

**COMMERCIALISATION  
OF AGRICULTURE  
TO TRANSFORM RURAL  
ECONOMIES FOR GROWTH  
AND EMPLOYMENT**

**POLICY  
SPEECH**



**drdar**

Department:  
Rural Development & Agrarian Reform  
PROVINCE OF THE EASTERN CAPE

Honourable Speaker

Honourable Deputy Speaker

Honourable Premier

Honourable Members of the Executive Council

Honourable members of the Provincial Legislature

Honourable members of the Portfolio Committee on Rural Development & Agrarian Reform

Honourable members of the House of Traditional Leaders

Leadership of farmer's organisations & rural communities of our beloved Province

Women and Youth in agriculture and rural development

Religious leaders

Distinguished Guests

Members of media

Manene nani Manenekazi

I greet you all.

**Honourable, Speaker,** in the last two decades we have made significant strides in improving living conditions of the Eastern Cape citizens. The 2021 General Household Survey by StatsSA shows improvement in social indicators from 2002 to 2020 i.e. increased access to tap water from 56.1% to 72.1%; sanitation from 33.4% to 92.7% and access to electricity from 55.3% to 92.9%. Whilst there was good progress in other social indicators, the province experienced a decline on the number of households who have access to food from 23.6% to 20.3% in the period between 2002 and 2020. This is posing a challenge to our province to intensify and increase the scale of food security programmes to support vulnerable food insecure households.

## **STRENGTHEN HOUSEHOLD FOOD SECURITY TO PROTECT VULNERABLE HOUSEHOLDS**

**Honourable Speaker,** the outbreak of COVID 19 threatened to worsen food insecurity in the country and the Province. In response, the Department joined partnered with the Department of Agriculture Land Reform and Rural Development (DALRRD) to implement Presidential Employment Stimulus Initiative (PESI) in order to increase food security in the province. To this end, a total of 23 308 subsistence farmers were issued with production package vouchers amounting to R125. 4 million, of that R57. 4 million has already been redeemed by farmers. The Department and DALRRD are busy addressing the challenges that farmers are experiencing ranging from inflated prices by suppliers, unavailability of production inputs and unscrupulous service providers that wanted to exploit the farmers. We encourage farmers to redeem their vouchers and report any fraudulent activities.

Furthermore, to date the Department has supported 18 461 vulnerable households mainly women and youth with food production packs (seeds, seedlings, feed, medication, chicks and fertilisers) to enable them to produce their own food. In **2022/23** financial year, the Department has set aside **R44 million** to support 22 620 vulnerable households targeting women, youth, people with disabilities and military veterans.

**Honourable Speaker,** in order to increase food security in the Province there is a need to create an enabling environment required for vibrant, inclusive and growing economy, taking advantage of our rich diverse natural resources.

## PROVINCIAL ECONOMIC RECOVERY PLAN

**Madam Speaker**, our agriculture sector has shown its resilience during 2020 pandemic outbreak and demonstrated a positive growth of 13%. The employment in the sector has increased from 98 000 in quarter 3 of 2020 to 107 000 in quarter 3 of 2021 (9% growth). The Department and the sector intends to increase the scale of production, improve our agro-processing capabilities and increase the market share of our food products within and outside the country. Certainly, this will generate a significant income that will then increase our contribution to the GDP and employment opportunities. All these efforts will contribute to the Five-Point Plan of the economic recovery of the Eastern Cape i.e. infrastructure development, industrialization and sector development, equitable and inclusive transformation, digital transformation and public finance to increase economic growth and job creation.

## COMMERCIALISATION OF AGRICULTURE THROUGH DISTRICT COMMODITY VALUE CHAINS

**Honourable Speaker**, the Department is initiating Agriculture and Agro-Processing Value Chain Blended Finance (loan and grant) Scheme, which will be housed at the Eastern Cape Rural Development Agency (ECRDA). This initiative has been allocated a seed funding of **R50 million** to leverage private and public sector resources to increase investments in the sector. To drive this initiative we will establish partnerships with agriculture commodity enterprises, intermediaries, industry and Development Finance Institution's (DFI's) in order to broaden the pool of affordable development finance. Government investment portion will support farmers and agro-entrepreneurs with grant funds for production and catalytic commercial infrastructure while commercial partners will bring

loan funding. The scheme is estimated to add up to R110 million of new investment in the sector in its first year. The prioritized commodities are export orientated (for growth), labour intensive (for employment) such as fruit (citrus, deciduous and pineapple), vegetable, grain and livestock.

## Grain Value Chain

**Honourable Speaker**, the Department continues to support farmers to increase grain production as a catalyst to livestock development and improve food security in the province. The production has increased from 28 808 ha in 2020/21 to 29 702 ha in 2021/22 cropping season benefitting more than 11 000 farmers. The increase in production is driven amongst others through partnerships with grain commodity partners (*Ukhanyo Farmer Development, WIPHold, Nodayimani Investments Luleka Mbetse Investment, Dalasile Agri Park, South African Grain Producers Association (SAGRA) and Afro Saint Pty LTD*) which aggregate land parcels of 13 038 ha from smallholder and communal producers for commercial grain production in the grain corridors (Alfred Nzo, Amathole, Chris Hani, Joe Gqabi, OR Tambo). The Department supported SAGRA to attract funding of R90 million from DALRRD, where currently a total area of 3 154 ha of maize, dry beans and sorghum is planted. Out of the total allocation of R90 million, R28 million has been disbursed.

In **2022/23** financial year, together with our grain partners, we will increase average yield to 5 tons per ha in the targeted 29 800 ha with an allocated budget of **R142.8 million**. The Department will maintain the quota of 51% women and 30% youth, people with disabilities and military veterans respectively to participate in this programme.

## Livestock Value Chain

**Honourable Speaker,** our focus on red meat is to transform the communal and smallholder livestock herd into viable commercial commodity that contributes to growth and employment. The Province continues to be the hub of live animal exports through East London harbour. In 2020/21 financial year, the Province exported 71 738 animals and generated R311 million, while in 2021/22, a total of 71 025 animals (sheep, goats and cattle) has been exported to Mauritius and Kuwait, generating an estimated revenue of R294.8 million. In addition, chilled meat is exported to Kuwait through Al Mawash market, during 2020/21 financial year, 3 577 tons were exported and generated R372 million revenue while in 2021/22, 2 300 tons of chilled meat exported generated an estimated revenue of R240 million.

**Madam Speaker,** the Country has also managed to open export opportunities for red meat, to countries such as Russia, China and European Union. Our province has not yet benefitted optimally in these market opportunities. In **2022/23** financial year, the Department will play a strategic and catalytic role in delivering fresh and chilled deboned beef through market agents.

**Madam Speaker,** we are making progress in turning around our livestock to be competitive and ready for markets through partnership with Agricultural Research Council (ARC) in implementing Kaonafatso Ya Dikgomo (KyD) programme. In the 2021/22 financial year, a total of 686 farmers (28% women and 12.5% youth) recorded 1 628 cattle, 331 goats and 279 sheep into the INTERGIS database system to improve traceability and production of the national herd. The Department has set aside a budget of **R5.7 million** for provision of specialized technical support and livestock recording scheme benefitting 3 000 producers.

To improve productivity of the provincial herd, the Department has implemented a genetic improvement programme where to this end, 267 cattle, 261 sheep and 138 goats were distributed across the Province. In **2022/23** financial year, a budget of **R8.7 million** is set aside for the distribution of 350 cattle, 800 sheep and 150 goats.

**Honourable Speaker**, to promote the participation of black smallholder and communal farmers in the red meat value chain, a total of 17 custom feedlots are operational across the Province. To date, 177 cattle were sold through the custom feedlots generating a revenue of R2.1 million and 135 small stock (sheep and goats) were sold to the value of R212 000. With a budget of **R10 million** in the next financial year, the Department will continue to support custom feedlots with animal feed and medicine and technical support.

### **Wool and Mohair value chain**

**Honourable Speaker**, animal fibre is the commodity where rural and black smallholders are marketing their produce directly to export market. In 2020/21 wool marketing season, 1 437 provincial smallholder and communal wool producers/association exported 4 million kilograms of wool. The Department has completed 13 shearing sheds and distributed 584 rams to communal and smallholder farmers. This support will improve wool quality and marketability. The Department has partnered with Eastern Cape Communal Wool Growers Association to empower wool growers to enable them to participate throughout the value chain. A budget of **R15 million** has been set aside to support wool and mohair producers with 3 000 sheep and goats for improved quality of wool and mohair. To improve wool and mohair harvesting and packaging for better income, a total of 16 new shearing sheds will be constructed and 3 sheds renovated with a budget of **R22 million**.

## Poultry and Piggery Value Chain

**Honourable Speaker**, the Department is supporting the Department of Trade and Industry in implementing the National Poultry Master Plan, which seeks to reduce chicken imports to the country. To achieve this, the Department will work with small-scale and commercial producers to support aggregators that will supply the local demand for poultry and piggery. In 2021/22 financial year, 40 enterprises were supported with production equipment, feed and animals. **Somlomo Obekekileyo**, these two commodities of agriculture are popular and attractive to youth and women. In **2022/23** financial year, a total budget of **R8 million** has been set aside to support producers with chicks, piglets, feed, medicine, and production equipment.

## Aquaculture Development

**Honourable Speaker**, The United Nations General Assembly has declared 2022, as International year of Artisanal Aquaculture and Fisheries. Aquaculture is gaining momentum in the Province with more young people showing interest in the sector. In the 2021/22 financial year the Department supported Lilac Tilapia Farm in Ndlambe Local Municipality with fish feed, fingerlings and construction of two 2 000 ton aquaponics tunnels in Dr Beyers Naude Local Municipality.

During the 2021/22 financial year, the Department inspired by the Provincial Oceans Economy Master Plan identified the potential of fisheries and aquaculture for the Eastern Cape as the new frontier of growth and economic development- especially it's potential in creating sustainable jobs and rural economic growth. The first phase of the



implementation of the Mbashe Marine Tilapia Programme has been concluded and the Environmental Impact Assessment is currently underway.

**Somlomo Obekekileyo**, in the year **2022/23** financial year, the Department has set aside budget of **R3 million** to continue with site planning, social facilitation and marine tilapia fish development for Mbashe Local Municipality. The ECRDA will continue implementing this project with Dohne championing the tilapia fish species development for commercial production.

### Citrus Value Chain

**Honourable Speaker**, we are the second largest producer of citrus after the Province of Limpopo at 26%. The Eastern Cape has 140 citrus commercial growers of which 38 are black producers, supported by 50 pack houses. Furthermore, the Eastern Cape contributes more than 26 000 jobs as part of 120 000 jobs in the country. These producers in the 2020 production season exported approximately 750 million cartoons of citrus to various countries generating R141 million.

**Madam Speaker**, the debt of 10 distressed black citrus farmers in Amathole district that were overly indebted through the citrus agri-finance intermediaries to the value of R50 million has since been written off. To ensure continuation of production the Land Bank has reported that DALRRD has also availed a production grant of R32 million to support these farmers, of which so far, R17 million has been disbursed to 14 citrus farmers. In **2022/23**, the Department will support 3 farms to rehabilitate their orchards to the value of **R10.8 million**. The current government investment to citrus development in the province amounts to R92.8 million this will enable our farmers to take advantage of export markets such as China, Russia and Africa.

## Pineapple Value Chain

**Honourable Speaker**, the pineapple industry in the Eastern Cape is currently operating at 7 800 ha, producing an average of 488 000 tons of fresh fruit and 80% of the fruit is processed into pulp. A total of 7 smallholder farms with 51 beneficiaries were supported to maintain 480 ha pineapple plantations in Amathole (Ngqushwa and Buffalo City). In **2022/23** financial year, an allocation of **R2.3 million** has been made available to ensure that the industry becomes inclusive and competitive. Furthermore, the Department will partner with the pineapple industry to increase area under production.

## Cannabis Industry Development

**Honourable Speaker**, the Province has approved the Eastern Cape Cannabis Strategy aimed to champion legislative reform that allows for commercialization of cannabis. Furthermore, we provided support to 28 cannabis farmers to submit applications for hemp permits and trained 149 cannabis farmers and 50 technical team members. The province is establishing two cannabis incubation centres, in OR Tambo at Lusikisiki and Amathole at Dohne research Institute. The Department is in receipt of two machines, a decorticator and an oil extractor that were donated by the private sector and will be housed at the Dohne Agricultural Development Institute Incubator to support farmers process their produce.

**Somlomo Obekekileyo**, as pronounced by the President of the Republic of South Africa and Premier of the Province, cannabis commodity has a huge potential to contribute to economic growth and employment. The Province has heeded the call to commercialise the gold of amaMpondo by aggressively embarking on an investment drive to create viable cannabis industry through Commercial Cannabis Incubators in Amathole and OR Tambo

with a budget of **R10 million**. These two incubators will enable investment by private sector, drive product, and demand aggregation. It remains our responsibility to protect the current growers and assist them to benefit from the cannabis economy.

## Forestry Development

**Honourable Speaker**, the Department has supported 5 community-based forestry projects to the tune of R3,9 million in 2021/22, resulting in the maintenance of silvicultural activities to a total area in extent of 4 128 ha, and 82 full-time equivalent jobs were created. In the upcoming year (2022/23), the Department will be spending **R2 million** in the same projects, and further funding will come from other partners such South African Pulp and Paper Industry (SAPPI), PG Bison, and other community-based projects to complement state funding and support the sustainability of these forestry projects and 50 full-time equivalent jobs will be created.

## IRRIGATION DEVELOPMENT

**Honourable Speaker**, the MEC for Finance, in his Provincial Budget Speech indicated that the Province has appointed Coega Development Cooperation to coordinate the Provincial Infrastructure Development Programme and assist with packaging to enable both public and private sector investment. In this regard, as part of our drive to attract investment in the 8 irrigation schemes and development of Gubenxa Valley Deciduous Projects, the Department has partnered with Coega to develop and package irrigation schemes Business Plan. This Business Plan has since been submitted to Budget Facility for Infrastructure (BFI) for funding. The Department, Coega and the BFI are continuously engaging with a view to finalize this matter.

**Madam Speaker**, we must also acknowledge that no investor will come and invest their money if we are not able to resolve unnecessary social conflicts which inhibit economic development and job creation. It therefore demands all of us as three spheres of government, stakeholders and community at large to decisively address these conflicts. Having acknowledged the above predicament, the Department will carry on with supporting grain, fodder and vegetable production in all irrigated areas with a total budget of **R19 million**.

The Department in partnership with the Provincial Treasury is working with the World Bank to develop small-scale irrigation model to be used for local food production. This partnership will pilot use of household irrigation system to improve production and activate horticulture value chains.

## **LAND REFORM**

**Honorable Speaker**, the recovery in the agricultural sector will be determined by the optimal use of land for production. Government is committed to enable black people to have access to productive land through Land Reform programme. We are going to develop a database of prospective commercial agricultural land parcels in partnership with land reform beneficiaries, traditional leadership and communal land users with a view of attracting investment to make them productive. A team of specialists inclusive of land use Practitioners, Scientists, Economists, Engineers and social facilitators will be appointed to drive this project within a period of six months. The successful land parcels will be used to accommodate youth particularly those that have an agricultural background to be deployed to contribute in the management of commercial agricultural operations.

**Madam Speaker**, to implement the above-mentioned programme, amongst others, we are targeting 122 properties amounting to 59 695 hectares (ha) as part of state land redistribution programme towards agriculture production. To date, the State has allocated 15 021 ha of state land to the following districts: Amathole 5 111, Alfred Nzo 938, Chris Hani 7 496, Joe Gqabi 694 and OR Tambo 782.

## **INFRASTRUCTURE DEVELOPMENT TO ENABLE ECONOMIC GROWTH**

**Somlomo Obekekileyo**, our focus is to develop agricultural infrastructure to enhance primary production, agro-processing and marketing of food products that will contribute to economic growth and job creation. In 2021/22, so far, we have implemented on-farm infrastructure to promote primary production by completing 223 km of fence, 17 boreholes, 13 shearing sheds, 10 dip tanks, 4 grain storage facilities, 3 set of stock handling facilities and new irrigation systems and 2 Good Agricultural Practice (GAP) certified marketing infrastructure. We have also completed stock-water system, piggery and poultry house to support farmers in these respective commodities. These projects have contributed to improved economic activities in rural areas which resulted in 1 445 jobs.

**Honourable Speaker**, we have initiated the establishment of mechanization centres to reduce the cost of production by providing access to affordable tools of production to our resource poor farmers across the Province. Our mechanization centres are in varying stages of development, those that are linked to the RED Hubs (Mqanduli and Mbizana), the Job Stimulus funded Joe Gqabi and the Chris Hani centres are more advanced than others. Amathole and Sarah Baartman districts are still fairly behind because of the specialized equipment required for the diverse high value crops commodities that are prevalent in those districts. These mechanization centres will be supported by the recently established yellow fleet, which has acquired an excavator, grader and two 10-ton tipper

trucks to support farmers on blading and re-gravelling of farm access roads, dam scooping and bush clearing. For **2022/23** financial year, we have set aside **R134.8 million** to implement infrastructure on farm and off farm infrastructure.

## **SUSTAINABLE LAND CARE**

**Honourable Speaker**, in order to promote the conservation of this natural resource that is critical for sustainable and profitable agriculture production, the Department continues to conduct awareness campaigns on Land Care. In 2021/22 financial year, a total of 3 776 ha of agricultural land were rehabilitated where 344 green jobs were created. In **2022/23**, a budget of **R19.4 million**, has been set aside to rehabilitate 6 480 ha of land which will create **533 green jobs**.

## **ANIMAL HEALTH SUPPORT**

**Honourable Speaker**, animal health remains paramount in producing marketable and economically viable livestock, for us to compete in the market we need to ensure that our Provincial herd is healthy. To this end, a total of 8 997 558 treatments were administered against sheep scab across the Province to improve quality and quantity of wool clip. Lastly, a total of 3 221 032 treatments were applied through the dipping programme for the control of external parasites and 1 428 628 vaccination treatments against controlled animal diseases.

**Madam Speaker**, in **2022/23**, the Department has set aside **R44.8 million** towards the purchase of dipping material and vaccines towards the control and treatment of animal diseases. In addition to the animal health service to the farmers, the Department will

provide 4 564 export certificates that control the movement of animals and animal products.

## EXTENSION TECHNICAL SUPPORT

**Madam Speaker,** in the past 2 years, the Department partnered with DALRRD in establishing Producer Farmer Register (PFR) for smallholder farmer database, of which today this database has 21 940 farmers registered. This farmer database will serve as a planning instrument and support the resource allocation decision making processes. We have taken a conscious decision to improve capacity and efficiency of extension services by recruiting 21 Agriculture Advisors, 55 Animal Health Technicians, 107 Community Animal Health Workers in 2021 /22 financial year. As part of continuous capacity building, 340 extension practitioners were trained on value chains of commodities.

In **2022/23**, the capacity of the sector will be improved by the commitment made by DALRRD to employ 743 Extension Assistants Agriculture Practitioners. The Department will increase its capacity by recruiting 60 Senior Advisors, 41 Advisors and 20 Subject Matter Specialist.

## RESEARCH AND TECHNOLOGY DEVELOPMENT

**Madam Speaker,** high standards have been set and good foundation has been laid in repositioning the Dohne Agricultural Development Institute to be the centre of research, technology and product development. This is achieved through experts in the field of agriculture science research that drive knowledge generation and technology development. In the last financial year, the Institute supported departmental production

programmes with analysis of 3 222-soil samples, 16 demonstration trials; and 66 livestock and crop production research trials. In recognition of excellent scientific work done by the Department, I am congratulating one of our scientists Prof. Nkululeko Nyangiwe who has received Honorary Professorship from University of South Africa (UNISA) in the Department of Agriculture and Animal Health for a period of three years, ending in April 2024.

In **2022/23** financial year, a budget of **R15 million** has been set aside to drive research and technology development. Furthermore, the research programme will pursue partnerships with research institutions, and other entities to accelerate product development.

## **FARMER SKILLS DEVELOPMENT**

**Honourable Speaker**, in 2021/22, we have trained a total of 1 937 farmers in accredited and non-accredited trainings. Thirteen (13) farming units has been mentored to enhance their business acumen. In the next financial year, 20 farming units will be mentored, 2 000 farmers on both crop and livestock production, 250 farm workers and 180 out of school youth will be placed on the learnership program. A budget of **R16.7 million** has been budgeted for this purpose.



## **AGRIBUSINESS YOUTH INCUBATION AND GRADUATE PLACEMENT PROGRAMME**

**Madam Speaker,** the second intake of 120 graduate interns has been placed in various commercial agriculture enterprises from the month of March 2021 and will exit in March 2023. To date, a total of 17 graduate interns have already exited the program as they secured permanent employment and one due to natural attrition. This will be realised with a budget of **R10.9 million**.

**Honourable Speaker,** Land Bank initiated an exciting youth based agro-entrepreneurial programme in our Province. They are implementing agricultural insurance programmes in partnership with Walter Sisulu University (WSU) where a cohort of twenty (20) agricultural college graduates are continuing with a two-year qualification on specialized agricultural insurance risk assessment training. This will widen their scope beyond traditional primary agricultural career to entrepreneurial opportunities. We expect these graduates to open their own companies and service the wider agricultural industry in the Province.

## **YOUTH IN AGRICULTURAL COLLEGES**

**Honourable Speaker,** I would like to thank Health and Welfare SETA (HWSETA) and Agri-SETA in their continued funding of 193 Tsolo Agriculture and Rural Development Institute (TARDI) students. In addition, a total of 50 TARDI graduates were placed in the Work Integrated Learning (WIL) for the 12 month graduate program. The two colleges have increased their intake from 400 to 630 students. The increase is attributed to

introduction of three new Advanced Diplomas at Fort Cox College, which are Agriculture Engineering, Forestry Management and Horticulture.

In 2022, a total of 42 graduates at TARDI and 75 at Fort Cox will formally receive their qualifications. In **2022/23** financial year, with a budget of **R19. 6 million**, the Department will continue with its endeavours of infrastructure development and upgrade in the two colleges (TARDI and Fort Cox). To this end, two 50-seater lecture halls will be completed at Fort Cox, while incinerator will be installed, exam hall and access control gate constructed at TARDI.

## **FARMER DRIVEN DEMAND AGGREGATION TO EXPLOIT PUBLIC AND PRIVATE MARKETS**

**Madam Speaker**, the Department through the ECRDA will facilitate and promote consumption of local produce within the agro-processing centres of the Province, such as the RED Hubs, Kei Fresh Produce, etc. developing market driven food aggregators. The focus of aggregators will be on specialised food products such as grain, eggs, poultry, red meat and meat products, vegetables and fruits.

**Madam Speaker**, this programme in the ensuing financial year, will target 50% youth and women aggregators. The Department will strive to develop a minimum of one aggregator per District to service the government market (South African National Defence Force (SANDF) and Department of Social Development). Engagements are currently underway with the Departments of Education, Health and Correctional Services to enter into similar agreements.

## The RED Hubs

In **2022/23**, the Department will support the diversification of the food products in the RED Hubs. As part of diversification, the Mbizana RED Hub will be processing potatoes on their recently acquired potato washer and packaging facility while other RED Hubs will be supported to strengthen their operations. The total investment in support of the RED Hubs is **R11 million**

## RURAL DEVELOPMENT INITIATIVES

**Madam Speaker**, the Department implemented rural development interventions in partnership with all spheres of government, with a view to improve the material conditions for rural areas for better. We implemented the **spring water protection** programme that provided access to clean water in Alfred Nzo (Matatiele I), Chris Hani (Engcobo I) and Joe Gqabi (Elundini I) where 1 130 households benefitted and 229 temporal jobs created.

In **2022/23** financial year, a total 8 spring water protection projects will be implemented and supported with production inputs for food production, 3 Chris Hani, 2 Joe Gqabi, 1 Alfred Nzo, 1 Amathole, and 1 OR Tambo Districts with a budget of **R6.5 million**. This intervention is going to prioritize provincial poverty sites targeting youth, women, military veterans and people with disabilities.

**Honourable Speaker**, in 2021/22 financial year, we have commenced with the revitalization of township and rural economy by implementing Rural Market Centres in Amathole District (Amahlathi), where the construction is at an advance stage and is

expected to be completed in the next financial year. In Chris Hani (Engcobo) and OR Tambo Districts (Port St Johns), the planning and design is in progress and construction is planned to be completed in the coming financial year. In **2022/23** financial year, the Department has set aside **R4 million** for this programme.

**Honourable Speaker**, the Department has prioritized the participation of women and youth in the Clothing and Textile economic activities where 100 cooperatives were provided with 200 sewing machines and sewing material. In **2022/23** financial year, the Department has set aside a total budget of **R4 million** to support 100 Clothing and textile small businesses with sewing machines, material and equipment in all the six (6) Districts of the Province.

## **REVITALIZATION OF MAGWA-MAJOLA TEA ESTATES**

**Honourable Speaker**, the interventions to turnaround Magwa Enterprise Tea (MET) are beginning to bear fruits with some positive spin-offs in the operations and revenue generation. In 2021/22 tea production amounted to 636.2 tons of bulk black tea and a total of 27 704 packets of tea were sold and generated R18.5 million.

I am pleased to announce that, Provincial Treasury has approved the procurement of Magwa Tea products by provincial departments, local government, and public entities and this will increase the sales, revenue and improve commercial viability of the estate.

MET is diversifying its operations into eco-tourism, cannabis hub and high value agriculture production. On eco-tourism the estate has constructed a restaurant, and this forms part of the central tourism hub and adventure centre within the estate. The Department and

ECRDA are currently inviting prospective investors to Magwa-Majola Tea and Ecotourism Valley to invest in tea production, eco-tourism high value crops, renewable energy and property development. In the **2022/23** financial year, the Department will support MET with **R28 million**.

## **ETHICAL AND CAPABLE STATE**

**Honourable Speaker**, it is worth mentioning that the Department now has a Head of Department, Ms Ndudane, after a protracted period without one. Under her leadership, I am certain that the Department will continue to strive to achieve clean administration, good governance and promote ethical leadership in all its structures of management. I would also like to thank the COO of DRDAR, Mr Dayimani and the departmental management and staff for the sterling work and support during his acting capacity as the Head of the Department.

**Honourable Speaker**, the Department has again received an unqualified audit opinion in the last audit period and is striving to improve the audit opinion to a clean audit. The Department has managed to pay 96% of its invoices within 30 days of receipt of invoices. We will strive to pay all suppliers within the legislated period of 30 days.

The female representation at SMS level is at 57% surpassing the Public Service gender requirement of 50/50 at SMS level. We acknowledge the challenges we have in recruiting people with disability into the Department; in this regard, we are initiating partnerships with organizations representing people with disabilities with a view to assist with a database for recruitment purposes and understanding their special needs.

In addressing the scarcity of veterinary surgeons in the Province, the Department is providing financial assistance to previously disadvantaged youth in the form of bursaries, and has fifteen (15) bursary holders, of which 8 are females and 7 are males.

**Madam Speaker**, as I **conclude** we commit to work hard to speed up transformation of rural economies through commercialization of agriculture in changing the lives of our people for the better.

We took the baton from our forebears and predecessors. In this 6<sup>th</sup> Administration, we still pursue the agenda to fulfil our goals underpinned by principles and values of Freedom Charter. Of course, the course is too long to complete. Ours however, is to make an indelible mark so that our successors can easily take over the baton and finish the course.

As Former President of the Republic, His Excellency, Mr Thabo Mvuyelwa Mbeki once wrote, *“Those who complete the course will do so only because they do not, as fatigue sets in, convince themselves that the road ahead is still too long, the inclines too steep, the loneliness impossible to bear and the prize itself of doubtful value.”*

**Honourable Speaker**, Allow me to table **2022/23** Annual Performance Plan, Operational Plan and Budget for DRDAR and ECRDA.

Thank you very much

**APPENDIX A: Budget 2022/23 MTEF**

Programmes	2022/23	2023/24	2024/25
	Revised Baseline	Revised Baseline	Revised Baseline
<b>Departmental Programmes Allocation</b>			
Administration	455 569	437 609	456 062
Sustainable Resource Management	138 047	140 027	145 911
Agricultural Producer Support & Development	855 629	854 630	891 672
Veterinary Services	312 972	320 375	333 826
Research & Technology Development Services	132 028	135 962	141 683
Agricultural Economics Services	35 555	38 299	39 900
Agricultural Education & Training	185 005	192 189	200 537
Rural Development	213 496	214 379	223 296
<b>TOTAL</b>	<b>2 328 201</b>	<b>2 333 470</b>	<b>2 433 517</b>
<b>Economic Classification</b>			
Compensation of employees	1 395 349	1 420 170	1 478 609
Goods & Services	511 604	494 260	509 014
Transfers & Subsidies	257 684	253 625	265 013
Payment for capital assets	163 564	165 415	180 881
<b>TOTAL</b>	<b>2 382 201</b>	<b>2 333 470</b>	<b>2 433 517</b>



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