



Province of the
EASTERN CAPE
RURAL DEVELOPMENT AND
AGRARIAN REFORM



2020/21 Policy Speech

SIYAKHAWULEZA

DEPARTMENT OF RURAL DEVELOPMENT
AND AGRARIAN REFORM
POLICY SPEECH
2020/21



Province of the
EASTERN CAPE
RURAL DEVELOPMENT AND
AGRARIAN REFORM

**“Everything Can Wait, but not Agriculture:
Together Commercialising Agriculture and Creating Wealth,
LILIMA LABANTU”**

SIYAKHAWULEZA

Honourable Speaker and Deputy Speaker

Honourable Premier

Members of the Executive Council

Honourable members of the Provincial Legislature

Honourable Chairperson and honourable members of the Portfolio Committee on Rural Development & Agrarian Reform

The Kings and Queens

The chairperson of the House of Traditional leaders and all Traditional Leaders

Iinkokheli zeenkolo ngeenkolo

Amafama kunye nabemi bephondo lakulo Tata u Raymond Mhlaba the Inaugural Premier of the Eastern Cape

Distinguished Guests

Manene nani Manenekazi

Honourable Speaker, the goals of the National Development Plan, Vision 2030, are to eliminate poverty and reduce inequality by 2030. The Eastern Cape, has developed the Provincial Development Plan which seeks to build an **innovative, inclusive and growing economy with an enabling infrastructure network**. The Plan places priority in the development of high value agriculture as the bedrock for the development of the rural sector and promotion of rural livelihoods. Human Capital Development, care for the environment as well as further development of capable state

and its democratic institutions are the key enablers for our vision for the province. The Provincial Development Plan represents both our aspirations as well as our commitment to the attainment of objectives of the National Development Plan.

Honourable Speaker, whilst strides have been made and significant progress realized to address the cycle of poverty in our province through our interventions across provincial departments in general and through agriculture and rural development initiatives in particular, more still needs to be done to address the challenges of Poverty, Unemployment and Inequality.

As the sixth administration, we rededicate ourselves to push back the frontiers of poverty and deprivation and reinvigorate our pursuit of the ideal of a prosperous society in our lifetime.

Whilst we present this guide to the work we will be doing in the coming financial year, we wish to extract the words of Jawaharlal Nehru, the first Prime Minister of India who said **“Everything can wait, but not agriculture”**. As adopted by the Department of Rural Development and Agrarian Reform, these words provide a perfect response to President Cyril Ramaphosa’s vision and call to transform Eastern Cape to be South Africa’s food basket through an agricultural revolution.

With **“2020 – 2024 as the era of job creation and socio-economic development”**. As a contribution to this clarion call, DRDAR will coordinate all its stakeholders under the theme **“Everything Can Wait, but not Agriculture: Together Commercialising Agriculture and Creating Wealth, LILIMA LABANTU”**

As we enter the last decade of the National Development Plan, we must double our efforts to accelerate our implementation of the Provincial

Development Plan initiatives. As we accelerate the implementation of our programmes, we will review and change our delivery methodology and operating model.

We need to increase private sector investment into rural agriculture if we are to achieve the goal of a food-secure Eastern Cape capable to supply other provinces, the continent and the world at large.

We will reconfigure the operating model of the department and its agencies to support the different tiers of our farming communities that will bring greater accountability for organisational performance with greater emphasis on return on investment in both social and economic outcomes.

We will also focus on the alignment of purpose and delivery frameworks between the department, its agencies and various other agencies charged with agriculture and rural development mandates at municipal level. It is during this time of fiscal challenge and difficulty that we need greater collaboration to remove duplication and double social impacts.

Honourable Speaker, the United Nations projects that the Global Food demand will increase anywhere between 59% and 98% by 2050. This will shape agricultural markets in ways we have not seen before. Farmers worldwide will need to increase crop production, either by increasing the amount of agricultural land to grow crops or by enhancing productivity on existing agricultural lands through stimulants and irrigation and adopting new methods like precision farming.

To seize the global food opportunity, Eastern Cape must develop sustainable models to consolidate fragmented land ownership structures through legal and commercial agreements that are symbiotic and mutually beneficial to all parties involved.

Honourable Speaker, our plans to create a sustainable agricultural value chain, lie in the implementation of the President’s pronouncement that “Agriculture is one of the industries with the greatest potential for growth. This year, we will implement key recommendations of the Presidential Advisory Panel on Land Reform and Agriculture to accelerate land redistribution, expand agricultural production and transform the industry”.

Honourable Speaker, our pursuit to create a sustainable agricultural value chain is challenged by the decline of the agricultural sector which is attributed to severe drought and recently the spread of Coronavirus which consequently has the potential to decrease our exports to the Far East. In his Budget Speech, Honourable Mvoko, clearly demonstrated that “due to downward economic growth trends, our provincial equitable share was negatively affected”. This calls for all of us to avail ourselves to be counted in the 2021 Census and be innovative in delivering services and doing more with less.

LAND REDISTRIBUTION POLICY APPROACH

Honourable Members, I agree with the observation of the Presidential Advisory Panel on Land Reform and Agriculture, that, “currently within the land redistribution programme the poor and marginalised have not been given sufficient opportunities to have access to land and only the elite and those who have means” It is therefore critical for the state to prioritise the most marginalised and the poor, especially smallholder producers, women, youth (including agricultural graduates). The President, has further emphasised that “a new beneficial selection policy includes compulsory training for potential beneficiaries before land can be allocated to them”. Furthermore, a total of 700 000 ha has been set aside for disposal in accordance with the new selection policy.

Of this state land, more than 77 000 ha constituted by 168 farms in the Eastern Cape are currently under assessment for distribution. Furthermore, the department will work with the Department of Public Works to identify provincial state farms, assess agricultural potential with a view to allocate to aspiring young farmers.

We must package the land parcels into investment portfolios that could attract private capital and make our land productive, feed society and create jobs for our youth. This is the future we want for our province. This is the contribution we want from our agriculture sector.

We will be vigilant and proactive in addressing land related social conflicts as they have a potential to deter economic development.

RURAL AGRO-PROCESSING CENTRE

We will continue to drive our agro-processing strategy through a mixed model of infrastructure led investment strategy. Such agro-processing plants will serve as demand aggregators to promote primary production thus driving the whole ecosystem to scale. The Red-Hubs represent the first implementation of Agro-processing strategy leading to a pull through effect on primary production.

The Agro-processing aggregation plants will buy produce from local farmers thus opening markets leading to increase in adoption of agriculture as commercial activity. We will intensify our technical support for farmers to improve production proficiency leading to higher yield and improved return on investment and effort.

With improvements in access to markets through secure off-take agreements and improved production proficiency through intensified agriculture technical support, we expect the investment case for agriculture projects to be bankable as major risks will have been addressed.

We will review the operating model of the Red-hubs to focus on commercialisation and driving scale economies.

For 2020/21 financial year, we have set aside **R11 million** for the rehabilitation of the Red-hubs infrastructure, a project that will be conducted together with the review and repositioning of the Red-Hubs commercial models.

The focus of such review and repositioning will be to ensure that the Red-hubs become self-sustainable with no dependence on the provincial fiscus.

CANNABIS INDUSTRY DEVELOPMENT

Madam speaker, the liberalisation of legislation regarding Cannabis presents a great opportunity for Eastern Cape's agriculture. We must act decisively to seize the opportunity with speed if we are to take advantage of the unfolding opportunities in this industry.

Whilst we have put seed investment to stimulate activities in this subsector of our agriculture, we see it as one of the opportunities in which investment promotion could be effective to bring private capital to co-invest with communities and landowners to gain scale.

To ensure participation of small producers as potential out-growers working with major aggregators, for 2020/21 financial year we have set aside **R4,5 million** for providing seed, fencing and training to permit holders, we will strengthen technical support to improve production yields.

To participate fully in the Cannabis value-chain, we will ensure that Cannabis farming and processing is included in the Eastern Cape agricultural training institutions curriculum and qualifications. The

Lusikisiki College will be at the centre of this development.

On behalf of the sector and the province, we congratulate DR. Gallow a Cannabis practitioner, who has been granted a South African Health Products Regulatory Authority (SAHPRA) licence for medicinal Cannabis, which is the first in the Eastern Cape.

The Department is setting up a high-calibre Technical Advisory Team (TAT) to advise the province on the development of the potentially lucrative Cannabis and Hemp industry. The Cannabis TAT will be hosted at the ECRDA, and will comprise advisors who cover the spectrum of the development we seek for this industry – the scientific, the commercial, inclusive of investment mobilisation, as well as capacity-building and training.

INVESTMENT PROMOTION AND ADVISORY SUPPORT

Honourable Speaker, our Agri-Business Entrepreneurs are faced with challenges which sometimes go beyond the issue of funding. To address these challenges, An Investment Promotion and Advisory Support function will be setup as an independent business support unit to facilitate and to broker commercial viable partnerships to drive transformation of the sector. The Investment Promotion and Advisory Support function will package our agri-business opportunities in our niche commodities for investment both in DFI's and also in the private sector. This will also provide business support to distressed black agri-enterprises and land reform beneficiaries by developing credible business plans and operating models for funding purposes. This unit will be based at the ECRDA.

CATALYTIC ENTERPRISE DEVELOPMENT

Honourable Speaker, according to OECD Report, the global demand for protein has increased by 40 percent since year 2000, and 66 percent of the demand is meat based protein. Eastern Cape land is advantageous

for livestock farming, yet we are not breeding animals that would fetch good market prices due to animal farming practices.

In 2020/21 financial year, we will play a catalytic and strategic role by facilitating the development of full meat industry value chain focusing on attracting private capital into the various parts of the meat industry value chain.

The Investment Promotion and Advisory Support Unit will drive investments in enabling infrastructure such as fertilizer manufacturing, feed production and packaging, feedlot infrastructure and abattoirs to improve value chain improvement.

I would like to appeal to agricultural entrepreneurs, commodity organisations, DFI's and the private sector to work with us towards the achievement of these goals.

IMPROVE FARM ACCESS ROADS AND STOCK WATER SYSTEM REVITALISATION

Honourable Speaker, the issue of poor farm access roads is a thorny issue which increases the cost of production and make our farms inaccessible for markets.

The Department is initiating an agricultural yellow fleet to address the state of farm access roads and dam scooping in a cost-effective manner through the use of existing government yellow fleet contract.

In this regard, the Department is engaging the Department of Roads and Transport and municipalities in order to form partnerships to address this challenge.

In 2020/21 financial year, the Department has set aside **R60 Million** to drill and equip 62 boreholes, revitalise 186 dams and maintain farm access roads.

MECHANISATION CENTRES

Honourable Speaker, in the last financial year we had pronounced that through the ECRDA, mechanization Centres will be established in each district to reduce cost of production.

To date, a funding of **R18 million** has been received by the ECRDA in December 2019 to establish a new mechanization centre in Elundini LM and to refurbish the small mechanisation centres in the RED Hubs of Mqanduli, Mbizana, Ncorha and Emalahleni.

In 2020/21 financial year, the Department has set aside **R8.1 million** to complete both the new centre in Elundini and the mechanisation centres in the RED Hubs.

The ECRDA, will issue an expression of interest inviting private sector operators to partner with farmers and government in order to ensure that these centres are commercially viable and serve the farmers through a subsidised and affordable rate in the coming cropping season.

This initiative will see young people recruited and trained to be artisans, mechanics and operators to support these centres.

THE GENERATION OF NEW FARMERS THROUGH TARGETED SUPPORT TO YOUTH

Honourable Speaker, during this term, the Department will facilitate partnerships between young farmers and commercial agro-business enterprises where the commercial business will be required to mentor/train and provide off take agreements to enable the mentees to penetrate

new markets. In 2020/21 financial year, this programme is targeting 150 young farmers in all six districts of the province.

Furthermore, the Department will dedicate specific programme to build a capacity of 50 unemployed agricultural graduates to be trained as agricultural training assessors, facilitators, auctioneers, livestock agents, insurance brokers, etc. This initiative is meant to broaden the opportunities of young agricultural graduates beyond the traditional activities that are associated with the sector.

Honourable Speaker, the new generation of farmers will only be achieved if we are able to provide practical experiential training to young agricultural graduates to spend time in commercial farms. To this end, a total of 114 unemployed graduates were placed on commercial farms and cooperatives across the six districts. This programme will continue to the 2020/21 financial year with a budget of **R10.4 million**.

To strengthen our case on the new generation of farmers, for the 2020/21 financial year, a total of **R10 million** has further been set aside to acquire breeding cattle that will be distributed to the young farmers' livestock.

AGRICULTURAL ECONOMIC TRANSFORMATION STRATEGY

Honourable Speaker, the Eastern Cape 2020/21 Budget Speech, presented by my colleague in this house Honourable MEC of Finance, states that “the articulation and the implementation of the Agriculture Economic Transformation Strategy is boosting economic activity in the agricultural sector. This strategy seeks to promote commercialisation of agriculture in rural communities by focusing on crop and livestock production”. The implementation of the strategy is accelerated to focus on leveraging investment from the private sector and DFI's to drive value chains through market driven production using the RED Hubs and the existing marketing infrastructure.

To increase private sector investment into rural agriculture, we will engage the services of experts to develop the Eastern Cape Agriculture Investment Strategy, build investment cases for agricultural projects and raise the requisite capital for such projects.

COMMODITY PARTNERSHIPS

Honourable Speaker, cooperation between farmers, government, commodity organisations and private sector resulted in credible partnerships that has attracted investments leading to increased area under production, yields and improved access to markets. In view of the declining revenue streams, I am convinced that credible partnerships that are mutually beneficial can contribute to sustainable value chains.

IMPLEMENTATION OF COMMODITY VALUE CHAINS

Redmeat Value Chain

Honourable Speaker, our province has a high number of livestock, particularly cattle, sheep and goats exceeding any other province in South Africa. The burgeoning number of livestock in the province has not always manifested economic benefits to the province's farmers, particularly black and emerging farmers.

A significant number of the animals our farmers possess are not in a marketable condition and cultural norms and traditions still restrict the trading and commercialisation of these animals.

Despite these challenges we are witnessing the turning of the tide in the area of commercialisation of livestock.

In 2019/20 financial year, we have seen over 133 000 livestock mainly sheep sold to export markets.

Through abattoirs as demand aggregator we have seen over 600 tons of frozen meat exported to international markets. Over 3000 jobs have been created through our initiatives in this sector.

Whereas these numbers may not be earth shattering they give us a clear indication that this subsector is responding to our strategy, all we need to do is to scale the interventions.

In 2020/21 financial year, the Department will support 15 custom feeding centres by providing feed to the value of **R7 million**. This intervention will sustain 89 job opportunities and benefit more than 700 producers.

Madam speaker, we see this as one of the areas of opportunity for private sector investment, our role as government has been to uncover the opportunity and demonstrate its potential to stimulate private sector interest and investment.

To access export market, our livestock must meet international standards and protocols such as the “Freedom of trade sensitive diseases”. As a department we will invest over **R60 million** in the veterinary services to support our strategy for red meat export markets.

We will work with Agricultural Research Council to implement livestock recording programme to enhance livestock traceability. Latest technology will be employed to prevent livestock theft, particularly the cross boarder stock theft.

Furthermore, the Department will invest **R83 million** for construction and maintenance of livestock handling facilities.

Through the RAFI beef programme, we are engaged in industry partnership with Al-Mabroor Wagyu that has seen an investment of

R70 million commitment to Provincial Feedlot Co-operatives, Beef Co-operatives and Emerging Farmers. The total number of cattle to be bought is 5000 with 300 that has already been delivered to the Enoch Mgijima municipal jurisdiction.

Aquaculture Development

Honourable Speaker, recently 53 small-scale fishers' cooperatives in the coastal communities were issued with fishing permits that are valid for 15 years. This will ensure participation of rural communities into the oceans economy through legal trading.

The Department has supported four villages with fishing equipment with the value of **R800 000**. The Department will prioritise the recruitment of specialist advisers to support coastal communities with the necessary skills and technical advice. In 2020/21 financial year, the department will support small scale fishers with fishing equipment with a budget of **R 1 million**.

The ECRDA will continue to support the growth of aquaculture as a strategic commodity for good nutrition (protein) in rural communities and business opportunities. The Mbashe Cluster of Estuaries will be one of the sites identified, a feasibility study on Marine Tilapia Industry, business plan for Marine Tilapia Industry, and architectural designs, environmental impact assessment (EIA) plans for Mbashe Marine Tilapia incubator will be initiated as part of the phase-in process to increase access to this commodity.

For this initiatives a budget of **R5.7 million** has been provided for this financial year.

Grain Production

Honourable Speaker, whilst 2019 cropping season was characterised by severe drought conditions that delayed the start of planting, the department was able to support farmers to plant more than 18 000 ha of grain in all Districts. In instances where farmers could not plant maize, farmers were supported to plant 650 ha of winter fodder in Chris Hani and Joe Gqabi regions.

Honourable Speaker, the department will continue to prioritise and be biased towards partnerships to accelerate primary production with a budget of **R87 million** to support smallholder and communal producers to plant 20 000 ha.

Honourable Speaker, I am encouraged by the resilience shown by our farmers who increased their own contribution in order to sustain the high yields that were attained during their partnership with GrainSA. It is unfortunate that Grain SA has decided to discontinue this programme in the Eastern Cape because of the loss of their JobsFund allocation.

The partnership with the Grain Farmer Development Association (GFADA) targets commercialisation. GFADA provides liming, crop insurance and access to credit as well as technical and marketing support. The 14 farmers participating in the 2017 and 2018 years cropped 6 700 ha. The funding of R 3 200 per ha from the Department, R 2 500 per ha from GFADA and the R 4 000 per ha from the farmer inclusive of loan funds realised yield between 5 and 8 tons per ha. The programme marketed maize to local and export markets. The continued participation of the farmers in the partnership into the 2019/20 season bears testimony to the success of the commercialisation programme.

Madam Speaker, we have seen successful clustering of communal land (amasimi) through the Centane/Mbashe Agricultural Initiative (driven

by WIPHold) where there was increase in production from 616 ha to 2500 ha. This initiative secured investment in the form of WIPHold for production inputs and Afgri and Farmwise for the construction of a 15 000-ton maize bunker. This programme has created 1486 jobs and generated revenue in excess of R63 million over a period of five years.

Dear Speaker, we have acknowledged the similar work done by other farmers at a larger scale within the grain sub-sector. We will therefore give our focus to such farmers too, as they play a significant role in grain production within the province.

Furthermore, the department will strengthen cropping programme by erecting 400 km of fencing at a cost of **R22 million**. The targeted areas for this fencing are OR Tambo, Alfred Nzo and Amathole districts.

Vegetable Value Chain

Somlomo Obekekileyo, in the 2019/20 financial year, 75 vegetable producers in Amathole and OR Tambo were supported with technical advice, production inputs and market access. The Department supported vegetable producers to improve production capacity, yields, access to new markets and created 1488 jobs. In 2020/21 financial year a total of **R19.4 million** has been set aside to support vegetable producers with irrigation, packing and ablution facilities in OR Tambo, Joe Gqabi, Amathole, Sarah Bartman and Chris Hani.

The Department will form partnerships with the private sector and intermediary vegetable producers to access domestic and export markets to create opportunities for youth enterprises.

Honourable Speaker, in the 2019/20 financial year, the economic stimulus fund supported RAFL programme with **R15 million** to establish the Fresh Produce Pack-House in Chris Hani to create a vegetable

Hub. The Pack House is implemented in partnership with the Chris Hani Development Agency and is expected to be completed in 2020/21 financial year. A total of 40-fresh produce primary production co-operatives and individual farmers will benefit from this initiative.

Citrus Value Chain

Honourable Speaker, Eastern Cape produces 25% of the SA citrus of which 90% is exported with production taking place in Sarah Baartman and Amathole. In 2019 harvest season, the 100% black owned packshed in Ngqushwa exported 150 000 tons of citrus from 19 producers which created 130 jobs. The department will continue with the work we started in 2019/2020 financial year to support 45 ha of orchard revitalisation with **R6 million** resulting to 77 new job opportunities. The project will continue with the same budget for this financial year.

Furthermore, the department will support 117 ha of new citrus orchard in the Sundays River Valley with a budget of **R4 million**. This project will result in the creation of 152 new job opportunities.

Pineapple Value Chain

Honourable Speaker, in 2019/20 financial year, the department supported four farms, namely, PINECO, Bingqala, Cornfields and Tharfield to increase production from 96 ha to 176 ha creating 152 jobs. In 2020/21 financial year, the Department will support farmers and workers to increase production from 176 ha to 416 ha at a cost of **R7 million**. The pineapple enterprise has a potential to improve employment opportunities and for this project jobs will increase from 152 to 433.

Deciduous Value Chain

The Province produces 20% of apples and 16% of pears that are marketed in South Africa. Madam Speaker, Gubenxa Valley in the Chris Hani District has been identified as a potential new growth area for deciduous fruit.

In 2019/20 financial year, the Department initiated the planning of the deciduous fruit orchards wherein, dam designs, EIA and detailed soil surveys were started and planned to be completed in 2020/21 financial year, at cost of **R5.3 million**. The project will continue with the same budget for this financial year.

Macadamia Nuts

Honourable Speaker, Macadamia is a high value product with a potential to generate significant employment and foreign earnings. To date, there are 450 ha under production by black producers through community-private partnership in Amathole (Ncera and Amajingqi). In this area in 2019 season a total of 191 tons of nuts were produced and 283 jobs created. We will support Ncera Macadamia to leverage resources for expansion from 180 ha to 300 ha which as its full potential.

In 2020/21 financial years, the Department will facilitate investment for the initiation of macadamia production in Amathole (Tandela), OR Tambo, (Port St Johns and Lusikisiki) and Alfred Nzo (Mbizana). It is critical for the province to develop 900 ha for macadamia production in order to justify a cracking facility to process and add value to develop macadamia products.

Honourable Speaker, allow me kindly appeal to DFI's and the private sector to support the expansion of this industry. The Department will conduct social facilitation to address land issue, conclude feasibility studies and business plans for funding of the expansion.

Wool and Mohair Value Chains

The province is leading in the country with wool (34%) and mohair (85%) production and to maintain our position, in 2019/20 the Department built 10 shearing sheds benefiting 500 producers and created 116 jobs. Furthermore, 30 FibreLux machines were distributed to 255 shearing

sheds to improve wool classing to improve marketing. The Department in its attempt to expand Mohair production to the Eastern part of the province has since signed an MoU with the Mohair SA to re-establish an Angora goat stud at the Mpofu Training Centre. This will serve both as a training facility and provide a nucleus breeding herd that will support the local farmers, targeting the Eastern part of the province.

In 2020/21 financial year, wool producers will be supported with **R33.7 million** for construction of 37 fully equipped multi-purpose sheds, 2 small stock mobile handling facilities, 3 small stock dipping facility, fencing of 36.9 km camps, 8 stock water systems in Chris Hani, Joe Gqabi and O.R. Tambo districts. The Department will support small scale wool processors in Amathole, Joe Gqabi and Chris Hani for niche markets.

To improve genetic improvement, **R3 million** is allocated to support farmers with 250 rams as breeding stock. To secure the international market demands that might be affected by animal disease outbreaks such as FMD, Rift Valley Fever and Bluetongue – the Department will up the game in providing veterinary services to all our farmers.

The 2020-21 financial year will see us consolidate a comprehensive plan for a transformation of the wool industry that will see communal woolgrowers across key wool-producing districts gradually gain a substantive foothold in the value-chain of the wool industry.

Fodder Production

Honourable Speaker, during the times of drought, our province is forced to buy feed outside of the province and that necessitate us to build our fodder banks to support and maintain livestock production. In 2019/20 financial year, DRDAR supported farmers to produce fodder in 1 473 ha in Chris Hani and Sarah Baartman districts. In 2020/21 financial year, the Department will support farmers to increase fodder production

from 1473 ha to 2600 ha in Amathole, Chris Hani and Sarah Baartman District Municipalities with an allocated amount of **R10 million**.

Poultry and Piggery

In 2020/21 financial year, the Department has set aside **R7.2 million**, to support with infrastructure and production inputs in all districts. This project will be targeting youth, women and people with disabilities who are already in the poultry and piggery business and are willing to produce for the market.

Establishment of Fort Hare Vet School

The department continues to ensure that the province attracts the establishment of second Veterinary School in the country at the University of Fort Hare. The department has set aside **R 5.4 million** for 2020/2021 financial year to drive the Veterinary School initiative. The department has since harnessed support from the following renowned international universities namely Texas Agriculture & Mechanical University (TAMU) and Illinois Urban Champagne in the United States of America and TIHO in Germany.

FINANCIAL SUPPORT TO FARMERS

The work of the Investment Promotion and Advisory Team should lead to increase in access to finance for farmers. Our Development Finance Institutions and other continent and international finance institutions such as International Fund for Agricultural Development (IFAD), the African Development Bank (AfDB) and many others will be engaged to provide funding and investment into Eastern Cape Agriculture sector.

We have tapped into the R600 million fund set aside by the Department of Agriculture Land Reform and Rural Development and the National Treasury-Jobs Fund Programme as blended finance.

The Department, has supported farmers to apply for this funding and I am pleased to announce that eleven (11) citrus farms from Amathole and six livestock enterprises in Chris Hani and Joe Gqabi were shortlisted.

To address the plight of the very small enterprises seeking funding for their project, the ECRDA loan financing programme will be revamped with a focus of increasing sustainable lending whilst protecting their loan book against impairments.

In 2020/21 financial year, the Department in partnership with ECRDA will engage commercial banks and financiers to create a fund that will support agri-entrepreneurs at an affordable interest rate. This initiative is part of the changes that will be implemented in the ECRDA loan funding mechanisms.

ADAPTATION AND MITIGATION TO CLIMATE CHANGE

The Province experienced severe drought conditions during the last quarter, hence the declaration by the Honourable Premier in October 2019. The recent rains have reduced the extent of drought, however, 20-30% of the province is still gripped in moderate to extremely dry conditions in areas of Beyers Naude, Makana, Inxuba Yethemba, Raymond Mhlaba, Amahlathi, Intsika Yethu and inland parts of Great Kei municipalities.

Honourable Speaker, in response to drought, the province allocated **R74 million** for drought relief programme. This programme has been implemented in partnership with farmers which were organised in a form of drought committees from local, districts and provincial levels. Through these partnerships, the programme has distributed livestock feed to 22 595 beneficiaries in the worst affected areas. The programme is continuing and is expected to be completed at the end of the financial year.

Agriculture Disaster Management

The Department will operationalize the Agriculture Early Warning and Disaster Management Centre in collaboration with the ARC, CSIR, SA Weather Services, Academic Institutions, SA Environmental Observation Network, farmer organization and COGTA. The centre will operate 86 weather stations, monitor climatic disasters as well as animal and plant disease outbreaks. The centre will also issue early warning and advisories in all four official languages of the Province on a quarterly basis, targeting farmers.

Irrigation agriculture

Honourable Speaker, the Eastern Cape has untapped water resources that are underutilised, especially in the eastern part of the province. Yet, persistent below average rain fall in the province over the past five years have been frustrating many cropping activities, prompting DRDAR to increase capacity to produce under irrigation. The Department will continue with the work that has been started to develop new irrigation schemes in Ingquza Hill, Port St Johns and Mbizana. In 2020/21 financial year, the Department will invest **R7.4 million**, to install irrigation equipment in Lambasi, Mantusini and Port St Johns. Over and above this, the Department will continue with its social facilitation work to resolve conflicts and disputes at Ncorha, Qamata and Tyhefu, in order to bring them back to production.

Farmer Capacitation for Market Access

Honourable Speaker, to assist the provincial producers to access private markets and the multi-billion government food procurement programme, a total of 450 producers from Alfred Nzo, Chris Hani and OR Tambo districts participated in the workshops on SA GAP conducted by the PPECB (Perishable Products Export Control Board). The programme will be rolled out in the next financial year to the remaining 3 districts followed with pre-audits of the producer facilities conducted by PPECB.

In 2020/21 financial year, as part of the land reform beneficiary policy, the Department will provide targeted training for the 168 farms that will be distributed in the Province. A total of 2000 farmers and 210 farm workers will be capacitated in primary agricultural production and agribusiness skills. In support of all these youth and farmer capacitation programmes the Department has set aside a budget of **R15.5 million**.

Revitalization of Agricultural Colleges

Somlomo obekekileyo, siyaqhuba nokuqeqesha amafama ngongokugxininisa kulutsha. In 2019/20 financial year, a total of 473 students were enrolled at Fort Cox and TARDI combined and 126 students will graduate this year from the two Colleges.

In 2019/20, the Department initiated a multi-year revitalisation of the sewage and waste water treatment upgrade project at Fort Cox which is expected to be completed in 2020/21 financial year at a cost of **R13.1 million**. Furthermore, a total of **R5 million** is set aside to develop a piggery structure at TARDI.

The department working with the department of Higher Education and Training and other relevant stakeholders aim at lobbying for the establishment of WSU agriculture faculty based in TARDI.

HOUSEHOLDS SUPPORT FOR FOOD AND NUTRITION SECURITY

Honourable Speaker, the province successfully hosted the International World Food Day at Ingquza Hill, in Lusikisiki in October 2019. This followed another successful launch of the new District Development Model in OR Tambo. These two events highlighted the need to integrate our programmes to improve food security in rural areas. In 2019/20 financial year, a total of 21 000 vulnerable households were supported with vegetable seedlings, chicken, piggery and production inputs in

order to produce their own food. I am also pleased to announce that our partnership with the Department of Education and Vodacom is bearing fruits where a total of 131 school gardens have been provided with production inputs and technical support to produce. This initiative seeks to inculcate agricultural production as part of mainstream school programme. This programme shall continue in the 2020/21 financial year.

In 2020/21 financial year, a total of 20 000 indigent households, schools and local clinics will receive food production support to produce food at the cost of **R19 million**.

Within this programme, **R4 million** is set aside for organic farming.

TECHNICAL FARMER SUPPORT

Research and Development

Somlomo obekekileyo, the President's pronouncement that the ARC and other research institutes will pursue drought mitigation strategies that focus on developing drought resistant seeds, planting and storing fodder, removing of invasive plants and management strategies to prevent soil degradation, the department has set aside **R24.6 million** to support these research initiatives in the province. The department will conduct climate smart and conservation agriculture research initiatives, field and rain water harvesting, soil mapping, establishment of fodder banks, reclassification of pasture species and carrying capacities, rehabilitation of eroded and degraded lands, conservation and development of indigenous livestock and crop species, and the utilization of appropriate livestock and crop genotypes and ecotypes.

Furthermore, the Province will host two scientific forums; in July 2020 the Department will co-host the **55th Congress of the Grassland Society of Southern Africa and 9th biennial National Land Care Conference to be attended by over 1 500 delegates from the**

Southern African Development Community (SADC) and other African counties and share expertise on pertinent issues that relate to adaptation and mitigation strategies to climate change and natural resource rehabilitation.

Extension and Advisory Services

Honourable Speaker, in line with the trends of the 4th Industrial Revolution, all extension officers will be made to have access to digital pens which are expected to allow easy project planning, monitoring, evaluation and reporting. In 2020/21 financial year, the Department will conduct farmer registration to ensure that all farmers are in our database system for respective targeted support. I urge all farmers to avail themselves to be registered in the provincial database. Furthermore, the Department will acquire 23 new vehicles and corporate wear to improve visibility of officials in all wards in the province. The budget allocated to Extension and Advisory Service is **RI 4.8 million**.

LAND USE MANAGEMENT

Honourable Speaker, our prime agricultural land has been taken by mushrooming of unplanned settlement across the province. This will reduce our agricultural potential and could possibly threaten our food security programme. I appeal to all stakeholders, communities, traditional leadership, municipalities and government departments to work together to prevent land invasion and illegal demarcation of sites for residential purposes. To address this tendency, the department will work with COGTA and DALRRD to support municipalities and traditional leadership in the implementation of SPLUMA.

COMMUNITY BASED LAND REHABILITATION

In 2019/20 financial year, the Land Care programme rehabilitated 4 132 ha of grazing and cropping land creating 317 jobs and resulted in 713 land users practicing sustainable land use. Junior Land Care programme

culminated in 14 schools, participating in the provincial Junior Land Care competition that rewarded potential future land use champions.

Honourable Speaker, the Department has allocated an amount of **R 12.3 million** to implement community based Land Care programmes. The programme will be implemented with 48 conservation committees (composed of local land users and government officials). The Department will initiate an Eco-Ranger programme to monitor and support sustainable resource management. The rehabilitation programme is targeting 4739 ha of degraded, abandoned arable and grazing lands. This programme is expected to create 196 green jobs.

RURAL DEVELOPMENT COORDINATION

Honourable Speaker, the implementation of rural development coordination programme will be driven through new District Delivery Model which seeks to integrate all the work of government to common development objectives.

Our rural development coordination seeks to ensure rural areas have access to basic services, food security and the empowerment of rural communities. It should also recognise the wide range of opportunities present in rural areas and develop strategies tailored to local conditions. In 2019/20 financial year, the department implemented clothing and textile development wherein a total of 100 Clothing and Textile Cooperatives from all the 6 districts were supported with 200 sewing machines. Furthermore, the department supported local schools with improved sanitation services in Mbhashe, KSD, Mbizana, Nkonkobe, Intsika Yethu that benefited 1 319 learners and 79 temporal jobs created.

Furthermore, the Department increased access to water in rural areas by developing spring water protection projects in Elundini, Engcobo, Umzimvubu, Ntabankulu, Mnquma benefiting 850 households. The

Department also provided for water harvesting at Ngcobo and Mnquma benefiting 400 households.

A budget of **R4.34 million**, has been set aside to implement spring water protection and water harvesting programme to support households who do not have access to water in the deep rural areas of OR Tambo, Chris Hani, Alfred Nzo and Amathole Districts.

In 2020/21 financial year, the Department has allocated **R4.6 million**, to pilot rural training and market development. This initiative will primarily target out of school youth.

MAGWA AND MAJOLA TEA ESTATES

The Magwa-Majola Agri & Eco-Tourism Corridor is poised to be a development model manifesting the designs of the Integrated District Development Model, and the planning process has already involved a number of stakeholders, institutions and departments at the local, provincial and national level. This development will be used as a catalyst for agro-tourism along the N2 Wild Coast corridor. In 2020/21 financial year an amount of **R47 million** is set aside for the ongoing revitalisation of the tea estate. The Department will implement the Premier's call that all provincial government departments, municipalities and State Owned Enterprises, buy Magwa-Majola Tea.

Honourable Speaker, fellow-members of the Executive and Legislature, our distinguished guests, ladies and gentlemen, I want to invite you at the end of this Policy Speech to view a 3-D model of the futuristic Magwa that we have developed with assistance from the Department of Public Works and Nelson Mandela University.

FORESTRY DEVELOPMENT

In 2020/21 financial year, I am pleased to announce that the Department

has committed **R2.5 million** to support the community forestry enterprises with the realisation that forestry is one of the key sectors which create enormous job opportunities. This fund will assist these enterprises to expand their planted areas by further 70 ha, whilst maintain areas in excess of 1200 ha. This will relieve the financial constraints in the three community owned forestry enterprises expecting to receive the first revenue from the sale of timber in 2023. In this period additional 40 full-time equivalent jobs (i.e. 50% Women and Youth) will be created.

ETHICAL AND CAPABLE STATE

Honourable Speaker, the Department will strive to achieve clean administration and good governance and promote ethical leadership in all its structures of management. In 2020/21 financial year, the Department will continue to strive for a corrupt free organization through anti-corruption and security systems, effective risk management and sound internal control systems to give reasonable assurance in achieving the department's objectives. The Department will ensure that no official is allowed to do business with state, where this is found to be the case consequence management will be implemented.

The Department will reconfigure its structure, to align it with the new five-year strategy and the priority programmes as outlined in this policy speech.

Honourable Speaker, it is worth mentioning that the department has reached 53% target of female SMS members. In 2020/21 financial year, the Department will initiate annual staff awards to celebrate excellence and encourage good performance.

The department commits in the professionalization of the Public Service through implementation of Culture Change initiatives, Batho Pele principles including the capacitation and reorientation of its human

resources cadre. This is to ensure service delivery efficiency and the continuous improvement of service standards.

Honourable Speaker, allow me to table the 5-year Strategic Plan for 2020 – 2025, Policy and Budget for Vote 08 and the Annual Performance Plan for 2020/21 financial year, for DRDAR and ECRDA.

Let the work to build our farmers to be creators of wealth and our rural areas to be reservoirs of productivity continue!

I thank you

Annexure A: Budget 2020/21 MTEF

Programmes	2020/21	21/22	22/23
	Revised Baseline	Revised Baseline	Revised Baseline
SUMMARY			
Administration	481 509	502 570	522 778
Sustainable Resource Management	138 660	144 881	150 417
Farmer Support And Development	824 971	876 126	900 504
Veterinary Services	345 753	365 946	381 885
Research And Technology Development	147 210	152 239	159 394
Agricultural Economics Services	34 763	36 751	38 478
Structured Agricultural Education and Training	184 337	191 267	200 257
Rural Development Coordination	256 284	249 843	243 787
TOTAL	2 413 487	2 519 623	2 597 500
SUMMARY			
Current payments	1 807 626	1 905 876	1 982 574
Compensation of employees	1 348 835	1 421 224	1 481 057
Goods and services	458 791	484 652	501 517
Transfers and subsidies	327 846	322 208	316 568
Payments for capital assets	278 015	291 539	298 358
TOTAL	2 413 487	2 519 623	2 597 500

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integrated rural development and food
security for all”*

