that we are continuing with the revitalization of the Vaalharts Irrigation Scheme which we started in 2006. In the year under review, sub-surface drainage systems were installed on 12 farms and will service 237 ha and 4 concrete lined walls overnight reservoirs were constructed to support small holder farmers. The construction of the new communal main outfall water line in the scheme has already started. In order to support our work in this regard, we had appointed 3 agricultural technical students as part of their integrated learning process and two of these learners have completed their studies and have now been integrated into the Department.

Honourable Speaker, we are forging ahead with our commitment to develop emerging farmers in the Lower Orange River area in and around the area of Upington through our Orange River Emerging Farmer Settlement and Development Programme (OREFSDP). This programme provides a linkage between our land and agrarian reform programme and water resource allocation. It entails the allocation of water rights to small holder farmers along the Orange River as well as irrigation infrastructure development for farmers who have received land through the Land Reform Programme. These are aligned with our Departmental programmes and projects that are informed by broader objectives on contributing to economic growth, job creation and food security. To date, 3400 ha of water rights have been allocated to historically disadvantaged groups and communities and this leaves little space in terms of more rights to be allocated whilst

the demand for rights for the development of irrigable land is high. There is therefore, a need to assess the level of utilization among those allocated those water rights and how far they have gone in terms of utilizing those rights. We will be looking into the feasibility of communities using their water rights as equity in their participation in going agricultural concerns. We will as well be working on the development of new Irrigation Schemes in the Onseepkans and Coboop areas in the Namakwa District as outlined earlier.

Honorable Members, the allocation for the Ilima/Letsema Conditional Grants per district are as follows. The John Taolo Gaetsewe District is allocated an amount of R4 million for the Manyeding Irrigation Development initiative for production inputs and the installation of solar panels and is expected to create 10 permanent jobs. The Namakwa District would be receiving R4 million rand with R2, 5 million of this amount going to the rooibos tea farmers in the Niewoudtville area to assist them with production inputs to supply the Rooibos Tea Factory and R1, 5 million going towards the Karoo Hoogland Livestock Development Initiative. These two projects are expected to create at least 50 temporary job opportunities. The Pixley Ka Seme District would be allocated an amount of R11, 8 million: R5 million for the Vanderkloof Inland Fisheries Initiative for production inputs, fishing boats and safety gear and equipment. Production inputs for the Rhenosterberg Project at a cost of R2, 2 million and the Pixley Ka Seme Crop Production initiative at a cost of R4, 6 million. We expect all of these initiatives to create 75 job opportunities in the district. The ZF Mgcawu would receive R22, 6 million from the Ilima/Letsema Conditional Grants in order to support various projects with production inputs, soil preparation, trellis material, planting material and tractors and



trailers like the Nomalangha Trust, Silver Moon, and the Eiland Wine Project, the Eksteenskuil Cooperative, the Riemvasmaak Irrigation project and the Blocuso Trust. We expect all of these initiatives to create at least 230 temporary job opportunities and 49 permanent jobs in the district.

Honourable Speaker, the need to conserve our agricultural resources for continued use by ourselves and future generations is an important element to agricultural practice and all role players in the sector must continuously ensure that this is done. The Flood Assistance Scheme which came into operation as a result of the devastating floods suffered by our province during January and February 2011 has officially come to an end and the department is busy with mopping up operations and finalizing work that still needs to be carried out during the 2015/16 financial year. No new claims would thus be registered under this scheme. We were able to spend over R880 million of the R1, 01 billion allocated for this province and this was mainly for the reconstruction of flood protection infrastructure. The remaining R131 million is to cover the outstanding projects in the Onseepkans, Eksteenskuil, Richtersveld and Witbank areas.

Honourable Members, the Northern Cape is considered a dry province and current legislation only makes provision for long term drought and not seasonal drought and our province experiences mainly seasonal drought from time to time. Relief is therefore provided when the local economy is considered to be experiencing severe economic strain and the veld is under severe pressure. The assistance that is therefore provided is to mitigate the effects of such strains and to save the environment and should not be seen as a form of compensation for losses incurred. Be that as it may, we are pleased to announce that we have completed the Drought Plan, working together with the

University of the Free State. We have established an early warning committee which will monitor precipitation indices and would be launching the Agri-Drones to monitor areas susceptible to droughts through the use of this technology.

Honourable Speaker, In order to ensure the continued safety of meat and meat products produced in our province, we have increased the technical capabilities of our abattoir inspection teams in the De Aar, Calvinia and Kuruman areas. This therefore means that all our areas are now sufficiently covered by Veterinary Public Health Officers and we are moving away from the mere inspection of abattoirs and are introducing a minimum score of 60% compliance on the Hygiene Assessment System which means that any abattoir scoring below this mark risks having its registration withdrawn by the Department.

Honourable Speaker, we are pleased to announce that the Rooibos Tea Factory in Niewoudtville is now sustainable and the surplus that is generated by this initiative is being reinvested into the company. We have completed the construction of the tea bag facility and have acquired the equipment which is in testing phase. The factory has also been able to secure a market in China for bagged tea. We have also reinvested some of the surplus of this factory into a renewable energy initiative because the factory, at peak periods, uses between 207 to 230 KVA and this is putting strain on the quota allocated to the Niewoudtville town. We have invested in a 100 KVA renewable energy initiative which will significantly reduce the electricity consumption of the project off the grid during peak time and the excess electricity during off peak periods would be channeled into the national grid; we are awaiting approval from the Hantam Municipality in this regard.

Honourable Speaker, during the 2015 State of the Nation Address, the President of the Republic, His Excellency Jacob Zuma announced the establishment of Mega Agri-Park in all the nine provinces starting with the 27 most impoverished District Municipalities in the country. One such municipality in our Province is the John Taolo Gaetsewe District Municipality and the Mega-Agri Park will be established in Kuruman with the feeders beings farmers from the whole district, in particular farmers in the Joe Morolong Local Municipality. A consultation process has been undertaken between the various stakeholders including our colleagues from the Department of Rural Development and Land Reform at a national level.

Honourable Speaker, the allocations for the 2015/16 financial year are as follows:

#### **PROGRAMME 1 ADMINISTRATION**

This programme is tasked with the implementation of compliance matters as well as the development of policy. It is tasked with the development of the strategic plan of the department as well as the Annual Performance Plan and to ensure it alignment with the National Development Plan Vision 2030. This programme is allocated an amount of R100, 751 million

#### **PROGRAMME 2 SUSTAINABLE RESOURCE MANAGEMENT**

This programme is key to the provision of agricultural technical services to farmers in order to ensure optimal utilization of agricultural resources. The programme is also a significant stakeholder to the implementation of the Vaalharts Revitalization Scheme and the new irrigation initiatives that we are embarking upon to give impetus to the NDP imperative of substantially investing in water resources and irrigation infrastructure'.

This programme is allocated an amount of R160, 672 million inclusive of a Land Care Grant of R7, 302 million

### **PROGRAMME 3 FARMER SUPPORT AND DEVELOPMENT**

This programme hosts the two conditional grants being the Comprehensive Agricultural Support Programme and the Ilima/Letsema. The programme is key in the provision of agricultural extension services and to conduct training and capacity building programmes for small holder farmers. The implementation of the Fetsa Tlala programme is also the responsibility of this programme. This programme is allocated an amount of R246, 300 million inclusive of the conditional grant for CASP of R135, 768 million Ilima/Letsema R69, 460 million.

### **PROGRAMME 4 VETERINARY SERVICES**

In order to continue providing safe and reliable veterinary services, for abattoir inspections, prevention and control of animal diseases , this programme is allocated R42, 445 million.

### **PROGRAMME 5 RESEARCH AND TECHNOLOGY DEVELOPMENT**

The programme will receive an allocation of R46, 161million to continue research activities. Key among these will be the research on aquaculture and fisheries and initiatives on cross breeding in cattle, milk and tankwa goats and research on the fruit fly particularly in the Lower Orange area.

## **PROGRAMME 6 AGRICULTURAL ECONOMICS**

The supply and availability of current and relevant economic data is important in support of our developmental objectives within the sector to measure our success in terms of support for the sector and agri-business development. The promotion of rural enterprises and agricultural co-operatives is important to the development of rural economies and creating the requisite market access for small holder farmers. This programme is allocated an amount of R10, 967 million.

## **PROGRAMME 7 RURAL DEVELOPMENT COORDINATION**

The objective of this programme is to co-ordinate the intervention programmes of all government departments and state institutions in rural areas to ensure that they meet the imperatives of our land, agrarian and rural development imperatives. To co-ordinate joint planning between all stakeholders and to monitor progress in as far as the implementation of the Comprehensive Rural Development Programme is concerned.. The programme is allocated an amount of R12, 916 million which includes the R2, 102 million of the EPWP Incentive Grant

Honourable Speaker, we would like to conclude with the words of a the father of the Cuban Revolution Jose Marti when he said "Man can never be more perfect than the sun. The sun burns us with the same light that warms us. The sun has spots, the ungrateful only talk about the spots. The grateful talk about the light", those whom we have touched with the delivery as per our mandate given to us through the popular vote, are appreciative of the efforts of the democratically elected government in pursuance of attempts to create a better life for our people. In it our sincere conviction that working

together with our people we would be able to move South Africa and the Northern Cape forward.

Honourable Speaker, I would like to take this opportunity to thank the following people:

- Madame Premier Mme Sylvia Elizabeth Lucas for her leadership and guidance
- Members of the Executive Council for their collegial support
- Chairperson Mme Fufe Makatong and Members of the Portfolio Committee on Agriculture, Land Reform and Rural Development for their oversight
  - The Leadership collective of the Tri-partite Alliance in the Province for their political guidance
- Women in Agriculture and Rural Development (WARD) for their unwavering commitment to rural development and women empowerment
- Youth in Agriculture and Rural Development (YARD), for championing the interests of youth in agriculture
- Members and the leadership of the National African Farmers Union (NAFU), the Griekwaland Wes Kooperasie (GWK), Agri-Noordkaap, the Northern Cape Red Meat Producers Organization and other stakeholders for their engagements
- Mr. Obed Mvula from the Department of Rural Development and Land Reform Provincial Shared Service Centre and his staff for their support and dedication
- The Acting Head of the Regional Land Claims Office, Northern Cape Ms Ruwayda Baulackey and staff for their unwavering support

- The Head of Department, Mr Viljoen Mothibi, Executive and Senior Managers and the entire Staff of the Department for their dedication
- The staff in the Ministry, under the able leadership of the Head of Ministry Comrade Pele Modise for their dedication and support
- Lastly but not least, I would like to thank my mother Golelamang Shushu, my wife Mandisa, my children Katlego, Boichoko and Nthabiseng and my whole family for their support

**I thank you**

