

PROVINCE OF THE EASTERN CAPE



**DEPARTMENT
OF
RURAL DEVELOPMENT AND AGRARIAN REFORM**

FOOD PRODUCTION POLICY

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Foreword

The National Development Plan aims to eliminate poverty and reduce inequality by 2030. The country can realise these goals by drawing on the energies of its people, growing an inclusive economy, building capabilities, enhancing the capacity of the state, and promoting leadership and partnerships throughout society. Furthermore, the related enabling milestones of the NDP to our Department are to:

- ▶ Realise food trade surplus, with one-third produced by small-scale farmers or households.
- ▶ Ensure household food and nutrition security.

On a Continental level, the New Partnership for Africa's Development (NEPAD) serves as framework for development programs for the African Union (AU), which aims at driving economic integration in Africa. NEPAD emphasizes that agriculture will provide the engine for growth in Africa. Through consultations with its partners and donors, NEPAD developed a Comprehensive Africa Agriculture Development Program (CAADP) in 2003. CAADP focuses on improving food security, nutrition, and increasing incomes in Africa's largely farming based economies.

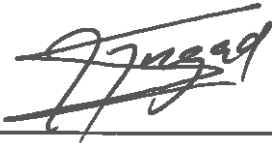
The National Development Plan Vision 2030 also emphasizes the importance of agriculture as embedded in the Agriculture Policy Action Plan (APAP). That Agricultural development should be based on **successful land reform, employment creation, and strong safeguards for the environment**. The driving force for this is the expansion of **irrigated agriculture** together with the expansion of dryland production in some areas.

Our province is the second poorest province in the country due to its rural nature characterized by high unemployment rate; however, we are endowed with a wealth of natural resources, which we can exploit to create a food secure province. One of the major impediments for growth in agriculture in the Province is smallholders' lack of access to markets for high-value commodities. It is upon that background that we have established Rural Enterprise Development hubs in Mqanduli, Bizana, Lady Frere and Ncora. These RED hubs are meant to address an inherent disparity where smallholders are largely excluded from the institution-driven value chains.

Policy proposals are guided by the following principles:-

- ▶ Resource potential of the identified area determines the type and the magnitude of an enterprise to be established and promoted;
- ▶ Reliable food insecurity data is the prerequisite to define the type of intervention to be designed and introduced in that particular area or community;
- ▶ Both crop and livestock enterprises are promoted to enhance food security in the province;

- ▶ Food security interventions ensure that the targeted communities and individuals gain comprehensive access to production and value adding resources and thus create job opportunities;
- ▶ Food insecure communities are capacitated and empowered to autonomously produce adequate, nutritious and safe food.



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HEAD OF DEPARTMENT (DRDAR)

DATE: 26/03/2018

DEFINITIONS

Agricultural Mechanization: embraces the use and maintenance of tools, implements and machines for agricultural production and on-farm processing (agricultural land development, crop production, harvesting, product handling, packaging and preparation for storage and marketing).

Agricultural Mechanization Unit is a standardized set of power unit including implements, equipment, tools and accessories for crop production from seedbed preparation/tillage operation, planting/transplanting, weeding/fertilizer application, pest control, harvesting, transportation/handling, storage, processing and operators/repair and maintenance. The level of a mechanization unit is measured in terms of kW/ha, ha/tractor, number of tractors/1000ha, equipment weight/tractor, and mechanical power/total power.

CASP: Comprehensive Agricultural Support Programme

DRDAR: Department of Rural Development and Agrarian Reform

EC: Eastern Cape Province

ECRDA: Eastern Cape Rural Development Agency

Food gardens: These include production lands in the household backyards, schools, clinics and church gardens

Food security: is defined as access to sufficient food to meet the energy and nutrient requirements for a healthy and productive life.

Inputs: refers to all the production inputs necessary for farm produce.

Seed stock: refers to livestock given to the farmers by the department as a start-up, of which they shall be returned to the Department by the farmer based on the agreed terms.

Subsistence farmer: refers to a farmer that provides for the basic needs of the farmer without surpluses for marketing.

Smallholder Farmer is a small-scale farmer with small patch of land with such resources that allow the income to be sufficient to be classified as commercial in a rural context.

Commercial farmer: refers to a farmer that produces at a large scale with available technology for marketing the produce and profit.

1. Introduction

About 70% of the world's poor live in the rural areas and targeting poverty reduction in the rural areas will therefore do much to reduce the incident of world poverty and food insecurity. This global picture is similar to the Eastern Cape where the majority of its citizens are living in the rural areas mostly in the former homelands, Ciskei and Transkei, where poverty is so rife. Poverty in South Africa and the Eastern Cape is widespread and it has become the chief target of government policy interventions. Despite decades of development efforts, poverty and food insecurity are still core problems that beset the modern world. A number of factors contribute to widespread and protracted hunger. While there are various policy instruments that governments use to improve food availability, the cornerstone of food security lies in poverty alleviation through agricultural production. Only thereby, can there be improvement in the economic and physical access to food for the neediest. Food insecurity is heavily influenced by poverty, access to resources, and fluctuations in weather patterns and markets.

Food security is part of the section 27 of Constitutional rights in South Africa. Regarding these rights, the Constitution states that "every citizen has the right to have access to sufficient food and water, and that the state must by legislation and other measures, within its available resources, avail to progressive realisation of the right to sufficient food" (Constitution, 1996: 12). Even though the Eastern Cape has thousands of hectares of arable land for food production, much of this land's quality has degenerated over time through overgrazing and other harmful practices. This land needs to be rehabilitated and appropriate farming practices and technology needs to be encouraged, especially at the level of homestead, community and small-scale farming.

The Eastern Cape economy contributes 7.7% to the South African economy, the fourth highest provincial contribution. The relative contribution of the agricultural sector, within the province, has been in decline from 2009 onwards. The provincial economy has up to 2013 increased 2.8 times while agriculture sector has increased by only 1.8 times. This trend is similar to that recorded in other provinces. The growth in the provincial economy stems largely from the metros, 43 % and 23% from the Nelson Mandela Bay Metro and Buffalo City Metro respectively. Rural areas contributed only 34 %. The largest contribution to the provincial agricultural economy comes from the animal production sector (75%) followed by the horticultural component (20%). The small contribution from the field crop sector (4.3%) is inconsistent with the natural resource potential of the province when the contribution from the field crop sector is meaningful in all other eight provinces. Agricultural development results in increased employment in the rural sector through jobs created by the multiplier effects of increased income of farmers.

Through this policy the Department seeks to address the issue of food insecure households whilst promoting food production for the province and create an enabling environment for socio-economic development.

It is through investments in agriculture production, that the province can alleviate poverty and ensure that Eastern Cape citizens are food secured. Given policy and programme interventions by the Eastern Cape government, poverty headcount in Eastern Cape has decreased from 14.4% in 2011 to 12.7% in 2016. Decreases in the poverty headcount were observed in all district municipalities between 2011 and 2016, except in Chris Hani, where it increased from 15.6% in 2011 to 16.4% in 2016. The lowest poverty headcounts were recorded in Nelson Mandela Bay (3.0%), Sarah Baartman (4.5%) and Buffalo City (7.3%).

1.1. Problem statement

The Eastern Cape has the highest number of households experiencing hunger at compared to other provinces in the country. Given this challenge the department cannot address the problem of food insecurity with its limited resources, there is a dire need for integrated approach by all sector departments and the private sector. Hence the department has developed the Eastern Cape Agricultural Economic Transformation Strategy that seeks to enable rural communities, i.e. targeted smallholder/subsistence and communal farmers, to derive optimal economic value out of their agricultural activity through customized government supported partnerships with organized commercial partners.

Despite the high levels of food insecurity facing the province, Eastern Cape has vastly resource potential to produce sufficiently to support its citizens. And there is a potential for the province to become a food basket of the country. However, the poor performance of the agricultural economic output in the province is mainly due to smallholder/subsistence farmers not able to commercially operate at large areas of land for cropping and livestock. The challenge that is facing the province is to convert the current approximate 1 700 000 cattle, 3 000 000 sheep and 2 100 000 goats under communal grazing systems into commercial assets that can be optimally marketed and earn income. Unfortunately, the levels of market related production from these animals falls short of the market demands.

2. OBJECTIVES

- 2.1.** To improve food and nutrition security in the Province.
- 2.2.** To encourage and support partnerships between smallholder farmers and private investors.
- 2.3.** To increase the capacity and the capabilities of subsistence, smallholder farmers to become commercial farmers that contributes to the economic growth of the Province.

3. REGULATORY FRAMEWORK

- 3.1. South African Constitution (Act No. 108 of 1996)
- 3.2. National Development Plan, vision 2030
- 3.3. National Food and Nutrition Security Plan for South Africa 2017-2022
- 3.4. Provincial Development Plan, vision 2030
- 3.5. Eastern Cape Agricultural Development Act, Act No.8 of 1999
- 3.6. Communal Land Rights Act, Act No 11 of 2004)
- 3.7. National Environmental Management Act, Act No 107 of 1998
- 3.8. Integrated Food Security Strategy for South Africa, 2002
- 3.9. National policy on food and nutrition security for the Republic of South Africa, 2013.
- 3.10. Eastern Cape Agricultural Economic Transformation strategy, 2016-2021
- 3.11. Animal Identification Act, Act 6 of 2002
- 3.12. Animal Improvement Act, Act 62 of 1998
- 3.13. Conservation of Agricultural Resources Act, Act 43 of 1983
- 3.14. Sustainable Development Goal 1: End Poverty in all forms everywhere
- 3.15. Comprehensive Africa Agriculture Development Programme (CAADP) (2003)

4. PRINCIPLES, VALUES & PHILOSOPHY

- 4.1. The fundamental right of everyone to be free from hunger is exercised without discrimination of any kind including race, colour, gender, language, religion, political or other opinion, national or social origin, property, birth or other status;
- 4.2. Timely and reliable baseline food insecurity data is a basic prerequisite for the diagnosis, design, implementation and monitoring of the food security programmes and interventions;
- 4.3. Collective formulation of intervention and joint implementation of programmes must be the basis of sustainable food production and utilization;
- 4.4. Food insecure communities must be empowered to have adequate, nutritious and safe food and as agents of their own development for sustainable food security.

5. SCOPE OF APPLICABILITY

This policy supports the following categories of the farmers/beneficiaries based on the availability of resources:-

- a) Households/subsistence and users of public institutions
- b) Smallholders, and
- c) Commercial farmers

6. IMPLEMENTATION PROCEDURES

- (a) Food Production policy in the Province recognise two major focus areas which are crop and livestock production.

- (b) To promote food production in the Province, the Department establishes comprehensive programmes dedicated for specific objectives linked to food security with a view of producing adequate, safe, nutritional food.
- (c) The Department recognises three categories of farmers that will benefit from this policy (Households/subsistence and public institutions, smallholders and commercial farmers).
- (d) The Department based on available resources must intervene in assisting indigent households who are faced with hunger and malnutrition by providing agricultural production inputs.
- (e) Participation into household programme is subject to a household submitting an application form with a copy of his/her identity document.
- (f) Failing to utilise agricultural production inputs provided with no substantial reasons and proof thereof, the department shall withdraw the support.
- (g) The support by the Department and farmer contribution will be determined by the level of production.
- (h) Feasibility assessment as depicted by suitability maps is used as guiding tools for the establishment of sustainable enterprises.
- (i) Production plans based on resource potential of the area, enterprise budgets and market access are adopted as prerequisites for the support of any enterprise.
- (j) Appropriate technical advice and technology transfer are provided to farmers to ensure compliance with good agricultural practices (GAP).
- (k) Government grants must be structured and spent to support sustainable enterprises with production inputs and mechanization services.
- (l) Infrastructure is provided based on the requirements of production system. Maintenance plan must be responsibility of the farmer and / or community.
- (m) Provision to be made for storage facilities, Agro-processing and value-adding infrastructure where there is sustainable primary production.
- (n) Marketing and utilization of integrated market information system is promoted.
- (o) Risk (disaster) management plans are developed for all agricultural production commodities.
- (p) Partnerships are facilitated and Supported for the sustainability of food production programme.
- (q) To establish a functional and efficient information management systems unit for timeous, accurate and relevant information about food is pivotal to the policy goal of eradicating food insecurity.

6.1. Crop production

Crop production entails the production of grains, oil and protein seeds, fruits, vegetables, nuts, fodder and industrial crops. Under this programme farmers are assisted with subsidy towards production inputs and mechanisation services. Where specified in this policy farmers are

expected to make own contribution. Access to this programme is through application process as outlined below:

- 6.1.1. The deadline for the submission of applications for participation in cropping programme first week of April to July of the preceding financial year in order to participate in the following financial year.
- 6.1.2. DRDAR provides tools and inputs for households
- 6.1.3. The application must be accompanied by the following documents
 - (a) Proof of security of tenure to the land
 - (b) Feasibility assessment report (compiled by competent scientist)
- 6.1.4. On crop production, farmers to make own contribution that will be determined annually as informed by production costs.
- 6.1.5. A proof of farmer contribution must be produced as a commitment for participation in the programme during the application stage.
- 6.1.6. Contribution by farmers should be informed by category of a farmer as follows:
 - (a) **Household/subsistence farmers:** DRDAR shall provide subsidy towards production costs, as determined by availability of resources and economic realities at the time (to be reviewed annually)..
 - (b) **Smallholder farmers:** encouraged to work with private sector partners for increased productivity and market access. They are required to make a top up contribution over and above subsidy provided by the department subject to change as per the provisions stipulated in paragraph (a) above.
 - (c) **Commercial farmers:** assistance to be provided will be assessed and determined based on the critical needs of the business enterprise, in cases of natural disasters and controlled disease outbreaks. Support to be provided is dependent on the availability of resources.
 - (d) This category must be linked to private partners and government subsidy interventions for their infrastructural development needs.

6.2. Livestock production

This programme entails support given to farmers in the form of superior genetic material to improve the Provincial livestock herds and flocks is provided through Eastern Cape Livestock Improvement Production Scheme (EC LIPS) as promulgated in the Eastern Cape Agriculture Development Act of 1999. DRDAR supports the development of Stud breeders in the Province.

Access to this programme is through application process as outlined below:

- 6.2.1. The participation in the scheme is through application process as determined by the EC LIPS.

- 6.2.2. The application process will be open to all potential beneficiaries as from the first week of April to July of the preceding financial year in order to participate in the following financial year.
- 6.2.3. Application forms will be available in local offices and such application must be completed together with the responsible ward Extension Officer.
- 6.2.4. Head of Department must appoint adjudication committee that should serve for a period of 3 financial years.
- 6.2.5. Level of support to beneficiaries must be determined by the category of a farmer and potential for growth.
- (a) **Subsistence farmers:** will be supported with suitable and adapted bulls and rams as recommended by the adjudication committee.
- (b) **Smallholder farmers:** will be supported with bulls and rams. Depending on the grazing capacity of the farm, underutilised farms may be provided with seed stock to increase production in the farm.
- (c) **Commercial farmers in need:** assistance to be provided will be assessed and determined based on the critical needs of the business enterprise, in cases of natural disasters and controlled disease outbreaks. Support to be provided is dependent on the availability of resources.
- 6.2.6. The Department shall promote breeding of adaptable breeds to be used by farmers in the Province.
- 6.2.7. Smallholder and Commercial farmers who demonstrates capability in their farming enterprise as per assessment conducted will be supported to become stud breeders.
- 6.2.8. Animal production ventures that promote protein rich foods must be undertaken and supported:
- 6.2.8.1. Aquaculture:**
- (a) Shall be supported through infrastructure programmes and provision of fingerlings.
- (b) The DRDAR in partnership with ECDC, ECRDA, will develop an incubation programme to capacitate small -scale aquaculture producers to expand and manage their enterprises in a commercially viable manner.
- (c) The Department, in partnership with DAFF, will cluster coastal fishing communities and support them with training and development in business management.
- (d) Provide support by upgrading fishing equipment
- (e) Farmers to make own contribution where stated.
- 6.2.8.2. Poultry and piggery production:**
- (a) Infrastructure to be provided on application
- (b) Seed stock shall be provided to qualifying beneficiaries upon approval of application.

- (c) DRDAR to assist with marketing by linking the small producers with local abattoirs and private partners.
 - (d) Shall be done through structured and systematic development of industry value chain.
 - (e) Upon outbreaks of diseases DRDAR shall assist with necessary vaccinations.
 - (f) Farmers to make own contribution where stated.
- 6.2.9. Financing for production inputs and farming apparatus for resource poor farmers is made available based on available resources.
- 6.2.10. Regional marketing points are established to support the marketing of live animals, done in conjunction with market information dissemination.
- 6.2.11. Implementation of the national livestock identification system (branding) to improve marketing and curb disease spread are enforced;

6.3. PARTNERSHIPS

- 6.3.1. Subsistence and smallholder farmers to be encouraged to partner with private sector investors for increased productivity and market access.
- 6.3.2. DRDAR to partner with commodity groups to serve as implementers of the programme.

6.4. Exit period or withdrawal of government support

6.4.1. Cropping programme

- a) **Subsistence/households:** The support for this category of farmers will be assessed annually and shall continue until the farmer is deemed to be self-sustainable and producing at smallholder or commercial level.
- b) **Smallholder:** Depending on the enterprise/commodity, annual crops will be supported for the maximum of three (3) years consecutive years. Fruit will be supported for a maximum of six (6) years consecutive years.
- c) **Commercial:** Depending on the enterprise/commodity, provisions in terms of maximum years of support as stipulated in paragraph (b) shall apply.
- d) Participants who might be found to have misused inputs and implements handed over to them must not be supported again under the same programme, this refers in instances where people decide to sell seedlings and implements handed over to them.

6.4.2. Livestock programme

- a) **Subsistence/households:** The provision of bulls or rams will be once-off over a period of 3 years, with continuous monitoring over this period. Production support shall be assessed annually and must also include other departmental livestock production support programmes until the farmer is deemed to be self-sustainable and producing at smallholder or commercial level.

- b) **Smallholder:** These farmers will be supported until they become commercial farmers. A maximum period of 5 years will be enough to promote these farmers. However, the nature of support will be determined by current status of the farm and the availability of resources in the department. Farmers who misuse departmental support will not be supported again.
- c) **Commercial:** Depending on the enterprise/commodity and the occurrence of natural disasters and controlled disease outbreaks, provisions will be made in terms of maximum years of support as stipulated in paragraph (b).

6.5. Marketing

- 6.6.1 Close linkages between farmers, processors, traders, and retailers are needed to coordinate supply and demand.
- 6.6.2 For perishable commodities, access to high-quality and cost-effective transportation is essential to reduce marketing risks and transaction costs for both sellers and buyers.
- 6.6.3 State institutions like hospitals, prisons, schools etc. must be encouraged to procure produce from the producers that are supported by the Department.
- 6.6.4 Processing, transportation and storage should be linked to departmental initiatives in the RED hubs (Agri-parks).
- 6.6.5 Establishment of market facilities for local farmers.

6.6. Communication strategy

- 6.7.1 The policy and the implementation plan must be communicated to the stakeholders/beneficiaries using accessible media like radio, newspapers and mass meetings.
- 6.7.2 Extension officers must adequately communicate any policy changes and government priorities.

7. ROLES AND RESPONSIBILITIES

7.1. DRDAR:

- 7.1.1. Coordinate all stakeholder's activities towards food production in the province;
- 7.1.2. Avail workforce to advise and assist farming communities in the implementation of the programmes towards food production;
- 7.1.3. Provide agricultural infrastructure, production inputs, mechanization, equipment to deserving farming communities;
- 7.1.4. Collect, collate, analyse and interpret food insecurity and vulnerability information for planning and proper targeting of interventions.
- 7.1.5. Facilitate establishment of partnership with commodity groups.

- 7.1.6. Monitor projects supported
- 7.1.7. Provide training for farming enterprises supported

7.2. Municipalities

- 7.2.1. Assist in the provision of production and marketing related infrastructure where possible and maintenance thereof;
- 7.2.2. Participate in oversight committees on the implementation of the programmes.
- 7.2.3. Provision of access roads based on available budget.
- 7.2.4. Provide land where possible based on availability.
- 7.2.5. Coordinate all role players to participate in food production interventions.
- 7.2.6. Provide the register of indigent households in their areas of jurisdiction to DRDAR officials for planning and accurate targeting of household food security programmes.

7.3. Commodity group associations

- 7.3.1. Provide technical support, capacity building, mentoring and skills transfer to the farmers.
- 7.3.2. Assist in the marketing of products.

7.4. Farmers associations

- 7.4.1 Provide a platform for social mobilisation, farmer organisation and promote agriculture in their communities.

7.5. Farmers

- 7.5.1. Management of stock and crops.
- 7.5.2. Keep accurate records.
- 7.5.3. Adherence to sustainable resource management practices and applicable regulations/policies;
- 7.5.4. Cooperate with all relevant stakeholders.
- 7.5.5. Secure and maintain infrastructure provided by the Department or any funder.
- 7.5.6. Make own contribution when required by the specific programme.

8. RESOURCE IMPLICATIONS

The Department provides resources for the implementation of this policy. The District and local Municipalities are encouraged to incorporate infrastructure requirements in their IDP's. A new unit for Information management system to be established.

9. MONITORING & EVALUATION


Food Security Directorate and District Directors are responsible for monitoring and evaluation of this policy assisted by Monitoring and Evaluation unit.

10.POLICY REVIEW

This policy shall be reviewed in 5 years from its effective date to determine its effectiveness and appropriateness. This policy may be assessed before that time as necessary to reflect substantial organisational changes or any change required by law.

11.RECOMMENDATIONS & APPROVALS

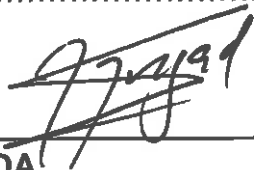
Comments... *The policy is supported for approval*
.....
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MR L COETZEE
DDG: AGRICULTURE
DATE: 28/03/2018

APPROVED / ~~NOT APPROVED~~

Endorsement.....
.....
.....



MR LL NGADA
HEAD OF DEPARTMENT (DRDAR)
DATE: 28/03/2018