



LIMPOPO
PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

**DEPARTMENT OF
AGRICULTURE AND RURAL DEVELOPMENT**

**2016/2017 FINANCIAL YEAR BUDGET VOTE SPEECH BY THE HONOURABLE MEC
OF THE LIMPOPO DEPARTMENT OF AGRICULTURE AND RURAL
DEVELOPMENT, MME BERTHA AMANDA JOY MATSHOGE TO THE LIMPOPO
PROVINCIAL LEGISLATURE**

DATE: 14 APRIL 2016

Honourable Speaker, Polly Boshielo

Honourable Premier, Stanley Chupu Mathabatha

Honourable Deputy Speaker, Lehlogonolo Masoga

Honourable colleagues in the Executive Council

Chief-Whip of the majority party, Falaza Mdaka

Honourable Members of the Provincial Legislature,

Leaders of Political Parties present here today,

House of Traditional Leaders led by Kgosi Malesela Dikgale

Magoshi, Tihosi, Vho- Thovele

Members of the Limpopo Agricultural Advisory Council

Officials from the Department of Agriculture and Rural Development

Officials from the Sister Department, Rural Development and Land Reform

Representatives of the Farming Community and Civil Society Organisation

Representatives of business sector and our sector partners, at various levels

Distinguished Guests

Ladies and gentlemen

Honourable Speaker, it is that time of the year when we apply our minds on how to do more with less. This mammoth task is made even more daunting at this point in time because our province, like the rest of our country, is facing a tough test due the burgeoning unfavourable economic climate.

Notwithstanding the seemingly insurmountable odds in our midst, we all know that it is through collective action that we shall overcome and continue to soldier on towards our goal of bringing a better life to all as envisaged in the National Development Plan (NDP) in general and the Limpopo Development Plan (LDP) in particular.

The latter blueprint articulates a Limpopo Province specific vision of using agriculture as an engine that will drive the economy. National Outcome 7 deals with comprehensive rural development and reinforce the NDP's vision of creating spatially, socially and economically well integrated rural areas, where residents have economic growth, food security and jobs as a result of agrarian transformation and infrastructure development programmes. The residents must also access basic services and quality services with relative ease.

It is envisaged that by 2030 the agriculture and agro-processing sector should create 1 million jobs nationally, and 100 000 jobs provincially, as contribution to the national target. It is against this backdrop that the Revitalisation of Agriculture and Agro-processing Value Chain is one of the pillars within the nine-point plan to grow the economy and create employment.

Therefore, leadership and bold decisions are required on land reform, communal land tenure security, financial and technical support to farmers and the provision of social and physical infrastructure for successful implementation and achievement of this vision.

Honourable Speaker, booms and busts notwithstanding, we will certainly overcome the odds because we are guided by the will and wishes of the majority of our people who have mandated us to govern on their behalf. The undisputed legitimacy of our

democracy is based on the fact that in line with the Freedom Charter, indeed the people are governing.

For example, this year our people will flock to the polls in droves to vote for their representatives in the local government tier of our democratic state, a level that is at the coalface of the delivery of services.

Honourable Speaker, death has earlier this year robbed us of two of our province's pioneering economic freedom fighters and trailblazers, Habakkuk Shikoane and Mapudi Phasha. May their souls rest in peace. Both broke new ground and ventured into uncharted paths in the quest to promote meaningful economic participation of the majority before it became fashionable to some among us who lately have the proclivity to scream from the rooftops about this benign drive initiated decades ago by our glorious movement.

The budget of the Limpopo Department of Agriculture and Rural Development is being delivered during the month of April.

The April month is, to paraphrase poet Thomas Stern Elliot, **“the cruellest month”** when untimely death has undone some lives, yet later we **‘bred lilacs on the dead earth’**.

It was during this month that Solomon Kalushi Mahlangu, a young brave man from one of the townships in the vicinity of Tshwane faced the gallows with exemplary fortitude on 7th April 1978.

It was also on the 19th April 1993 that one of the most selfless activists of our revolution, the dyed-in-the –wool Marxist-Leninist Chris Thembisile Hani also succumbed to a volley of bullets **“in a deed so foul that our country teetered on the brink of catastrophe”**.

The blood prices paid by these two great sons of the soil were not in vain because it was yet another day during this month that the lilacs finally bloomed and blossomed to the fullest. On 27th April 1994 multitudes formed serpentine queues to cast their votes in the country's first free and fair non-racial elections.

Honourable Speaker, our country has entered a trajectory characterised by a combination of declining economic growth, rising unemployment, spiralling inflation and a weakening currency, amongst others. As a result, our domestic economy is experiencing severe pressures.

Moreover, the recession that has plagued the global economy continues unabated and with the commodities boom having subsided, slower growth in key emerging markets and our country's trading partners, volatility in capital markets and exchange rates as well as weaker global growth prospects are exacerbating our economic woes.

According to the latest Statistics South Africa (StatsSA) report released at the beginning of the month of March, focusing on the performance of the domestic economy in the fourth quarter, agriculture, forestry and fisheries are among the sectors which have borne the brunt of the current unfavourable economic environment. It declined by an estimated 14, 1 %.

But nevertheless, this sector is widely perceived to be the lungs of life and an occupation by which humankind procures its means of living and continuous sustenance.

As Anton Muziwakhe Lembede, one of the leading organic intellectuals of our glorious movement and founding President of the African National Congress Youth League once commented about the indispensable role of agriculture to sustainable economic growth, social cohesion and nation-building:

“Agriculture is of primordial significance in the progress of a nation. No man can accurately trace the origin because when man was created. God, the Great Agriculturalist had already planted a garden. So, the first work that was given by God to man was agricultural work.”

Therefore, it is against this backdrop that the agriculture and rural development sector should play a leading role in stimulating the domestic economy, especially for the purpose of addressing the triple challenges of unemployment, poverty and inequality.

We all know that ***Agriculture is the backbone of the nation, Temo ke mokokotlo wa setshaba, Vhulimi ndi mutado wa lushaka and vhurimi i nhlana wa rixaka.***

However, today’s august assembly takes place when both our province and most parts of the South Africa are in a tight grip of the worst drought in almost five decades (50 years). Among those sections hit the hardest by this condition are households in rural areas, most of which are dependent on small holder and subsistence farming for access to staple food.

Added to these conditions is El Nino effect - a combination of an excessive heat wave and low rainfall, factors which have exacerbated the dry and arid conditions of most parts of our province, and is putting a strain on the already stretched water resources across the province.

We expect the El Nino phenomenon to continue for a significant period to come. The South African Weather Service is keeping a constant watch on the weather pattern and will advise accordingly. We are hoping that the recent rains will continue, thus bringing some form of relief as we go into the winter season.

Honourable Speaker, it estimated that farmers countrywide, collectively, are likely to lose up to ten billion rand (R10 billion) during this drought period. The Department of Agriculture, Forestry and Fisheries (DAFF) Crop Estimates Reports shows a steep decline of maize harvest from 14, 25 million tons in 2014 season to 9, 95 million tons in 2015. The Crop Estimates Committee’s forecast report of 30 March 2016, estimates

further decline in production to 7.06 million tons. This will lead to shortage of both white and yellow maize to satisfy the country's consumption demand, and South Africa will need to import maize in order to address the shortfall. With the Rand weakness driving up the prices of other imports such as wheat, concern has grown over rising food inflation.

According to StatsSA, grain-based food, which includes products from maize, rice and wheat, account for 4, 8% of total spending for the average South African Household. It is reported that the proportion is much larger for households in rural areas, who spend 10, 8% on these staples.

We all know that ***Agriculture demands hard work, Temo e nyaka go shoma kudu, Vhulimi vhu kombetshedza u shumma nga nungo dzothe and vurimi byi kuxa ka tirha hi matimba.***

Without commitment you cannot make it in Agriculture

Ntle le maikemisetso o ka se tswela pele go tsa Temo

Hu sina vhudu-kumedzeli muthu ha koni u bvelela ka Zwa vhulimi

Loko u nga tiyimeselanga, nge humeledi eka vurime.

As Tata Mandela once commented about the trials and tribulations of being involved in the profession of feeding the nation in a conversation with Ahmed Kathrada, fellow Rivonia trialist:

“Farming is not an easy business.”

For some among us who are spiritual and well versed with the Scriptures, economic booms and busts are not new to humankind. This anecdote from the Holy Book is very helpful in providing insights to all of us gathered here today as well as the people of our beloved country.

In the book of Genesis Chapter 40, God explains the counter-cyclical nature of the economy to the then king of Egypt through Joseph, after the king had dreamt about seven cows, fat and sleek, coming up out of the Nile river and feeding on the grass on its banks. These were followed by seven other thin and bony cows coming out of the same river and eating up the fat ones.

Anybody can analyse the dream based on what we are currently experiencing.

Honourable Speaker, following up on our commitment to the people and Freedom Charter in that “People Shall Govern”, it gives me much pleasure to report to this august house on progress made with our plans towards developing the provincial agricultural sector.

Honourable Speaker, I now proceed to provide details of the Department of Agriculture and Rural Development (LDARD) 2016/17 budget allocation. I will first report back to this august house on commitments I made during my 2015/16 Financial Year budget vote speech and milestones achieved, then proceed to 2016/17 allocations per budget programme.

Revitalization of Smallholder Irrigation Schemes (RESIS)

Our hearts go out to the irrigation farmers in Limpopo who suffer from water restrictions due to the severe drought. We are aware of the scarcity of water in Limpopo. At the same time we also applaud farmers who take ownership of their irrigation schemes. As we committed last year, it remains critical to resolve disagreements and conflicts among members of the schemes, so that they can take up their responsibility for productive use of the infrastructure and for viable farming businesses. My Department will not tolerate those who seek to create chaos and anarchy and thereby denying communities to benefit from these schemes. We will only support farming models that seek to empower farming communities by creating sustainable agricultural enterprises.

Despite the challenges, we continued to provide support to farmers on these schemes. In the 2015/16 Financial Year repairs on Phetwane and Mapela irrigation schemes were completed, and both schemes are in production. Badfontein farmers have been assisted to repair damage caused by the floods, and the scheme is also under production. Irrigation infrastructure at Mateotis scheme is complete and production is also underway.

At Matsika, a contractor is on site to install infield irrigation system. There is significant progress, as 50% of the work has already been completed. The rest of the work will be completed in this Financial Year, as this is a multiyear project. Hereford irrigation dam is undergoing construction to incorporate aquaculture production. Work is 80% complete. At Mogalatjane, repairs of vandalized equipment is at 98% and the portion of the scheme that experienced veld fire damage will be repaired in this Financial Year.

The Department has set aside twenty three comma five million rand (R23, 5 million) in the 2016/17 Financial Year to complete infrastructure work at Mogalatjane, Matsika, Hereford and Krodidilheuwel irrigation schemes.

Natural Resource Management

Honourable Speaker, Heads of State had, during the 70th session on UN General Assembly in September 2015, adopted the post 2015 Development Agenda. Of particular relevance to natural resources management, is Sustainable Development Goal (SDG) which calls for a global commitment to halt and reverse land degradation, and with a target of reaching a goal of Land Degradation Neutrality under the auspices of the United Nations Convention to Combat Desertification (UNCCD).

As part of our benign vision to preserve the earth for the benefit posterity, our democratic government has put in place initiatives which promote practices of using land in a sustainable manner. Programmes such as LandCare, Greening, Conservation Agriculture and Agroforestry are integral part of the long-term productivity and ecological sustainability of natural agricultural resources. These provide a platform for addressing the challenges spawned by land degradation.

It is my great pleasure to report that through the LandCare programme 20 136 hectares were improved through conservation measures, 2 500 hectares cleared of weeds and alien invasive plants, 68 kilometres of fencing constructed to assist farmers to practice rotational grazing, 150 LandCare awareness campaign conducted to continue inculcating the knowledge and understanding of agricultural resources conservation. Through this programme, we have created 311 work opportunities.

In the 2016/2017 Financial Year, the Department set aside ten comma four million rand (R10, 4 million) to continue with this important task. However, this can never be enough considering the state of land degradation in our province. We will work with all partners to pool resources in order to broaden the scope of interventions. We have just recently concluded a partnership agreement with the University of Limpopo on the promotion of climate smart agriculture.

Expanded Public Works Programme

Agriculture has been identified as one of the six job drivers in the New Growth Path (NGP) and the Agricultural Policy Action Plan (APAP).

In the past financial year, the Department has created 3 554 work opportunities using the allocated using the allocated five million rand (R5 million). Labour intensive methods were used in these Expanded Public Works Programme (EPWP) job creation projects. The majority of the beneficiaries are women and youth.

Disaster Management

Limpopo Province is prone to different forms of disasters ranging from floods, drought, storms, hail, cold spells, heatwaves, veld fires, and plant and animal disease outbreak such as Foot and Mouth Disease (FMD). Each of these astonishing phenomena has a direct impact on agricultural production and food security, as I have already alluded to on the impact of drought.

In mitigating the effects of drought, we had, during November 2016, within the constraints of the limited budget, made available an amount of three million rand (R3 million) from equitable share budget allocation to assist affected farmers through provision of emergency livestock feed. An additional amount of fifty one million (R51 million) was also reprioritised from the Comprehensive Agricultural Programme (CASP) and Illima/Letsema allocations, in order to address the rising demand for livestock feed water for communal smallholder and subsistence farmers of the Province. So far, 9 000 farmers have been assisted with livestock feed, over 3 600 tons of mixed feed concentrate.

As the winter season approaches, additional funding is required to continue with the relief programme. Provision of new and rehabilitation of existing water sources for livestock, as well as carting of water to stressed areas is continuing. The Department is engaging in 24 projects for drilling of boreholes for livestock water. These projects are spread across the five districts of the Province. Water provision through 5000 litres Jojo tanks are continuing. The tanks are mounted on a stand and connected to a drinking trough with the capacity of 300 litres.

A request for additional funding of R54 million for drought rehabilitation projects in 2016/17 Financial Year has been submitted to the National Disaster Management Centre, through our Provincial Disaster Management Centre, and we are hoping for a positive response.

Honourable Speaker, the importance of seed security in successfully achieving food security cannot be overemphasized. The Department is continuing with its community based (smallholder farmer) seed production scheme that remains a collaborative effort with stakeholders such as the Agricultural Research Council (ARC), DAFF, and the South African National Seed Organization (SANSOR). Ten projects across the Province are involved in this scheme.

Our seed inspectors trained by SANSOR, are continuing to provide technical support to small holder seed producers. Also, with the support from DAFF and the ARC, the seed producers were provided with basic seeds that were planted to produce certified seeds.

Having successfully launched the cultivars last year in collaboration with Jermat seeds, the ARC-GCI and we are currently involved in seed multiplication and subsequently the

cultivars will be available in the market by the end of August 2016. Jermat Seeds has been licensed as a distributor of the cultivars in Limpopo Province, together with the ARC GIC.

South Africa's smallholder seed systems are increasingly under pressure from factors such as drought, crop failure, and difficult storage conditions that impact negatively on the amount of seed and the number of plant varieties available to farmers. To address this challenge, the LDARD in collaboration with DAFF and Biodiversity International considered community seed banks as a means to strengthen informal seed systems and support conservation of traditional farmer varieties.

Following an in-depth community assessment of trends in agricultural biodiversity conservation and use carried out in 2013, the organizational process of establishing a community seed bank was started at Gumbu Village in Mutale Municipality. An amount of US\$ 11 000 was donated by Biodiversity International for establishment of the community seed bank at Gumbu Village, and this was constructed during December 2015 to February 2016.

We will continue supporting these initiatives, which is critical not only in ensuring seed availability, but in also contributing to the transformation of this part of the sector value-chain.

As highlighted in my 2015/16 Budget Speech, fruit fly (*Bactrocera dorsalis*) remains a phytosanitary pest destroying the horticultural crop industry in the Province. As revealed by the global research effort coordinated by the Food and Agricultural Organization (FAO), the fruit fly (*B. dorsalis*) includes four of the world's most destructive agricultural pests.

Our efforts in managing this pest included the promotion of awareness, plant health clinics, provision of technical advice on cultural and chemical management practices, and provision of pesticides for application in some affected areas. Working together with DAFF a total of 12 000 *litres* (600 x 20l containers) of GF120 (pesticide) were provided to Limpopo as part of the national initiative, and this was availed to some farmers across the Province. The success in our battle with this destructive pest depends on the cooperation of our farmers in following relevant cultural practices and mitigation protocols prescribed by the Perishable Product Export Control Board (PPECB).

Honourable Speaker, our support to the farmers will also focus on climate smart farming and adoption of technologies to improve efficiency in the utilisation of resources.

Extension Services

Honourable Speaker, agricultural extension and advisory services is at the heart of sustainable growth in the agriculture and rural development sector. Through the implementation of the Extension Recovery Plan (ERP), we are improving the working environment of the extension officers to ensure delivery of acceptable quality and efficient extension services to the farmers. The ERP has five pillars, namely, recruitment of extension personnel, re-skilling and up-grading of qualification, provision of the information technology (IT), visibility and accountability and improving the image and professionalism of our extension officers. Extension services had also traversed as a profession, with its incorporation into the professional body, the South African Council for Natural Scientific Professions (SACNASP). This is to ensure that execution of agricultural extension and advisory service conforms to and is compliant with professional ethics and standards of natural sciences profession.

The budget allocated for ERP in the 2016/17 Financial Year is seventy six comma four million rand (R76, 4 million) to fund the implementation of the five pillars.

As part of re-skilling and continuous learning, 252 front line officers were equipped with the requisite knowledge and skills for them to properly support crop farmers in both the horticulture and field crop industries. 240 will be trained in 2016/17.

Honourable Speaker, in the same vein, let me take this opportunity to also announce that Limpopo is one of the three provinces chosen nationally (with KwaZulu Natal and Mpumalanga) to host Japanese professionals and experts on Smallholder Horticulture Empowerment Programme (SHEP), on behalf of DAFF. This is a three year programme of exchange of knowledge and skills. While one of the experts will be based at DAFF to establish the SADC Office of SHEP, one will be based in our Department here in Limpopo and so is with the other chosen sister provinces. With this increased SHEP capacity, we expect more effective implementation and easy expansion of the SHEP programme to other areas.

Women, Youth and Disabled Persons in Agriculture

Transformation is among the key focus areas of the Department. Programmes that are deliberately targeted to improve the participation of women, youth and disabled people have been put in place with the aim of ensuring their meaningful role in the agricultural sector.

As per our commitment, we hosted a Youth in Agriculture Summit during the youth month of June 2015, at Turfloop Nature Reserve. The emphasis is on strengthening partnerships on promoting and supporting the already practising as well as aspirant young farmers to play a meaningful role in the agricultural sector. More than young farmers and prospective young farmers participated at the summit.

A summit on *Women in Agricultural Value Chain and Cooperatives* was also held in Greater Tzaneen during the month of August 2015. Women farmers' representatives

from all five districts participated. Further engagements are continuing to implement resolutions taken at the Summit.

The Department has taken measures to ensure that persons with disabilities have equitable access to economic empowerment through agriculture.

The Department has hosted the first, and one of its kind, Summit for Persons with Disabilities in Agriculture and Rural Development (PDARD), on 2 December 2015 in Tubatse Municipality. The Summit attracted 300 disabled farmers from across the Province.

As part of the summit resolutions, the first ever awards for PDARD was introduced, to recognise the contribution and role played by the PDARD in contributing to food security and employment creation.

Food security interventions

Honourable Speaker, as part of our campaign to eradicate food insecurity and chronic hunger, we have supported a total of 3 342 households on various own food production initiatives, through seeds and seedlings packages, goat production and egg production schemes.

In the current financial year a total of 5 100 households will benefit from the various food security interventions aimed at addressing food insecurity in line with the provisions of section 2:27 (b) of the Constitution of the Republic of South Africa, which makes provisions for all South Africans to have access to food.

The interventions will comprise the provision of seeds and seedlings, egg layer chickens and goat production. In addition, a larger portion of sixty three million (R63 mil)

Ilima/Letsema conditional grant will support 113 projects, benefiting in the main, subsistence farmers. The funds will be used for procurements of production inputs for various enterprises.

Fetsa Tlala programme

The effect of drought has negatively impacted on our target to reach as many farmers as possible in the past financial year of 2015/16. This also has impacted on the number of hectares to be ploughed and planted. The number of hectares targeted for the Fetsa Tlala programme was down from 50 000 to 3 622 hectares, targeting only land under irrigation farming system. Last year I reported that the Fetsa Tlala Technical Committee is established and it has been very helpful in developing mechanisms and strategies to improve the implementation of this programme. The Committee developed a road-map of activities for dry land cropping season in order to address the challenges experienced in the previous planting season. In addition, the Fetsa Tlala. Standard Operating Procedures (SOP) was also reviewed with the aim of closing the gaps and thus improving the implementation of the programme.

Livestock improvement

In an effort to improve the quality of livestock for our smallholder farmers, the Department is collaborating with IDC on a programme to provide farmers with improved breeding cattle stock. In the past Financial Year, 507 breeding stock was redistributed. This project is now self-sustaining and all redistributed stock were sourced from previous beneficiaries as repayments of the breeding stock loan given to them previously. The plan for the 2016/17 Financial Year is to continue collecting more breeding stock from loan repayments and redistributing them to new loan applicants. To this effect we plan to

redistribute 200 breeding stock sourced from farmers who will be repaying their loans. So far, the Nguni Project has benefited 804 beneficiaries from 72 projects.

Community Dairy Project

In 2015 this august house was informed that the Department is piloting a village based dairy model in Moletji, in the Capricorn District, to not only promote compliance with food safety regulations, but to also improve access to food. The facility is owned by a cooperative formed by village members across Moletji traditional authority area. The building of milk processing and sales point has been completed and it is operational. Small scale milk producers are being linked with the Cooperative to enter into milk supply agreements.

Honourable Speaker, in line with the Presidential Operation Phakisa, during the 2015/16 Financial Year LDARD had provided 20 000 fish breeding stock to fish farmers in Sekhukhune District as part of the input support programme to increase production.

For 2016/17, the LDARD has planned to distribute 25 000 fish breeding stock to fish farmers. In the realm of aquaculture, Operation Phakisa aims to enhance the growth of the sector through the increment of the value contributions of all segments comprising the aquaculture value chain while simultaneously creating jobs in the fish processing and marketing sectors.

Work on the renovation and expansion of Turfloop Fish Hatchery and the establishment of fish processing facility at Tompi Seleka College, to serve all nearby aquaculture projects such as Phetwane and Hereford in Groblersdal is progressing. Completion is expected this financial year.

Honourable Speaker, we are continuing with efforts to create an enabling environment for food production. Farmer support is key through the direct contribution of the conditional grant budget, of which two hundred and sixty million rand (R260 million) is from CASP, while sixty three million rand (R63 million) will be from Ilima/Letsema.

Veterinary Services

Honourable Speaker, livestock and wildlife plays a very significant role in the economy of our Province. Limpopo is well-endowed with wildlife conservancies, which we pride ourselves with. However, this on the other hand, also puts the livestock industry in danger in terms of contracting animal diseases, especially in areas of close proximity with wildlife conservancies.

Our efforts and programmes to minimize the impact of these diseases are continuing. The Province enjoys the FMD free status for its major part as accorded by the International Animal Health Association (OIE). There are, however, stringent measures which must be fulfilled to sustain the status and the OIE will send inspectors time and again to monitor compliance.

Research and Technology Development Services

Improvements on agricultural programmes require effective research services to address major challenges constraining agricultural production. Among the major challenges facing agriculture in Limpopo currently is the issues of scarcity of water for irrigation purposes.

The maintenance of infrastructure requirements for the Tsoelike and Mara Research Stations in the Province is ongoing. Research projects are undertaken and is continuing

this financial year, one of which is on the Moringa tree of life plant, in an effort to support our developing farmers and entrepreneurs on the now sought after plant and its by-products. Crop and animal research trials/demonstration are conducted within various agro-ecological environments of the Province.

Agricultural Economics/Agri-business

Honourable Speaker, it is a known fact that emerging farmers face challenges of access to finance and markets. Farmer's predicaments, ranges from entry requirements, coordinated supply, market prices and economies of scales. During the 2015/16 Financial Year 165 agribusiness have been assisted to access commodity markets. These agribusiness include framers and cooperatives.

Nwanedi development hub for vegetables

During the 2015/16 budget vote we indicated that Nwanedi Development hub requires partnerships in order to move to the next levels. I am pleased to announce that LDARD has forged such partnership with Timbali Technology Incubator and National Treasury through its Jobs Fund programme. Approval of the Jobs Fund by the National Treasury was during the 3rd quarter of 2015/16 financial year. This partnership is enabling the implementation of the Nwanedi Development Hub for vegetables as highlighted by the Honourable President Jacob Zuma in his 2015 SONA. The partnership between LDARD, Jobs Fund and Timbali Technology Incubators will see the investment of about one hundred and nineteen comma five million rand (R119, 5 million) in Nwanedi Agri-Park Development for Vegetables over a period of four years, starting from April 2016. The Jobs Fund and Timbali Technology Incubator will contribute fifty nine comma five million rand (R59, 5 million) while LDARD will make available a match funding of sixty million rand (R60 million). Given the magnitude of the project, Timbali Technology Incubator will implement the project as per the requirement of the Jobs Fund. This project will integrate

about 150 smallholder farmers into existing markets, by benefiting through shared services and coordinated market supply.

The coordinated market supply will be anchored by the shared central pack house integrated with cold chain facility. Nwanedi Pack-house design and plans are complete, costed and construction will start this Financial Year. To ensure productivity and coordinated market supply, Nwanedi farmers are also supported with irrigation infrastructure development. To date, we have completed irrigation development on 30 farms. Additional 20 farmers will be supported this Financial Year. The objective of the Jobs Fund is to create sustainable and decent jobs. During the duration of Nwanedi Agri-Park Development for Vegetables Project we aim to create 600, comprising of 150 permanent non-seasonal jobs and 450 permanent seasonal jobs. There will be further 900 short term jobs created during the next four years of the project. This is unique and the first partnership of this kind to happen in Limpopo and there are very few in the rest of the country.

Agro-processing

Honourable Madam Speaker, the LDP has identified and confirmed and agriculture and agro-processing as one of key drivers of the provincial economic growth and employment creation.

As part of implementation of the Limpopo Agro processing Development Strategy, a consultative session in the form of a summit on agro-processing, was successfully held in September 2015. The Summit was hosted by myself and the Honourable MEC of Limpopo Economic Development, Environment and Tourism (LEDET). The objective of the summit was to consult with various stakeholders and main players in relevant industries, ranging from government, farmers, financiers, agro-processors and several other agri-businesses, on workable ways and means to implement the agro-processing

strategy. The summit created a platform to exchange knowledge and experience critical to what we want to see happening. As part of the resolutions, a Limpopo Agro-processing Working Committee was subsequently formed, which will also function as a think tank to provide strategic advice to government on the implementation of the agro-processing strategy. We appreciate the partnership between government and the private sector, because indeed together we can do more.

As we continue to engage, work is also progressing in support of the revitalization and development of some of agro-processing initiatives, through provision and facilitation of access to development finance. The upgrading of Valley Farms fruits processing infrastructure has been completed through DAFF's AgriBEE funding of just over four million rand (R4 million). Another project that was also funded through the AgriBEE funding programme is Solly's Boerdery owned by Mr. Solly Ratjomane in the Bochum area. Mr. Ratjomane is a commercial potato farmer supplying national fresh markets and major retailers such as Pick n Pay. Funding of just above eight million rand (R8 million) for potato packaging and sorting facility was awarded and the project was completed in December 2015.

The upgrading of these facilities will ensure that Solly's Boerdery meet requirement for Global GAP accreditations and thereby expanding marketing opportunities.

We have, through our agricultural engineering unit, assisted the Tshakhuma Achaar Co-operative with the development of plans for the Atchaar facility. The Coop is based in Khumbe Village in Thulamela Municipality, processing and packaging 60 tons of green mangoes per annum, into atchaar. The plan is to increase the capacity to 300 tons. Implementation will start this financial year with expected completion in 2017/18.

Agricultural Colleges

Opening of Colleges for Fulltime Diploma studies and Admission of Students

Honourable Speaker, last year when presented the 2015/16 budget vote, we had just opened our two agricultural colleges, Tompi Seleka and Madzivhandila for the enrolment of three year full time diploma students. We are pleased to announce that the first year programme went well, despite challenges here and there. All 140 students managed to progress to the second year. Total enrolment number for 2016 academic year at both colleges, including first year students is 323.

We are progressing

The institutions also offer AgriSeta accredited skills development programmes for farmers, learner ships and experiential training of students from relevant institutions such as Universities of Technology.

Laboratory services, especially on soil analytical services, is also provided to the farmers.

Infrastructure and administrative systems improvements

Honourable Speaker, we will continue developing the infrastructure and administrative systems of the Colleges to keep up with the standard set by the Council of Higher Education (CHE) in order to maintain the accreditation status. Clusters 5 and 6 for the student's accommodation and laundry at the old Mzana at Tompi Seleka was completed in the 2015/16 Financial Year, as well as paving of walkways.

Completed work includes Cluster 5 and 6 student accommodation and water reticulation at Tompi Seleka College. At Madzivhandila College the mechanical workshop and piggery structure were completed.

The construction of the new cluster student accommodation to house 90 students has started and four houses are at foundation stage. The construction is envisaged to be completed by November 2016, in time for the 2017 student intake. Also for 2016/17, is construction of the remaining residential clusters of the old Mzana (clusters 2 and 4) and new academic facilities at Madzivhandila will commence.

Rural Development

Madam Speaker, land reform continues to be priority for our government, as land central to the freedom of the people of South Africa.

President Zuma has, in terms of section 84(2) (a) of the Constitution of the Republic of South Africa, 1996, assented the Restitution of Land Rights Amendment Act. The Act has provided for the re-opening of the lodgement of land claims by people who missed the 31 December 1998 deadline to lodge land claims. The lodgement of land claims shall take place over a period of five years, ending on 30 June 2019.

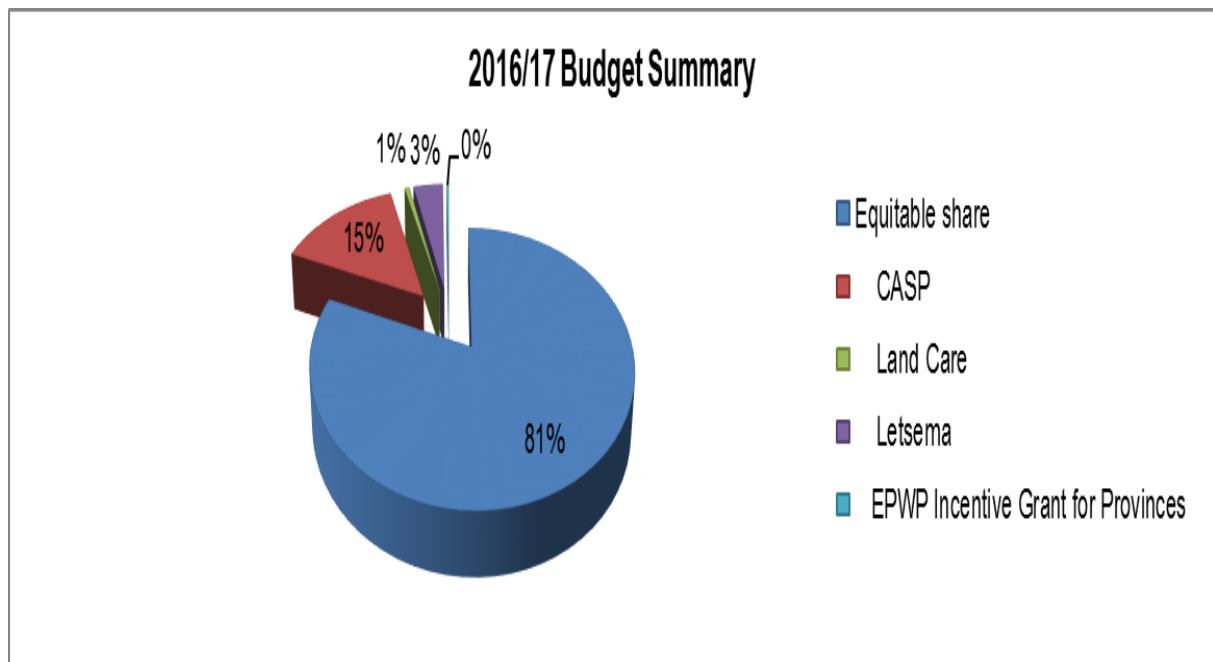
The new lodgment claims as at 21st of January 2016 is 8 819 claimants. 95% of the claimant need financial compensation, 3% of claims on land is currently under claim and 2% of land that has never been claimed. The 95% of claimants who need financial compensation raises a serious concern as land cannot to be returned to the right owners if they prefer financial compensation.

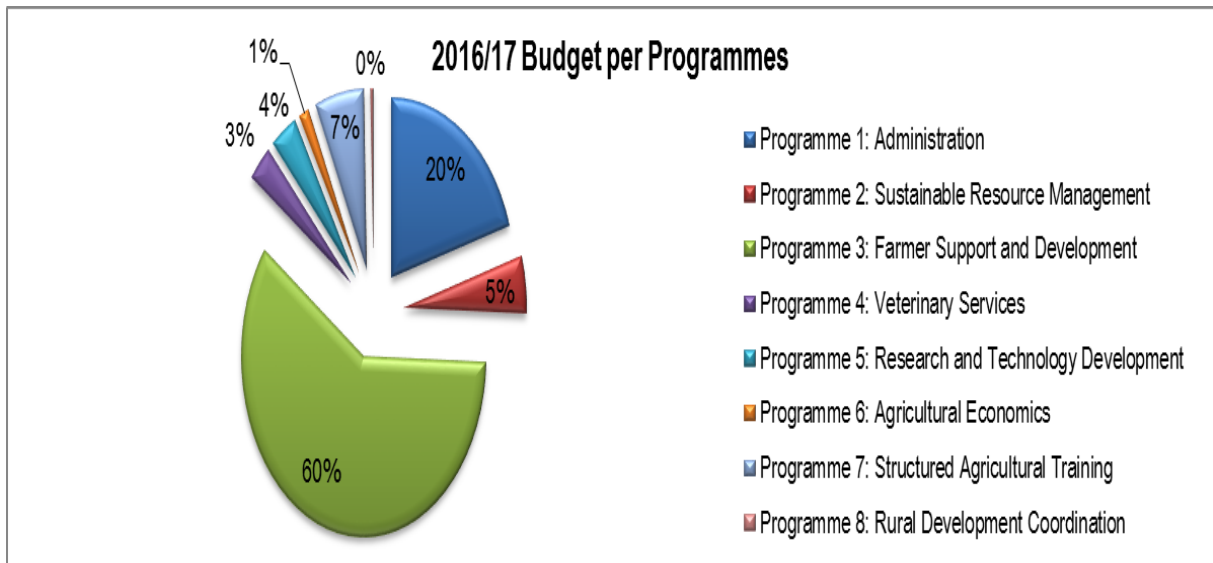
Honourable Speaker, the budget of the Department of Agriculture and Rural Development for the Financial Year 2016/2017 has been allocated as follows:

The overall budget for the Department had increased from one billion six hundred and fifty one million rand (R1, 651 billion) in 2015/16 to one billion seven hundred and eighty three million rand (R1, 783 billion) in 2016/17. The bulk of the budget is equitable share

at one billion four hundred and forty four million (R1, 444 billion), three hundred and thirty nine million rand (R339 million) is conditional grants.

PROGRAMME AND BUDGET STRUCTURE	AMOUNT R'000 (million rands)
Programme 1: Administration	363 023
Programme 2: Sustainable Resource Management	91 826
Programme 3: Farmer Support and Development	1 060 029
Programme 4: Veterinary Services	58 782
Programme 5: Research and Technology Development Services	63 464
Programme 6: Agricultural Economics Services	24 444
Programme 7: Structured Agricultural Education and Training	114 907
Programme 8: Rural Development Coordination	6 437
TOTAL	1 782 912





Programme 1 – Administration: The purpose of the programme is to manage and formulate policy directives and priorities and to ensure there is appropriate support services to Departmental programmes. The budget has increased from three hundred and thirty six million rand (R336 million) in 2015/16 financial year to three hundred and sixty three million rand (R363 million) in 2016/17 financial year. The increase is due to an increase in leases for office accommodation, office equipment, security services and inflationary increases on other operational costs.

Programme 2 - Sustainable Resource Management: The programme provides agricultural support service to farmers in order to ensure sustainable development and management of agricultural resources. It renders agricultural engineering services, natural resource management, land use management services, disaster risk management and spatial information services. The budget for this programme increased from ninety million rand (R90 million) in 2015/16 to ninety two million rand (R92 million) in 2016/17. The nominal increase is because of normal inflationary increase.

Programme 3 - Farmer Support and Development: The purpose of this programme is to provide support to all through farmer settlement and development, extension and advisory services and food security. The programme houses a larger portion of conditional grants, namely CASP and Ilima-Letsema. The budget for this programme has increased from one billion sixty thousand rand (R1, 006 billion) in 2015/16 to one billion six hundred thousand rand (R1, 060 billion) in 2016/17. The increase is as a result of increased conditional grants (CASP and Ilima/Letsema) to enable the Department to carry out farmer support programmes, implement extension recovery programme, provision of aid for disaster relief as well as with production inputs.

Programme 4 - Veterinary Services: The programme provides veterinary services to clients in order to ensure healthy animals, safe animal products and the welfare of the people of Limpopo. Services are provided on animal health, export control, veterinary public health and veterinary laboratory services. The budget for this programme has increased from forty seven million rand (R47 million) in 2015/16 to fifty nine million rand (R59 million) in 2016/17.

Programme 5 - Research and Technology Development Services: The purpose of this programme is to provide expert and needs based research, development and technology transfer services. The budget in this programme has increased from fifty two million rand (R 52 million) in 2015/16 to sixty four million rand (R64 million) in 2016/17. The increase is mainly for the maintenance of infrastructure requirements for the two research stations in the Department.

Programme 6 - Agricultural Economics Services: This programme provides timely and relevant agricultural economic services to the sector in support of sustainable agricultural and agri-business development to increase economic growth. The budget in this programme increased from twenty million rand (R20 million) in 2015/16 to twenty four million rand (R24 million) in 2016/17. The increase is due to nominal inflationary increase.

Programme 7 - Structured Agricultural Education and Training: The purpose of the programme is to facilitate and provide structured agricultural education and training in line with the Agriculture Education and Training Strategy to all participants in the agricultural sector in order to establish a knowledgeable, prosperous and competitive sector. The budget for this programme has increased from ninety four million rand (R94 million) in 2015/16 to hundred and fifteen million rand (R115 million) in 2016/17. The increase is in anticipation of the number of students expected to grow and the corresponding infrastructural requirements.

Programme 8 - Rural Development Coordination: This programme facilitates and coordinates the planning and implementation of integrated rural development programmes in line with the LDP, Integrated Development Plans (IDPs) and the Limpopo Integrated Rural Development Strategy (LIRDS). The budget in this programme slightly decreased from six comma five million rand (R6.5 million) in 2015/16 to six comma four million rand (R6.4 million) in 2016/17 due to the reduction on the once off allocation on consultancy services.

Together, we undauntedly continue our h long walk towards economic freedom towards our ultimate destiny of a united, prosperous and productive agricultural sector for sustainable rural communities. Nothing can stop us from ceaselessly promoting food security and economic growth in our lifetime through sustainable agricultural development.

As we soldier on in spite of the tight grip of a devastating drought, let us draw tons of inspiration from the foreword of the Chapter 6 of the NDP, which calls for the creation of an integrated and inclusive rural economy.

“South Africa, our country, is our land. Our land is our home. .. We enjoy its varied climate, terrain and vegetation. It is as diverse as we are. ..

From time to time it reminds us of its enormous, infinite power when rain and floods overwhelm, winds buffet, seas rage, and the sun beats unrelentingly in drought. In humility, we learn of our limitations.”

Most importantly, we must always remember that:

**DIJO KE BOPHELO,
FOOD IS LIFE, KOS IS LEWE**

CIBUS VITA NOSTRA

As I conclude Honourable Speaker, I wish to express my gratitude for the unwavering oversight, guidance and support that my Department and I have received and enjoyed from the Provincial Legislature, the Portfolio Committee on Agriculture and Rural Development, my colleagues in the Executive Council, the Agricultural Advisory Council, the House of Traditional Leaders and many others here with us today and those who are not present.

Allow me to thank the Honourable Premier Chupu Mathabatha for his exemplary leadership and guidance while I grappled with the challenges of steering the Agriculture and Rural Development ship.

Honourable Speaker, I also express my eternal gratitude to all the staff members, led by the Head of Department, Mme Maisela, for working tirelessly and moving the department to an improved institution, as was also confirmed by the positive audit opinion, from two conservative years of negative audit outcomes.

I now submit the 2016/17 budget vote for the Department of Agriculture and Rural Development for consideration by this august house.

Ke a leboga

Inkomu

Ndo livhuwa

I thank you

Baie dankie