

Fourth Raadzaal
01 August 2024

BUDGET VOTE
2024/25



BUDGET VOTE SPEECH

VOTE 11: AGRICULTURE AND RURAL DEVELOPMENT

Honourable Speaker

Honourable Premier

Honourable Members of the Executive Council

Honourable Members of the Legislature

Executive Mayors, Mayors, Speakers and Councillors of our municipalities present

Traditional leaders

Director General, Heads of Departments and our support staff

Our stakeholders in the agriculture sector

Distinguished guests

Good day, Dumelang, Goeie dag!

It is a privilege to present the budget and policy speech for the 2024/2025 financial year of Vote 11: Agriculture and Rural Development as we start the Seventh Administration, led by the Honourable Premier, Mme MaQueen Letsoha-Mathae.

Hon Speaker, going forward, we anticipate that the budget vote structure and programmes will change to include the function of Environmental Affairs, this is in line with the assignment of the environmental function by the Hon. Premier to the Department of Agriculture and Rural Development. A task team has been established between ourselves, DESTEA and Provincial Treasury to give effect to the function transfer in term of section 3A(b) of the Public Service Act, 1994 as amended. In the interim, we continue to work collaboratively with the MEC and HOD DESTEA on matters relating to the environmental affairs mandate.



Agriculture has a significant environmental impact as is evident from the fact that food production accounts for over a quarter (26%) of global greenhouse gas emissions, half of the world's habitable land is used for agriculture and 70 % of global freshwater withdrawals are used for agriculture. It has been said that agriculture is the common threat that holds the 17 Sustainable Development Goals together.

The sector's production of food, feed, fibre and fuel will directly and indirectly contribute to the achievement of Goal 2 (Hunger, Malnutrition and Sustainable Agriculture). In addition, its interconnectivity with Goal 1 (Poverty Alleviation), Goal 4 (Education), Goal 5 (Gender Equality), Goal 7 (Energy Use), Goal 8 (Economic Growth and Development), Goal 12 (Sustainable Growth and Production), Goal 13 (Climate Change) and Goal 15 (Ecosystem management) are well-defined. The transfer of the environment function will strengthen a more comprehensive and integrated approach in our provincial contribution to the achievement of the SDGs.

AGRICULTURE AND 30 YEARS OF DEMOCRACY

Hon Speaker, as we celebrate our 30 Years of Democracy, it provides us with an opportunity to reflect on our progress whilst considering our priorities to achieve our Vision 2030. The 30 Year Review provides valuable insights. We have to appreciate that the number of households in South Africa almost doubled from 9,1m in 1996 to 17,8m in 2022.

The impact of this increase on the agricultural and rural development sector should not be under-estimated. It not only affects the required increase in food production and unavoidable patterns of consumption, but equally raises the challenges of food security. In addition, it further emphasizes the inter-connectedness between agriculture, the environment as well as the various other Sustainable Development Goals.

Emanating from the 30 Year Review, we further note that:



- The average long-term contribution of agriculture to the national Gross Domestic Product (GDP) is around 2.8%
- Though the agricultural industry contributes around 5% of formal employment, the sector remains the largest single category of employment for black people living in rural areas.
- South Africa produced 80% of broilers for the SADC market.
- The Rural Infrastructure Development Programme established more than 440 Farmer Production Support Units (FPSUs), which assisted to improve capacity for agricultural production and agro-processing. There are 9 of these support units in the Free State, namely at Kgolokweng, Kroonstad, Ficksburg, the Agri-Hub in Springfontein, Zastron, Wesselsbron, Odendalsrus, Sediba and the old Thaba Nchu Abattoir.
- The Rural Access Index indicates that 66.1 % of the Free State population is within 2km to an all-weather road.

As we proceed to realize Vision 2030, our priorities will include:

- the upscaling of agriculture through strengthening successful agricultural support interventions whilst others less effective must be reviewed for efficacy and restructured;
- rebuilding capability for animal and plant disease control, vaccine production and human capital (veterinarians and extension officers) as well as
- rural road construction, upgrading and maintenance as well as the continuation of the Welisizwe Rural Bridges programme.

2023 AGRICULTURE SECTOR PERFORMANCE AND OUTLOOK FOR 2024

Budget BUDGET VOTE

2024/2025

Hon Speaker, 2023 was a challenging year for the agriculture sector. During March this year, Statistics South Africa (StatsSA) released its GDP Fourth Quarter, 2023 statistics. It noted that the agriculture, forestry and fishing industry decreased by 9,7% in the fourth quarter of 2023, primarily due to decreased economic activities reported for field crops, animal products and horticulture products. It further noted that agriculture recorded its first annual contraction since 2019, shrinking by 12,2%. This was the biggest annual fall in agriculture production since 1995 (-19,9%).

In early June this year, the GDP First Quarter 2024 indicated that; "The agriculture, forestry and fishing industry increased by 13,5% in the first quarter of 2024, contributing 0,3 of a percentage point. This was primarily due to increased economic activities reported for horticulture products." It is of course too early to determine whether the sector will turn-around the annual contraction of 2023 but we must always remember that farming is a profession of hope.

The El Niño effect is expected to have less of an impact on agricultural conditions in terms of rainfall because of improved soil moisture from past rainy seasons. However, the South African Weather Service's forecast of above-normal minimum and maximum temperatures for this summer remains a great concern. This forecast comes amid warnings from the World Meteorological Organization that the El Niño effect and climate change could lead to record-breaking temperatures in the next five years.

The "2023 Trends in the Agricultural Sector" publication of the Department of Agriculture, Land Reform and Rural Development, confirms the Free State as a major contributor to the agricultural sector with particular challenges facing certain crops. This is evident from the following statistics in respect of the 2022/2023 production season:

- The provincial contribution to maize production was 44 %, confirming the Free State as the biggest contributor in the country.



- The bulk of the sunflower seed crop was produced in the Free State (52.2 %)
- Soya beans were primarily grown in the Free State (49.2 %)
- 39.3 % of groundnuts were planted in the Free State
- The Free State produced 26.5 % of dry beans and 15.7 % of sorghum for commercial purposes
- Our province planted 24 000 hectares less wheat than the previous production season

In addition to traditional crop production, the Department will support and encourage the production of deciduous fruit in the Eastern parts of our province, leveraging off the competitive advantage of our climate and the relative geographical accessibility to all markets.

According to Hortgro, the Free State has 527 hectares of apple orchards amounting to 817 402 trees planted. Although the Free State only produces 2% of the country's apples, a year -on-year growth of 10% is projected due to the vastness of land, availability of water and favourable weather patterns.

Extensive livestock farming continues to dominate the bigger part of our province, particularly sheep and cattle farming. The production of weaners for the feedlot industry constitutes the main form of cattle farming in the province. Livestock farming continues to be faced with particular challenges, including stock loss through wild animals, stock theft, veldfires and the outbreak of disease.

Agriculture is indeed an ideal vehicle through which the province can deal with challenges of poverty, unemployment and slow economic growth. The sector requires the participation of subsistence, emerging and commercial farmers to each contribute to advancing the transformation and diversification of the agricultural sector.

BUDGET ALLOCATION – OVERVIEW

Honourable Speaker, the Department receives a budget allocation of **R829.092 million** in the 2024/25 financial year with further allocations of **R879.287 million** and **R915.606 million** in the 2025/26 and 2026/27 financial years respectively. This means that Agriculture's share constitutes only 1.9 % of the provincial budget.

R508.861 million of Equitable Share Funding is allocated as follows;

- Administration: R196 962 million,
- Sustainable Resource Use & Management: R39 379 million,
- Agricultural Producer Supply & Development: R109 387 million,
- Veterinary Services: R64 633 million,
- Research and Development: R44 813 million,
- Agricultural Economics Services: R15 516 million,
- Agricultural Education & Training: R21 433 million and
- Rural Development: R11 738 million).

The Infrastructure Enhancement Allocation (IEA) amounts to **R56.262 m** with **R6m** from Earmarked Funds (Disaster Management).

Conditional grants amount to **R262.969 million**. This comprises of CASP at **R197.896m**, Ilima/Letsema in the amount of **R53.740m**, LandCare of **R9.333m** and EPWP of **R2m**.

The overall Increase to the Department's fiscal allocation is a nominal **1.8 %** for the 2024/25 financial year compared to the adjusted allocation for 2024/25. This nominal increase can be attributed to the following:

- **5.9%** increase in 2024/25 for Equitable Share and Earmarked funding; and
- **5.6%** decrease for National Conditional Grants.



BUDGET VOTE 2024/2025

Honourable Speaker, my predecessor propagated very eloquently for the funding position of the Department in his 2023 budget vote speech. We remain concerned about the continuous decrease in our operating capital. This continues to compromise our frontline services, including critical components of extension and veterinary services over the MTEF period.

We must find a way to give effect to commitments that will contribute significantly to the growth of the agricultural sector in our country such as (1) the AU 2003 Maputo Declaration on Agriculture and Food Security and the 10% national budget allocation to agriculture development, (2) the Malabo Declaration on Accelerated Agricultural Growth and Transformation for Shared Prosperity and Improved Livelihoods (2014), (3) the COP28 UAE Declaration on Sustainable Agriculture, Resilient Food Systems and Climate Action and (4) the BRICS Ministers' signed declaration on agriculture: outlining areas of collaboration and agreement on various interventions among BRICS member countries.

We are, however, not unaware of the fiscal realities faced by both our country and the province. Whilst continuing to advance the imperatives to maximize government fiscal contributions in our agriculture sector, we need to be more creative and innovative to explore and secure additional investment and funding opportunities through a combination of funding models and partnerships with the broader public sector, state owned enterprises, Sector Training and Education Authorities (SETAs), institutions of higher learning as well as the private sector. These partnerships, both financial and non-financial, are pursued within the context of the provisions of the applicable legislative and regulatory framework.

Whilst advocating for increased investment and funding in agriculture, we must equally ask ourselves whether our spending choices have yielded the required impact on provincial economic growth and unemployment. In my engagement with officials of the Department as well as our stakeholders, I have emphasized that this must surely be at the

forefront of our spending decisions and project implementation. We therefore will have to review and strengthen the way in which we conduct the business of the Department. This includes improving the processes of our funding cycles and significantly enhancing the monitoring, oversight and evaluation of project and programme implementation

AGRICULTURE AND AGRO-PROCESSING MASTER PLAN, SECTOR PRIORITIES AND TARGETS

Honourable Speaker, our 2024/25 projects and programmes will be guided by the sector priorities and targets towards achieving the NDP Vision 2030 and will be implemented in accordance with the District Development Model (DDM) approach. The section priorities include;

- Job creation and transformation of the sector,
- Our contribution to GDP,
- Promoting food security and reducing the number of households vulnerable to hunger,
- Support to smallholder farmers and black commercialization;
- Retaining, diversification and development of markets for agricultural products, both domestically and globally;
- Increasing the levels of investment in agro-processing initiatives; and
- Reducing vulnerability and risks associated with climate change (climate change responses implemented).

Our work will further be informed by the approved sector Agriculture and Agro-processing Master Plan (AAMP). In his recent budget speech to Parliament, the hon Minister of Agriculture, Mr John Steenhuisen said that; "The AAMP adoption process has enjoyed broad sectoral support and... I have no intention of reinventing the wheel. Instead, the focus will rather be on accelerating implementation of the objectives of the AAMP and



Budget **BUDGET VOTE** 2024/2025

ensuring that my department upholds its commitments contained in the plan.” We fully support the articulated view of the Minister.

The key commodities that the plan intends to address provide us with an opportunity to promote sustainable agricultural practices, enhance climate resilience and increase yield. It further provides a platform for innovation, research and development to drive technological advancement.

The plan seeks to improve infrastructure and agro logistics, access to finance, forging partnerships and leveraging on available resources. Inclusive economic growth demands a focused investment in agricultural infrastructure and logistics. In the provincial context, this will be realized through our Farmer Support Producer Units (FSPU) and our focus on the development of infrastructure and agro-logistics.

In seeking to ensure effective integration of the black commercial farmers within the grain value chain, the Department will intensify its support to the Black Commercial Grain Producers to allow them to capitalize on such opportunities as the Africa Continental Free Trade Agreement (AfCFTA) and the United States African Growth and Opportunity Act (AGOA) trade pact.

Other key aspects of the AAMP that we will continue to prioritize include ensuring the safety and maximizing the well-being of all residents, farmers, farm workers and farm dwellers in farming areas. This includes the improvement of the conditions of labour and well-being of farm workers. Earlier this month, we received reports that are of particular concern regarding the living conditions that some seasonal farm workers are subjected to in the Wesselsbron district as well as an alleged illegal eviction from a farm in Senekal. We continue to deal with these matters in collaboration with relevant sector Departments, including Labour, the SAPS, as well as the national Departments of Agriculture and Land Reform and Rural Development.

FARMER SUPPORT AND DEVELOPMENT INTERVENTION

Honourable Speaker, we have noted with concern that some of our projects have either remained unviable or become unsustainable. This is a substantial risk to our agenda of farmer support and development. The unsustainability is caused by various reasons, including inadequate feasibility studies, incomplete infrastructure projects, disruption in funding, failed implementation methodologies, insufficient monitoring and evaluation of projects as well as disputes amongst beneficiaries. This is not only detrimental to both the Department and potential beneficiaries but also undermines the achievement of our broader goals in respect of agricultural transformation, job creation and economic growth.

During this financial year, we will implement an intervention programme which will evaluate and review the viability, sustainability and repurposing of such projects, utilizing a broadly inclusive and consultative approach. We will utilise **R16.764 million** for planning and implementation of intervention measures to address these challenges.

AGRICULTURE AND UNEMPLOYMENT

Honourable Speaker, the agriculture sector needs to respond much more effectively to address challenges of unemployment, and in particular youth unemployment. The Quarterly Labour Force Survey for the first quarter of 2024 (released in May 2024 by StatsSA) note that the unemployment rate increased slightly to 32.9% in Q1 2024 from 32.1% in the last quarter of 2023. The slight increase was ascribed to seasonal factors and generally poor economic conditions. The number of employed persons in the Free State Province remained almost unchanged between the last quarter of 2023 and the first quarter of 2024. A year on year comparison between the 1st quarter of 2023 and 2024, indicate however, that the Free State loss about 48 000 jobs.

We will re-engineer our strategy and coordination of providing job opportunities, experiential training and internship programmes within the sector. This will be achieved

through the expansion of existing and the creation of new partnerships with SETAs', institutions of higher learning and the private sector. Some of the initiatives we will undertake include;

- Utilizing the **R2m** EPWP allocation and other Conditional Grants to create more than 796 job opportunities.
- We have set aside about **R11.440 m** under the Unemployed Agricultural Graduates Programme. The programme targets qualified unemployed agricultural graduates. We will accommodate 120 unemployed agricultural graduates in an internship programme commencing during the 2024/2025 financial year.
- We have established a working group with **AGRISETA** that will focus on strengthening our cooperation in relation to existing programmes such as the RPL-programme with Glen. The working group will also develop practical interventions to expand our collaboration to include focus areas such as the transition of Glen College graduates to universities, training and skills development programmes relating to food security, new technology and disaster management. Critical to these programmes will be practical exit strategies such as linkages to work places to ensure that we do not “train for unemployment”. The Working Group will also look into a more holistic approach to improve coordination of initiatives between the public and private sector, thereby ensuring that we supplement instead of duplicating our efforts. We expect a report from the Working Group by the end of August 2024.
- The DALRRD commissioned the National Food and Nutrition Security Survey (NFSS) 2020 – 2022. The overall results showed that most of the households (63.5%) at the national level experienced food insecurity whilst only 36.5% of households were food secure. Twenty-two (22%) percent of households in the Free State and Mpumalanga experienced severe food insecure. Results of the NFSS and related surveys such as Stats SA, Regional Vulnerability Assessment and

Analysis (RVAA) and State of Food Insecurity (SOFI) have therefore, been used to guide the allocation of PES-3 funds for all nine provinces.

The Free State Department of Agriculture and Rural Development has been allocated approximately **R32.258 m** for the implementation of PES-3 in the 2024/25 financial year. Programmes will focus on supporting subsistence producers in the agricultural sector. All districts will receive support, noting that the allocation of such support will be based on the results from the National Food and Nutrition Security Survey. The allocations will there be as follows; Lejweleputswa (30%), Thabo Mofutsanyane (25%), Fezile Dabi (20%), Xhariep (15%) and Mangaung Metro (10%).

VETERINARY SERVICES

Honourable Speaker, biosecurity is critical to enhance our export opportunities. We need to invest in our veterinary services' capacity, infrastructure and systems that will contribute to the traceability of our produce. The Free State is the third largest exporter after Gauteng and the Western Cape. We are currently exporting 60% to Lesotho (meat and dairy), 15% to other neighbouring countries (mostly dairy and animal feed), 10% to Europe (hunting trophies), 5% to the Middle East (mostly meat) and a variety of products (10%) to various other countries.

Veterinary Services continues to promote a healthy animal population through animal health and disease control interventions. We must acknowledge that our veterinary services perform exceptionally well despite severe resource and capacity constraints. This is evident from an overview of the functions performed during the past financial year;

- 8 209 veterinary export certificates were issued which facilitates international trade;
- An average of 700 health certificates were issued monthly in respect of a total of 178 import/export facilities in the Free State;
- A total of 476 facilities that produce meat were inspected during the past year.

- A total of 2 804 samples were collected for targeted disease surveillance for Avian Influenza as well as Foot and Mouth disease. This was a result of visiting 5 365 epidemiological units for veterinary interventions.
- A total of 59 016 laboratory tests were performed by our two provincial veterinary laboratories

We will maintain and renovate our veterinary clinics, attend to the required servicing of equipment, procure medicine and attend to bio-security measures to manage and prevent disease risks.

GLEN COLLEGE OF AGRICULTURE

Honourable Speaker, the total student population of Glen College of Agriculture is 232 (two hundred and thirty-two) for the 2024 academic year. This includes sixty-six (66) first year students, ninety-four (94) second year and seventy-two (72) third year students. Students are registered for either Animal Production (132 students) or Crop Production (100 students).

Colleges of Agriculture will be transferred to the Higher Education Colleges under the Higher Education Act (101 of 1997, as amended) with effect from 1 April 2025. We support the transfer of Colleges of Agriculture to the national competence and their declaration as Higher Education Colleges. It will be beneficial to our students and learners who wants to study at Glen Agricultural College.

During this financial year, the process of ensuring the accreditation of the College shall be prioritized. Our engagements with the College, the SRC and the private sector, emphasized the need to strengthen practical work and experiential training opportunities for students. We are developing a multi-party compact that will bring together the Department, the College, organized agriculture and the private sector to address this imperative within the next three months.

The CASP allocation to Glen Agricultural College, amounting to **R1.186 m** will be utilized towards the revitalization and renovation of existing infrastructure as well as supporting the Information & Communication Technology (ICT) environment.

We cannot exclude Glen Farm from this conversation. I have shared my vision that we must work to return Glen to be a productive farm that enables students to gain practical experience, providing a platform for agricultural research, collaborating with other institutions and in its own way contribute to our food security and job creation initiatives. We have received enthusiastic support and commitment from various stakeholders to collaborate and support the work that we will be undertaking in this regard.

NATURAL DISASTERS

Honourable Speaker, Natural disasters have a massive impact on agriculture. This includes the recent floods and veld fires in the province. We need to be much better prepared to mitigate such risks and assist farmers and farm workers in such extreme conditions.

During July, the department has been inundated by reports from the farming community regarding outbreaks of veld fires in various parts of the province namely Fouriesburg, Clarens, Bethlehem, Kroonstad, Edenville, Harrismith, Clarens, Petrusburg, the Sterkfontein Nature Reserve, Beulah, Qwaqwa/Kestel, Frankfort, Heilbron and Mangaung. We have visited the affected areas in Clarens and Petrusburg whilst also observing the aftermath of the damage caused in the Kroonstad-district, both by fire and floods. We urge all residents of the Free State to remain vigilant and aware of the persistent risk of veld fires during this fire season.

One remains appreciative and impressed by the collective effort of farmers, farm workers and the Working on Fire teams who work tirelessly to combat veld fires. Though COGTA

leads our disaster management coordination and response, we have requested that we jointly engage Working on Fire regarding the adequate deployment and utilization of fire fighting resources allocated to the Free State.

We will utilise the **R6.000 million** allocation to support our farmers affected by disasters.

RURAL DEVELOPMENT AND RURAL SAFETY

Honourable Speaker, Rural safety is part and parcel of the provincial crime prevention approach to address the needs of rural communities, including farming communities. There should be no doubt that the imperatives of the safety and well-being of our farming communities, including farmers, farm workers and farm dwellers, as set out in the AAMP will find expression in the Free State.

We recently had an engagement with the neighbouring farmers of Glen. We were fortunate that the MEC responsible for CSRT, the hon Jabu Mbalula, the Mangaung Executive Mayor, Cllr Gregory Nthatsi and the Chairperson of our Portfolio Committee, the hon. Zama Sigwabela could join us in this engagement. One of the aspects that were particularly emphasized was the continuous impact of stock theft, not only at Glen but also on the farm of our neighbours. These are not just sporadic incidents but the work of well-organized and armed stock theft syndicates. It is also indicative of the much larger problem of stock theft in the province. This is an area of work that we will jointly address under the leadership of the hon. Mbalula whilst strengthening our working relationship with the SAPS.

As directed by the Agriculture and Agro Processing Master Plan, we will seek to accelerate the development and maintenance of on-and-off farm infrastructure such as roads, (especially what we term our agriculture economic roads), storage, water reticulation and energy supply. Further priority areas will include on and off-farm marketing infrastructure within and across major rural areas where most of the agribusiness is situated. We will

cooperate with our relevant sister departments, water boards and state-owned entities to realize the successful implementation of these initiatives.

Honourable Speaker, Inclusive economic growth demands a focus investment in agriculture. Through existing Agri Parks and sustainable Farmer Production Support Unit (FPSU), Agri Hubs and Rural Urban Market Centres, we will revitalise the rural economy and support agro-processing. The support will entail increased investment in providing shared mechanization.

Based on the assumption that 5% of all crop fields in the province (a total of 155 577 ha) is cultivated by small-scale farmers, we can deduct that the mechanization initiative from National Government will allow Free State farmers to cultivate 7 200 ha of fields. This additional amount is 5.5% of the total area under cultivation by small-scale farmers in the province.

A very important fact which becomes clear is that the mechanization support of the past five years, combined with the support by National Government, accounts for only 8% of the total mechanization needs of small-scale farmers in the province. The department is aware that mechanization support is also provided by other role players such as GrainSA and some commercial agricultural co-operatives.

We have set aside **R20.650 million** to support our farmers with mechanisation from our conditional grants.

COMMONAGE DEVELOPMENT

Hon. Speaker, commonages are recognised as both a critical asset and foundation for local economic development of municipalities and also an important livelihood asset for the poor and unemployed. There is a need for much closer collaboration between our Department and our local government sector relating to the development, management

and utilization of commonages to advance the broader goals and objectives of our sectors. During this financial year, we intend to initiate a review of our support and contribution to commonage development and we will be working with the local government sector, other sector departments and stakeholders to strengthen our role in this critical area.

FOOD SECURITY

Honourable Speaker, Household food security is likely to remain under pressure in 2024. Food price increases add huge pressure to already stretched household budgets. It remains a challenge to maintain a sound, sustainable and resilient food sector amid rising production costs and biosecurity issues whilst ensuring access to safe, and affordable food for all. We are equally aware of the scale and dimensions of the food security crisis emanating from Lesotho as the Prime Minister Sam Matekane declared a national disaster as a result of the drought caused by El Nino.

We continue to promote the Household Food and Nutrition Security programme to support the hungry, vulnerable and food insecure households, to help increase the number of households involved in agricultural activities for own consumption and marketing of the surplus produce.

There is an excellent food garden project implemented at the Reikaeletse High School in Koffiefontein in the Letsemeng Local Municipality. The project is implemented as a partnership between various stakeholders, including the Letsemeng Local Municipality, the Diamond Mine, Agri-SETA, CEDA and the Buhle Implementing Agency. 25 Farmers received Agri-Seta accredited NQF level 4 technical training, farming expertise and ongoing mentorship. 10 of the farmers created a cooperative which now operates at the Reikaeletse High School. They were also trained by SEDA Cooperative training on vegetable production to enable them to manage the cooperative effectively. One of their off-set markets include a local retailer.



There are important lessons to be learnt from this initiative that will inform our programme to implement food gardens at schools throughout the Free State. There is no doubt that we have to bring our children into a new relationship with food that connects them with agriculture. Ultimately, the vision is that the school vegetable gardens should feed into the school nutrition programme. We have had various discussions with the hon. MEC for Education, Mme Mamiki Maboya, and we will be formalizing an implementation agreement between our respective Departments to realize this vision.

Whilst this process is being formalized, we want to encourage hon. Members of the House to take the initiative and lead the roll-out of this programme. We have provided vegetable seed packs to each of you and want to invite you to identify a school within your community or constituency where we will assist you to establish a vegetable garden and provide training and support to the educators and learners that will be responsible to take care of the food gardens. This is where we start to establish a culture that encourages food production as opposed to the consumption culture that has been embedded in our communities.

We can never sufficiently acknowledge and appreciate the excellent work done by our farmers, farm workers and farm dwellers in ensuring food security for our people.

EXTENSION AND ADVISORY SERVICES

Honourable Speaker, agricultural extension, alternatively referred to as advisory services, is a formal process of delivering information to farmers, particularly new techniques for production and harvesting but also other information needed to flourish and compete in a fast-changing world. The Extension Recovery Plan (ERP) is therefore a critical component of Comprehensive Agricultural Support Programme (CASP). It is a government strategy to capacitate or revitalise extension and advisory services in the country to improve public agricultural extension service delivery in all provinces.



Our Extension and Advisory Services have been operating within a constrained enabling environment. We have received various concerns from the farming community regarding the timely availability of our services. The recent allocation of twelve (12) additional pool vehicles, procured through ERP budget, must support the enhanced productivity of effective and efficient extension services

Our targeted support during this financial year will be comprehensive for subsistence, smallholder and commercial farmers through the commodity value chain. Focus will be on providing training, extension and advisory services, infrastructure investment and agro-logistics.

We will align our extension and advisory services with private sector partnerships and commodity organizations. There is a need to review regulations that create bottle necks in the sector in order to ensure modernization and usage of technologies to enable our farmers to remain competitive.

There is also a need to work on the poor infrastructure, such as poor rural roads and inefficient rail and port systems, as this impact negatively on the cost of doing business and seriously impedes effective exports and imports of agricultural supplies and commodities.

We have allocated **R26.086 million** to support extension and advisory services.

ILIMA/LETSEMA CONDITIONAL GRANT FUNDING

Honourable Speaker, the major focus for the current financial year is to support the establishment of local based food systems whereby the producer households and the institutional-based, namely schools, Community Nutrition Development Centres (CNDs)

and black small holder producers will be organized to run marketing pools in support of various food chains, including the school feeding schemes.

A total estimated amount of **R53.740 million** from the Ilima/Letsema conditional grant is made available towards achieving this objective. We will further implement 12 projects and/or programmes under the Ilima/Letsema conditional grant, benefiting 13 beneficiaries and 4 327 food security beneficiaries whilst anticipating the creation of 203 jobs.

COMPREHENSIVE AGRICULTURE SUPPORT PROGRAMME (CASP) FUNDING

The competitive commodities that we will promote in implementing the AAMP include Red Meat, Piggery, Grain, Horticulture, Aquaculture, Livestock and Poultry. These initiatives are estimated to benefit 850 beneficiaries from 28 projects and programmes with a total budget allocation of **R80.860 million**, anticipating the creation of 593 jobs. We will continue to support our programmes focused on youth and women in agriculture.

I wish to encourage hon. Members to actively support these projects by buying products directly from them. Last week we met Mr Thato Phalatse from the Egg-On project in Kroonstad. I have personally purchased 30 trays of eggs from him which he delivered today. This will be handed over to the MEC Social Development, Mme Mathabo Leeto, for distribution to beneficiaries identified by her Department.

Our Department will work closely with the private sector to ensure the development of the on-farm level silos, and a Fertilizer Plant in the province. In addition, we will work to improve logistics efficiency, intensify the promotion of South African products in export markets, and sustain solid relations with existing critical export markets while securing expansion into new markets.



There has been pronounced interests to explore the potential of new agricultural industries such as the production of hemp and cannabis in the Free State. The National Cannabis Masterplan was released by DALRRD in 2021 and is currently under revision.

Our Department must formalize an appropriate provincial framework in terms of medicinal cannabis and hemp production, processing and the entire value chain aligned with the 9 pillars of the Cannabis Masterplan. Until such time that we have finalized this work, our programmes and initiatives will be directed by the national Cannabis Masterplan.

Our provincial department must at least be able to assist with research, production support, extension and advisory services and other support for the cannabis and hemp industry. We must ensure that we have the appropriate scientific skills, research and development capacity as well as the human and financial resources to support this new industry. Of equal importance will be our collaboration with other Departments such as Finance, Economic Development and Tourism (the current DESTEA) to support us to ensure that issues relating to funding, co-funding, investments, economic viability and required off-set agreements are in place.

We are currently conducting a comprehensive analysis of various project proposals received from a number of interested parties, including the Xhariep mega project. We have as yet not issued a public call for expression of interest and this may be necessary to implement a fair and competitive process to access available financial support. The Department will also be monitoring and supporting the development and implementation of various private sector initiatives and investments in the industry. Total funding available for supporting our work relating to the cannabis industry amounts to **R8 million** in the current financial year.



ACCESS TO FUNDING

We have noted with great appreciation the budget statement of the hon Minister of Agriculture on opportunities around access to finance and partnerships established with various financial institutions. It is our intention to convene all relevant institutions to engage on ways to unlock those opportunities for the producers in the province.

CONCLUSION

Honourable Speaker, in the first few weeks since assuming office, I have had interactions with various key stakeholders such as Free State Agriculture, the African Farmers Association of SA (AFASA), the National African Farmers Union (NAFU), OVK, SENWES, Glen Commercial Farmers as well as individual farmers in the Clarens, Petrusburg and Kroonstad-districts. They have shared valuable views, insights and opinions in a frank, honest and constructive manner. More engagements and interactions with other stakeholders will be unfolding over the next few weeks. Indeed, these engagements have given me a new understanding of the words of former US President, Dwight Eisenhower, when he said; "Farming looks mightily easy when your plough is a pencil and you're a thousands miles from the cornfield".

There is undoubtedly a commitment of all role-players and stakeholders to place the Free State agricultural sector at the forefront of inclusive growth, job creation and dealing with poverty and under-development in rural areas. I remain grateful and appreciative of the numerous calls and social media comments and inputs on how to grow the agricultural sector.

We will continue to work closely with our stakeholders to build, transform and strengthen the agriculture sector as we pursue the realization of Vision 2030 and the Sustainable Development Goals. Our work cannot succeed if we are not inherently passionate about agriculture in general and farming in particular. Farming is the manifestation of our dance with nature – a partnership that can bring joy and abundance but needs back-breaking



work that at times lead to nothing but heartbreak and devastation. 'There is no room for half-measures in this industry – it's either all in or all out. These are the characteristics that we respect and appreciate of all the men and women, young and old, abled and different abled, in this industry.

My predecessors has established the foundation that enables us to realise the full potential of the agriculture sector. Now is the time to accelerate our work and to achieve the transformation of our sector in partnership with all stakeholders.

Honourable Speaker, let me express my appreciation to the Head of Department, the Executive Management and our Departmental Officials for the work done towards compiling this Budget Vote and the plans contained herein.

To the Chairperson and Portfolio Committee, I pledge to cooperate with you as you undertake your oversight and accountability responsibilities pro-actively and rigorously.

Let me also thank my family for their support and understanding in terms of all the hours spend away from home.

To my organization, the African National Congress, the Premier, Members of the Executive Council, indeed working together we can achieve more.

Honourable speaker, I therefore table the 2024/25 budget vote of the Department of Agriculture and Rural Development.

Thank you.



Budget VOTE

2024/2025

Budget Programmes 2024/25

Our budget for 2024/25 will seek to implement the priorities of the 7th Administration and distributed as follows:

1. **Administration:** Provide leadership, administration and financial support.
2. **Sustainable Resource Management:** Provide agricultural support services to land users in order to ensure sustainable development and management of natural resource.
3. **Farmer Support and Development:** Provide support to producers through agricultural development programmes. Enable and support transformation of the agriculture sector to actively contribute to economic growth, inclusion, equality and the creation of decent work. Increase food production through producer support and development initiatives.
4. **Veterinary Services:** Provide Veterinary services to clients in order to ensure healthy animals, sustainable and profitable animal production enterprises, and safe trade in animal's products of animal origin and the wellbeing of animals and the public.
5. **Research and Development:** Provide expert, problem focused and client centric agricultural research, technology development and transfer impacting on development.
6. **Agricultural Economics:** Provide timely and relevant agricultural economic services to ensure equitable participation in the economy.
7. **Education and Training:** Provide and facilitate structured and vocational agricultural education and training to establish a knowledgeable, prosperous and competitive sector.
8. **Rural Development:** Facilitate rural development strategies for socio-economic growth.



Annexure A

<i>Budget allocation per programme</i>	2024/25 (R'000)
Programmes	
ADMINISTRATION	196 962
SUSTAINABLE RESOURCE MANAGEMENT	66 712
FARMER SUPPORT AND DEVELOPMENT	348 657
VETERINARY SERVICES	76 633
TECHNOLOGY, RESEARCH AND DEVELOPMENT SERVICES	80 255
AGRICULTURAL ECONOMICS	15 516
STRUCTURED AGRICULTURAL TRAINING	32 619
RURAL DEVELOPMENT	11 738
Total for Programmes	

<i>Budget allocation per economic classification</i>	2024/25 (R'000)
<i>Economic classification</i>	
Compensation of employees	470 656
Goods and Services	316 738
Transfer payments	2 110
Payment for Capital assets	39 588
Total for Economic classification	829 092

<i>Budget allocation per conditional grants & IEA</i>	2024/25 (R'000)
CASP	197 896
Ilima/Letsema Grant	53 740
Landcare grant	9 333
EPWP Grant	2 000
Disaster Management	6 000
Infrastructure Enhancement Allocation (IEA)	56 262
Total for Conditional grant & IEA	325 231