



#Building the Free State we want.

BUDGET VOTE

Department of Agriculture and Rural Development
2021/2022

Hon. W. Bulwane
MEC for Agriculture and Rural Development

DATE: 19 MARCH 2021 TIME: 09h00
Venue: Lere la Thuto Secondary School, Zastron



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Free State Department of Agriculture and Rural Development



agriculture & rural development

Department of
Agriculture and Rural Development
FREE STATE PROVINCE

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HONOURABLE SPEAKER

HONOURABLE PREMIER MRS. SEFORA NTOMBELA

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

FARMERS AND FARM WORKER ORGANISATIONS

FARMERS, FARM WORKERS AND FARM DWELLERS

MEMBERS OF THE MEDIA HOUSES

DISTINGUISHED GUESTS AND OUR VIEWERS

LADIES AND GENTLEMEN

GOOD DAY, DUMELANG, MOLWENI, SANIBONANE, GOEIE DAG

Honourable Speaker, I am humbled and honored to be given this opportunity, to address this august House and map out our road ahead, as we strive in our quest to fulfill our mandate. Our history reminds us that the town is named after Ms. Johanna



Sibella Zastron (a corrupt of the German name Zatrow), who married J. H. Brand, President of the Orange Free State Republic from 1864 to 1888.

Zastron is agricultural in nature, just 30km from the border of Lesotho. It is situated at the foot of Aasvoelberg (Vulture Mountain), named for the rare Cape vulture attracted by a feeding project a short distance out of town. A curious rock formation in the mountain, Die Oog (The Eye), has been adopted as the town's unofficial emblem.

With the current situation of COVID-19 pandemic, it is important for one to start by thanking the Almighty for the life presented to us. A day in life it is indeed a blessing, looking at the rate on how we have lost and continuing to lose loved ones as a result of this deadly virus.

This pandemic has visited unprecedented harm to our families, destroyed global economies and livelihoods. It has completely changed the ways of living, how we socialize and how we work; bringing us to the "New Normal".

Honourable Speaker, the emergence of this pandemic is definitely depriving us to enjoy the fruits of our democracy, which was brazenly fought by our heroes and heroines.

We remain steadfast in building the non-sexist, non-racial, democratic and prosperous country despite the global crisis that we are faced with. This year of Charlotte Maxeke (Imbokodo) formidable leader who bravely fought the apartheid injustices.

Honourable speaker, we witnessed Africans in general and blacks in particular subjected to race, gender and class oppression by apartheid systemic and colonialization that took place all over the continent.



It is important to reflect to our struggle as a reminder of where we are going and our fundamental objectives that we want to achieve as stipulated in the freedom charter. The document of the people.

Honourable Speaker, as Africans, we must never shy away to celebrate and honour those who fought for our freedom without any fear or favour. As we speak, we have attained political freedom and the battle to change the mode of production that exploit our people continues

We encourage our people to remain discipline at all material times as we are waging the battle against COVID 19 pandemic. A significant progress has been made and the end is near as we have received vaccines and expecting more. We applaud the research institutions for their continuous efforts in finding solutions to protect and improve the lives of our people.

I stand here before you today as we mourn the passing of the King of the Zulu Nation, His Majesty King Goodwill Zwelithini ka Bhhekuzulu. It is not only the loss to the Zulu Nation but it is the loss for the entire country and the African continent. Sithi Bayethe wena wendlovu. Lala ngoxolo ngonyama yamaZulu, Isilo samaBandla wonke. We also mourn the passing of these actors such Ms Noxolo “Nxee” Maqashalala who was a role model to young girls with brilliant acting role and Menzi Ngubane who played a vital role in motivating young boys and encouraged them to stand against gender based violence programme around Tweeling as part of the Premier’s programme.

Honourable Speaker, it is in this month where we remember 69 black Africans who were shot and killed in Sharpeville massacre by the police. They were non-violent and unarmed protesters but shot and brutally killed for protest against the apartheid government pass law. I want to make this clear, that our democracy didn’t come on a silver platter, it came through blood and sacrifices.



We call on the masses, working class and alliance to protect and defend the gains of democracy. Youth, women and people with disability remain priority as we are embarking on economic transformation, eradication of poverty, unemployment and inequalities.

We welcome and support the economic reconstruction and recovery plan as announced by the President of the Republic of South Africa as a respond to stimulating equitable and inclusive growth of the economy. Also, we must note that even when there were farms, processors market retailers that were affected by the pandemic. Agriculture it remained the only sector that was growing.

Honourable Speaker, Food Insecurity and Hunger remains a major outcry to humanity throughout the world. Achieving Food and Nutrition Security is at the heart of the World's Agenda 2030 to achieve all the 17 Sustainable Development Goals. – These goals range from – to mention a few “Ending Poverty”; “Taking Action on Climate Change”; Reaching Gender Equality; “Ensuring Clean Water and Sanitation For All” and many more’

In order to implement these development goals, we also need to tackle the triple challenge that our province and the whole country is faced with; which is poverty, unemployment and inequality.

It is a paradox indeed! On the one hand high prices are bad for the poor and hungry – whilst on the other hand high prices are good for the farmers, food wholesalers and the retailers.

Subsequent to the announcement by the Minister of Agriculture, Land Reform and Rural Development, Honourable Ms Thoko Didiza of a number of COVID-19 Relief Fund Programmes earmarked for different categories of farmers and subsistence producers. The department provided support to the subsistence producers under



COVID-19 Disaster Relief Fund and assisted three hundred and eighty nine **(389)** subsistence farmers (Mangaung Metro: **171** farmers, Xhariep: **7** farmers, Thabo Mofutsanyana: **120** farmers, Lejweleputswa: **56** farmers and Fezile Dabi: **35** farmers) to the value of **R17 251 516.37**.

Economic Transformation and Job Creation

Honourable Speaker, the Free State province has a favourable geographic location, as well as a great agricultural potential. The agricultural sector in the province is comprised of crop production, animal production, horticulture, dairy farming, aquaculture, fruit production and agro-processing. As the Premier of the Free State, Hon. Sefora Ntombela, has said during the State of the Province Address, approximately **14.5%** of South Africa's commercial farming takes place in the province. Agriculture contributes **5%** to provincial economic activity, higher than the national average of **3%**. The Agricultural sector in the province is an important sector for job creation and the province is the third biggest provider of formal jobs at **9.4%**. It is important to note that Thabo Mofutsanyana District Municipality is the 3rd biggest income generating district in the country with **R17 billion** and the biggest agricultural employer in the province with **27 022** employees, followed by Lejweleputswa with **22 559**, Fezile Dabi with **12 689**, Xhariep with **8 110** and Mangaung Metro with **4 749**. The Department of Agriculture and Rural Development is therefore a major role player in the economy of the province and essential in the achievement of government priorities to accelerate economic recovery and create sustainable jobs.

Honourable Speaker, Agriculture was the only economic sector which maintained a positive economic growth during the hard lockdown (**15.1%** during quarter 2) and remained the only sector with a positive contribution to GDP in the third quarter of 2020. Agriculture, Forestry and fisheries sectors' quarter three (Q3) 2020 growth rate



nationally was **18.5%**, valued at **R79.4 billion**, and its contribution to overall national growth was **0.6%**.

The Free State is the biggest contributor in the country in terms of Grains. During the 2019/20 crop production season the Free State produced **45.2%** (1st) of the Maize crop, **56.4%** (1st) of the Sunflower crop, **41.7%** (1st) of the Soyabean crop, **30.7%** (2nd) of Groundnuts, **22.3%** (3rd) of Sorghums and **46.3%** (1st) of Dry beans at national level. For Wheat, the final estimate for the 2020 season stands at **19.6%** (2nd) of the national Wheat crop.

Livestock production is another major contributor in the Agricultural Sector in the province. Livestock numbers for the Free State make up **20%** of the national flock of Sheep, Cattle **17%**, Pigs **8%**, Poultry **6%**, Goats **4%** and Ostrich **4%**. The Free State slaughtered about **19%** of cattle, **16%** of the sheep and **7%** of the pigs slaughtered nationally.

As alluded by the Honourable Premier, in her State of the Province Address (SOPA), for the Agricultural sector in the province, it is not easy. In 2020 the raging veldt fires caused massive damages on several farms in the Lejweleputswa district, leaving farmers with huge losses on infrastructure, game animals, livestock, grazing lands and water reticulation. Whereby more than **100** farms were burnt which affected more than **53** farmers to an estimated total of **100 000** hectares. While the farmers were still picking up the pieces, another crisis hit them. The rainfall that flooded farms around: Bultfontein, Hoopstad, Parys, Vredefort, Viljoenskroon, Heilbron, Bothaville, Wesselsbron, Kroonstad, Steynsrus, Bethullie, Reitz, Lindley, Bethlehem, Fouriesburg, Slabberts, some areas in Qwaqwa, Paul Roux, Clarens, Ficksburg, Marquard, Senekal, Kestell and Harrismith started on the 31th December 2020 to 13th January 2021. Causing another massive damage on farm infrastructure such as silos, houses, workshops, crops, vehicles, soil structure, farm mechanization and crops.



Honourable Speaker, I was fortunate to visit these affected areas personally to verify and assess the damage caused by these disasters. These disasters did not only affect production but also affected the livelihoods of farmers, farm workers and farm dwellers. Disaster and Risk Management team including Extension Services visited these areas to assess the damage and compiled the report on the extent of the damages. Let me take this opportunity to appreciate and acknowledge the collaborative approach *displayed* by different stakeholders such as the Department of Public Works & Infrastructure to address the collapse of low-lying bridges, Department of Social Development as well as Tswelopele Local Municipality by donating blankets, clothes, paraffin stoves and food parcels to the affected households and the South African Police Services for rescuing **300** trapped animals due to heavy rains in Bethulie. I would like to further extent my appreciation to the company called Sandvet for assisting our farmer Mr. Motlhabane in Bultfontein with the excavation, which is the process of moving water to the canals or river.

Honourable Speaker, in the 2020/21 financial year the Department was allocated an adjusted budget of more than **R143 million** further adjusted to more than **R141 million** for CASP Grant funding.

For the Ilima-Letsema Grant funding the Department received an adjusted budget of more than **R51 million**, further adjusted to more than **R50 million**.

The adjusted budgets were informed by the need to provide sufficient resources toward the need to control of the spread of the COVID-19 pandemic. This announcement was later on followed by the implementation of the Presidential Employment Stimulus Initiative (PESI). A total number of **5 485** applications was received and a total of **3 943** have qualified up to date for the support of up to a maximum of **R9 000** per household depending on the need and size of production.



Honourable Speaker, the Private Sector also joined hands with government to set up a COVID-19 Relief Fund called the Solidarity Fund towards the fight against the spread of the pandemic and food production support to the rural farming communities within various Traditional Councils throughout the Country. This means that in the Province the Programme is being implemented in Mangaung Metro - Thaba-Nchu Traditional Council and in Thabo Mofutsanyana's three **(3)** Traditional Councils namely: Bakweneng, Batlokwa, Kgolokoeng respectively. A total of **840** beneficiaries all qualified in the Free State to receive an agricultural production support of not more the **R2 000**. The vouchers have been issued to these beneficiaries and are currently being redeemed from the seven **(7)** appointed OVK linked outlets in Phuthaditjhaba, Harrismith, Fouriesburg, Hobhouse, Hinterland, and Tweespruit.

Honourable Speaker, let me appreciate and congratulate the following departmental officials who stood out in excellence and acknowledged at National level for the brilliant work they do. These officials were recognized at the last event of the National Extension and Advisory Awards (NEASA):

Name of Official	Designation and District	Recognition by NEASA
Mr L.L. Mokoena	Agricultural Advisor in Thabo Mofutsanyana	Top National Agricultural Advisor. Overall winner and achiever of the NEASA.
Ms D. Ndaba	Food Security Coordinator in Mangaung Metro	Recognised as the second best in the Top Performer Support Services category.
Ms S Simama	Agricultural Advisor in Fezile Dabi	Recognised for facilitating and promoting the winner at National FEA Best Female Worker category.



Vrede Dairy project remains one of the Departmental's mega projects and we are implementing it in line with the Court Order. We have appointed a Mentor in December 2020 as directed by the Court Order to develop the feasibility study and a Business Model that will assist the project to operate as a business. I am glad to announce that we have concluded the process of verifying the beneficiaries. We can confirm that during that process, only sixty four (**64**) was verified positively. I have also send an official apology on behalf of the Department for any prejudice those beneficiaries may have suffered as per the Public Protector's remedial recommendations.

Honourable Speaker, we are working very hard to ensure that we complete all processes so that we can hand-over the project by the 17th of January 2022 as directed by the Court Order.

Honourable Speaker, for the financial year 2021/2022 the department is allocated **R783.067 million**. For the conditional grants the department is allocated **R185.646 million** for Comprehensive Agricultural Support Programme (CASP), **R71.601 million** for Ilima/Letsema programme, **R8.366 million** for LandCare programme and **R2.088 million** for Expanded Public Works programme (EPWP). As MEC Brown for Treasury indicated in her Budget Vote, we are also delighted by the fact that the baselines for this grants (**CASP and Ilima/Letsema**) have been restored and both have increased by **5%** when compared to 2020/21 financial year.

Honourable Speaker, as we implement our services in line with the **District Development Model**, in the financial year 2021/2022 we are planning to implement the following projects and programmes:

For the **2021/22** we implement **25 projects**; **Xhariep**: six (**6**) red meat projects and one (**1**) aquaculture project, **Mangaung Metro**: of one (**1**) vegetable project and two



(2) pasture projects, **Lejweleputswa**: three (3) maize production projects, one (1) sunflower production project, four (4) red meat projects, one (1) poultry project and one (1) piggery project, **Thabo Mofutsanyana**: one (1) poultry project, four (4) meat projects, two (2) sunflower production projects and one (1) maize production project and **Fezile Dabi**: six (6) maize production projects, all to the tune of **R95.692 million** from CASP and Ilima/Letsema.

Commonage Development programme of the department remains key and fundamental for our aspiring farmers to graduate from commonages to Land Reforms farms and for the financial year 2021/22 we have identified **9 commonages** and we will support with **R16.400 million**.

Mechanization is challenging in many ways, although it is ideal for each farmer to have his/her own equipment, this is not possible as it is not cost effective, and as the department we have developed a Free State Provincial Mechanization Business Plan over an MTEF period. According to our Business Plan, will purchase **185** tractors and implements, we have set aside a total budget of **R307 431 800** to enable farmers to plough and plant about **22 500** hectares during the production season. For the financial year 2021/22 we set aside **R22.852 million** to support our farmers with mechanization.

Honourable Speaker, Natural Disaster outbreaks remains a challenge for the province, assistance to our farmers in the form of relief, mitigation and post-disaster support and awareness campaigns are critical and remains important. The Department will continue to support farmers to mitigate disaster and as a result we set aside **R 6 million** for Disasters in the 2021/22 financial year.



For the next financial year 2021/22, thirteen **(13)** LandCare projects and one **(1)** Junior LandCare project to the value of **R 8,366 million** will be implemented with three **(3)** EPWP projects to the value of **R 2,088 million**. Our contribution to the EPWP will be through using beneficiaries or local people in job creation in order to eradicate invader plants on about **4 375 ha** at various sites. Contours will be constructed on eroded lands, water reticulation systems on commonage land upgraded and awareness sessions on natural resource management conducted over the whole province.

Education, Skills and Health

Honourable Speaker, the Cabinet has decided and approved on the 02 September 2020 that Agricultural Colleges will be relocated to the Department of Higher Education and Training as of the 1st of April 2021, so as to align them to the prescribed Higher Education Act, 1997 (101 of 1997), [as amended] which will lead to proper alignment with Higher Learning Institution governance and management.

The function shift of colleges has propelled Glen College of Agriculture into a transitional planning phase that will usher in the following:

- NSFAS operation at Glen for the benefit of needy students.
- Improved funding both for Higher Education Programs and for training of farmers, correctional offenders, backyard food security gardeners, etc., through the TVET Division of the college.

COVID-19 presented opportunities for Glen College to implement its Hybridized Open Distance E-Learning which has led the college to be ready to enrol all students who applied for the 2021 Academic Year, which includes over two hundred **(200)** expected students to be enrolled in the Diploma in Agriculture Program; and over two hundred and fifty **(250)** who should be enrolled in TVET Programs. Introduction of E-Learning has also presented an opportunity for the college to exclusively reserve the Glen Farm for rotational practical training being that theoretical training will now be conducted via E-Learning. This Distance E-Learning was done in conjunction with the Free State



Central University of Technology. To that effect for the financial year 2021/22 we set aside **R15.000 million** to support the College.

Honourable Speaker, the ANC led government continues to champion skills revolution to change the profile of the working class in the agricultural sector. We are proud to mention that the Department assisted one hundred and eighty nine **(189)** students with full-time bursary in specifically scarce skills and related fields, i.e. Veterinary Science, Engineering and Veterinary Technology over the past few years, and further one hundred and seventy six **(176)** students received opportunities to study internationally of which forty six **(46)** already completed their studies.

Some of our students studying internationally will be completing their studies in this Financial Year 2020/21. From UTAD in Portugal thirty five **(35)** students have completed their studies in August 2020. Eighteen **(18)** are doing Animal Science, seven **(7)** are doing Oenology and ten **(10)** are doing Agronomy. Only one **(1)** student will complete in the next Financial Year (2021/2022).

From Nanjing University in China, seven **(7)** students have completed in July 2020. Five **(5)** are doing Veterinary Medicine and two **(2)** are doing Biotechnology. Four **(4)** students doing Veterinary Medicine have graduated from Nanjing University, China on the 28 June 2020. From Russia, fourteen (14) Veterinary Medicine students are expected to complete their studies in June this year, while further 26 of them are expected to complete in June 2022. This will increase the departmental capacity especially in the scarce skills of Veterinary Science and Technology. **Well done, ho bana ba rona!**



Honourable Speaker, the Department has entered into an agreement with Agri-businesses and commercial farmers to absorb and support hundred and twenty **(120)** unemployed graduates that are coming up with farming related technological innovations and initiatives. These unemployed graduates were recruited on contract for a period of two **(2)** years fully funded by government and placed for work experience in various enterprises. This programme will also benefit our international students and it will continue to benefit unemployed graduates in 2021/22 financial year.

Honourable Speaker, we are working towards ensuring that our two **(2)** provincial veterinary laboratories (Kroonstad and Bloemfontein) obtain SANAS accreditation. We have been successful in facilitating export of animals and animal products, and we have been able to bring in foreign currency valued at more than **R 639 million**. We are delighted to announce that we received 14 Veterinarians practicing Compulsory Community Service (CCS) in the province. We have set aside **R9 000 million** support this programme. The funds under this programme will also be used to develop a new animal clinic in Heilbron.

Social cohesion and safe communities

Livestock theft remains a serious challenge and a concern, it threatens food security, job creation and negatively impact on our economy. We are in the process of implementing Intelligent Animal Tracking System around ThabaNchu, Botshabelo and areas along the cross border. This programme will run for the next five years and for the financial year 2021/22 we have set aside **R4.500 million** towards this programme.

The sector is confronted with Farm Evictions and Killings and we strongly condemn the killing of Farmers, Farm Workers and Farm Dwellers.



We are committed to work closely with the Organised Agriculture, Commodity Groups and all relevant Stakeholders to ensure rural safety. Gender Based Violence and Femicide is also regarded as a pandemic that need to be controlled and managed effectively, to ensure our women and children live in a conducive and safety environment especially in our rural farming space.

In conclusion, my appreciation goes to my organization African National Congress and the Alliance, the Premier of the Free State Provincial Government, Members of the Executive Council and Members of the Provincial Legislature for their support as well as the and the masses of our people who continues to ensure that the ANC is in government.

I wish to thank the Head of Department, Dr. T.J. Masiteng together with the Senior Management for the team work as we lead this important work of government.

To organized agriculture, agribusiness industry and all our stakeholders, thank you for the commitment in ensuring that we lead this sector together. Your continued hard work and support will create a better life for all.

To the Chairperson and Portfolio Committee thank you for your collegiality in the way we work.

Honourable Speaker, I therefore table the Budget Vote of the Department of Agriculture and Rural Development.

Thank you.



ANNEXURE A

BUDGET VOTE 11: Department of Agriculture & Rural Development

<i>Budget allocation per programme</i>	2021/22
	(R'000)
<i>Programmes</i>	
ADMINISTRATION	171 897
SUSTAINABLE RESOURCE MANAGEMENT	63 012
FARMER SUPPORT AND DEVELOPMENT	350 285
VETERINARY SERVICES	70 068
TECHNOLOGY, RESEARCH AND DEVELOPMENT SERVICES	70 391
AGRICULTURAL ECONOMICS	13 667
STRUCTURED AGRICULTURAL TRAINING	33 982
RURAL DEVELOPMENT	9 765
Total for Programmes	783 067

<i>Budget allocation per economic classification</i>	2021/22
	(R'000)
<i>Economic classification</i>	
Compensation of employees	427 805
Goods and Services	157 392
Transfer payments	174 358
Payment for Capital assets	23 512
Total for Programmes	783 067