

DEPARTMENT OF RURAL DEVELOPMENT
AND AGRARIAN REFORM
POLICY SPEECH
2017/18



Province of the
EASTERN CAPE
RURAL DEVELOPMENT AND
AGRARIAN REFORM

“Radical Economic Transformation and Youth Empowerment”

**VIBRANT, EQUITABLE, SUSTAINABLE RURAL
COMMUNITIES AND FOOD SECURITY FOR ALL**

Honourable Speaker;

Honourable Deputy 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 Farmer Organisations & Rural Communities of the Eastern Cape;

Women in Agriculture and Rural Development (WAARD);

Leaders from religious fraternity;

lindwendwe ezihloniphekileyo, abahlali nabemi beli phondo, mholweni nonke bethu.

Madam Speaker, I dedicate this policy speech to young people of this province. I would like to inspire and remind young people of this Province that it does not matter who you are and where you come from, you can still make a huge contribution to the development of our country. The former President of the African National Congress the late comrade OR Tambo, whom we are celebrating his centenary this year, is the son of this Province born in Nkantolo (Mbizana), he was a science and maths teacher, a lawyer, an intellectual and later became the longest serving President of the ANC. We owe him debt of gratitude for the freedom that we are enjoying today.

Other pioneers who can serve as an inspiration to young people are, Professor Wiseman Nkuhlu, the first black chartered accountant from Cala; Ms Nonkululeko Gobodo the first black woman who qualified as a chartered accountant in South Africa; Dr Jotello Festire Soga the grandson of Tiyo Soga became the first black South African to become a qualified Veterinarian who was trained abroad in the United Kingdom in 1886 at age 21 and Dr Bhawuthi the first black South African trained veterinarian from Mqanduli.

If as the Province we are to drive the radical economic transformation, the young people of the province must learn from these legends and be in the forefront of economic emancipation. The young people of this Province must position themselves to participate in the productive structures of our economy, transform the production systems, to be more equitable, and share the wealth of the country thereby reduce poverty and inequality. Youth development without entrepreneurship will not yield the envisaged economic transformation. They must position themselves as entrepreneurs and wealth creators rather than job seekers. The state must use its resources to support youth entrepreneurship to improve access to economic opportunities.

It is within this context that this Province has adopted the Agricultural Economic Transformation Strategy. We do acknowledge that the agricultural output is below its potential contribution mainly due to lack of investment, secure off-take agreements, infrastructure, and insecure land tenure system which leads to limited access to finance.

The strategy seeks to empower rural communities (smallholders, communal farmers especially youth and women) to treat agriculture as business and be supported with tangible programmes and projects that enables them to derive optimal economic value.

Madam Speaker, this will be achieved through customized government supported partnerships between rural communities and the agricultural commercial sector to attract much needed investment and transfer of entrepreneurial skills and employment. As the government we have committed to support local farmers by increasing public procurement on agricultural products from our own primary producers. The strategy will be implemented through the following initiatives:-

- Cluster based partnership programme targeting grain and livestock producers;
- Commodity based partnership programme targeting high value crop producers.

Madam Speaker, the success of the strategy will be determined by the integration of land reform programmes and agricultural support programmes. To this end, DRDLR and DRDAR have completed joint planning and collaboration in the implementation of land reform programmes and farmer support. This is demonstrated by our integrated programmes on the utilisation of available land to drive the implementation of six Agri-parks which are implemented jointly by DRDLR and DRDAR.

Madam Speaker, from 1994 to 2016, a total of 868 farms covering 538 059 ha were distributed at a cost of **R1.6 billion**. The land acquisition programme has benefited 2 506 youths, 3 851 women, 29 disabled people, 1 433 households, 15 labour tenants, 1470 farm dweller and 4 Military veterans. In order to initiate production a total of **R579 million** was spent to recapitalise 196 farms, creating 666 jobs, including 176 women.

Madam Speaker, allow me to present highlights of DRDAR achievements for 2016/17 and our plans for 2017/18 financial year.

Honourable Speaker, despite our efforts of making the Eastern Cape “food secured”, **drought** has severely affected the production output of the farmers as well as communities in general. Consequently communities experienced the shortage of water for household consumption, livestock farmers experienced high mortality rates and loss of income in the past two years.

To mitigate the negative effects of drought the department provided, 350 water tanks, water carting of 3.5 million litres, 9 925 tons of Lucerne, planting of 128 ha of fodder at Qamata irrigation scheme, construction of 24 new boreholes and repair of 75 existing boreholes. The long term strategy is provision of effective early warning systems, establishment of fodder banks, farmer education and pro-active agricultural management. However, the recent summer rains and a positive rain forecast brings hope to farmers in the province.

Honourable Speaker, we have set aside **R10.2 million** to address livestock water shortage to complete drilling and equipping of the 99 boreholes that were initiated in 2016/17 financial year. This programme will benefit 59 villages, 27 farms and 9 commonages in the 5 districts that were declared as drought stricken. Furthermore, the department will undertake awareness campaigns to educate and empower farmers to better manage their livestock and crops. As part of the establishment of fodder banks, farmers will be supported to produce more than 15 000 tons of their own fodder on 1 286 ha (Sarah Baartman -386 ha), (Qamata - 300 ha and Cradock 200 ha in Chris Hani), (Research farms- 300 ha) and (Amathole – 100 ha).

Furthermore, these farmers will be provided with seven sets of hay making equipment at Chris Hani (bailer, rake, mower, trailer and lifter) at a cost of **R6.2 million**.

Honourable Speaker, **extension services** is the backbone of implementing our Agricultural economic transformation strategy. We have increased our capacity from 619 to 642. For 2017/18 a total budget of **R77 million** has been allocated to provide extension support by 619 officers across the province. The department has adopted a commodity and cluster based extension support and will increase the number of smallholder producers supported with technical advice from 1 205 to 1 540.

CLUSTER BASED PARTNERSHIP PROGRAMME TARGETING GRAIN AND LIVESTOCK PRODUCTS

To improve commercial viability and productive utilisation of communal land and smallholder farms, the department has initiated the clustering of arable land into economic units to realise the economies of scale and reduce the cost of production. These clusters have been linked to commercial agriculture for investment, mentorship, entrepreneurship and to exploit the market opportunities in the value chain.

Grain production

Madam Speaker, during 2016/2017 the department has managed to plant **42 879** hectares of maize as at end December 2016 against the annual target of 43 800 hectares. The expected yield in the planted area is 171 516 tons of grain valued at R377 million and creating 858 job opportunities.

Honourable Speaker, in 2017/18 the department will invest **R 122.2 million** to support grain producers to increase production from the current target of 43 800 ha to 47 800ha projected to yield 175 200 tons of grain valued at **R403 million**. This programme will be implemented in partnership with the Grain Farmers Development Association for smallholder producers (mainly in Alfred Nzo), Wiphold (Amathole-Mnquma), Grain SA (OR Tambo, Chris Hani, Joe Gqabi, Alfred Nzo and Amathole), Growth Force (OR Tambo and Alfred Nzo), Anglo American (OR Tambo) and Anglo Ashanti (OR Tambo) for communal clusters. This shall benefit a total of 158 smallholder farmers and 5 603 clustered grain producers.

Through this investment more than 1 200 job opportunities will be created. The department acknowledges the support provided by the District and Local Municipalities to farmers which enabled them to participate in the cropping programme.

Madam Speaker, this province now has a storage capacity of 20 518 tons of grain and milling capacity of 12 800 tons per annum in the existing four RED Hubs (Mqanduli, Ncora, Mbizana and Emalahleni). Grain producers in the province are encouraged to secure off-take agreements with the RED Hubs so that they can realise the economic benefits. I am pleased to announce that in 2017/18 the department through the ECRDA will initiate a new RED Hub at Tshabho (BCM) at the cost of **R14.5 million** and **R48 million** in 2018/19. **“Siyeza MANDLAMBE sesifikile”**.

Household Food Security

Honourable Speaker, the Eastern Cape Household Community Survey of 2016 indicates that poverty head count in the Eastern Cape has decreased from 14.4% in 2011 to 12,7% in 2016.

In support of the most vulnerable members of our society, the department provided crop and vegetable production inputs to 7 261 mostly women headed households benefiting 43 500 people. In 2017/18, the department has doubled its support to 24 000 households benefiting 144 000 people with a cost of **R10 million**.

Commercialisation of Livestock

Madam Speaker, despite the provincial comparative advantage that exists in terms livestock numbers the majority of these livestock producers are not able to optimally utilise this economic resource. To address this, the department will establish feedlots in communal areas where livestock producers will fatten their animals and make them ready for commercial markets. Furthermore, the department will also provide a customised support to livestock farmers in the form of infrastructure, superior genetic material, entrepreneurship, training and mentorship and link them to existing market opportunities.

Honourable Members, DRDAR is currently supporting 10 rural custom feed centers targeting communal farmers and one commercial feedlot. These custom feed centers have assisted both smallholder and commercial farmers to sell a total of 2 536 cattle, generating a revenue of R16 million for communal and small-scale farmers participating in the program. A total of 75 job opportunities were created.

In 2017/18, the department will continue to support the existing 10 custom feed centers and establish 3 new custom feed centers in OR Tambo, Alfred Nzo and Joe Gqabi with a budget of **R10 million**. These custom feed centers will increase the number of animals to be fattened from 2 536 to 4 056 and generate R25 million which will create a total of 93 job opportunities.

The department will also facilitate off-take agreements between the livestock producers participating in the centers abattoirs and to enter the livestock value chain.

This will be achieved through a partnership with National Agriculture Marketing Council (NAMC) who will provide technical support in terms of marketing and overall management of the custom feed centers.

Honourable Members, in 2016/17, the department has already distributed a total of **1 752** superior genetic animals to smallholder and communal livestock producers. In 2017/18, the department will partner with the University of Fort Hare-IDC Nguni Development Trust to support 50 smallholder livestock producers to commercialize their enterprises through provision of 144 breeding cattle, mentorship, entrepreneurship and secure off-take agreements for marketing of their livestock. These farmers will also be supported to exploit the existing market opportunities created by Berlin beef (grain fed beef), Cradock abattoirs Woolworth (grass fed) and abattoirs in general.

Expansion of Wool Production for the formal markets

Honourable Speaker, in the past financial year a total of 866 superior genetic wool sheep were distributed to smallholder and communal farmers. In 2017/18 financial year, the department will invest **R23.8 million** to support wool producers on provision of shearing sheds, training, mentorship and marketing. This will be implemented through partnership with National Wool Growers Association which will also support the construction of 19 new shearing sheds with dipping and handling facilities to support 19 wool clusters benefitting 240 wool producers. These initiatives will create 144 job opportunities and recruit 5 unemployed agricultural graduates for experiential learning.

Animal Health

Honourable Members, to ensure the health of the provincial herd during 2016/17, a comprehensive veterinary support programme was provided. This included the vaccination of **1.5 million** animals against controlled animal diseases, dipping **1.3 million** animals and applied **7.2 million** treatments to control sheep scab in order to improve the quantity and quality of the wool clip. In 2017/18 financial year, the department will invest **R37.4 million** to maintain the health status of the provincial herd.

Honourable Members, we have also initiated the establishment of the veterinary school in partnership with the University of Fort Hare which will be the second veterinary school in the country. This initiative is driven by a joint task team including the University and the department and this will require the support of all the agriculture stakeholders in the province.

AGRICULTURAL INFRASTRUCTURE

In 2016/17, a total of 127 on-farm livestock infrastructure projects have been implemented including fencing, stock-water systems, dip tanks, stock handling facilities and sheds. This includes the completion of 54 Stock Water Dams; 7 multipurpose sheds, 21 Livestock Handling facilities and 45 dipping tanks (42 renovations and 3 new) and 332.8 km of fence. A low throughput rural abattoir at Lukhanji, has been completed offering market opportunities for surrounding rural communities.

Honourable Speaker, commercialisation of agriculture in the province is supported in 2017/18 with:

- **R41.8 million** for infrastructure development in communal areas in support of red meat production, supporting handling facilities, boundary fencing, multipurpose sheds, stock water and dip tanks.
- **R22.4 million** is allocated to improve marketing infrastructure at Ripplemead pack-shed (Ngqushwa).
- **R1.1 million** has been set aside to support citrus producers towards the South African Good Agricultural Practices (SA GAP) certification that ensures export and food safety compliance.
- **R4 million** has been allocated to provide poultry structures for poultry farming enterprises in Grahamstown abattoir and the Tsolo youth poultry enterprise.
- **R4 million** is allocated for piggeries in support of young farmers in Buffalo City Municipality and Mthatha, thus creating vibrant enterprises for these thriving young farmers.
- **R14.7 million** for fencing covering 293 km, resulting to 879 jobs.

Land Care

During 2016/17 a total of 1 631 ha were rehabilitated through conservation and **1 205 green jobs** were created. A total of 213 572 hectares of land was verified for land use planning and development purposes. Furthermore, a total of 3 122 sites were demarcated for development in the rural areas.

In 2017/18 rehabilitation of degraded areas is addressed through administering land use legislation. An amount of **R11.8 million** has been allocated for land rehabilitation and conservation measures, and a total of 236 green jobs will be created benefiting 866 people.

Expansion of Aquaculture Production

Honourable Speaker, in 2017/18 financial year, the department will invest **R9 million** to expand production through the incubation programme in the Karoo-Catch aquaculture facility at Beyers Naude and complete the rehabilitation of Mthatha Dam aquaculture hatchery. This expansion increases production capacity by 792 tons of fish per year with a gross value of R42 million, creating 210 jobs. Furthermore, the department in partnership with the Department of Agriculture, Forestry and Fisheries will undertake capacity building programmes, to empower all the fishing communities.

EXPAND IRRIGATED AGRICULTURE

Revitalisation of the Irrigation Schemes

During 2016/17, financial year at **Zanyokwe Irrigation Scheme** underground irrigation system was installed. As a result of this development the scheme will now manage to increase the cropping irrigated land from 85 ha to 150 ha. The Partnership arrangements in the scheme have produced 130 ha of maize and 30ha of chilli peppers by Amadlelo and Rance Rural Development respectively.

Ncora irrigation scheme: The scheme was supported to plant at total of 2 000 ha of maize at a cost of **R6.4 million**. Furthermore a total of R402 701 was provided for repairs of leaks.

Qamata irrigation scheme: a total of 686 ha of maize and 128 ha of Lucerne was planted at a cost of **R2.1 million**. To ensure optimal functioning of the scheme, a weigh bridge for the silos was repaired and 16 valves were replaced with an amount for both totalling to R556 969.

In 2017/18 the department has set aside **R22. 4 million** to revitalise the Ncorha, Qamata, Zanyokwe and Kieskamma irrigation schemes. There is an engagement of industry and commercial partners, including, Chris Hani Development Agency, Amadlelo, Almond Holdings (McCain), Isibaya and ARC. This expansion has contribute to the creation of 550 *jobs*.

Small scale irrigation

Honourable Speaker, the department will increase its investment in the small scale irrigation schemes from **R3.4 million** in Port St Johns to **R4.8 million** for vegetable production. This investment will cover 392 ha under production and increase employment opportunities from 127 to 180. Furthermore, the department has allocated **R4.1 million** for the chilli pepper production on 20 ha at Eluphindweni (Chris Hani). This initiative will create 89 job opportunities.

COMMODITY BASED PARTNERSHIP PROGRAMME TARGETING HIGH VALUE PRODUCTS

Expansion of Citrus Production

In 2016/17, a budget of **R19.1 million** was availed for building of the first phase of an export rated citrus pack-shed at Ripplemead in Ngqushwa. Furthermore, citrus production was supported at Amatole and Sarah Baartman covering 325 ha, creating 716 jobs and benefited 101 farmers. That was done in partnership with Citrus Growers Association and Grower Development Company.

In 2017/18 financial year, DRDAR will invest **R9 million** targeting 36 black smallholder citrus producers to cover 1 070 ha. This shall be achieved in partnership with the Grower Development Company of the Citrus Growers Association, DRDAR and farmers. This will increase citrus production capacity by 34 980 tons from the current 1 055 000 tons and create additional 696 job opportunities.

Expansion of Deciduous Production

During the 2016/17 financial year the Department supported a total of four farms in the Langkloof area, with production inputs to improve production levels covering 31 ha. A total of 153 farmers were supported and linked into partnership with Deciduous Fruit development agency and HortGro. A total of 122 ha were supported at Sarah Baartman and in turn 399 jobs were created.

In 2017/18 financial year, DRDAR in partnership with HortGro and Deciduous Fruit Development Chamber will invest **R 14.3 million** (of which **R6.9 million** is from Jobs Fund and **R7.4 million** from DRDAR) to upgrade 171 ha of orchards and initiate the establishment of 450 ha of new apple orchards in Gubenxa (Sakhisizwe). This programme is targeting to support 19 deciduous producers in the Langkloof in Sara Baartman and Gubenxa valley and will create 519 jobs opportunities.

Honourable Speaker, it is worth noting that through our interventions we continue to develop commercial farmers from previously disadvantaged communities especially women. **Ms Venecia Janse** of Oudrif farm number 2 (Koukamma Municipality), a deciduous fruit production enterprise that we supported was awarded **as the overall national winner in female farmer category**.

The farm has 15 beneficiaries (8 Female, 3 males and 4 youth). It employs 44 permanent workers and 68 seasonal workers.

Expansion of Pineapple Production

Madam Speaker, in 2017/18, the Department will continue to support pineapple industry in partnership with Summerpride Pty (Ltd) and the Pineapple Growers Association. The area under production will be expanded from 195 ha to 230 ha with a budget of **R1 million**. This will create 188 jobs and expand production capacity by 2 508 tons contracted for market to Summerpride in East London.

Expansion of Chicory Production

Honourable Speaker, in the past financial year (2016/17) chicory was supported at Sarah Baartman covering 200 ha, benefiting 102 farmers and in turn 2 000 jobs were created in partnership with Chicory SA. In 2017/18 financial year, the department will support the existing partnership between DTI and Chicory SA. Twelve black smallholder producers will be supported to plant 180 ha in Ndlambe, creating 900 jobs and increasing the production capacity by 3 240 tons, at a cost of **R1 million**.

Expansion of Macadamia Production

In South Africa the Macadamia industry has grown 20-fold over the past 20 years, with production from the current 25 000 ha realising R 4 billion annually in exports. During 2016/17 the establishment of 100 ha of new macadamia orchard at Amajingqi (Mbashe) was completed. **Ncera Macadamia** established 180 ha creating 150 jobs.

In 2017/18 the expansion of macadamia orchards will be supported by **R10.7 million** to plant an additional 280 ha at two sites at Amathole, which are Ncera (120 ha) and Amajingqi (160 ha). This expansion will create 280 permanent jobs.

Research and Development

Honourable Speaker, research is the one of the pillars that the agriculture economic transformation strategy is founded upon. It is in this background that the department will prioritise agriculture research and technology transfer for smallholder and subsistence producers. During the financial year 2016/17, the department managed to deliver 25 scientific presentations and published six peer reviewed papers and represented by two scientist in international platforms.

During 2017/18, a budget of **R20 million** has been allocated to support all commodities with research and technology development. The research will focus on improving resilience of production systems for sustainability of the industry. The Department will implement 60 research project and deliver 35 presentation in technology transfer events. A special focus will be afforded to new ways in which farmers can reduce the cost of production and access to new markets.

Madam Speaker, 2017 marks the 80th year since the beginning of animal research in Dohne Agricultural Development Institute and marks a 50th anniversary of the South African Society of Animal Science (SASAS). The province is privileged to host the 50th SASAS congress in Port Elizabeth (September 2017).

Youth programmes in agriculture

Honourable Speaker, through localised beneficiation local youth shall benefit in all DRDAR programmes rolled out in their communities. Going forward we shall adopt community development approach in all our fencing projects. The Rural Appropriate Technology Unit (RATU) will support and train cooperatives of unemployed youths.

In 2017/18 DRDAR will engage these cooperatives for construction of planned fencing of arable land in rural farming areas covering 167 km (Amathole 62 km; OR Tambo 44 km; Chris Hani 31 km; Alfred Nzo 20km; and Joe Gqabi 10km) fencing thereby providing 838 job opportunities for unemployed youth. The fencing material will be provided by the department. Payment of these developing entrepreneurs in the form of cooperatives will be processed through the Post Office.

The department is initiating the Rural Wealth Creation Centre at Fort Cox which is targeting 200 youth co-ops in the entrepreneur incubator programme, farmer production support and rural/urban market programme. This programme targets youth from land reform beneficiaries, unemployed youth and entrepreneurs in general. In this regard the department is partnering with DRDLR so that the trained practitioners can ultimately acquire land through the land reform program. For 2017/18 an investment of **R5.8 million** will be availed for production inputs which will enable them to run several cycles of broiler and layer enterprises as a business, using existing Fort Cox farm infrastructure. This programme seeks to promote, train and establish a cadre of 150 self-employed youth entrepreneurs in broiler and layer poultry production.

An amount of **R 1.9 million** is allocated by the Department to be used in cooperation with the university of Fort Hare in a Household Food Security Programme targeting 60 un-employed youth to be trained in an accredited NQF 4, short learning programme (1 year), as trainers to reach and support 300 households to achieve effective household vegetable production.

An amount of **R6 million** has been set aside for an eight month learnership programme, targeting 190 out-of-school youth within current land reform and CASP beneficiaries, on crop and animal production. To promote agriculture as career of choice a total of 300 school-going learners will be encouraged through career exhibitions and on-site demonstrations.

Honourable Speaker, with the support of DRDAR Tsolo Agricultural and Rural Development Institute (TARDI) and Fort Cox College continues with their annual enrolment of 560 students for qualifications in crop and animal production, agri-business, animal health and forestry.

In response to the outcry regarding student fees at tertiary institutions, the continued collaboration between the Department and the Health and Welfare SETA has again yielded positive results. In addition to the full funding support provided to the first intake of 50 students in the Animal Health Diploma at Tsolo College, the SETA will provide funding for 3 years for another 105 students that were registered last year. The total value of the funding over the next 3 years is **R15.9 million**, which will cover a monthly stipend of R2 000, complete set of protective clothing, laboratory equipment, registration with the South

African Veterinary Council SAVC), books, tuition as well as boarding and lodging.

Farmer Skills Development

In support of farmers and farm workers' skills development, the Department managed to train 2 000 farmers and 170 farmer workers on crop and animal production as well as agribusiness skills. For 2017/18 the Department will invest **R9.7 million** on skills development targeting 2 240 farmers and 200 farm workers.

Magwa and Majola

The Business Rescue Practitioner in partnership with the Project Steering Committee have engaged potential investors to invest in these estates. Investors have expressed an interest in Magwa and Majola provided there is government commitment. A total budget of **R15 million** has been allocated for business rescue processes.

RURAL DEVELOPMENT COORDINATION

Honourable Speaker, the Department will streamline its rural development coordination with the existing provincial IGR structures to improve effectiveness across all spheres of government. In 2017/18 financial year, DRDAR will optimally use the Masiphatisane- Service Delivery Model (War room) to drive rural development from ward level where all stakeholders participate up to provincial IGR.

Madam Speaker, six community **forestry projects** are currently supported by ECRDA: Sixhotyeni, Gqukunqa, Sinawo, Mkambati, Izinini and Lusikisiki Forestry projects. The Department will increase the area under forestry production from 1 171 ha to 1 371 ha in 2017/18, at a cost of **R6 million**. The Department will support the ECRDA in the mobilization of resources for forestry development.

Honourable members, **ICT** is a critical enabler for rural development, in this regard the Department has implemented 5 ICT projects in partnership with SEBATA Municipal Solutions in Joe Gqabi (4) and OR Tambo (1) where 289 young people (received monthly stipend of R1 500) participated for a period of one year. The majority of these young people have since joined both public and private sector.

For 2017/18, the Department will continue its partnership with SEBATA Municipal Solutions and Buffalo City Metropolitan Municipality to implement ICT capacity building in rural areas targeting 150 out of school youth to be recruited and trained for a period of 12 months earning a stipend of R1 800 per month. Furthermore, in partnership with School Net SA, seven schools will participate in the ICT capacitation programme.

Rural development interventions

Honourable Speaker, the department will use the rural appropriate technologies to improve water supply infrastructure, sanitation, renewable energy, and clothing and textile.

In 2016/17, three (3) water care projects at Hoyita, Sterkspruit (Senqu LM), Xanase village (Mbashe LM) and Graaff Reinet (Dr Beyers Naude LM) were supported, benefiting 16 households and creating 36 job opportunities.

In 2017/18, the Department has set aside **R1.5 million** for water care and spring protection, targeting 400 households at KSD, Mqanduli, Mbashe, Mzimvubu, Senqu, and Ikhwezi Local Municipalities.

In 2016/17, two ventilated pit latrine toilets were constructed at lower Ncora Junior Secondary School (Intsikayethu LM) and Kwenxura High school (Great Kei LM) benefiting 733 school learners thus creating 13 job opportunities. For 2017/18, the Department has allocated **R 500 000** to construct 3 improved ventilated latrine toilet systems in 3 schools, benefiting 730 school learners.

On Renewable Energy, the Department will continue its partnership with the University of Fort Hare to provide renewable energy to rural households in the Province. To date, this partnership has supplied 100 solar home lighting systems, 87 bio-gas digesters which were supported with funding from South African National Energy Development Institute (SANEDI) (R3.7 million), Water Research Commission (R2 million) and DRDAR (R3 million). This programme has trained and employed 28 rural youths during the installation and will be encouraged to form cooperatives so that they continue maintaining these renewable energy systems.

For 2017/18, the Department will allocate **R2 million** to continue the partnership with UFH to provide 200 solar systems and 30 Bio-digesters in 3 villages (Krwakrwa, Nomlengane and Dangers Hoek) benefiting 200 households and create 30 jobs. The Department will also facilitate the establishment of youth cooperatives on renewable energy and maintainance.

Honourable Speaker, clothing and textile plays a critical role in the economic upliftment of women in the rural areas of the province. In 2017/18, a total of 50 projects in rural areas will be supported with complete sets of sewing equipment, sewing material and capacity building in all six districts. This will benefit 363 (Amathole -92, Alfred Nzo - 80, Chris Hani - 30, Joe Gqabi - 24, O.R. Tambo - 88 and Sara Baartman - 88) youth and women. To realize this, the Department has set aside a total budget of **R2 million** to upgrade electricity, protective clothing, fencing and marketing outlets.

Support of rural industries and enterprises

Madam Speaker, the Department will initiate a pilot programme to support mini rural industrial hubs which are in the primary and secondary manufacturing sectors with potential to grow and create employment opportunities.

In this regard the Department has identified sawmills which manufactures timber for the building industries and currently employs 50 people. However, they are not operating optimal due a lack of basic infrastructure and modern equipment which can enable them to meet off-take agreement obligations with big retailers.

In the 2017/18, the Department has set aside **R1 million** to support this project at Engcobo with infrastructure, equipment, training and development. Furthermore, the Department will also support clothing and textile initiative at Port St Johns and a tourism mini business hub at Coffee Bay with a budget of **R 500 000**, to promote tourism, creating 5 permanent jobs and 3 casual jobs.

REVITALIZATION OF AGRICULTURAL COLLEGES INFRASTRUCTURE

Honourable Speaker, in 2016/17 at Tsolo College four infrastructure projects were completed and these included the installation of standby generators, construction of palisade fence, conversion of an abattoir to a post mortem facility and renovation of student toilets. At Fort Cox two projects were implemented which will be continued in the next financial year, namely water supply and repairs to leaking roofs. For 2017/18, the Department will invest **R12.7 million** which will be used to continue with the ongoing infrastructure projects at the Colleges.

GOVERNANCE AND ADMINISTRATION

Honourable Speaker, a total of 56 external bursaries were awarded in the fields of Veterinary Sciences, Agricultural Engineering, Animal Production, Soil Science, Plant Pathology and Crop Production with the intention of retaining the skills after completion of studies. Out of the 56 bursaries holders, 23 are females and 33 males.

To improve capability of HR workforce and to contribute towards reduction of unemployed graduates, internship opportunity was created for 187 unemployed graduates with the support of the Service SETA.

Honourable Speaker, when it comes to payment of service providers we have exceeded the expectations as we are currently paying within 17 days. Furthermore, the procurement processes will be improved in such a manner that there is a paradigm shift in favour of local service providers. DRDAR commits to implement the LED procurement strategy in programmes such as cropping (inputs, fertilizers, chemicals and mechanisation) as well as infrastructure. In 2016/17, mechanisation services were sourced from local contractors where ploughing was taking place. A total of R46.7 million was awarded to 98 local contractors. The same approach for mechanisation will be employed in the 2017/18 financial year.

Madam Speaker, in conclusion, I hereby table this Policy and Budget Speech 2017/18, the Annual Performance Plan (DRDAR), Operational Plan, and ECRDA Annual Performance Plan 2017/18.

Annexure A: Budget for 2017/18 MTEF

Programmes	2017/18	2018/19	2019/20
	Revised Baseline	Revised Baseline	Revised Baseline
Administration	450 697	475 030	509 402
Sustainable Resource Management	123 960	130 789	139 612
Farmer Support And Development	788 862	808 716	861 480
Veterinary Services	313 125	332 572	354 766
Research And Technology Development	128 647	138 154	148 503
Agricultural Economics Services	50 687	38 088	40 565
Structured Agricultural Education and Training	152 825	168 716	179 494
Rural Development Coordination	196 629	240 251	220 369
TOTAL	2 205 432	2 332 317	2 454 191
Economic Classification			
Compensation of employees	1 207 317	1 277 070	1 370 119
Goods and services	457 161	471 427	516 358
Transfers and subsidies	368 265	375 440	351 395
Payments for capital assets	172 689	208 379	216 319
Payment for financial assets	-	-	-
TOTAL	2 205 432	2 332 317	2 454 191

