



Province of the  
**EASTERN CAPE**  
RURAL DEVELOPMENT AND  
AGRARIAN REFORM

## *Policy Speech* 2016/17







Province of the  
**EASTERN CAPE**  
RURAL DEVELOPMENT AND  
AGRARIAN REFORM

---

## *Policy Speech* 2016/17

---

**AGRICULTURE AND RURAL DEVELOPMENT:  
GAME CHANGERS TOWARDS ECONOMIC  
GROWTH AND ACCELERATED DEVELOPMENT.**



***Honourable Speaker***

***Honourable Deputy Speaker***

***Honourable Premier***

***Honourable Members of the Executive Council***

***Honourable members of the Provincial Legislature***

***Honourable members of the Portfolio Committee on Rural Development & Agrarian Reform***

***Honourable members of the House of Traditional Leaders***

***Leadership of farmer's organisations & rural communities of our beloved Province***

***Women and Youth in agriculture and rural development***

***Religious leaders***

***Distinguished Guests***

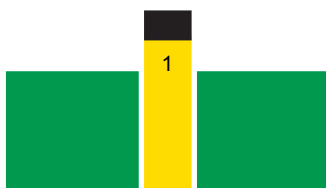
***“Manene nani Manenekazi”, I greet you all.***

**Somlomo obekekileyo**, namalungu alendlu ahloniphekileyo, xa siqala lonyaka mali sileli sebe, sithatha elithuba sichaze inqubo yethu yokuphuhlisa uluntu lwethu, ukuze siguqule isimo sabantu bethu.

We do this to pursue the growth and development goals set in the Provincial Development Plan.

Imparting this year's state of the province address, the Premier of our province, Honourable Phumulo Masualle, captured the direction we will pursue this financial year to meet these goals, when he said; “As a province that is largely rural; we remain seized with the critically important priority of stimulating rural development, land reform and food security.”

Flowing from this pro-poor policy directive, our programmes are designed to empower communities to be self- sustainable, to address infrastructure backlogs, and improve support to livestock, crop and forestry producers, poverty stricken households, students in our colleges, giving bursaries to needy students.



Also, of importance to our Department is to ensure that rural communities gain equal access to basic services; that we drive rural development through investments and facilitation of access to basic services and opportunities.

Honourable Speaker, our notion of agriculture as a game changer is to promote and support commercialisation of agriculture through customised support to viable enterprises, communal and smallholder farmers to exploit the agricultural value chain. We will implement a programme to commercialise agriculture in a targeted, customised and partnership based support with commodity groups targeting 50 wool producers, 50 beef producers, 50 crop producers (citrus, deciduous, chicory, pineapple, field crops), including farmers in both RED Hubs and Agri-Parks.

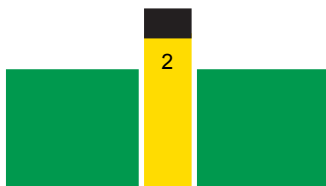
Honourable Members, we are doing this in pursuit of the ANC manifesto commitment to increase investment in agricultural infrastructure in support of small-holder farmer development, prioritizing former homeland communal areas.

This approach will also contribute to the revitalisation of rural industries and create the much needed employment opportunities, especially for youth and women in rural areas.

Honourable Members, we may have faced a severe **drought**, which had a devastating effect on crop and livestock production in the province. The department has developed a drought relief plan to mitigate the effects of drought beyond the current growing season.

This drought reduced our planned maize production hectorage from 42 500ha to 18 682ha, causing serve livestock losses of 4 000 cattle, 7 000 sheep and 3 000 goats.

In mitigating further losses, we supplied about 4 929 tons of fodder (hay and lucerne); 252 blocks of mineral licks; 1 608 water tanks, and 10, 7 million litres of water to farmers and livestock owners.



Maize prices responded negatively to drought with a painful 75% price increase for yellow maize and 100% sharp increase for white maize, hitting poor consumers very hard.

The economic multipliers estimate that a 1% drop in agriculture output will cause a 1, 5% drop effect in the broader economic output, leading to sector job losses.

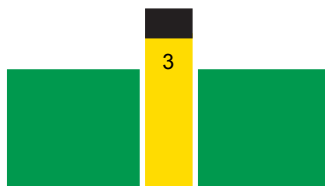
Latest climate reports indicate that the El Nino weather condition will gradually disappear in our country in the next rainfall season.

This doesn't change our plans to create fodder banks to benefit provincial farmers, ensure that boreholes and other water infrastructure is working to help farmers and rural communities.

In order to provide relief, a total budget of **R95 million** has been allocated for 2016/17. The funding will support farmers with 6000 tons of feed, fodder production on 2050ha of land, carting of 3 3 million litres of water, creation of 40km of fire belts next to farms, refurbishing of 58 boreholes and windmills and provision of 460 rain water tanks.

Moreover, for future mitigation of feed shortages fodder will be produced in both irrigation schemes and dry-land areas where rainfall is sufficient. The Department shall enhance water storage capacity, especially for livestock in rural areas, through the scooping of earth dams in areas prone to water shortages.

The Department is testing the performance of the drought resistant maize cultivar recently developed by the Agriculture Research Council in all six districts with the view to populate its use by farmers. Furthermore the Department shall issue regular short term and medium weather advisories (early warnings) to all stakeholders on scientific climatic forecasts.



Honourable Members, in the **R1, 983 billion** total budget allocation for the last financial year of which, **R899, 4 million** was for service delivery programmes, our Department spent 98.7 % of its total budget by 31 March 2016.

Honourable Speaker, 2016 is the year of providing quality services in the midst of fiscal constraints. All departmental programmes are geared to implement programmes that ensure sustainable growth and improved quality of life.

In line with the Provincial Development Plan, the Department will review the Ilima Labantu strategy to refocus and align it with government policy priorities.

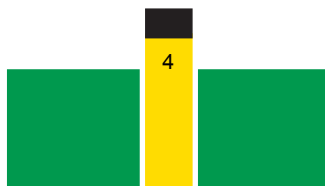
Somlomo, due to challenges emanating from the current economic climate, the Department is faced with a very tight and shrinking fiscal envelop.

For the 2016/17 financial year the Department has been allocated **R2, 2 billion** to implement rural development and agrarian reform mandate.

As such, the Department's allocation was reduced by **R26, 2 million** over the current MTEF period. This is made up of **R14, 5 million** in 2016/17, **R4, 2 million** in 2017/18 and **R7, 5 million** in 2018/19.

With vigorous energy to achieve results, we will continue **stimulating rural development and rural economy** through the Rural Enterprise development Hubs driven by our entity, the ECRDA, facilitating rural mining, rural roads, alternative energy, and provision of finance, training and skills development.

The results of the work done in the previous financial year are captured well by the successful Rural Enterprise Development Hubs that we funded jointly with the ECDC and the Jobs fund.



Jobs fund is the programme started by President Jacob Zuma in 2011 aimed at creating decent jobs in our country and I am happy to announce that our province is benefiting from this programme.

As I stand in front of you, all four RED Hubs we planned to start as this government are now taking shape and all started primary production covering a total of 3 751 hectares of land with maize and grain sorghum crops. This gave them a total of **3 159. 44 tons**, with an estimated total income of about **R 8 .2 million**.

It gives me a great pleasure, Honourable Members to report that; **1 647** tons of maize produced by the Ncora RED Hub, was sold to Ncora Dairy and the remaining quantity will be used to test the new mill.

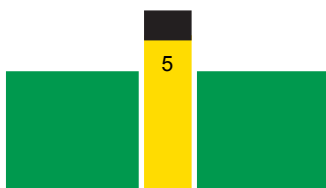
A total of **399 tons** of maize produced by rural cooperatives in Mqanduli, was sold to the Mqanduli RED Hub.

This, together with 60 tons of maize produced by Mbizana cooperatives, sold to Mqanduli RED hub, contributed to the first sale of Mqanduli produced Super Maize meal and samp that is selling like hot cakes at Nick's Super spar in King Williams Town after we launched the sale of the product on Human Rights day.

Mqanduli RED hub will soon run out of white maize for processing. I want to call on any farmer with white maize to sell it to Mqanduli RED hub. We need to meet the increasing market demand for the super maize meal and samp at Nick's Super Spar.

On the other hand, eMalahleni RED hub sold 246 tons of maize produced by eMalahleni cooperatives to Border Seed in Queenstown and PSP (Pty Limited) in Kokstad.

All the four RED hubs created a total of 397 permanent and 679 short term jobs with a potential to create more jobs when the other two mills in Mbizana and Ncora come on line during the 2016/17 financial year.





For the **new financial year**, Honourable Speaker and members, we allocated an additional **R25 million** to enhance operations in all RED Hubs, which will include increasing hectorage with additional 2000ha per RED Hub.

This is expected to give members of the participating cooperatives improved profits and income from their commercial transactions, positively contributing towards their own growth.

The new ECRDA board, which is represented here by its Chairperson, Dr Vanguard Mkhosana, CEO Mr Thozzi Gwanya and some of the members, has been tasked to mobilise other resources to enhance its loan finance capacity and other programmes.

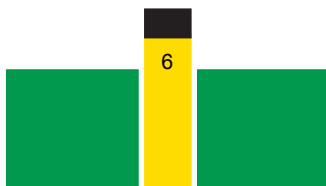
An amount of **R5, 4 million** will be allocated to rural finance in support of loans to be made to the farmers. The MAFISA Loan facility has been renegotiated with DAFF and as of 1 April 2016, the ECRDA started processing loans to support agricultural development.

We are in talks with other development finance institutions to use our entity in their loan finance programmes.

Honourable Speaker, another **strategic partnership** between **ECRDA**, **ECDC** and the **Jobs Fund** created about 386 permanent jobs and 137 temporal jobs through forestry development projects at Sixhotyeni in Elundini LM, Mkambathi in Ngquza LM, Sinawo Project in Mbizana LM, Izinini in Mbizana LM, and Gqukunga Project in Mhlontlo LM, with a combined total of 1 188 ha of new forest plantation.

At the moment their harvested timber is sold to SAPPI and we are in talks with other companies, including EC based PG Bison to buy timber from these community forest enterprises.

Through the ECRDA, **in the new financial year**, DRDAR will increase hectorage under production by **1000ha** adding into the current 12 065ha of forest plantation with the allocation of **R37, 5 million** for 200ha in Sixhotyeni, 300ha in Gqukunqa, 400ha in Sinawo and 100ha in Mkambathi.



Plans are in place to identify additional land for forestry production, development of a suitable community ownership model for beneficiation.

Several unproductive plantation areas have also been rehabilitated and turned into well-managed plantations. In the process, 631 jobs have been created and R36.9 million paid to community workers in the form of wages.

In stimulating rural economic growth and development, **in the new financial year**, we will lobby national, provincial and local government for the R230 million needed to construct and maintain rural roads connecting communities to essential services and production centers, like the RED Hubs and the Agri-Parks to the markets.

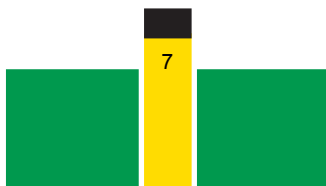
Honourable Members, priority has been given to 218 km's of rural economic access road network connecting Siyavuselela Tomato Farms, Citrus in Peddie, Zanyokwe Irrigation Scheme, Ncorha, Ongeluksnek Farm Road, Zanyokwe and Umnga Flats.

With regards to facilitating **rural mining**, which is part of stimulating rural development and economy, the Department developed a paper on rural mining, which led to a partnership with Mintek to empower rural communities on mining. About 20 youths were trained in an accredited course in small scale mining in Sibangweni village in Nyandeni.

**In the new financial year**, Honourable Speaker and members, as part of this partnership, awareness campaigns on good mining practices and licensing of mining operations shall be stepped up.

The Department has set aside **R200 000** for social facilitation and workshops in capacitating communities and cooperatives involved in mining.

We encourage communities to work with government in helping them to benefit from mining of natural resources in their villages for their own growth and development.



Honourable Speaker, youth in rural areas need both **soft and vocational skills**, hence we trained about 50 youth in Ilitha, Kliplaat and Elliotdale in brick making, in partnership with the Construction CETA and the National Youth Development Agency.

Young people were given brick making machine, cement, blocks, sand and other brick making material. To this point, all their cooperatives are functional and make paving bricks sold to municipalities.

Municipalities are called on to continue supporting them by procuring bricks and paving services from them. We encourage households and private companies in Xhorha, Berlin, Kliplaat, to buy from these cooperatives.

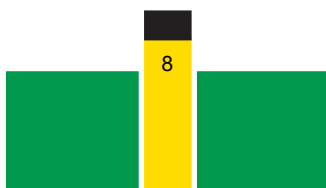
**In the 2016/17 financial year**, an amount **R2 million** is allocated to help 150 rural and township cooperatives owned by youth and women with sewing equipment and capacity building.

Honourable members, provision of both **grid electricity and non-grid alternative energy** to rural communities is essential for economic and rural development.

Mayelana noku, kwingxelo ye nqubo iEnergy sector management assistance programme, iWorld Bank ithi; bafikelela ku 1.1 billion abantu abaphila bengenawo umbani, xeshikweni beyi 2.9 billion, abantu abaphila bengenazo indlela zokupheka zalamaxesha, eziquka amafutha okupheka. Bathi eli nani kuqikelelwa ukuba likumyinge oyi 40% woluntu lwehlabathi lonke.

In response to these challenges, the department facilitated connection of about **12 188 households** who had no access to electricity to the national grid.

Furthermore, in collaboration with the Department of Energy, the Department facilitated provision of non-grid solar energy to **10 340** households (1 910 in Matatiele, 2 061 in Mbashe, 628 in Engcobo, 1 484 in Mbizana, 3 154 in Mzimvubu and 1 103 in Ntabankulu).



Honourable members, the ECRDA funded a bio-digester and organic gardening pilot programme in Rabhula near Keiskammahoek where communities benefit from renewable energy and gardening programme.

We installed two anaerobic digesters that supply bio-gas to the training facility and a nearby household for cooking, heating and lighting as well as fertilizer for vegetable production from residue.

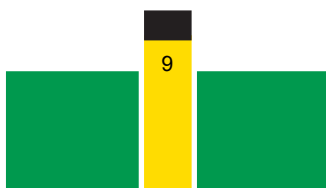
Two participants from this programme Ms Lusanda Tuko and Mrs Phumla Mvakala received internationally recognised perma-culture training.

We must confirm to this House, that the ECRDA continues to be the driver of the bio-ethanol project in Cradock. As a result, it shall be the aggregator of the feedstock into the project. Delays in this work are due to the process to legislate investment incentives for the industry.

**In the financial year beginning now**, we will invest a total of **R3 million** for the construction of 100 biogas digesters at Melani village in partnership with the University of Fort Hare and the Department of Energy.

Our investment will expand the project to include the provision and installation of solar home lighting systems to Dangers Hoek and Nomlengane villages in Senqu and Krwakrwa village in Nkonkobe municipality and increase number of beneficiaries from 100 to **230** households, creating about **85** jobs.

Honourable Members, as we all know that in some villages, **access to clean water and decent sanitation** is still a challenge, in response our Department constructed two blocks of ventilated ditch sanitation system toilets in two rural schools in Peddie and Mqanduli benefiting 589 learners and teachers. In collaboration with the Department of Water and Sanitation a total of **11 159** rural households were provided with clean water and decent sanitation.



In support of **early childhood development** in rural communities, **two** early childhood centres were developed in partnership with Nyandeni Local Municipality in Luthubeni Village in Libode and Bukwini Village in Ntlaza where there were no such facilities before.

Honourable Speaker, the provision of **ICT** to **rural** communities remains one of our priorities, hence the department teamed up with Telkom **School-Net SA** in delivering **12 ICT** systems (computers, data projectors and broad band connectivity) to **12 Multi-grade Farm Schools** in Whittlesea's Ward 11. This initiative benefited Bongolethu JP; Hukuwa JSP; Lower Didima JSP; Masakane JSP; Whittlesea PS; New Hope Combined School; Nozipho JPS; Poplar Grove JSP; Shiloh JSP; Nozizwe JPS; Tembisa JPS; and Yonda Combined PS.

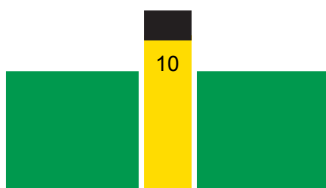
The Department supports **rural tourism** and in partnership with the ECDC, we plan to change the economic outlook of the Karoo region by improving livelihoods of the local communities through the Giant Flag project. In the new financial year, we increased our investment for this programme from **R2 million** to **R2.5 million**.

Honourable Speaker, to promote sport, recreation, entertainment and economic activities amongst the rural communities, the Department supported the Berlin Traditional Horse Racing which was held for the second year on the 28 November 2015. We will continue sponsoring the event with the amount of **R500 000**.

In order to have a successful **agrarian reform and transformation**, it is important for us to ensure that as the land is restored to its rightful owners, it is used productively by farmers and owners.

Our agrarian reform and transformation programmes must yield results to increase economic benefits for farmers in domestic and export markets and help our people to earn income in order to meet their basic needs.

Time to give land to people who are not committed to livestock and crop production is over.





We need to prioritize giving land to young people committed to agriculture, farming and production to effect the notion of game changer in our economy.

This is the conversation that we must have as government with society for us to reap the rewards of agrarian reform and transformation.

Honourable Speaker, land redistribution programme beneficiaries were supported with production techniques to ensure production continues in the land they got from government.

Owing to conflicts experienced in some land reform farms, beneficiaries were taken through conflict resolution training to avoid disputes.

A total of **3 646** people working / living on farms were allocated land by Rural Development and Land Reform department to ensure security of tenure and access to land.

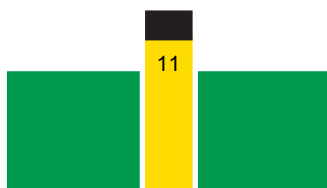
Honourable speaker and members of this house, even though our country has made progress in responding to socio economic challenges such poverty, inequality and unemployment, these remain needing to us.

Our programmes are geared towards elimination of poverty, creation of employment and business opportunities for our people to benefit from the economic opportunities.

Fighting these challenges successfully is possible with a massive agrarian reform and transformation at the center.

We present these programmes to you and the people of the province as a game changer responding to the challenges listed above.

Honourable members, the establishment of **Agri-Parks** is at an advanced stage with all sites having been identified and approved by all district municipalities.



Furthermore, 4 (Amathole, Joe Gqabi, OR Tambo, Sarah Baartman) out of 6 agri-park business plans are completed and are ready for implementation with each agri-park allocated R45 million.

The two outstanding business plans for Chris Hani and Alfred Nzo are expected to be finalised by the end of April. The main agricultural commodities targeted in the six agri-parks are maize, red meat, wool, horticultural crops and other commodities.

Matatiele, Butterworth, Sundays River valley, Queenstown, Sterkspruit, King Sabatha Dalindyebo will be gateway zones for all the parks, where pack houses and distribution centers will be located to receive produce from the fields and send them to the markets.

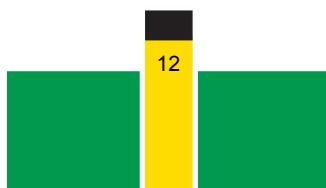
The parks are driven by Department of Rural Development and Land Reform, working with the Department of Agriculture, Forestry and Fisheries, provincial departments and municipalities.

Our plan is to engage the national department and municipalities to agree that these Agri-Parks be managed and facilitated by the ECRDA following the success of the four RED Hubs.

**Poverty eradication** is one of our priorities as government, and we are worried that even though we have invested resources to this programme, poverty continues to needle some of our people, albeit declining figures in some communities.

Together with our social partners, other Departments, we want to improve our food security programmes to ensure food production sovereignty for our people to defeat poverty and hunger.

Our poverty alleviation programme will be reviewed in this financial year with the intention of ensuring that our food security programmes benefit our people, empower them to have access to means of food production to ensure food sovereignty.



We will do this in partnership with Social Development and other relevant government institutions working in this space.

Our province is endowed with many high value crops and commodities, which become our growth and development points for our economy and our people.

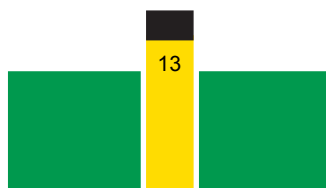
Honourable Speaker, in pursuit of our agriculture commercialisation programme, **citrus and deciduous fruit** are targeted for customised support to increase investment and exports from the Province. The Department funded the expansion of **701 ha** of fruit orchards in the Province, creating a total of 113 permanent jobs and 5 865 seasonal jobs for local communities. A total of **R4 million** has been budgeted for citrus and **R1 million** for deciduous fruit production.

Furthermore, a total budget of **R1 million** shall be invested for sub-tropical fruit along the wild coast of Port St Johns and some parts of Nyandeni.

Honourable Speaker, our commercialisation programme will extend to **chicory**, where we will continue with the production of chicory on **295 ha** with an investment of **R1 million** in land reform farms in the Ndlambe and Ngqushwa Local Municipalities to be sold to Nestle SA, the principal buyer of the product, creating 500 seasonal jobs.

Honourable Speaker, to increase productivity in the **pineapple** industry, the Department will support smallholder farmers with an investment of **R2 million** to expand production (300 ha) and increase their access to the markets.

Honourable Speaker, with regards to **maize production**, we budgeted **R172, 8 million** to plant 43 800 ha, expected to yield 4.5 tons per hectare, with a total yield of 197 100 tons of maize resulting into creating about 886 jobs.



Honourable members, in Alfred Nzo we plan to plant maize on 13 000ha, in Amathole 7 642ha, Chris Hani 8 500ha, Joe Gqabi 3 125ha, OR Tambo 11 000ha, and Sarah Baartman 533ha.

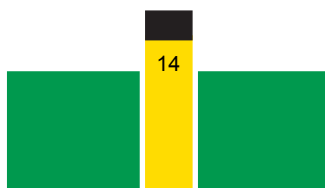
We will invest **R11 million** into a partnership with Whiphold, who will contribute **R33 million** for production inputs and upgrading of equipment to produce maize on 2 370 hectares in Centane where we expect a 14 000 tons yields at 7 tons / ha.

We will also contribute **R2, 3 million** to partner with Old Mutual's Masisizane fund, who will contribute **R38 million** for inputs and equipment for maize production in Matatiele as soft loans to farmers to plant maize in their 2 500ha of land. Maize produced will be sold to the nearby Mbizana RED Hub.

Honourable Speaker, our livestock improvement programme is aimed at improving the genetic conditions of livestock of **smallholder and communal farmers** to get good market prices for the weaners and wool.

As part of this, we distributed 1 344 bulls, rams, pregnant heifers and ewes with superior genetic material to farmers across the Province to improve their livestock productivity. In this financial year the Department will conduct the evaluation of the livestock improvement programme to determine success and areas of improvement. In the new financial year, **R30 million** has been set aside to support livestock producers to produce beef and breed high quality animals.

The Department is engaging with a proposal to participate and contribute finances in the establishment of Eastern Cape Beef Fund. This programme is aimed at supporting 100 black farmers with weaners that will be fattened and sold to domestic and export markets, creating more than 700 jobs in the province. Currently, this market is served by Berlin Beef, exporting about 60 000 animals per annum to countries like Malaysia, Hong Kong and China. The current Rand/ US Dollar exchange rate gave them a competitive advantage to other beef producing countries.



iBerlin Beef, Somlomo, ithenga imfuyo yayo enintsi kwamanye amaphondo, yiyo lonto umdla wethu silisebe ikukuqinisekisa ukuba abafuyi bethu abamnyama bayaphuhliswa ukuze baxhamle kulamathuba.

Honourable Members, we are excited that 2 208 animals were fattened in the existing feedlots, generating about **R16 million** through the sales of finished animals.

In addition to this, **R5 million** has been allocated to support 11 feedlots and custom feedlots in pursuit of this commercial objective.

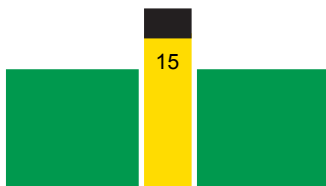
The Department in collaboration with National Wool Growers Association (NWGA) increased the value of the wool clip received by farmers from 846 communal shearing sheds in the programme from **R17, 7 million** in 2004 to **R130, 8 million** in 2015, an increase of 636%.

The completion of the Lukhanji Abattoir in 2015/16 financial year has guaranteed agro-processing of a minimum of twenty livestock units per day and created a market for local farmers.

The Grahamstown poultry abattoir, which has a capacity to slaughter 2 000 chickens per day, will benefit 105 smallholder poultry out-growers and create 21 permanent job opportunities. The Department in collaboration with the ECDC will ensure consistent supply to the abattoir. Farmers operating around Rock-lands in the Nelson Mandela Metro shall be linked to this abattoir for market access.

In the last financial year, more than 7, 4 million doses of sheep scab remedy were applied to safeguard the provincial wool clip, 36 000 doses of pasteurilla vaccine (isifo semiphunga) was applied for the Jaagsiekte (*umhlaza wemiphunga ezigusheni*) infected flocks of Bethania in Mt Fletcher to prevent further occurrence.

To protect the provincial herd against zoonosis, a total of 1, 3 million anthrax vaccinations (uDila) were administered. A further 2 026 primary animal health care sessions were held.





Honourable Speaker, we have set aside **R62, 2 million** for disease control by our veterinary services to ensure compliance with standards set by both domestic and international markets to support our farmers trading in these markets.

In pursuit of this, we will apply 1, 6 million treatments against controlled diseases; **7,2 million** treatments for sheep scab; **3, 3 million** treatments for external parasites; collect **222 730** samples for disease surveillance; **852 abattoir** inspections and **3 767 primary health** care interactions.

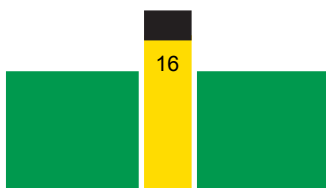
A total of 876 clients were assisted to access export markets by the Department through phytosanitary inspections conducted on exported animals and animal products. A total of 1019 abattoir inspections were conducted in pursuit of meat safety, as per Meat Safety Act, Act 40 of 2000.

The lifting of the ban on the exportation of fresh ostrich meat from SA by the European Union opened doors for the province to access export markets and earn well sought after foreign currency.

Honourable Speaker, we encourage all farmers to view agriculture as a commercial enterprise and must register their businesses to benefit from commercial opportunities.

As part of our **agri business and market access support**, our Department facilitated registration of companies and cooperatives with Companies and Intellectual Property Commission (CIPC), provided agri business with marketing information, linked about 90 agri businesses and 148 cooperatives with markets, supplying 238 businesses with agriculture economic services.

In support of transformation of the sector, Agri-BEE Sector Code road shows were conducted in five Districts and our compliance as the Department is being verified ahead of the formation of the provincial AgriBEE sector code forum.



Farmers continue demanding market information and macro-economic data in their farming. The Department has allocated **R 4, 8 million** so that farmers can receive the latest market and economic data. The Department plans to support 304 Agri-businesses with economic and market data.

Honourable Speaker, the infrastructure backlog of the Province affects agriculture production, creating a need to stimulate massive economic development through provision of adequate **agriculture infrastructure**.

In this regard, completion of the veterinary clinic at Tsolo Agriculture and Rural Development Institute (TARDI) will provide diagnostic services contributing to livestock industry development in the Province and in particular OR Tambo and TARDI students.

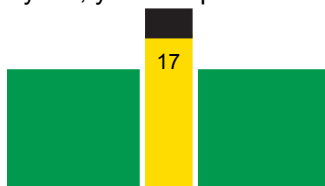
In order to increase the capacity for quality red meat production, we invested on **13** grazing and arable land fencing projects; renovating **50** dipping tanks; constructing **80** new dipping facilities, **6** livestock handling facilities; **3** stock water dams; **1** hydroponic structure; **5** shearing sheds; while de-stilling earth water dams to give livestock access to water in communal grazing areas.

The completion of the designs and planning for the erection of a dairy unit in Koukamma, which will be operated by the land holding farmers together with a strategic partner in the industry, will add value to the provincial economy.

We expect to create about 452 jobs through these agriculture infrastructure programmes.

In addressing these infrastructure backlogs, we allocated **R196. 6 million** for agricultural infrastructure and out of this, **R35 million** is budgeted to mitigate drought in the 2016/17 financial year through the development of stock water supply systems such as boreholes, windmills and dam scooping.

Enye yale mali, Somlomo ohliniphekileyo, izakubiya umgama oyi **498 km's**, ihlaziye idiphu eziyi **66**, yakhe idiphu ezintsha ezi yi **4**, istock water



systems eziyi **71**, iShed zokuchebela iigusha eziyi **11**, ihydroponics structures eziyi **3**, support for **25** stock handling facilities and **2** feedlots, a **1 200** cow dairy in Koukama, the construction of **6** broiler production units; **1** in OR Tambo and **5** in Sarah Baartman to expand the capacity to supply birds to the Grahamstown poultry abattoir.

The Department's implementation of the agriculture infrastructure programme will create **457** employment opportunities.

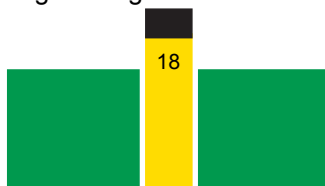
Honourable Speaker, as part of our ongoing land **rehabilitation and reclamation** programme to conserve land for production, the Land care programme rehabilitated **4 212** ha of agricultural land, creating **1 262** green jobs, while additional **222 809** ha of land was verified as suitable for agriculture production.

The department's programmes include assessment of land for agriculture production suitability. A total of 223 430 ha of land will be verified. An additional 2 029 ha will be rehabilitated so that it adds to land for food production. The Department has allocated **R 7, 6 million** for this work.

Honourable Speaker, we allocated **R9 million** to develop a Port St Johns vegetable hub to supply Kei Fresh produce market and local retail outlets.

While maintaining our irrigation scheme partnership with Amadlelo Agri on dairy, Department of Rural Development and Land Reform and Chris Hani District Municipality, we will also partner with Rance Farming for small irrigation on 250ha in Lumphindweni village in Amahlathi Local Municipality, with an investment of **R2.5 million**, to benefit about 159 farmers, 65 of which are males, 58 females and 36 youth.

Honourable Speaker, Eastern Cape is one of the Provinces with the longest coastline of over 800 km. This resource shall benefit the citizens of the Province where a partnership with the Department of Agriculture, Forestry and Fisheries (DAFF) has been established to support fishing communities on accessing Fishing Licences and Fishing Rights.



To promote aquaculture, Mthatha Dam hatchery will be refurbished and six community dams will be stocked with fingerlings hence an amount of **R1.8 million** is allocated.

Honourable Speaker, all the programs that the Department have planned for communities can be successful through a strong support from research, extension, **technology development and transfer**. Through this programme, technologies that address problems experienced by farmers are developed. The Department has allocated **R14, 3million** for the development of these technologies.

The **extension services** remain critical as it determines the required technology by farmers and its dissemination back to farmers. Due to its critical nature, the Department has allocated **R 79 million** to support extension officers.

The Department has further allocated a budget of **R20 million** to implement Agriculture Information Management System (AIMS) in partnership with National Agriculture Marketing Council (NAMC) which will support the extension officers with computerised reporting and spatial referencing. This will also assist in verifying the number of subsistence, smallholder and commercial farmers across the Province.

Honourable Speaker and Members, government continues to support **Magwa and Majola tea estates** through the business Rescue Process (BRP) implemented for Magwa Tea Estate by a business rescue practitioner appointed by the Court.

Future development of both Magwa and Majola estates will be guided by the outcomes of this Business Rescue Process. A partial salary payment to workers was done and the Business Rescue Practitioner is currently negotiating settlement of outstanding salaries and other debts with creditors to pave way for the implementation of the BRP.

Honourable Speaker, **training and capacity building** remains the cornerstone for the realization of the aspirations of the Agriculture sector in the province.

The human resource is the greatest asset in the organization. In order to ensure efficiency, 18 employees obtained NQF level 4 financial management qualification from a learnership programme.

A total of 21 youths were provided with bursaries in 2015 academic year for qualifications towards Veterinary Science, Soil Science, Plant Pathology, Entomology and Civil Engineering fields of study.

They all progressed to the next level in 2016. In addition, a total of 4 students obtained qualification in BSc Soil Science (2) and Veterinary Medicine (2). We congratulate these students for their academic success.

About 84 unemployed young graduates were recruited by the Department into an internship programme covering financial management, communication, extension services, ICT, HRM and Supply Chain Management.

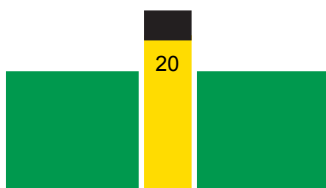
Owing to our livestock needs in the province, we introduced animal health diploma at TARDI to produce animal health technicians and we are pleased by the interest of young people in this field exhibited by the 105 new students enrolled with our college.

Out of 50 students enrolled at TARDI with the health and welfare SETA bursary in the past academic year, only one dropped out, while the college registered 98% pass rate after its re-opening.

Philasande Dambuza, obtained 6 distinctions in all her second semester modules, with Aviwe Zono, obtaining 5 distinctions in her 6 modules in the first semester.

While these two students are the best performing pair in their class, the performance of other students was also impressive and shows their interest to learn.

Honourable Speaker, in response to the government's decision of zero fee increment in all institutions of higher learning, our department used





its own resources to cover the gap created by the decision in the budget of both colleges.

The Department has prioritised **infrastructure renovations** at both Fort Cox College of Agriculture (FCC) and TARDI, with each college allocated **R8, 4million** towards this programme as part of **college revitalization**.

Fort Cox College has been allocated an additional **R47 million** for its operational costs. This academic year alone, these colleges managed to register 105 Animal Health Diploma at TARDI and 80 at FCC.

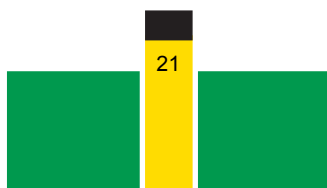
The AgriSETA accredited farmer training programme is simultaneously offered at Mpofu Training centre, resulting into two pronged farmer skills development and learnerships.

During the last financial year (2015/16) a total of **2 147** farmers received agricultural skills development, 150 benefited from 10 crop and animal production learnerships while 50 farmworkers were trained on health, safety and computer literacy.

Our partnership with the Services SETA resulted into a **R15 million** learnership and internship funding for 285 **young people** from Alfred Nzo, OR Tambo, Chris Hani, Joe Gqabi, and Amathole districts, are trained on community development, new venture creation, hygiene and cleaning.

Through this partnership, a further 131 young people were recruited into an internship where 43 are trained on financial management, 44 on Asset management, 44 on Supply Chain Management.

In this regard the Department has allocated **R16, 7 million** towards the provision of accredited and non- accredited training to **2 240** farmers and **190** farm workers. A total of **170** learnerships on crop and animal production shall be provided. A total of **300** school going learners are targeted for exposure to Agriculture Career Guidance, **100** educators to



be trained in agricultural science. Furthermore the Department adopted **15** schools.

The Department will continue **to partner** with National Woolgrowers Association, Cape Wools, Red-meat Producers Association, National Emerging Red-meat Producers Organisation and National Agriculture Marketing Council on mentorship programmes to help communal and smallholder farmers access markets.

As we all know that poverty, inequality and unemployment affect women more, the Department will partner with relevant Departments, SOEs, NGO, Institutions of Higher Learning, Private Sector and Developmental Finance Institutions to address this by giving support to Rural Women Empowerment Programme for them to participate in business and entrepreneurship programmes.

In the new financial year, we will intensify **stakeholder relations** with structured meetings with all social, commodity, commercial and development partners. This must result into meaningful work and partnerships that change the lives of the people of the province.

We will look at having an annual multisectoral partnership meeting where we link farmers to financiers, retailers, distributors because these sectors and role players must work together if we are to improve our economic performance.

We are currently engaging our **Gauteng counterparts** exploring partnerships that will see our livestock and crop producers sell their produce to agro processors in that province.

We call on farmers to be ready so that when we finalise these talks, they will be ready to deliver their produce to Gauteng markets. We will sign a Memorandum of Understanding that will detail key deliverables to be met by all of us.

Honourable Speaker, the Department has a responsibility to ensure proper **governance** and this includes addressing financial constraints. In

terms of **compensation of employees**, the Department will prioritise and fill only critical vacant posts. Our annual recruitment plan will be funded from funds that flow from natural attrition during the said period while posts not critical will be abolished in our structure.

With regards to **goods and services**, the Department embarked on an intensive reprioritisation process targeting non-core items such as travelling and subsistence, communication, consultants, advertising, catering and entertainment, while making sure that the baseline cut does not affect the core business.

Furthermore, virements and shifting of funds will be monitored closely and controls are in place to restrict shifting of funds from core to non-core business. The budget policy of the Department prohibits shifting of funds in the 1<sup>st</sup> quarter of the financial year.

Honourable Speaker, as we pledge to do things differently, the Department remains committed to strict adherence to **cost containment measures**. As a result, since its introduction in 2012/13 the Department managed to save R51.6 million.

The Department is currently reviewing all cellphone contracts in order to introduce a system that will save costs for the Department with effect from 1<sup>st</sup> April 2016.

Honourable Speaker, the effective and efficient management of financial resources will be given special attention to prevent fruitless, irregular and unauthorised expenditure through compliance with financial management process.

The procurement plans and demand management plans will be key to the success of all management processes.

In relation to **anti-fraud and corruption**, the Department will ensure 100% compliance by all SMS in the declaration of interests. In line with the Public Administration and Management Act, no employee shall be granted permission to conduct business with government.

The DPSA sanction guidelines will be implemented and monitored in order to ensure consistency in the sanctions issued.

The Department will continue to verify supplier directorships prior to the awarding of tenders in order to ensure no government official benefits from the process. Awareness campaigns will be continued to ensure compliance with relevant prescripts.

Honourable Speaker, rural development and agrarian reform is a human resource driven Department.

The Department completed its Service Delivery model and will subsequently finalise and implement the associated organogram. This will dictate the number of employees needed for effective service delivery.

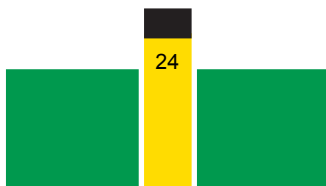
Honourable Speaker, the agriculture sector has skills that have been declared scarce for quite some time. The Department identified qualifying youth for training at various universities to address this challenge. A total of 17 bursaries were awarded to youths in the fields of veterinary science (9) agricultural engineering (2), plant pathology (3), Soil Science (3) and Life Science.

The shareholder's compact between ECRDA Board and the MEC has been signed with the new board of directors to guide the relationship between the entities.

For this year a Service Level Agreement between the Department and the entity has been concluded to guide the activities of the ECRDA.

Honourable Speaker, the programmes outlined above and the budget allocated, tasks us to bring and inspire hope, where there is despair. We endeavor to help our people to have means of food production, markets for their produce, and to access basic services for their own growth.

To us, the key thing is not about planting a certain number of hectares of land, distributing a number of livestock and giving money to commodity groups or giving implements to food insecure households. The most



important thing for us is to make sure that the money we invest on crop and livestock production, rural development, poverty alleviation, bursaries and rural mining makes a meaningful change in the lives of our people.

These are the results we expect to accomplish through these programmes and with the budget we have been allocated.

As our Premier, the Honourable Masaulle challenges us to do more with the less resources we have, our priority is to serve our people, help them to grow and develop.

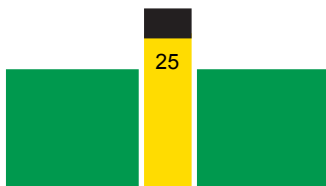
Honourable members, I must stress the importance of performance for our Department in delivering these responsibilities and programmes to our people.

In the last financial year, as the MEC of the Department, I resolved to implement a **change management process**, which will include an exercise to refocus the department to be aligned to our mandate.

I have asked ECSECC (Eastern Cape Socio Economic Consultative Council), to facilitate this process for the Department. The purpose of this is to ensure that our staff performs better, our activities are aligned with the plans and priorities of government to achieve set goals.

Honourable Speaker, I hereby table the Policy and Budget Speech, Annual Performance Plan (DRDAR), Operational Plan, Service Delivery improvement Plan and ECRDA Annual Performance Plan 2016/17.

**Enkosi**



**Annexure A: Budget for 2016/17 MTEF**

	2016/17	2017/18	2018/19
<b>Programmes</b>	R'000	R'000	R'000
Administration	452 596	457 754	480 290
Sustainable Resource Management	119 566	129 459	136 997
Farmers Support And Development	800 165	710 674	717 471
Veterinary Services	296 056	316 256	336 124
Research And Technology Development	175 707	164 702	195 318
Agricultural Economics Services	34 943	37 712	40 164
Structured Agricultural Education And Training	151 757	161 324	170 802
Rural Development Coordination	178 532	179 497	189 487
<b>TOTAL</b>	<b>2 209 319</b>	<b>2 157 378</b>	<b>2 266 653</b>
<b>Economic Classification</b>			
Compensation of Employees	1 132 092	1 207 318	1 279 359
Goods and Services	636 325	547 262	547 715
Transfer Payments	250 798	240 919	254 313
Capital Payments	170 104	161 879	185 266
Financial Transactions	20 000	-	-
<b>TOTAL</b>	<b>2 209 319</b>	<b>2 157 378</b>	<b>2 266 653</b>









## **CONTACT DETAILS**

Eastern Cape Department of Rural Development and Agrarian Reform  
Independence Avenue, Private Bag X0040, Bhisho, 5605, South Africa  
[www.agr.ecprov.gov.za](http://www.agr.ecprov.gov.za)

**CUSTOMER CARE TOLL FREE: 0800 20 30 25**