



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

# **BUDGET AND POLICY SPEECH**

## **2013/14**

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**VIBRANT, EQUITABLE, SUSTAINABLE RURAL COMMUNITIES AND**

**FOOD SECURITY FOR ALL**

**Honourable Speaker;**

**Honourable 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;**

**Leadership of Religious fraternity,**

**Leadership of Farmer Organisations & Rural Communities of the  
Eastern Cape**

**Indwendwe ezihloniphekileyo,**

**Abahlali nabemi beli le MpumaKapa,**

**Mholweni nonke.**

Honourable Speaker, allow me to pass our greatest greetings to utata wethu ; Madiba, Ah! Dalibhunga.

Honourable speaker, 2013 is another important year in the history of this country; the African National Congress is in its second century since the

people of this country decided to come together and form a party that truly represents their aspirations and interests. Sithi Phambili ANC!!!

Honourable Speaker, 2013 also marks the end of a sad century, where the promulgation of the Land Act no 27 of 1913 came into existence. This is the year the indigenous people of this country (the Africans, the Koisian, and the Griquas) woke up with no land and erosion of their culture which has strong Ubuntu values. It is a known fact that the negative consequences of this Act included serious challenges we currently face today: poverty, unemployment and inequality which this country has to deal with head on. It will be through the revival of Ubuntu that the people of this Province can work together for a better Province in the spirit of brothers and sisters. Ubuntu will revive the consciences of everybody to realise that women, child abuse and rape are foreign to this continent. We strongly condemn all forms of women and child abuse.

Honourable Speaker, the Department aligns itself with National Development Plan – Vision 2030, which enjoins us to provide new approaches that systematically treat people as active champions of their own development.

This Plan, inter-alia, identifies primary agriculture and agro-processing as necessary undertakings for the economic transformation of the rural landscape and vehicle for job creation.

Honourable Speaker, the mandate of our Department is Rural Development and Agrarian Reform. This mandate is structured such that it enhances all government efforts towards achieving a better life for all. Strong coordination and facilitation are central towards achieving sustainable developed communities. The very communities must take care of their own development with a well-structured support from all government departments, State agencies, institutions of higher learning, community based organizations, private sector and all civil society structures.

At the centre of development, agriculture plays a key role in accelerating rural development.

Honourable speaker, last year I presented the plan this Department followed towards achieving the goals of the Provincial Government with clear set targets.

Honourable Speaker, allow me to provide a synopsis of achievements that were made up to-date. For ease of reference, let me group them according to these deliverables categories:

## **AGRICULTURE INFRASTRUCTURE DEVELOPMENT**

In addressing the serious backlog in agriculture infrastructure in the Province, a total of **1 254km** of fence was erected in support of both Livestock and Crop Production programs. In **Joe Gqabi 165 km** of fence was provided while in **Chris Hani 257 km** of fence was afforded to the communities. **Alfred Nzo** farmers were assisted with **159 km** of fence while in **Western with 269km**. **Amathole** and **O.R Tambo** were each assisted with **230 km** and **174 km** of fence respectively.

I must also mention here Honourable Speaker that over the term of office, out of twenty seven **(27) dipping tanks** that were built, **11** were in **Alfred Nzo, 2** in **Amathole, 2** in **Chris Hani, 4** each in **Joe Gqabi, Cacadu** and **O.R. Tambo**. We further continue renovating the older dipping tanks Honourable speaker hence in total **twenty one (21) dipping tanks** had to be refurbished. A total of **199 stock water systems** were made possible in all the districts. The Department managed to build **sixteen (16) shearing sheds** in the following districts: Amathole **6**, Alfred Nzo **1**, Chris Hani **3**, Joe Gqabi, **5** and **1** in O R Tambo. Animal handling facilities are critical in livestock management, hence **thirty eight (38)** structures were constructed, which included **11** in Chris Hani, **8** in Joe Gqabi, **2** in O R Tambo, **6** in Cacadu, **5** in Amatole and **6** in Alfred Nzo.

A total of **fifty (50)** additional structures including **poultry** and **piggery** were built across the various districts of the Province. Fully equipped dairy structures were established at Ncora, Shiloh and Mantusini.

## **CROP PRODUCTION**

The Department has embarked on an aggressive crop production project aimed at achieving **300 000 hectares** over years. During the first year of its implementation, a total of **8 079 hectares (ha)** were planted in the following districts: **3 205ha** at O.R. Tambo, **2 014ha** at Alfred Nzo, **1 162ha** at Chris Hani, **1 110ha** at Amatole, **423ha** at Joe Gqabi and **165ha** at Western. This achievement would have been impossible if the deployment of Senior Managers to these strategic places was not implemented as I had promised to do during the last financial year.

## **LIVESTOCK PRODUCTION**

Honourable speaker, **disease outbreak** over the past few years, has been one of the biggest challenges the livestock farmers experienced in this Province. The Department will continue to mitigate disease outbreaks through effective surveillance systems.

Through its research stations, we managed to produce good quality bulls and rams that enlisted the support of both the Premier and the President as they handed them over to communities.

During the current term of Office, the department was able to introduce **3480** animals of superior genetic quality to our communities. The Dohne Merino rams produced by our research station are improving the flock structure and appearance in many parts of the Province especially at the breeding centres in Chris Hani. Soon, our sheep farmers will be supplied with rams by these breeding centres that are managed by the developing farmers. Without our farmer development and mentorship programs, these breeding centres would have been impossible.

## **YOUTH DEVELOPMENT & JOB CREATION**

Honourable speaker, it is with pleasure to announce that **fourteen (14)** young people were provided with bursaries and have completed their studies, with **two** of them completing the degree in veterinary medicine (B.VSc), which remains a scarce skill in the country. Furthermore, **thirty (30)** students were financially supported to further their studies at higher education institutions across the country.

In addition, the Department appointed **forty seven (47)** young experiential learners and **one hundred and fifty nine (159)** young interns. This program has positive spin offs as this youth will be employable at the completion of the programme.

Honorable Speaker, the department regards education as a societal matter whereby **11 schools** were adopted from the following District Municipalities: Alfred Nzo, Nelson Mandela Metro, and OR Tambo. These learners were sent to University of Free State and University of Pretoria for exposure to Agriculture as a career of choice. Schools are capacitated with soft skills, agricultural inputs and some are assisted with computer equipment to establish laboratories that will keep youth with latest information and technologies.

## **AGRICULTURE AND SOCIO ECONOMIC RESEARCH**

A partnership for research purposes with Western Australia University of Murdoch is providing beneficial information in rehabilitating abandoned lands in the Province through the introduction of legumes. This has benefited communities of Rhexeni and Lushington (Nkonkobe local municipality), Allan Waters (Lukhanji), Dudumashe (Mnquma), Kubedlana (Mhlontlo) and Nyandeni (Nyandeni). Departmental research unit continues with its research on low cost milk production through breeding the Dexter breed and manipulation of milking schedules.

The province prides itself with its wool clip size benefitting our farmers in the International wool market as a result of research work done, which reaches the farmers through its information dissemination strategies as well as extension services. The department remains the major supplier



of research information in support of Mohair production in the country, through research work conducted at Jansenville research station.

## **RURAL DEVELOPMENT COORDINATION**

**The Eastern Cape Rural Development Agency (ECRDA) has been established** to coordinate and implement high impact programmes and projects on behalf of the Departments. A fully functional board has been appointed. The appointment of the CEO is currently underway.

Honourable Speaker, I would like to report the following coordination work the department did: A community of Lupindweni in the banks of the Kei River at Tsomo was inaccessible for more than 100 years until a partnership with Rance Timber and the Department resulted in the construction of a 7km access road.

A number of communities at Ikwezi, Humansdorp, King Sabata Dalindyebo and Ngquza Hill Municipalities were supported with brickmaking machines as well as training.

Through partnerships with construction CETA, a youth brick making and construction project has been successfully implemented. The youth that was trained in brick making were sub-contracted to do remedial works on RDP houses for destitute families at Ngcwanguba in Mqanduli, Joe Slovo at Mthatha, Dan Village at Tsolo and Ndukudeni in Flagstaff.

Through the Provincial Wide Textile and Sewing Programme, a number of projects were supported with industrial sewing machines and relevant training. A partnership with department of Trade and Industry for quality assurance and marketing of garments and crafts has been established.

I, therefore, call upon all stakeholders in the rural space to rally behind our efforts to change the lives of the people of the Eastern Cape.

## **THE DEPARTMENT AT WORK IN 2013/14**

Honourable Speaker, for 2013/14 financial year, this Department has been allocated a total of **R1 714 488 billion** where R957 138 million goes to Compensation of Employees (CoE). The remaining amount is planned to be spent on service delivery in the districts. Details of this budget are provided in annexure A and B at the back of this policy speech. Honourable Speaker, the department therefore has planned to provide the following deliverables:-

### ***FARM INFRASTRUCTURE SUPPORT***

Infrastructure support is allocated an amount **R 142,7 million** which is distributed as follows: **R40,3m** in Alfred Nzo; **R27,4m** in Amatole; **R23,1m** in Chris Hani; **R10,3m** in Joe Gqabi; **R14,2m** in Western and **R19,7m** in OR Tambo District Municipality. For facilitating the implementation of this infrastructural projects **R7,7m** is allocated at Head Office (Bhisho).

Honourable Speaker, Land care is one of the programs aimed at natural resource conservation. This program is allocated **R15,8 million** wherein **R1,1m** goes to Alfred Nzo, **R2,8m** Amathole, **R3,3m** Chris Hani, **R3,3m** Joe Gqabi, **R2,9m** OR Tambo and **R2,1m** Western District. An

additional amount of **R0,3m** is allocated at Head Office (Bhisho) towards facilitating implementation of Land care programme in the Province.

### ***PLOUGHING AND CROP PRODUCTION***

An amount of **R38million** is allocated towards the continuation of the ploughing project. Out of this amount **R9,3m** is allocated to Alfred Nzo, **R5,0m** Amathole, **R4,3m** Chris Hani, **R3,5m** Joe Gqabi, **R9,7m** O.R. Tambo and **R1,9m** Western District. This amount will make it possible to plant **6 263 hectares**. Additional hectarage will be planted by other organizations and departments. The Siyazondla program will be supported with an amount of **R5million**.

### ***IRRIGATION PRODUCTION SYSTEMS***

Honourable Speaker, revitalization of the irrigation schemes is an on-going project that needs heavy financial injection soon. The Department has set aside **R6 million** this financial year. In addition to the schemes, 12 on-farm irrigation infrastructure projects are to be completed at an investment of **R12.8m**. These include Pendu and Ntshongweni irrigation projects in King Sabata Dalinyebo and Mhlontlo municipalities respectively that will be supported into the production phase.

## ***ANIMAL HEALTH AND PRODUCTION***

Honourable Speaker, the Department has budgeted **R44million** towards animal health support and provisioning. **Twelve million (R12m)** will be spent on purchasing dipping material (Alfred Nzo will receive **R1,7million**; Amathole **R4,65million**; Western **R1,2million**; Joe Gqabi **R464 thousand**; Chris Hani **R1,86million** and O.R.Tambo **R2,1million**). **Six million (R6m)** has been set aside for sheep scab control across the Province.

A further **R4,5 million** has been set aside for mobile clinics to improve access to veterinary services in remote areas. Animal disease surveillance will be stepped up and **R5million** has been allocated for this purpose.

The Department has further set aside an amount of **R7million** for the provision of improved livestock breeds. In support of this programme, the Department is working close with the University of Fort Hare for the supply of additional bulls and heifers.

## ***AGRI-BUSINESS PROMOTION***

The Macademia Nuts project in Buffalo City municipality continues to create jobs. So far, **109 jobs** have been created. An amount of **R8,5**

**million** is budgeted for this project and will be officially launched this financial year.

Honourable Speaker, the department has also set aside **R14,9million** towards the completion of the red meat abattoir in Chris Hani and the poultry abattoir in Grahamstown which will make it possible for Black farmers participate in this business. In continuing with promoting agribusiness initiatives the Ncise Essential Oils project will also be supported.

These businesses are structured such that the neighbouring farming communities will be shareholders in some of the business entities contained in the project.

### ***FARMER DEVELOPMENT AND CAPACITATION***

Honourable Speaker, the Provincial Agriculture Institutes remain critical for effective farmer training and development. This is attained through the quality of Extension Officers they produce. Fort Cox College has received accreditation of its diplomas again this year. An amount of **R31million** has been allocated towards supporting this college to achieve its mandate.

In the same vein Tsolo Agriculture Development Institute has received partial accreditation from the Council for Higher Education (CHE) towards a three year Diploma in Anima Health. As soon as the final decision is taken by the South African Quality Authority (SAQA), full accreditation will be awarded and Diploma shall be offered starting next year.

These institutions are further funded through CASP College Revitalization Plan with **R11.5million** to transform them into Agricultural Training Institutes (ATIs).

Honourable Speaker, the department has further allocated **R8million** towards training programmes for farmers, farm workers, military veterans and traditional leaders this financial year. In addition to this, the learnership programs on Building and Civil Construction, Brickmaking, Welding, Plumbing, Fencing, agro processing will be done. An additional injection of **R500 000** from relevant CETA / SETA will make this endeavour possible.

### ***AGRICULTURE RESEARCH SUPPORT***

Honourable Speaker, as I have indicated above, this Province's livestock potential is enhanced by the research work conducted. An amount of **R5million** is allocated for research in beef, dairy, cashmere, fine wool,

mohair, aquaculture and rehabilitation of degraded rangelands. The product of livestock research, in the form of bulls and rams, is used to improve community herds through the Livestock Improvement Scheme. Similarly, crop production projects are also supported by research conducted in cereals, legumes, cropping systems, climate smart agriculture, indigenous knowledge and provisioning of soil analysis data. Technologies developed will thus allow farmers to apply less expensive production inputs by resource poor farmers. In order to perform this agronomy function, the department has injected an additional **R4million** into the research program.

### ***SPECIAL FOCUS ON EXTENSION SERVICES***

Honourable Speaker, the Department continues to respond to the needs of the farming communities in the Province. A budget of **R6,5million** has been set aside for the capacitation of Extension Officers in areas that have been identified to be lacking in order to improve the overall extension service provisioning. An additional amount of **R5million** is allocated towards upgrading their qualifications. This will enable them to be change agents in agriculture and rural development initiatives.

### ***RURAL DEVELOPMENT FACILITATION***



Honourable Speaker, the establishment of the Eastern Cape Rural Development Agency (ECRDA) will ensure implementation of rural development programmes for our communities. This agency is focusing on High Impact Projects as well as financing certain projects. An amount of **R122 million** is budgeted for the operations of the agency as well as financing some of these projects. This agency will further implement forestry and agro processing projects from the funds leveraged from the Jobs fund. Nine (9) commercial plantations making 100 000ha will be established at Lusikisiki, Flagstaff, Bizana, Qumbu and Tsolo.

The Department continues to support tea production at Magwa and Majola tea estates.

The Department will further create rural access markets in Nkonkobe and Port St Johns municipalities as well as at Bisho show grounds.

As we continue with coordination and facilitation of rural development, the department will support the provisioning of basic services and job creation.

Honourable Speaker, the Department will continue with facilitation of integrated spatial development planning with a budget of **R1.4million**.

### ***EFFECTIVE SUPPORT SERVICE***

Honourable Speaker, the department is faced with ageing staff complement. To illustrate the point, 37.7% of the total staff of the Department is above the age of 50 years. This demands a focussed skills transfer and intensive human resource development programme for the newly appointed incumbents. A strong intensive mentorship program will be needed as the very staff above the age of 50years has vast experience that remains critical in the Public Service.

Honourable Speaker, the department has developed a retention policy which will be more appropriate in those skills the country is finding it difficult to have.

Honourable Speaker, the department will continue to review the organizational structure in order to ensure that it fully supports and responds to realization of its mandate. I am glad to announce that the bulk of the work is almost done.

## **STAKEHOLDER ENGAGEMENT**

Honourable Speaker, communication is the best weapon in service delivery. The department will aggressively embark on a public participation program to step up the interaction with communities. For a start, the department will host an Agriculture Carnival where farmers will showcase their produce as well as allowing an open discussion where

farmers will voice their opinions on what they think must be done to make the province food secure. The Department will, later, hold workshops where recipients of our services (farmers) will get an opportunity of getting a full explanation on how each of these deliverables will be implemented. Farmer inputs at these meetings will be critical as they will shape the way service delivery can be improved.

The Top Management of the department will, from time to time, interact with the clients and respond to issues raised by the communities. This will also allow them feel the pulse of what the communities are experiencing at grassroots level thereby empowering them when the department reviews its strategic and operational plans. An amount of **R2.5 million** is allocated for this important function.

Honourable Speaker, as we continue to improve the lives of our people, the Rural Development Strategy (ILIMA LABANTU) will be reviewed.

This review will enable us identify gaps and do better where we have not been able to.

All rural development sites will have dedicated coordinators that will oversee all the operations and stakeholder's liaising.

To enhance coordination of rural development in the province, a Rural Development Forum will be revived.

Honourable Speaker, it is my pleasure to table the Policy and Budget Speech and Annual Performance Plan for the Department and its entities.

## ISIBONGO EMZINI

### ANNEXURE A: SUMMARY OF DEPARTMENTAL PAYMENTS AND ESTIMATES

R'000	2013/14 (R'000)	2014/15 (R'000)	2015/16 (R'000)
<b>ADMINISTRATION</b>	394 447	423 667	446 560
<b>SUSTAINABLE RESOURCE MANAGEMENT</b>	171 069	174 145	188 567
<b>FARMER SUPPORT AND DEVELOPMENT</b>	506 300	542 293	558 856
<b>VETERINARY SERVICES</b>	258 651	266 527	280 823
<b>TECHNOLOGY RESEARCH AND DEVELOPMENT</b>	105 240	110 868	116 749
<b>AGRICULTURAL ECONOMICS</b>	39 139	55 012	57 813
<b>STRUCTURED AGRICULTURAL TRAINING</b>	112 345	120 729	126 917
<b>RURAL DEVELOPMENT COORDINATION</b>	127 297	25 501	26 686
<b>TOTAL</b>	<b>1 714 488</b>	<b>1 718 742</b>	<b>1 802 971</b>

**ANNEXURE B: BUDGET ECONOMIC CLASSIFICATION**

<b>R'000</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>
<b>Compensation of Employees</b>	957 138	1 008 134	1 062 231
<b>Goods &amp; Services</b>	361 441	407 875	414 880
<b>Transfer Payments</b>	235 573	140 667	147 927
<b>Payment of Capital Assets</b>	160 336	162 066	177 932
<b>Total Economic Classification</b>	1 714 488	1 718 742	1 802 971