

Inclusive
Economic
Growth



POLICY
SPEECH

2024 / 2025



drdar

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



Honourable Speaker

Honourable Deputy Speaker

Honourable Premier

Members of the Executive Council

The Chief Whip

Leaders of various political parties

Honourable members of the Provincial Legislature

Members of the Portfolio Committees on Rural Development and Agrarian Reform

Traditional Leadership

Leadership of farmers organizations and rural communities of our beloved province

Women and youth in agriculture and rural development

Leaders of the Religious fraternity

Partners in agriculture and rural development.

Esteemed Guests

Manene nani manenekazi

Ndiyanibulisa nonke ngale njika langa

Honourable Speaker, as we transition into the 7th administration, we are committed in improving the lives of our people. Our actions will continue to demonstrate our dedication in creating a better life for all.

Honourable Speaker, as we approach the end of the 6th term of government in the 2024/25 financial year, we are tasked with outlining a clear programme for the 7th administration.. We are implementing the provincial priorities ngoba imeko yezoqoqosho kwiPhondo ayizinzanga, kuthethwa ngokulahleka kwemisebenzi kumacandelo ahlukeneyo. People of the province must not despair, let us go back to our inheritance, the land, let us work it to put our people to work, building the industries for inclusive growth, tackling the high cost of living, and investing in our people.

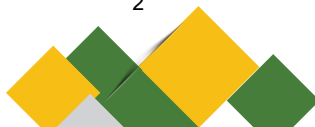
Honourable Speaker, we recognize that DRDAR alone cannot solve food security issues. Despite having various programs and initiatives, the lack of a unified strategy has led to a fragmented and less effective approach. Therefore, the Office of the Premier has coordinated government departments and agencies to develop a Provincial Food and Nutrition Security Plan. We will engage with stakeholders in preparation for the launch on World Food Day on October 16, 2024.

FOOD SECURITY

Honourable Speaker, our primary goal is to guarantee food security in the province. Therefore, we are committed to support our people in cultivating the land, regardless of its size, to produce their own food. In this term, we aim to establish rural food hubs in our rural areas. These hubs will enable subsistence and home-based vegetable producers to collect, store, and process their produce for the local market.

The department will support communities in growing their own food through home-based gardens, improving food access and income. This initiative will focus on sustainable agriculture, water conservation, and youth entrepreneurship in rural areas. Investing in our people will reduce living costs and promote self-sufficiency thus community resilience.

Somlomo obekekileyo, we are planning to expand household food production in rural and peri-urban areas on a large scale. This initiative will include establishing small-scale vegetable nurseries to provide high-quality seedlings this will reduce production costs. DRDAR and DALRRD are collaborating to support 42,000 households (30,000 from the Siyazondla Program and 12,000 from PES3) in growing their own food in the 2024/25 financial year. We invite all sectors of society to join us in addressing food insecurity and malnutrition in districts, metros, local municipalities, and wards.



Honourable Speaker, we are fast-tracking the spring water protection program to ensure villages have access to water for food production. In the upcoming 2024/25 financial year, we aim to implement 10 spring water projects in five districts: Alfred Nzo (2), Amathole (2), Chris Hani (2), Joe Gqabi (2), and OR Tambo (2). In the previous 2023/24 financial year, the department successfully completed 10 projects, installing 290 taps in 12 villages, benefiting 2,263 households, and creating 729 jobs. The Department will also provide support to households with active gardens by supplying production inputs.

Honourable Speaker, embracing innovation and technology is crucial for reducing production costs and mitigating impact of climate change. In the 2024/25 fiscal year, our department will launch a pilot program installing 14 tunnels with 3,720 climate-smart boxes in all districts and colleges. This initiative will allow vegetable producers to cultivate crops throughout the year in controlled environment. We anticipate that this project will encourage more young people and women to engage in agriculture in our province.

We invite people of all ages, including elders, churches, schools, health facilities, and traditional leaders, to support and promote community food production. We will collaborate with the private sector to assist households in growing their own food. These initiatives will be carefully planned, organized into projects, and implemented gradually with available resources.

The Honourable Premier in his opening of parliament stated that *“black farmers are not confined to subsistence or primary production level, but rather drive the development of food products for domestic and international markets”*. It is for this reason that, the department has developed commercialization of the agriculture programme which seeks to support black farmers to participate in the sector value chains.



COMMERCIALISATION OF AGRICULTURE

Honourable Speaker, the Premier announced that “the national government has approved the Agriculture and Agro-processing Master Plan (AAMP) to boost economic growth, inclusivity, and employment in the agricultural sector, marking the second frontier of development. Zonke izithili zeli phondo zidlala indima enkulu kuphuhliso lwezolimo, ingakumbi kwimveliso eřana nombona, inyama, uboya, intlanzi, iziqhamo, ubisi, imifuno, kunye nentsangu”.

The province has adopted the Eastern Cape Agriculture Investment Framework (ECAIF) to revitalize the Province’s agriculture sector, regarded as the sleeping giant of the country. Despite having the highest livestock population, the province only contributes 8% to the country’s livestock GDP. There are over 10,000 hectares of irrigable land with water rights in irrigation schemes that have the potential to produce dairy, vegetables, fruits, grains, and fodder. However, this land is not fully utilized, and optimizing its use could greatly enhance sector performance in terms of growth and employment.

The commercial farmers constitute 9% of the farming population, generate 71% of the income, and employ 60% of the agricultural labour force, significantly driving the agricultural sector’s performance. On the other hand, smallholder producers, representing 91% of the farming population, generate 29% of the income and provide 40% of the jobs. The growth of smallholder farmers is impeded by high barriers to entry, including high fixed costs (land, equipment, and operations), inadequate on and off-farm infrastructure, limited funding options tailored to their needs, rising input costs, and poor logistics.

The challenge is how to effectively commercialize land owned by black farmers to enhance the economic performance of the agricultural sector to build industries for inclusive growth.



Putting Land Reform Farms into Production for Agro-Processing and Export

Honourable Speaker, our government has approved a progressive State Land Lease and Disposal Policy aimed at releasing land to land reform beneficiaries to attract investment, improve productivity, and enhance competitiveness on their farms. Out of all the farms distributed in the Eastern Cape (EC), 100 were classified as commercially viable in various agricultural sectors such as citrus in Amathole and Sarah Baartman, deciduous in Sarah Baartman, wool and beef across the province, and grain in OR Tambo, Alfred Nzo, Joe Gqabi, Chris Hani, and Amathole.

Our strategy for commercializing the 100 farms involves repurposing the Eastern Cape Rural Development Agency (ECRDA) to serve as a trade and business aggregator for various commodities. The ECRDA will be empowered to enter into 10-year commercial agreements with all 100 farms to provide holistic support to them and also provide them with offtake contracts to supply their produce to ECRDA processors, which are planned to be located in RED Hubs and industrial parks such as Queens Industrial, Butterworth Industrial Park, Fort Jackson, and Dimbaza. These processors will process primary produce into food and feed products for domestic markets. For export-oriented products, the ECRDA, supported by the ECDC, will aggregate produce from these farms and explore trade opportunities in African, Chinese, and Middle Eastern markets.

Somlomo Obekekileyo, the Department will partner with other sector departments to facilitate private sector investment by securing water rights for irrigation, obtaining environmental authorization, acquiring title deeds, or securing long-term land use rights. Additionally, the department will work towards consolidating and coordinating government investments towards land reform farms. The targeted departments include Agriculture (DoA); Land Reform and Rural Development (DLRRD); Forestry, Fisheries and Environment (DFFE); Water and Sanitation (DWS); and Economic Development, Environment Affairs and Tourism (DEDEAT).

Madam Speaker, the department will collaborate with the Regional Land Claims Commission to secure Land Development Grants for 38 properties in land claims settlements. This will benefit communities in areas like Ncora, Magwa, Dwesa-Cwebe, Mkhambathi, and more. The department will develop an infrastructure business plan to access funding and unlock R220 million from the Land Development Grant.

Aggregation of Strategic Communal Land Parcels for Commercial Activities

Honourable Speaker, putting people to work and building industries for inclusive growth will be driven through aggregation of communal land parcels into commercial units for improved production and agro-processing. The department is committed to support communal farmers to identify, assess potential, conduct free soil test, package, develop production and resource plans. The Department will initiate partnerships with local communal farmers, Department of Cooperative Government and Traditional Authorities (COGTA) traditional authorities, municipalities, and potential investors targeting grain, livestock and high value crops. The Land Use Practitioners, Scientists, Economists, Engineers and social facilitators will produce land suitability reports that will guide the investment in the agriculture sector. The Department will work with national government to address issues of land tenure.



In the coming months, I will be engaging with all traditional authorities and explore various forms of partnership and resource mobilisation to ensure that rural areas utilise their arable land for production.

Getting Irrigation Scheme Back to Production

Honourable Speaker, our irrigations schemes are underutilized due to poor infrastructure, community conflicts and lack of investment. The department through partnership with Office of the Premier (OTP), Provincial Treasury (PT), National Treasury (NT), World Bank Group (WBG) in South Africa and Infrastructure South Africa are currently developing an infrastructure business plan to revitalize ten irrigation schemes, with an estimated investment of R3 billion.

Madam Speaker, five irrigation schemes are currently partnering with Amadlelo Dairy for milk production. Three irrigation schemes are focused on commercial vegetable production, and two are dedicated to Lucerne production. The DWS is implementing bulk infrastructure upgrade in the Ncora, Keiskamma, Qamata, and Shiloh irrigation schemes.

The dairy industry in all the irrigation schemes is facing serious challenges of water availability that has seriously affected production and threatening business viability. To this end, DRDAR has collaborated with DALRRD to rescue these enterprises, this partnership led to R9 million allocation to procure feed for dairy cows.

Our approach to commercializing the irrigation schemes is to repurpose the ECRDA to act as a trade and business aggregator for all the different commodities such as dairy, vegetables, grain, Lucerne in the form of off-take agreements to create products for domestic markets. The DRDAR will continue conducting social facilitation to ensure that landowners are prepared and ready to receive and participate in the investment initiatives that seek to bring back production in all the schemes.



To maintain production momentum in the irrigation schemes, the ECRDA will engage landowners with the view of entering into medium to long-term off-take agreements for all the commodities produced in the schemes. This will enable the ECRDA-DRDAR to establish vegetable storage facilities (storage and cold rooms), nurseries, and feed millers to ensure that food and animal products are readily available for the markets. Regarding dairy, the department, in partnership with ECRDA, ECDC, and the Land Bank, will develop a community dairy financing program that will enable local landowners to own, and lease their dairy cows to the existing dairy operation. This initiative will increase beneficiation for landowners as well as the ownership of assets through directly leasing of dairy cows against current practice of leasing from commercial farmers. This model could be expanded to dairy farming operations in other suitable areas across the province.

Furthermore, the department plans to increase the irrigated area in the province by developing small irrigation systems. We will conduct feasibility assessments on existing irrigated areas such as Tandergate in Chris Hani District and Mantusini in OR Tambo.

AGRICULTURAL FINANCIAL SCHEMES

As a government dedicated in supporting the growth of black commercial farmers, we have introduced innovative funding mechanisms, known as blended finance, in collaboration with provincial entities ECRDA and Eastern Cape Development Cooperation (ECDC), as well as national development finance institutions such as Small Enterprise Finance Agency (SEFA) and Land Bank to support black farmers to be commercialise.



Eastern Cape Agriculture Blended Funding Scheme

Madam Speaker, the department established the Eastern Cape Agriculture Blended Funding Scheme to provide access to finance for black farmers to become commercial and participate in the value chains.

In 2023/24, DRDAR and ECDC distributed R32 million to 18 agricultural enterprises, creating 455 jobs. This funding has enabled businesses to invest in equipment, infrastructure, and production inputs, enhancing their revenue.

Madam Speaker, we are committed to this initiative with a budget of R75 million allocated to attract equal or more funding from DFIs and the private sector over the MTEF. The budget for 2024/25 is R25 million.

The department has recently entered into an agreement with the Land Bank to collaborate on funding and developing clustered and aggregated commodities value chains in the province. This collaboration aims to facilitate access to affordable funding for farmers without stringent terms to support primary and agro-processing activities. Furthermore, to enable Eastern Cape farmers to access the R300 million allocation from the Land Bank. The finalized aggregation model and financing tools will be tested in pilot projects for grains, wool, mohair, citrus farming, dairy, vegetables, and livestock in the province.

Commodity Revolving Credit Facility for Export-Orientated Commodities (Agro-entrepreneurs)

Honourable Speaker, the revolving credit facility is designed to offer operational funding to address the financial needs of high-value and export-oriented commodities during production cycles. The Department, in partnership with the ECRDA, aims to support black commercial farmers in exporting their produce to international markets, thereby boosting their competitiveness.



A budget of R4 million has been earmarked for the ECRDA to implement this program in 2024/25, serving as an incentive to attract more black commercial farmers to participate in export markets.

Farmer Training and Development

Madam Speaker, we will work on a tailored training program for youth to establish a solid succession plan for commercial farming operations. This initiative will focus on farmer-to-farmer mentorship, youth incubation support, and entrepreneurial development. We aim to collaborate with commodity and farmer organizations to enhance the mentorship program.

Farmer training will cover compliance requirements for farmers to access mainstream markets, including exports. This training will focus on SA GAP (Good Agricultural Practices) certification, Global GAP, and Hazards Analysis and Critical Control Point (HACCP). In the 2024/25 financial year, the department will train 2 400 farmers to develop their skills in various commodities and will introduce training programs to 250 farm workers to improve productivity, competitiveness, and their overall well-being.

Agriculture Infrastructure Support Agriculture Value Chains

In line with the National Policy on Comprehensive Producer Development Support (NPCPDS), the Department is committed to promoting sustainable agricultural growth by providing essential infrastructure support services. In the 6th term, the department completed 905 agricultural infrastructure projects, including fencing productive lands, installing stock-water systems, constructing dip tanks, stock handling facilities, and sheds, creating 4,946 jobs and benefiting 33,783 smallholder farmers.



Honourable Speaker, deteriorating farm access roads are hindering market access and causing damage to produce during transportation. To address this issue, the department is collaborating with the Department of Transport (DoT) to improve the provincial yellow fleet. In the 2024/25 fiscal year, the department aims to finish 123 agricultural infrastructure projects, benefiting 1,975 smallholder farmers and creating 553 job opportunities.

In the 7th administration, infrastructure projects will prioritize commercial value chains to ensure a significant impact on the growth and employment in the sector.

Farmer Capacitation through Access to Mechanization and its Services

Honourable Speaker, the commercialization program aims to facilitate access to mechanization machinery by partnering with equipment manufacturers. Currently, farmers face challenges in accessing such machinery. To address this issue, the Department is working on a partnership framework with manufacturers to create customized financing tools for smallholder farmers. This initiative will create new opportunities for mechanical artisans in areas lacking machinery/tractor workshops. Moreover, the expansion of mechanization machinery in the eastern part of the province will enable equipment manufacturers to establish sales and service points, enhancing access to professional services.

In the current financial year, the Department aims to support youth and women by providing 15 fully equipped tractors for specific commodities in all districts. This initiative is a step towards making farming accessible to everyone.



Aggregation of Redmeat Value Chain

In this term, we will partner with Development Finance Institutions (DFI) to support black farmers in establishing commercial feedlots through district clusters, and beef aggregators to secure commercial scale at both production and processing. This will be complemented by fodder and grain production programs to facilitate manufacturing of feed, aimed at enhancing value addition and processing in the Province. We have already commenced with the development of a commercial feedlot program in collaboration with the Ngqushwa Beef Complex, which will consist of a commercial feedlot and abattoir. We are also assessing commercial feedlot potential and possible partners in other districts.

To ensure that the planned commercial feedlots are able to secure a consistent supply of weaners, ECRDA, in partnership with farmers, will operate these commercial feedlots and aggregate weaners from the 100 prioritized farms for fattening in the Province. It must be acknowledged that it will be compulsory for all farmers who receive government support to supply the commercial feedlots at the agreed terms and conditions of the commercial agreement. For the export of beef, the ECRDA, supported by the DRDAR, ECDC, and Land Bank, will aggregate through feedlots exploit existing export opportunities in Africa, China, and the Middle East.

Honourable Speaker, in the 6th term, significant progress has been made in livestock development. A total of 1,688 cattle and 1,152 goats were provided to smallholder and communal farmers, improving the quality of the provincial herd. Disease control efforts included vaccinating 7,104,775 animals against controlled diseases, treating 42,683,992 sheep scab cases, 17,593,241 external parasite treatments, and issuing 22,709 export certificates. The Department supported 17 custom feeding centres, resulting in the sale of over 900 cattle and sheep, generating R8.5 million and creating 95 local jobs.



Honourable Speaker, we are dedicated to improving the quality of provincial herds and flocks through genetic enhancement programs that will benefit communal and smallholder farmers. We will provide support to 390 livestock enterprises by distributing 143 cattle and 170 goats. Furthermore, we will assist in fencing grazing lands by installing 106 km of fences and establishing 11 stock water systems.

Biosecurity Program to Safeguard Domestic and Export Markets

The recent Foot and Mouth Disease (FMD) outbreak in the Kouga-Koukamma area highlights the need for the government to prioritize biosecurity. A robust biosecurity plan will be implemented in the province to protect farmers and the export industry, which suffered a revenue loss of R1.2 billion.

To raise awareness and ensure compliance, free biosecurity courses will be offered to farmers in all DRDAR training institutions. Livestock improvement beneficiaries will undergo mandatory biosecurity training and develop a farm biosecurity plan before receiving livestock. Agricultural Officials will conduct road shows and workshops on biosecurity to educate farmers. The Department will also support the University of Fort Hare in establishing a Veterinary School in the Province.

The government and redmeat industry adopted a program to support the national livestock industry in maintaining the international trade of animal and animal products. This program is the Livestock Identification and Traceability System (LITS), ensuring that all animals are individually identified through electronic tags and livestock branding in accordance with the Animal Identification Act 40 of 2000.



The Department is working with the Agriculture Research Council (ARC) to implement LITS, registering 100,000 animals from black smallholder and communal farmers each year. We are also reaching out to the commercial sector to ensure all cattle are registered in the system as per national policy.

The annual livestock program, which includes vaccination, surveillance, animal movement control, and disease awareness campaigns, will continue to be implemented. As part of this effort, 3.3 million treatments will be administered to cattle for the control of external parasites, and 1.2 million cattle will be vaccinated against economically important diseases.

Cluster-Based Corridor for Aggregated Grains Value Chains

Honourable Speaker, in the 7th administration, the focus is on transforming grain into food and feed products like samp, maize meal, and various forms of feed. All the farmers supported by the department will enter into legally binding offtake agreements to supply the RED Hubs.

In the 2024/25 financial year, 22,584 hectares will be planted with an expected average yield of 4 tons per hectare, producing 90,366 tons of grain for processing by ECRDA. To protect the hectares planted, 130 km of fencing will be erected. This program will be followed annually to ensure that all supported grain producers, including those on the 100 farms, contribute to the agro-processing of grain.

Furthermore, we will set up three commercial grain storage facilities along the grain corridors to improve market access. This will enhance the linkages between grain production and livestock and poultry value chains, which are closely linked. The province is focusing on developing these facilities in strategic grain corridor areas. The DRDAR, ECRDA, and ECDC will collaborate with the Chris Hani Development Agency (CHDA), which is leading the establishment of a fertilizer blending plant in Komani.



Madam Speaker, our growth was supported by the establishment of six mechanization centres in all districts, equipped with 44 tractors and machinery. WIPHold also constructed commercial maize storage bunkers in Centane. Furthermore, John Deere, in collaboration with Ukhanyo Farmer Development, introduced a new financing model tailored for rural SMMEs, resulting in a significant investment of over R15 million in agricultural mechanization. This initiative has enabled black communal farmers to access tractors and implements through financing opportunities previously unavailable to them.

Cluster-Based Poultry Aggregation

Madam Speaker, the Department plans to grow the poultry industry in the province by increasing oilseed grain production to reduce production costs and provide high-quality feed. The department will also help 100 black-owned poultry projects raise 1.6 million broiler birds and produce 2 million eggs annually over the same period. The Department will coordinate poultry out-growers and support them to obtain quality fertile eggs and day-old chicks to improve their productivity and competitiveness. This initiative aims to substitute imports of oilseed grains and chicken while promoting locally produced goods. The program will be piloted for three years to attract public and private investment for development commercial hatcheries and processing facilities.

In the 2024/25 Medium-Term Expenditure Framework (MTEF), a budget of R96.8 million has been allocated to cultivate soya beans, canola, and sunflower to improve production efficiencies in animal feed manufacturing. The department plans to cultivate 10,000 hectares of these oilseed crops over the next three years (2024-2027). The pilot project will begin this fiscal year with the planting of 1,000 hectares of oilseed crops.



Cluster-Based Corridor for Aggregated Animal Fibers Value Chains

Honourable Speaker, infrastructure, genetic material, and training have significantly increased wool and mohair production among black smallholder and communal producers. The goal is to raise the value of wool and mohair from black producers from R67/kg to R97/kg by enhancing harvest and post-harvest management.

Efforts to address the animal fibre infrastructure backlog and stimulate growth will continue, focusing on key areas. In the 2024/25 financial year, the department plans to implement initiatives to drive growth, including providing 24 fully equipped shearing sheds, distributing 313 sheep for genetic improvement, enhancing shearing shed capacity to meet sector standards, and training communities on wool shearing, sorting, and packaging to boost income.

Cluster Based Corridor for Aggregated Export-Oriented Horticultural Crops Value Chains

The DRDAR and the ECRDA will partner with black citrus producers through a legally binding agreement that includes funding provisions for maintaining orchards, infrastructure, equipment, adoption of technology, expanding production, and exploring new market opportunities in Africa, China, and the Middle East. To enhance their competitiveness, DRDAR and ECRDA will consider establishing new Packshed and Nurseries in Langkloof and Mpopu training centre for local citrus producers.

Currently, the macadamia production capacity stands at 440 hectares, with potential to create 283 jobs in Ncerha and Amajingqi. The Department is actively working with these enterprises to develop a recovery plan. To support them, DALRRD has approved a R25 million bailout for the Amajingqi Macadamia project to sustain its operations. Collaborative efforts with ECDC, DALRRD, and Land Bank are underway to develop a new business model that enhances productivity and sustainability.



Cannabis Industry Development

The push to integrate Cannabis into the provincial economy is gaining traction. The recently signed "Cannabis for Private Purpose Act" in May 2024 includes provisions for amnesty for individuals with Cannabis-related criminal records, eliminating the need for a Police Clearance Certificate when applying for Hemp permits. The Department is actively involved in the National Cannabis Steering Committee to review existing legislation and promote local producers' participation in the Cannabis value chains.

The Dohne incubation centre holds a Hemp permit and Medicinal Cannabis research license, currently collaborating with universities and the ARC on research projects focused on dagga landraces of Pondoland, particularly on taxonomic classification and pest control using biological methods. The Department will also engage in the zoning and regulation program led by the DoA to safeguard Eastern Cape indigenous Cannabis strains from contamination by foreign or low THC Cannabis strains.

The Department, through ECRDA, facilitated an investment partnership with Medigrow-SA to develop domestic and export markets for Cannabis in the province. Medigrow-SA has secured offtake agreements in the USA, Canada, and Germany and will purchase Hemp commodities from EC farmers for oil extraction, cigarette production, and other products. This partnership benefits over 130 Hemp permit holders, creating 1500 job opportunities. Medigrow-SA has invested over R250m in the project and plans to invest an additional R700m over the next five years, generating over 20,000 jobs.



The Department will assist farmers in cultivating 1000 ha of Hemp in 2024/25, aiming to expand to 20,000 ha over the next five years. Farmers in the Medigrow outgrower program will receive support such as fencing material, technical advice, and free-soil testing. ECRDA will also attract investors to operate the Magwa cannabis incubation facility, providing a legal market pathway for indigenous cannabis growers to sell their flower produce to SAHPRA licensed facilities for local and international markets.

The ARC will conduct formal and informal training in Cannabis production for farmers and agricultural advisors in August 2024. The training will be organized by the DoA.

Community-Based Fisheries and Aquaculture Development

Madam Speaker, the province has adopted the Integrated Aquaculture and Fisheries Strategy 2024-2029 as a guiding framework for the sector. The department's focus is on supporting 72 small-scale fishing cooperatives by providing assistance in harvesting and marketing high-value aquatic species like east coast rock lobster, seaweed, sea urchin, and abalone, which are in demand in the Asian export market. Collaboration with the DFFE and the DEDEAT will be key in supporting small-scale fishers and aquaculture development.

In the upcoming year, the Department will support 10 fishing cooperatives in Alfred Nzo, Amathole, OR Tambo, and Sarah Baartman with training and fishing gear. Dohne ADI Freshwater Aquaculture Training and Demonstration Centre will be established and it will provide training for aspiring fish farmers and explore fish species suitable for farming. This initiative will also produce fish fingerlings for stocking of rural dams to promote freshwater fishing. Additionally, the ECRDA and DRDAR are working with Infrastructure South Africa to develop an infrastructure business plan for the Marine Tilapia Industry in the Mbashe area of the Amathole District.



INVESTING IN OUR PEOPLE THROUGH FARMER TRAINING AND INCUBATION PROGRAMME

Repositioning Agricultural Training Institutes as Drivers of Human Capacity Development

The department aims to revamp and enhance the capacity of agricultural training institutes in the province to offer skills development programs for farmers, unemployed youth, and graduates. Colleges will equip unemployed graduates with specific skills to enable them to explore opportunities in the sector. In collaboration with Fort Cox College, the department has already trained 152 unemployed agricultural graduates in training facilitation skills. This will enable graduates to benefit from the government's investment of over R1 billion in skills development in the province and create additional revenue streams for the colleges. The department is committed to providing farmer training through our colleges, with Fort Cox, TARDI, and Mpofu Training Centre being key institutions for delivering training programs.

Technical and Innovation Support

Madam Speaker, the agriculture sector is rapidly evolving, and we must adapt to support the new generation of commercially oriented producers. Extension services need to be reoriented to meet the changing demands of the agriculture sector. Collaboration with industry is essential to maximize the use of available human resources. In 2023/24, the Department began transitioning from manual reporting to the digital platform Survey 123 for extension services, which will also streamline government service provision to farmers.



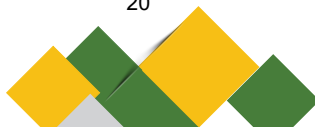
In 2024/25, extension services will work closely with the industry to capacitate departmental officials to offer specialized commodity services for high-value and export-oriented commodities. The department plans to train extension officers on priority commodities and conduct 17,267 agricultural demonstrations to promote adoption of climate-resilient production technologies by producers.

Technology development and transfer are crucial for supporting farmers to enhance productivity, our Dohne Laboratory will offer free analytical services for soils, plants, and water testing. The Department will also focus on innovation, research, and collaboration with other research institutions to address climate change adaptations and develop production technologies.

Enhance Resilience to Climate Change, Management of Natural Resources and Land Rehabilitation

Honourable Speaker, we are addressing the challenges of climate change by focusing on reducing risks associated with disasters. Our Disaster Risk and Management Centre, located at Dohne, provides services for risk mitigation. The Centre offers advisory services on weather, drought, floods, veldfires, plant and animal diseases to farmers.

Our department's research unit is developing climate-smart agriculture technologies to help farmers adapt to current and future climatic variations caused by climate change. To protect our natural resources, we will implement the Land Care program for land rehabilitation covering 6,595 hectares and 469 green jobs will be created. Additionally, Conservation Agriculture will be introduced on 403.6 hectares. We will seek funding to create 5,000 EPWP jobs across the province to rehabilitate our natural resources.



PARTNERSHIP-BASED INTEGRATED RURAL DEVELOPMENT PROGRAMS

The government has identified six pillars to revitalize the rural economy:

1. Rural infrastructure development and investment
2. Economic development, industrialization, and job creation
3. Education and skills development
4. Provision of basic services in rural areas
5. Land, agrarian reform, and tenure security
6. Social and community development

These pillars present exciting opportunities to the ECRDA, to exploit and move beyond the agriculture interventions.

ECRDA BEYOND AGRICULTURE

Honourable Speaker, the ECRDA is a provincial rural development agency formed to support government and municipalities at all levels. Our goal is to facilitate project management of catalytic infrastructure, business, and trade to stimulate rural economy and industries. This will be achieved through strategic partnerships with public, private, NGO, and CBOs. The ECRDA must build expertise in engineering, infrastructure planning, investment, trade, and industrialization to leverage government incentives for rural development. We expect the ECRDA to develop credible business plans to attract investment to rural areas. Agencies can no longer rely solely on government funding and must seek partnerships and secure funding for projects that promote industrial development. Additionally, the ECRDA will collaborate with municipalities and their agencies to mobilize resources for economic initiatives province-wide.



Forestry Industry Development

Honourable Speaker, the initiative of building industries for inclusive growth in forestry as a rural development project has shown significant progress and community engagement. However, a key challenge in the value chain is the limited provincial capacity for wood processing. Efforts are underway to establish a timber processing plant in Mbizana with a monthly capacity of 20,000 tons, aiming to attract R230 million in investments from the government and private sector. The goal is to plant 5,000 hectares over a 5-year period through partnerships with the public, private, and community sectors.

Madam Speaker, the ECRDA has supported community-based forestry enterprises in Izinini, Sinawo, Mkambati, Sixhotyeni, and Gqukunqa with R12.65 million. This has led to the creation of 624 permanent jobs and 200 short-term employment opportunities. These enterprises have sold 31,677 tons of timber, generating a revenue of R26 million.

In the 2024/25 financial year, the department, in collaboration with the ECRDA, plans to plant 100 hectares of forestry production in Izinini, Sinawo, Mkambati, Sixhotyeni, and Gqukunqa villages through partnerships with the DFFE and industry.

Development of Bio-Fuel Industry

Honourable Speaker, we are committed in creating new opportunities for our rural communities. The department is actively involving stakeholders in the biofuel initiative in the Nxuba Yethemba Local Municipality of the Chris Hani District. Additionally, in partnership with PetroSA, the ECRDA is working to establish Emalahleni RED Hub as a Bio-Fuel Hub, utilizing sorghum as the primary feedstock. In the 2024/25 financial year, the department will provide support for the initial production of sorghum on 300 hectares as feedstock.



Recapitalize and Diversify Magwa–Majola

Madam Speaker, we are committed to supporting Magwa Majola Enterprise Tea. The dilapidated infrastructure and lack of cutting-edge technology and equipment make our tea estate non-competitive in the market. To address these challenges, Magwa and Majola require significant capital investment. This is a matter that is receiving attention, and discussions are ongoing on how best to resource Magwa and Majola to be competitive and realize its potential.

Furthermore, the Department submitted an infrastructure business plan to the Budget Facility for Infrastructure of the NT to attract investment for infrastructure development. This includes upgrading water and sewage services, promoting alternative energy, improving building and road infrastructure, and enhancing eco-tourism facilities.

Diversifying production at these estates will boost productivity and create new income opportunities for local communities. We are exploring vegetables, subtropical fruits like mangoes, bananas, avocados, guavas, and paw-paws that thrive in the region.

Develop Food Distribution Centres Through RED Hubs

Honourable Speaker, all farmers supported by the department will be required to supply the ECRDA with their produce, at market price. This approach will ensure the Red Hubs' security of supply to store, package, and process primary produce into food and feed products on a commercial scale. The ECRDA Red Hubs will be transformed into Food Distribution Centers and supply public and rural retail stores and government nutrition programs. We aim to supply schools, clinics, hospitals, and other government entities through the Red Hubs.



Support Woman Cooperative on Clothing and Textile

The department plays a crucial role in promoting rural development, economic growth, and job creation by providing support to cooperatives with sewing machines and materials. In the 2024/25 financial year, the department plans to assist 105 cooperatives by providing 210 industrial sewing machines and materials. These projects are spread across all districts, including Alfred Nzo (15), Amathole (26), Chris Hani (15), Joe Gqabi (15), OR Tambo (17), and Sarah Baartman (17).

IMPROVING ECONOMIC MANAGEMENT OF THE PROVINCIAL ECONOMY THROUGH PRUDENT MANAGEMENT OF GOVERNMENT FINANCES

Honourable Speaker, the Department is committed to transformation by increasing designated groups in all levels of the organization. We will foster partnerships with key stakeholders to develop programs that will increase the participation of designated groups in all our programs.

Our organizational structure is now aligned with our strategy and service delivery model and will be submitted to the OTP for validation. We expect that this organizational structure will be implemented through detailed engagements with all internal and external stakeholders.

We are dedicated to upholding good governance and professionalizing the Public Service. We will continue our efforts to maintain a corruption-free organization by ensuring the anti-fraud and anti-corruption unit operates effectively.

The Department's Audit Committee and Risk Management Committee aim to enhance governance for efficient service delivery. We are committed to paying suppliers within 30 days for services rendered at the required standard. The department will continue to maintain its internal controls to ensure that a clean audit is achieved.



I wish to thank the Department for maintaining the clean audit outcomes and management for their support.

Honourable Speaker, I hereby table 2024/25 financial year Policy and Budget Speech, DRDAR Annual Performance Plan (APP) and Operational Plan; and ECRDA APP.

Enkosi

Annexure A: Budget 2024/2025 MTEF

Programmes	2024/25	2025/26	2026/27
	Revised Baseline	Revised Baseline	Revised Baseline
Departmental Programmes Allocation			
Administration	483 592	510 937	526 941
Sustainable Resource Use and Management	142 645	147 806	153 919
Agricultural Producer Support and Development	850 065	901 048	947 261
Veterinary Services	362 447	381 022	391 551
Research and Technology Development Services	148 851	153 298	158 124
Agricultural Economics Services	40 669	41 250	43 395
Agricultural Education and Training	206 355	219 038	229 284
Rural Development	217 150	229 874	240 208
TOTAL	2 451 774	2 584 273	2 690 683
Economic Classification			
Compensation of employees	1 455 056	1 521 515	1 560 365
Goods & Services	497 681	568 152	615 905
Transfers & Subsidies	308 832	306 161	319 094
Payment for capital assets	190 205	188 445	195 319
	2 451 774	2 584 273	2 690 683









Eastern Cape Department of Rural Development and Agrarian Reform
Independence Avenue, Private Bag X0040, Bhisho, 5605, South Africa

Customer Care Toll Free: 0800 20 30 25

www.drdar.gov.za