

Tuesday, 18 April 2023

BUDGET

VOTE

2023/2024



Hon. Saki Mokoena
MEC: Agriculture and Rural Development
Thabo Thokoza Secondary School
BETHLEHEM

#FSbudgetVotes2023 ● #LeaveNoOneBehind ● #MakingYourFutureWorkBetter



VACCINATE TO SAVE SOUTH AFRICA

TOGETHER WE CAN BEAT CORONAVIRUS



agriculture & rural development

Department of
Agriculture and Rural Development
FREE STATE PROVINCE



**2023/24 BUDGET POLICY SPEECH FOR THE DEPARTMENT OF AGRICULTURE
AND RURAL DEVELOPMENT, PRESENTED BY MR. TEBOHO “SAKI”
MOKOENA**

HONOURABLE SPEAKER

HONOURABLE PREMIER MR. MXOLISI DUKWANA

MEMBERS OF THE EXECUTIVE COUNCIL

CHAIRPERSONS OF PORTFOLIO COMMITTEES

HONOURABLE MEMBERS OF THE FREE STATE LEGISLATURE

**EXECUTIVE MAYORS, MAYORS, SPEAKERS AND COUNCILLORS OF OUR
MUNICIPALITIES PRESENT**

TRADITIONAL LEADERS

DIRECTOR GENERAL, HEADS OF DEPARTMENTS, OUR SUPPORT STAFF

CEO'S OF ENTITIES AND MUNICIPAL MANAGERS

COMMODITY GROUPS & FARM WORKERS' ORGANISATIONS

FARMERS, FARM WORKERS AND FARM DWELLERS

MEMBERS OF THE MEDIA HOUSES

DISTINGUISHED GUESTS AND OUR VIEWERS

LADIES AND GENTLEMEN



Good Day, Dumelang.

Honourable Speaker, I take this opportunity to table to this House, the budget vote for the Free State Department of Agriculture and Rural Development. This is budget vote 11 for the financial year **2023/24** whose focus is to map the road ahead, as we strive to fulfill our mandate, consolidate the building of agriculture both as a sector and an economic growth driver aimed at improving the living conditions of our people.

In his State of the Province Address, Honourable Premier Dukuwana urged that, Free State needs a renewed sense of drive and purpose in serving our people. This calls for the government, captains of industry in the agricultural sector, public representatives and other stakeholders to all pull together in placing our people first and take the province forward. I can also reiterate Premier on behalf of the department, we too indeed serve the people of South Africa and the Free State in particular.

Honourable Speaker, Free State is an agricultural province and agriculture remains one of the dominant sectors of our economy. For as long as we humans inhabit this planet, we will always have to eat and food/agricultural production must continue. It would be amiss of us not to consolidate the competitive advantage the province has in agriculture.

If the United Arab Emirates has oil the Free State has agriculture, if Nigeria has oil the Free State has agriculture. If Western Cape has winelands Free State has grain, if Mpumalanga has coal, Free State has maize, sunflower, groundnuts, soya, etc. The biggest question however is how much we do as Free State appreciate our strength and actually use it to anchor the Free State economic growth. If United Arab Emirates could build Dubai around oil, surely Free State can be built around agriculture.

Our immediate task as the provincial government is to mobilise and consolidate all stakeholders and all our people behind the rebuilding and position the Free State



agriculture both in the country and region, as a leading sector for all major agricultural produce the markets need. We make this point cognisant of our difficult past in the country. Agriculture was build around very difficult, divisive, exploitative relations between both black and white in South Africa. This history of segregation and racism continues to find its way in influencing both black and white role players in the industry.

For South Africa to thrive, we need to heal this divisive past and consolidate united pact that will serve the interest of all us. We cannot allow this element to continue to undermine the potential the sector has, we need to continue to work towards achieving both in reality and perception that agriculture is for all of us, both black and white. It therefore calls on all of us to exercise visionary leadership in overcoming some of the obstacles I believe we as a nation and people are capable of resolving. A divided agricultural sector will take us nowhere.

Economic Growth and Development

The potential growth presented by agriculture and related opportunities around agro-processing (new firms and industries), logistics/freight and knowledge production centres remains immense.

It is our view that the Free State remains the food basket of the country by a long margin, as the province is the dominant producer of sunflower (56%), maize (42%), groundnuts (45%), dry beans (26%), wheat (16%), sorghum (20%) and soya (42%). The province is also an important producer of mutton (20%), beef (19%), pork (8%) and egg (15%). Lejweleputswa is SA's top producer of maize and potatoes, making up to 21% of the nation's total maize crop and 23% of all potatoes.

Free State is already the "Bread Basket" of the country given the domination in production with maize, soya, wheat, potatoes, sheep and cattle. Just as an example, in 2022, Free State produced 6 349 100 tons of maize, on Sunflower we produced 499 800 tons, on Soya Beans we produced 892 250 tons, on Wheat we produced 480 000



tons, on Groundnuts we produced 20 200 tons, on Sorghum we produced 15 600 tons and on Dry beans we produced 13 950 tons. The Free State province in total produced more than eight (8) million tons.

The South African GDP grew by **1.6%** in the third quarter of **2022**, after a contraction of **0.6%** in the previous quarter. The verdict for the fourth quarter of **2022** and for the first quarter of **2023** is still outstanding, after a disastrous load shedding period which cut through the whole economy.

Agriculture in our province contributes **5%** to provincial economic activity, higher than the normal average of **3%**. Agriculture's contribution to the Free State Gross Domestic Product is about **9%** which makes it one of the main contributors. With expansion of agriculture the economy will definitely grow and more people will be employed by the sector.

Honourable Speaker, given the tons of primary production the province produces and my recent engagements with stakeholders, an urgent gathering needs to be convened to discuss and develop interventions, strategies and plans to unlock our potential opportunities in agriculture and agro-processing.

The living and working conditions of farm workers, dwellers and farmers

Since the advent of democracy in 1994 there has been legislative and policy progress made in terms of improving the living and working relations between the farmers and/or managers, farm workers and farm dwellers. However, the farming community, farm workers, farm dwellers and farmers are faced with persistence challenges of crime, violence, cross violation of human rights, lack of adequate housing facilities, lack of access to clean running water and unsustainable livelihoods.



The complaints as raised by mainly African farm dwellers/workers indicate varying degree of abuse/violations in terms of workings conditions, access to water for both livestock and human consumption. Lack of grazing space and forced limit in terms of livestock to own, access to electricity, attempt to evict from farms those legally having the right of tenure to somehow purely racist tendencies. These tendencies cannot be left unattended and as a result, it will manifest into a toxic environment and relationships within the farming community.

In response to this, the department is establishing a team of six (6) to coordinate the improvement of relationship between farmers and/or managers, farm workers, farm dwellers and all sector departments that must render services to the farming communities. We will also engage with organized agriculture formations, unions and if necessary we will not hesitate to use legal tools at our disposal.

We must acknowledge that there are farmers and/or managers whose relations with farm dwellers/workers is a representation of the type or relations we all wish to see in the farming communities. This is based on mutual respect and recognition of each other's rights and dignity.

Honourable Speaker, Premier we heard you in your State of the Province Address **2023/24** when you were talking about the safety and security of farmers and/or managers, farm workers and farm dwellers to this end we will continue to mobilize farmers and/or managers, farm workers and farm dwellers including the Police and Private Security Industry in a consolidated approach to improve these conditions.

On the challenges of energy crisis, we take note that Minister Thoko Didiza, has established a National Task Team which is expected to report back on possible energy solutions and provide other opportunities such as biogas, wind, solar etc working closely with ESKOM. Our farmers must know we are also concern about energy challenges that affect the agricultural sector. The current crisis also creates an



opportunity for new inventions to develop new sources of energy out of agricultural by-products.

Achievements 2022/23

Honourable Speaker, for the financial year **2022/23**, we have received **R190.4 million** under Comprehensive Agricultural Support Programme (CASP) and we have implemented **18** projects that have benefited 2 412 beneficiaries to the total allocation of **R 62.7 million** and **11** programmes to the value of **R 127.6 million**.

We are pleased with the achievement made by Me Poonyane from De-Plante a horticultural company that specializes in vegetables and cut flowers. The project was supported with about **R3.5 million**, creating about **10** permanent employment. For the financial year **2022/23** the department supported the project with refrigerated truck, water cooling system and refrigeration unit.

I am also pleased to report that we supported 34 Youth projects for Planning and implementation of projects amounting to **R55.3 million**.

Mr. Tumelo and Mrs. Khethiwe Pedi who are youth with agricultural experience, skills and passion are the typical example of projects we support. The department supported the project with **R3.6 million**, to do the following: Plant 40 ha maize, plant 80 ha Eragrostis Teff, Planted 17 ha Oats, Build 2 Zinc dams (65 000 L each), 6 boreholes equipped, 13 Water troughs fitted (1000 L each), 3 Dam Linings fitted, Trenches and pipe fittings (50mm), Fencing, Repair handling facility, John deer 6920 110 Kw, Disc harrow, Round bailer. Plough, and 7 tooth Ripper.

Risk Management Solutions: Nine **(9)** High Intelligent IP Network Cameras, 4 Security and 2 Agricultural Drones were made available in the form of support to the farmers on **9** commonages (Jacobsdal, Petrusburg, **2** Bethulie, Vredefort, Ventersburg, Bultfontein, Ladybrand and Fouriesburg) to eliminate and combat livestock theft, farm attacks and to improve on livestock management, to add value. It



also assists in crop management to realize the maximum profit and increase an opportunity cost. The technology provides farmers with an opportunity to access and monitor real-time information on daily activities. We have allocated the total budget of **R4.5 million** to achieve maximum outcome. High rate of livestock theft in province is threatening Food Security, and Job Creation. The South African stock theft statistics as recently released by the South African Police Service (SAPS) indicate that stock theft in the country increased by **0,6%** in the third quarter of the **2022/23** financial year. In the Free State, a decrease of **4.9%** was reported in the second quarter of **2022**.

We have received **R 73.2 million** under ILIMA/LETSEMA and we have implemented **13** projects to the total value of **R37.4 million** and 5 Programmes to the value of **R35.7 million**.

We have received **R 8.5 million** under LANDCARE and **R2 million** under Expanded Public Works Programme (EPWP) for the financial year **2022/23** and we implemented **14** projects and 1 programme which contributed in creating jobs opportunities to fight poverty and unemployment. A total of three hundred and fifty-four (**354**) green jobs have been created, hectares of land rehabilitated (**4 660**) and (**184**) hectares were placed under conservation agriculture. Some areas for an example, **Mohokare, Thabanchu and Moqhaka** were supported to eradicate invader species.

In our efforts to strengthen governance within our department for the financial year **2022/23** we have filled the **two (2)** critical positions of the Chief Financial Officer (CFO) and that of the Supply Chain Management (SCM) Director.

Honourable Speaker, Jagersfontein was severely affected by the sludge of mud and water flowing from the collapsed of the mines tailing dam on Sunday the 11 September 2022. The agricultural sector was also affected resulting in **969** heads of livestock died and **4 224** hectares being affected. The Department re-prioritized an amount of **R6**



million to support affected **56** farmers on **27** farms and a commonage with fodder, fence, drilling and equipping of boreholes, and water reticulation.

Honourable Speaker, according to the results of the General Household Survey (GHS), **2022**, released by Statistics South Africa (Stats SA) in **2023** indicate that although **75,6%** households in the Free State have adequate access to food; twenty-four-point four percent (**24,4%**) of the households in the Free State experiencing inadequate access to food of which half of the households (**12,2%**) experience severely inadequate access to food. There is no sign that the increasing cost of living in South Africa is slowing down. Food inflation is on its highest level since April **2009** and is standing at **13.4%** for February **2023**.

Honourable Speaker, the Veterinary Public Health continues to regulate slaughter of animals from our local abattoirs, for the purpose of ensuring the supply of meat that is safe for human consumption. The Export Control facilitates the export of animals and animal products destined for various international markets. Our interventions managed to realise export earnings to the value of **R 120 million** into the Free State, contributing towards economic growth of the province and the country at large.

The Free State Province recorded the first outbreak of Foot-and-Mouth Disease in history, and the outbreak was linked to an outbreak first recorded by the North-West Province. Three of the Five Districts were affected by this major outbreak, with the towns of Viljoenskroon, Marquard, Harrismith, Lindley and Hertzogville hardest hit by this disease. From the first record of this disease late in April **2022**, the Department implemented disease control measures to prevent further spread of the disease. The outbreaks in Marquard and Harrismith were our biggest challenge, and the province was forced to source additional field staff from the Northern Cape and the Eastern Cape to bring the disease under control. Towards the end of October, the disease started to stabilize; and to date no new outbreak has been recorded by the province. During the outbreak **13 313** animals were surveyed by blood collection and **78 836**



animals were vaccinated. Vaccination against Rabies continued throughout the Foot and Mouth Disease outbreak in the province, and we vaccinated **48 126** animals. We are also looking into the long-term possibility of capacitating Veterinary Services.

Honourable Speaker, through the National Department of Agriculture, Land Reform and Rural Development Compulsory Community Services Veterinarians (CCS Vets) programme, the province received a total of sixteen (**16**) new Compulsory Community Services Veterinarians, and they have been deployed across the province to provide Primary Animal Health Care to different communities that are unable to access services of Private Veterinarians.

Honourable Speaker, on the 27th of January 2023 the Free State Department of Agriculture and Rural Development together with other stakeholders concluded the first ever Agri-BEE fund deal in the province between Dairy Corporation and Re-Fihlile Group and workers in Bloemfontein.

Based on the achievement and our drive to reposition agricultural sector in the province, we will strengthen our economic analytical capability to deal with Agro-processing and Value addition initiatives including the promotion of a conducive environment to attract investment within the agricultural sector.

Honourable Speaker, the College has registered seventy-two (**72**) first year students for **2023/24**. There are sixty-one (**61**) second year and hundred & twenty (**120**) third year students. The College held a graduation ceremony on the 17 March 2023 to award **59** Diplomas in Agriculture (Animal and Crop Production), with **30** female (**51%**) and **29** male students.

The Department created through training and skills development initiatives opportunities for unemployed graduates. Through this initiative **176** students received opportunities to study internationally of which **168** completed their studies and **8** students withdrew from the studies. **42** of these students were employed both in private



and public sector to utilize their skills and knowledge. The Department completed their sponsorship of students who were enrolled for international studies.

We will work closely with Higher Institutions of Learning to create a knowledge base in agriculture at Glen and thus envisage the creation of Knowledge Centre in the province.

Honourable Speaker, the Department entered into an agreement with Agribusinesses and commercial farmers and **120** unemployed graduates were recruited and appointed for a period of two years fully funded by government and placed for work experience in various enterprises coordinated by Agri Free State. A further **36** graduates were appointed into the programme during November 2022 due to remaining vacancies in the programme as well as resignations. Of the **36** graduates appointed in November 2022, **11** were international bursary holders who completed their studies in UTAD (studied Animal Science and Agronomy), Belarus (studied Energy Supply in Agriculture) and Peoples' Friendship University of Russia (studied Agronomy) respectively.

Under the Extension Recovery Programme of CASP, **13** Agricultural Advisors were employed permanently whilst a further **13** were appointed on contract for a 3-year programme to gain skills and to develop into fully fledged advisors.

Through the National Department of Agriculture, Land Reform and Rural Development (Assistant Agricultural Practitioners) programme, the Free State Department of Agriculture & Rural Development has recruited **390** with effect from 1 January 2023.

Plans and Allocation for 2023/24

Honourable Speaker, the Department will receive an amount of **R814.8 million** in 2023/24, **R859.7 million** in 2024/25 and **R891 million** in 2025/26.



Based on the plans of repositioning agriculture in our province as a key economic driver, we are concerned about the continued decrease in our allocated budget. For the **2023/24** financial year the Departmental final allocation was decreased by **2.8%** on equitable share allocation from the initial allocation. The Department has received a budget allocation of **R814.8 million** in **2023/24** financial year. Overall **decrease** to the Departmental fiscal allocation is **1.9%** for **2023/24** financial year compared to the adjusted allocation for **2022/23**.

Honourable Speaker, Under provincial funding (Equitable Share allocation) the department have been allocated **R441.7 million** (-1.0%), under Specific Earmarked Equitable Share (Disaster) the department has been allocated **R6 million** and there is a growing concern on the level of investment by government in the sector, taking into account the importance of the sector and the exposure of the sector to natural disasters such as runaway veld fires, floods, drought, outbreak of diseases such as Foot and Mouth (FMD), Swarm Locust, African Swine Fever etc. this allocation is far too low.

The impact of continuous under funding undermines the province ability to fully exploit its competitive advantage for increased agricultural production, export opportunities and overall contribution to the economy growth both National and Provincial.

Agriculture is a productive sector and key to job creation, food security and economic growth we badly need as a province. Premier Dikwana, Dubai invested in oil, the Free State need to fully invest in agriculture.

The department is allocated **R193.4 million** (1.6% increase) under Comprehensive Agricultural Support Programme (CASP) Grant, **R74.4 million** (1.7% increase) under Ilima/Letsema Grant, **R8.6 million** (1.2% increase) under LandCare Grant and **R2.1 million** under Expanded Public Works Programme (EPWP) Integrated Grant.



Honourable Speaker, the financial year **2023/24** is the year of decisive action aimed at achieving the following:

The Department will during the 2023/24 financial year continue to support the **120** entrepreneurial development graduates placed for work experience in various enterprises coordinated by Agri Free State. We have allocated **R10.4 million**.

The **390** Assistant Agricultural Advisors placed in various agricultural offices will be supported and mentored for the duration of the period of employment and **300** training opportunities will be created for internal staff and Internship opportunities in collaboration with the Department of the Premier.

Honourable Speaker, all these job creation initiatives will contribute more than **523** to the Provincial commitment of creating **50 000** youth employment.

Under our Planning and Implementation programme in **2023/24** financial year we have set aside **R5 million** to plan and implement Cannabis projects (**Hemp**). We will work closely with the relevant Local Municipalities and Departments.

District Development Model (DDM)

Honourable Speaker, to ensure that there is inclusive growth and job creation government introduced **District Development Model (DDM)**, to ensure that all three spheres of government coordinate and integrate development plans and budgets and mobilise the capacity and resources of government and civil society, including business, labour and community. The following programmes and projects for **2023/24** will be implemented in line with the **District Development Model**: **11** Provincial Programmes, **33** Projects (Including **10** commonages, and **7** Marketing and Infrastructure development), Provincial Programmes Budget for **2023/24** is **R 125.5**



million, while CASP Projects & Commonages Development Budget will be **R 67.9 million**.

Under ILIMA/LETSEMA Conditional Budget the total budget is **R74.4 million** and we will implement, 4 Provincial Programmes **R43.5 million** and 12 Projects with **R30.9 million**, supporting mainly commodities such as Maize, Sunflower and Fodder.

FEZILE DABI: Total Allocation - **R 20 million**, Total Number of Projects: **7** (including **2** commonages - Tweeling and Villiers) and we will implement the following commodities: Piggery, Red Meat, and Maize. For example: Phahamisa Piggery in Moghaka to the value of **R7 million**

LEJWELEPUTSWA: Total Allocation: **R18.9 million**, Total Number of Projects: **9** (including **2** commonages – Windburg and Wesselsbron) and we will implement the following commodities: Horticulture, Maize, and Red Meat. For example: Olyvenfontein and Nthethe farming to the value of **R5 million**

MANGAUNG METRO: Total Allocation: **R13.3 million**, Total Number of Projects: **7** (including **1** commonage - Botshabelo) and we will implement the following commodities: Maize, Red Meat, and Horticulture. For example: Balmacara, Rosemead and Pedi Agric to the value of **R4.8 million**

THABO MOFUTSANYANA: Total Allocation: **R37.7 million**, Total Number of Projects: **13** (including **2** commonages – Memel and Clarens) and we will implement the following commodities: Maize, Red Meat, Piggery, and Poultry. For example: NEM Piggery to the value of **R9 million**

XHARIEP: Total Allocation: **R16.8 million**, Total Number of Projects: **8** (including **2** commonages – Luckhoff and Phillipolis) and we will implement the following commodities: Red Meat and Pasture. For example: Roodepoort 2 to the value of **R2 million**.



The purpose of agriculture in the country is to ensure food security at National and Provincial level, and this programme ***“Re Kgaba ka Diratswana”*** is focusing on food security at household level.

Premier as you have cited during the State of the Province Address **2023/24**, the Department of Agriculture and Rural Development implemented a Household food security programme known as ***“Re Kgaba ka Diratswana”*** that focusses on eradicating food insecurity through awareness and production of vegetables and livestock at backyards, plots, schools and other institutions according to the provincial integrated food and nutrition security strategy. More than providing a source of food, it also in some cases produced much-needed income for families through the sale of the goods they grow, while at the same time bringing dignity and hope for those who were destitute before. Our support for 2023/24 for ***“Re Kgaba ka Diratswana”*** is **R13.5 million**.

Mechanisation support service is one of the critical pillars in achieving the objectives of the Fetsa Tlala Integrated Food Production Initiative. Smallholder producers play a critical role in the supply of food for their families, supplying surplus food to the market, and creating employment. In order to boost the contribution of the smallholder sector, both to employment and food production, the coordinated provision of mechanisation support for their growth and development is vital. For **2023/24** financial year the department has set aside **R45.8 million** for the mechanisation programme (Purchasing of tractors, implements, etc).

Livestock improvement (Kaonafatso Ya Dikgomo) remains one of our key programmes that we are implementing in all District Municipalities in collaboration with Agricultural Research Council (ARC), to enable our farmers on farms and commonage land to gain more skills in managing their livestock. For this programme, we have set aside **R3.6 million**.



Female Entrepreneur Programme (FEA) is focusing on empowering our women to take part and compete in the agriculture space, we have set aside **R4.5 million** to support our women in agriculture.

To support Youth in Agriculture and Rural Development (YARD), we have set aside **R4.7 million**.

On Training and Capacity building, to support our farmers to acquire skills and provide mentorship, we have set aside **R15 million** to train **1 700** farmers and provide mentorship for **30** projects/farms.

Madam Speaker, in conclusion, a foundation has been laid to build and realise the full potential agriculture can give to the people of the Free State. It is up to us if we cease the moment and lead our people into an inclusive commonly owned, commonly worked productive agricultural sector in the Free State. We have made progress but are still confronted by Suttle pockets that still want to define agriculture along the colour line and this we must defeat because it is an enemy of progress. Our global competitiveness will only be bolstered by all inclusive and growing agricultural sector that taps from its united people. Surely the world can never be impressed even by our products if we fail this fundamental question. We call on all leaders in this sector to rise above and act in the interest of the sector and the future of this country.

Our style of work through the measures we have announced in this Budget Vote, will seek to harness productive relations between all farmers, farm workers and farm dwellers in our rural communities. We will also employ a hands on approach where we will physically visit, inspect and work with all those we support to realise full economic value of what we are seeking to achieve. This approach will also speak to aspects of inefficiencies and maleficence we need to remove from our systems.

Honourable Speaker, let me express my appreciation to the Department personnel and Executive Management under the leadership of the Head of Department, in terms



of all the work done towards compiling this Budget Vote and plans contained herein. Our job now is to implement and serve the people of the Free State.

To the Chairperson and Portfolio Committee, thank you for your collegiality in the way we work. Let me also thank my family for all the support and understanding in terms of all the hours spend away from home, thank you Mme Mamokoena.

To my organization, the African National Congress, the Premier, Members of the Executive Council, indeed we served the people of South Africa and our organization is the vehicle through which we served them, and at all material times this must guide our work.

HONOURABLE SPEAKER, I THEREFORE TABLE THE 2023/24 BUDGET VOTE OF THE DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT.

Thank you. Ke a leboha.



<i>Budget allocation per programme</i>	<i>2023/24</i>
	<i>(R'000)</i>
Programmes	
ADMINISTRATION	174 276
SUSTAINABLE RESOURCE USE & MANAGEMENT	65 033
AGRICULTURAL PRODUCER SUPPORT & DEVELOPMENT	367 980
VETERINARY SERVICES	75 264
RESEARCH AND TECHNOLOGY DEVELOPMENT SERVICES	75 233
AGRICULTURAL ECONOMICS SERVICES	14 544
AGRICULTURAL EDUCATION & TRAINING	31 914
RURAL DEVELOPMENT	10 573
Total for Programmes	814 817



<i>Budget allocation per economic classification</i>	2023/24
	(R'000)
<i>Economic classification</i>	
Compensation of employees	445 853
Goods and Services	100 530
Transfer payments	231 896
Payment for Capital assets	36 538
Total for Economic classification	814 817