



Province of the
EASTERN CAPE
DEPARTMENT OF RURAL DEVELOPMENT
AND AGRARIAN REFORM

**TOWARDS VIBRANT, EQUITABLE AND
SUSTAINABLE RURAL COMMUNITIES AND
FOOD SECURITY**

Honourable Speaker;

Madam Premier;

Members of the Executive Council;

Honourable members of the Provincial Legislature;

Honourable members of the House of Traditional Leaders;

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

**Amafama ePhondo lethu, nawo onke amatsha-ntliziyo
ngophuhliso lwasemaphandleni;**

**Kubahlali bonke abalapha ukuzokungqina oku
ndizakuthetha, mholweni nonke.**

Honourable Speaker, allow me to first acknowledge the stalwart and leader of our National Liberation Movement, uTata uRolihlahla Nelson Mandela for his selfless leadership in the emancipation of our people of South Africa from physical, emotional and psychological torture by the apartheid regime. We wish him for a speedy recovery from ill health.

Honourable Speaker, guided by the Ruling Party's election manifesto for the Electoral Mandate Period of 2009 to 2014, the ANC January 8 statement 2011, the State of the Nation Address (SONA) 2011 and State of the Province Address (SOPA) 2011 we are fundamentally committed to critical national priorities that include reducing poverty and unemployment, securing a more equitable distribution of economic growth benefits, reducing inequality, improving community health and skills, and ensuring universal access to basic services.

Mr Speaker, though we are also participating in implementing the twelve national priorities, our main focus is to ensure that this department provides leadership in the implementation of outcome seven: vibrant, equitable and sustainable rural communities and food security. The rural development mandate implied in this outcome seven demands drastic transformation that has to take place in the Department to ensure its success. Both the farming and non farming communities in the province are diverse including subsistence, small holder and commercial farmers against first and third worlds trends within the same societies respectively. Until the poorest of the poor farmers start producing not for the family alone but include marketing the excess, contribution from agriculture to economic development will remain constant and only through development of this farming group will a visible impact be realized. This is the farming community

that depends on the department's resources to make a meaningful change in their lives.

TRANSFORMATION PROCESS:

The Department will be going through a transformation process in order to meet the mandate of rural development and agrarian reform. The institutional arrangement or structural amendment has already started to respond to this mandate. The change of the mindset of the departmental employees will be fast tracked as it will be a big challenge to implement this paradigm shift by employees who have not undergone transformation.

In response to the mandate, the redeployment of agriculture development technicians to the wards where their services are most needed has already started as well. Agriculture scientists and economists will also be deployed to local municipalities to support the extension field workers. These Departmental employees will be in a position to work closely with the local ward councillors and chiefs in order to be able to address the developmental programmes of communities. The Department will also have a group of community liaison officers, one in each district who will link with the office of the MEC. This will strengthen the linkages between the Office of the MEC and communities.

Mr. Speaker, the decision making process in service delivery is always frustrated by the absence of relevant personnel at this level to perform this function. Following this redeployment of extension field workers, other Senior Officials will be strategically placed or linked to local municipalities to provide support to the extension and advisory services and other field workers.

Mr. Speaker, the administrative support staff of the Department needs to undergo drastic transformation in order to be able to meet the demands of this mandate. The Department will embark on key human resource development areas in ensuring that all its employees understand the urgency of service delivery to the communities. This will be possible only if the programmes such as KAEDU, Public Service Week and Executive Development Programmes (EDP) are intensified so that all employees have a feel of what the situation at the coalface is. The Department will further pay special attention to the wellness program in order to ensure a healthy and motivated workforce. In planning our activities, a provision will be made where one day a month will be dedicated to wellness activities.

AGRARIAN REFORM PROGRAMMES:

Mr. Speaker, the name of the Department has carefully been reconfigured in such a way that it responds to the challenges faced

by the farmers and communities in both peri-urban and rural areas. Here, the focus is not only limited to agricultural production but goes beyond the farm gate. Agrarian reform focuses on rapid and fundamental change in regard to relations of production including land use and ownership, livestock, cropping and community participation. The shift here is in relation to the introduction of ownership, business initiatives, agro-processing, cooperatives and markets linked to the production chain.

Mr. Speaker, through the technical support provided by the extension field workers, we aim at increasing the productivity which will ensure excess food is available that will be channelled to the markets by all farming communities. The extension field workers supported by the agriculture economists will identify local, regional, national and International markets. The Department will ensure that local market outlets are established.

Mr. Speaker, the majority of the subsistence and small holder farmers in the Province are at the municipalities where unemployment and poverty are glaringly high in District Municipalities such as in Alfred Nzo, O.R. Tambo, Amathole, Joe Gqabi and Chris Hani. To alleviate the poor access to markets by smallholder farmers, the Department will introduce an access to markets model in phases where a central

market will initially be based at Mthatha with satellites markets distributed in villages that will be taking their produce to the central market as farmers find it difficult to have access to regional markets. There will be satellite markets based at KSD local municipality, Flagstaff, Mfundisweni, Lambasi and so on. Some of the old shops will be converted into market centres through which farmers will take their produce to reach the central market.

Food Security:

The Department is committed to ensuring that the country and the province in particular, is food secured. This program will cover grain, fruit and livestock production at different production levels; all focusing at production and beyond the farm gate activities.

Letsema household food gardens will target new communities or participants this financial year; those communities who never benefited from the department's programs due to various reasons. Macro maize production projects distributed across the Province will continue to be supported. Mr. Speaker, we must not forget that maize is the staple food amongst the majority of the Eastern Cape citizens. Fruit production will be supported as the Eastern Cape is one of the leading Provinces in Citrus production. The role of agri-parks that are aimed at supporting the school nutrition program will continue

to be supported. The department has allocated an amount of **R47.6 million** towards Food Security.

Animal Health and Production:

Mr. Speaker, the Province experienced animal diseases outbreak over the previous year. Critical amongst them was the outbreak of Rift Valley Fever, which the Department responded fast to contain it. In addition to the unexpected disease outbreaks, the province has to ensure that the livestock are in a healthy state hence they are dipped regularly to control diseases with serious negative economic impact. The Department will be embarking on a pilot programme the use spray races as part of controlling tick-borne diseases. The vaccination programme which is a preventative measure against animal disease infection will be stepped up. Animal health program has been budgeted for an amount of **R26million**.

Mr. Speaker, we cannot ignore the indigenous knowledge that has been practiced by our farmers over the years. The veterinary services of the department will incorporate some of the practices into their research programmes. The bull and heifer scheme will continue as this programme has proved to have an impact towards improving the herd of the province in those areas it has already been rolled out.

Technology Research and Development:

The Department continues to participate in climate change research in collaboration with other local and international bodies. In response to the farming systems practiced within the Eastern Cape, modification of the planter to accommodate intercropping will be done. The research unit of the Department will cut down the cost of doing research by making use of biotechnology especially embryo transplants in animal production.

The Province will continue with its research work on fine wool production. Presently the Eastern Cape wool clip is equal to or a little bit less with a few microns from that of Australia; the leading country in the world. Cashmere production will continue as products out of the Eastern Cape Cashmere won awards in Paris fashion show resulting in an increase in demand for Eastern Cape Cashmere in China.

The province has inadequate soil fertility and grazing capacity norms maps which the research unit will continue developing this financial year. An amount of **R9million** has been set aside to conduct research and technologies that will stimulate agriculture production.

Agriculture Economics and Marketing:

This Department will continue supporting the farmers with access to markets information as well as developing enterprise budgets for different commodities that will be made available to the farmers. The department has also set aside an amount of **R63 million** for rural finance. The general performance information of the sector will be collected by the economists and analyzed for decision making purposes.

Structured Agriculture Training:

We shall continue monitoring the production of graduate with suitable skills from institutions of higher learning. Special emphasis will be on Fort Cox College and its satellites. Training of farm workers, youth, and conducting of skills audit to inform accredited and non accredited training for all these groups will be undertaken. An amount of **R26million** has been set aside for this programme.

Agriculture Infrastructure Development:

The Comprehensive Agriculture Support Program (CASP) will adopt an inclusive developmental approach where coverage and benefits will be expanded as well as broadening access to rural finance.

The main focus this year will continue to be on agro-processing, construction of dipping tanks, fencing, dairy, and crop and livestock production facilities. The infrastructure support is targeted to support 3 976 new farmers (subsistence, smallholder and commercial). Land care will continue to focus on job creation, protection of biodiversity and support food security initiatives to an area of **5 118 hectares** to be improved with **8914 beneficiaries**. An amount of **R37 809million** has been set aside to support revamping and improving of livestock infrastructure.

Within the infrastructure development programme an amount of **R15 275 million** will go towards Job creation in terms Expanded Public Works Programme. The mechanisation programme is allocated an amount of **R2.4 million**. A total an amount of **R111 099 million** has been made available for the provision of infrastructure development.

Human and Institutional Development

Mr. Speaker, the Department will need well trained extension field workers and farmers to realize socio-economic change. Fort Cox College of Agriculture and Forestry is going through a transformation process. Fort Cox will be the main campus while institutions like Mpofo Farmer Training Centre, Tsolo College and Mfundisweni will be satellites of Fort Cox. These satellite campuses will specialize in

curricula that are best suitable for the agro-ecological zone they are situated in. Fort Cox will admit all first year trainees while the satellite campuses will only admit second year trainees. Tsolo College will specialize in Animal Health Technicians training and development programmes. Mpofo and Mfundisweni will admit other specialist streams influenced by the agro-ecological zone they are located in as well as common farming activities in the respective areas. Fort Cox will also embark on agricultural research and serve as a demonstration farm production unit.

Mr. Speaker, I must mention here that Fort Cox has become so dependent on the State grant despite it having vast areas for livestock and crop production. Facilities for poultry production, small stock and piggery are there but underutilized. The farm is generally underutilized though it has a potential to produce to sustain itself like other colleges of agriculture. The college will step up its revenue generation through students' fees as well as produce from the farm and doing research so that it supplements the grant that is provided by the department. A new Board of Governors will be appointed. The department is in the process of identifying a suitable principal for the college as part of transformation program at the college.

Mr. Speaker, farmer and farm workers development will be one of the key focus areas. There will be generic farmer training programs aimed at improving their production and soft skills in the farming business. Farmers will also be trained so that they can be competent Farm Managers. Fort Cox, Mpofu, Tsolo College and Mfundisweni will intensify their farmer training programs such that each training program is linked to the production cycle of the commodity they are being trained at the time. The skills development facilitators will ensure that the farmers' training needs are assessed and target training will be provided. The farmer development centre's program is starting to shape as Public works department has done so much work towards their establishment. These centres will ensure that farmer development and training programs are taken closer to the farmers. These farmer development centres will also be linked to Fort Cox and Dohne Agriculture Development Institute. The Department has budgeted **R22 million** towards Fort Cox support and **R10 million** for farmer training and development giving a total of **R32 million** for this programme.

RURAL DEVELOPMENT PROGRAMME:

Honourable Speaker, the Department has a legal mandate of coordinating and facilitating rural development in the province. This demands the Department to undergo transformation which will, amongst other things, include institutional capacity improvement to meet this new policy mandate.

Honourable Speaker, one of the key responsibilities of the Department regarding rural development is that of facilitating Inter-governmental Relations (IGR). This will involve coordinating departments and institutions tasked with rural development through establishment of facilitation forums at all levels of provincial and local governments such as ward level, council of stakeholders at local municipality level, district coordinating forums, technical forums comprising all heads of departments of the province and the Inter-governmental forum presided by MECs and District Executive Mayors.

Much work has been done at the initial phases of implementation of the Rural Development Strategy where lessons from the pilot sites were used in the extension of the rural development programme to other ten areas and beyond.

As per mandate, the Department will facilitate and coordinate the improving of rural infrastructure services pertaining to, amongst other things, agro-logistics, Information and Communication Technology (ICT), energy and creating Extended Public Works Program (EPWP) jobs. The Department will also facilitate and coordinate social and human development through harnessing Indigenous Knowledge Systems (IKS), facilitating the access of rural communities to education, health, social security, human settlement, free basic services and cultural amenities. IKS will enhance rural development initiatives as it is the function of rural development to ensure preservation of indigenous knowledge where genetic material and knowledge are preserved.

Honourable speaker, I believe we need to contextualize rural development so that each department is able to play its meaningful role. The betterment scheme sparked rural-urban as well as rural to rural migration. This disrupted the rural community setup.

Considering that communities were removed from where they were tilling the soil to new areas without access roads to their fields, this resulted in abandonment of farming and migrated to cities. Only the vulnerable groups were left behind.

The absence of land tenure security makes these communities unbankable and denied access to finance. They do not have simple requirements by the banks such as street addresses, making their applications for finance denied on that basis. The rural development approach recognizes them as small holders hence they cannot have access to finance through LRAD.

The absence of proper land use planning results in exploitation of agriculture prime land by housing. Rural communities have no access to amenities and this exacerbates migration to urban areas. The Department will continue facilitating construction of roads including access roads to agriculture production sites. Local communities will be trained by the construction SETA so that they are in a position to build access bridges and roads themselves.

Already, communication with this SETA is at an advanced stage where training of these communities will start soon at Dohne, Tsolo, Fort Cox and Mfundisweni.

Mr Speaker, rural job creation remains a priority of the Eastern Cape Government. This Department will facilitate building of houses. As part of job creation, local communities will be trained so that they can complement the housing programme that is championed by the Department of Human Settlements. The engagement of the building

and construction SETA will make this possible. At the end, these communities will be left with the skill that will allow them to continue with the construction and renovation of houses. Building of access roads and bridges by these communities will be possible after they have been trained by the Building and Construction SETA.

Partnerships will also be facilitated where companies like U-Save Shoprite, who have pledged support, will further focus on empowering rural women in housing development.

Rural resource mobilization will be an integral part of rural development. Programs such as childhood development, access to pre-school facilities will influence needs in the housing program.

The Department will work closely with the Department of Sports, Arts and Culture towards provisioning of parks, libraries and internet kiosks in rural areas to alleviate lack of access to information by rural youth and communities. These facilities are not a luxury in rural communities instead a necessity.

Honourable Speaker, in uplifting the economy as well as improving the economic activity of rural communities the Department will promote farm and non-farm rural economy, entrepreneurship to create jobs and development skills. This will involve amongst other things, providing

business support in the form of business plan development, linking businesses to markets through market centres, agro- processing and other forms of value adding, formation of partnerships to coordinate tourism, forestry, small industries as well as business skill capacity building. Agriculture will continue playing a role in stimulating rural economic development. The sustainable village model will be the focus in rural development. Communities that have vast unused land will always be encouraged to till it as a point of entry in economic growth.

As an example, the revival of agriculture production at Qhumanco is one of the multi disciplinary approaches to stimulate rural development.

In pursuit of creating vibrant, equitable and sustainable rural communities the Department will in no way overlook promoting land use management and protection of natural resources through, amongst other activities, monitoring optimal land use and sustainable environmental management and protection of biodiversity through area based planning, restoration and rehabilitation of degraded ecosystems and protection of land by enforcing implementation of relevant legislation.

Mr Speaker, the Department is on track with the establishment of the Rural Development Agency. The bill will be tabled shortly after the outstanding issues have been ironed out such as de-establishment of AsgiSA (EC) as it was established under the companies Act making it difficult to be merged into the RDA as a company. The department will make use of the agency in many of its programs.

Mr. Speaker, the reburial of the late Comrade Jobo, facilitated by the Eastern Cape Government with the participation of the ANC Veterans League and MKMVA reflects a caring government through its rural development Social and Human development approach.

ADMINISTRATIVE SUPPORT:

The Department is in the process of transforming and realigning its functional structure to the rural development and Agrarian reform Mandate.

Efficiency and effectiveness of the Department will be reflected through a strong Senior Management team.

In looking forward to the achievement of appropriately attainable goals and strategies, the Department will have to be realistic in assessing the capacity and skills available to it, including financial resources. In order to deliver on its mandate the Department must:

- Ensure the organisational structure of the Department that supports the provision of integrated and consistent quality services;
- The strengthening of corporate services, particularly in areas such as financial management, human capital, training and information and communication technology;
- Compliance issues will be stepped up targeting an unqualified audit opinion without compromising service delivery;
- Developing the relationship between the Department and other government departments and public entities under its coordination;
- Ensuring capability of staff to provide services to both internal and external stakeholders;
- Implement a business process reengineering and culture change programme.

CONCLUSION

In conclusion Honourable Speaker, rural development and agrarian reform is a mechanism to deal with poverty, unemployment and underdevelopment. As declared by Honourable President, the year 2011 is a year of action, through integrated efforts by government departments, state enterprises, farmers and farm workers, traditional leadership and rural communities.

With this type of determination, with everyone applying his/her effort, each according to his/her ability, we cannot fail to ensure that each person in our province is able to fulfil his or her dream of a 'better life' Let us work together and enhance rural livelihoods.

Honourable Speaker, it is my honour and privilege to present to this House the Policy Speech, Strategic and Annual Performance Plan of the Department of Rural Development and Agrarian Reform for 2011/12 financial year

I thank you.

ANNEXURE A:

SUMMARY OF DEPARTMENTAL PAYMENTS AND ESTIMATES

R'000	2011/12	2012/13	2013/14
Administration	420 600	425 757	446 406
Sustainable Resource management	156 488	163 322	169 536
Farmer support and development	443 679	454 616	501 780
Veterinary services	217 976	224 593	236 999
Technology Research and Development	77 187	80 648	85 050
Agriculture economics	92 547	91 016	95 964
Structured Agriculture training	99 308	102 260	107 563
TOTAL	1 509 785	1 542 212	1 643 298

ANNEXURE B: BUDGET ECONOMIC CLASSIFICATION

R'000	2011/12	2012/13	2013/14
Compensation of Employees	952 994	977 056	1 020 313
Goods & Services	449 409	451 057	501 822
Transfer Payments	99 151	105 229	111 836
Payment for Capital Assets	8 231	8 870	9 327
Total budget	1 509 785	1 542 212	1 643 298

