



Speech by the Minister of Agriculture, Forestry and Fisheries, Ms Tina Joemat-Pettersson, in the Debate on Budget Vote 23

Parliament, Cape Town

13 April 2010

Honourable Speaker,
Honourable Ministers and Deputy Ministers
Deputy Minister for Agriculture Forestry and Fisheries, Dr Pieter Mulder
Chairperson and members of the Portfolio Committee
Honourable Members,
Amakhosi
Captains of Industry
Acting DG and Government Officials
Colleagues and Comrades
Ladies and Gentlemen

Working together towards another country side

The cruel events of the past three weeks, remind us again of the centrality and presence of rural South Africa with its attendant contradictions and conflicts. It is a challenge that is yet to be with us. It calls on all of us Black and White to accelerate the pace and content of change. We must create a society where divisions of the past will have no place. Instead of being each other's murderers we must be each other's keepers.

This act in all its barbarity underscores the salience of the work we have been doing this year of convening farm worker and vulnerable worker summits in preparation for the national summit later on in the year. The intention is to create an environment in which the recent sad events are not repeated. Such reconciliation is critical especially in the hosting of the 2010 World Cup. The government condemns in all its manifestation the violence aimed at farmers and farm workers. We will work tirelessly to fight for safety on farms.

This budget is our society's attempt to contribute to the resolution of the agrarian question in our country. It is our attempt to look at the ensemble of questions and challenges that relate to the social, political, economical and ecological dimensions, on the access and use of land in our society.

South Africa's location as a developing economy in the global economy means that it is a price taker and has to battle against the northern countries which receive strong support and effective protection. Despite its formidable credentials, to survive and expand, commercial agriculture has to work together with the state. In this regard we have had and will continue to have sound relations with NAFU, TAU and Agri SA.

The democratic government has to navigate a path of agrarian change that does justice to the majority of the people whilst protecting the interest of commercial players whose interests are also part of the national interest.

Such agrarian change should involve the support of subsistence food production. It should allow for the growth of smallholder farming and the retention of a competitive commercial sector. It calls for the implementation of the Freedom Charter's call to help those who work the land with implements seeds, tractors, irrigation and related measures.

Looked at closely the Polokwane resolutions seek to comprehensively respond to the three fundamental actors of our agricultural program the subsistence, the smallholders and developed agriculture. In essence, this is the heart of the agrarian question in our country.

This year's budget seeks to speak to 7 issues.

1. Administration,
2. Economic development, markets and trade,
3. Food security and agrarian reform,
4. Fisheries management
5. Forestry production and resource management
6. Policy, Planning and evaluation, and
7. Agriculture production, health and food safety.

Administration

Honourable Members, I am happy to report that we have started off the new financial year as a fully integrated Department of Agriculture, Forestry and Fisheries. The process to transfer the bulk of the fisheries management function was inundated with challenges, delaying the transition process of the new department.

By the end of May the entire function of fisheries will be with the Department of Agriculture, Forestry and Fisheries (DAFF) as announced by the President to the Hawston Community. A Proclamation is being prepared by the Presidency to transfer the remaining 18% of the functions which is still with the Department of Environmental Affairs to the DAFF.

The Department has a clear roadmap for dealing with capacity issues. Vacancies will be filled quicker. The current vacancy rate of 17% will decrease to at least 5% by next year. The priority will be to fill critical senior

management positions before the end of this quarter. This includes the position of the Director General of the Department.

The Department will strengthen human resource development programmes to address weaknesses in the support to agrarian reform beneficiaries. Together with domestic and international partners it will implement scarce skills development programmes by 2014.

We need to continue attracting new entrants, especially youth into our sector. The Department is prioritising resources to the tune of R10 million for local training programmes.

Honourable Speaker, one of the challenges is inconsistency of policies and the legislative environment that is not supportive of the objectives of the Department. To correct this situation, the Department will embark on a legislative review process. This is aimed at strengthening our service delivery capacity mandate.

Economic Development Markets and Trade

Honourable Speaker, a critical measuring rod for our term of office will be the extent to which our policies create momentum toward the creation of jobs, food security and sustainable livelihoods. To achieve this, agricultural policies must address our economic development challenges.

On the one hand this talks to the challenge of producing food that is cheap and enough for the country and that can bring foreign exchange through its

ability to compete in international markets. Development must have multiple spill-over effects, deep and expand wealth creation, create jobs and build our revenue base. We have to ensure that our products embody value addition. This calls on us to pay particular attention to agro processing.

President Zuma in the State of The Nation Address impressed upon South Africa to increase intra-Africa trade and improve the trade-balance in favour of the continent. Increased trade will result in increased value in terms of jobs created, improved incomes and efficient industries. It is thus imperative that South Africa enhances intra-Africa trade for the benefit of us all.

As the Industrial Policy Action Plan 2, (IPAP2) argues, the structural constraint of unsustainable growth based on credit extension and consumption without concomitant growth in production sectors will not ensure sustainable economic growth.

We will focus on manufacturing and processing; infrastructure development and investment; the green economy and rural development to ensure sustainable economic growth especially in aquaculture, agro-processing and agro-industries. The sector's contribution to the GDP will be increased by the level of public and private investment for agricultural, forestry and fisheries products.

Honourable Speaker

Food Security and Agrarian Reform

More than 40% of South Africans live in rural areas. 60% of them live in the former homelands. This is where the highest concentration of poverty resides in our country.

Whilst not all of them participate in agriculture, agricultural resources are the most palpable means of production that is immediately available to them. It is potentially less costly to participate and with adequate support can lead to the renaissance of the former homelands.

We plan to establish a National Food Security indicator which will be monitored regularly in collaboration with the DTI; Rural Development and Land Reform, Social Development and National Treasury.

Over the MTEF the main focus will be on continuing the roll-out of the extension recovery plan. The development of this program will be the best utilisation of officials to supplement existing extension and advisory services.

In the next month the Department will launch an extensive nationwide mechanisation programme. In the interim, R100 million has been allocated towards the mechanisation Programme in Mpumalanga and KwaZulu-Natal. Government is moving away from providing gardening implements. Instead, it wants to give black farmers a realistic chance to improve production, increase yields and access domestic and global markets.

This program will be supplemented by the supply of irrigation infrastructure as well as fencing. The department of public works is already laying out plans to work with us in this regard.

We have developed a new funding model for different categories of farmers, foresters and fishers. The Department is keen to pool the creative energies and vast resources of the three industries to establish and implement joint venture funding models. Commercial farmers and smallholder farmers must co-own and co-manage farms through shareholder and business agreements.

This will guarantee access to affordable financing for rural entrepreneurs. The Department will, for instance, introduce a single funding mechanism for black farmers in the 2011/12 financial year. It will use the same model for the forestry and fisheries industries.

The diverse funding requirements need a holistic development financing model. In partnership with financial institutions like the UDC, Land Bank, DBSA and the African Development Bank we will broaden access to industries. The aim is to assist 50 000 black subsistence producers to become small-holder producers. The number of small-holders producing for sale will be increased from 4.07% to 10% by 2014.

We will upscale the sector's marketing research and analysis capacity. We will provide advice and support on production and resource economics to provinces and other agencies involved in agricultural production. The

National Agricultural Marketing Council (NAMC) is pivotal in this regard as well as in the monitoring of the food prices across the country.

The Department plans to develop viable and sustainable cooperative businesses for subsistence and small-scale farmers. The intention is to enable them to participate both in the domestic market as well as lucrative niche markets. This is one of the ways in which we can link small players to the established market of commercial agriculture.

We will support local fresh produce markets, processing facilities and additional market access for the surplus produce of subsistence and small-holder producers.

In all these endeavours we will keep our focus on the youth, women and the disabled. The female farmer and female producer of the year competitions will continue to receive the attention that this department has reserved for them over the years.

This work will not reach its full potential unless it inspires the participation and ownership of traditional leaders - Amakhosi.

The Department will improve the functioning of the Agri-BEE and Forestry Charter Councils. It will establish the Fisheries Transformation Council by the end of this financial year. After consultation with all stakeholders, we will legislate Agri-BEE targets.

Fisheries Management

South Africa has a well-developed fisheries management system and is one of the leading countries in the implementation of an Ecosystem Approach for Fisheries management (EAF). We play an important role internationally, e.g. in Regional Fisheries Management Organizations (RFMOs) and regional programs such as the Benguela Current Commission (BCC) and other related programs.

The fishing industry makes about R80 billion turn over annually and contribute 0.5% of the GDP. Fish is a finite resource. Despite the economic fortunes that big players make, there is an ecological dilemma and a social dilemma of the changing fortunes of ordinary fisher folk and their communities. Our programs address the ecological challenge, the challenge of social decay as well the imperatives of Black Economic Empowerment in the industry.

The program aims to promote the equitable and sustainable management and efficient use of marine living resources. A policy review process will be developed and implemented for fishing rights allocations in the commercial sector. A strategy will be put in place for abalone and hake.

The South African coast provides substantial opportunities for economic and social development. However it is a resource at risk from inappropriate developments, pollution, poaching and over use.

The sector has two components; i.e. the wild capture and the aquaculture sector. We still have to look at the economic prospects for mariculture i.e.

the husbanding and harvesting of sea plants for economic purposes. Wild fish capture ranges from highly-industrialized capital-intensive fishing sectors to more accessible fishing sectors. It currently employs approximately 27 000 people directly and approximately 100 000 indirectly in industries that are partly dependent on the fishing industry.

South Africa's environmental potential for aquaculture production could increase from the current level of 3 543 tons (worth R218 million) to more than 90 000 tons (worth R2, 4 billion) over next 10 to 20 years. If production grows to the projected level of 90 000 tons per annum, the industry will have an employment potential of more than 44 000 people.

We plan to reduce the degradation of the marine environment through developing policies that promote conservation and sustainable use of marine living resources. We will restore and maintain productive capacity and biodiversity of the marine environment and also protect human health.

We plan to finalise, adopt and implement the Small-Scale Fishing Policy. It will further support the adoption of sustainable aquaculture that benefits the poor, through investment in infrastructure and skills transfer to the amount of R150 million over the MTEF period. Government will also use the 12 declared fishing harbours as a catalyst for economic development.

Dis tyd dat ons die geduld van vissersgemeenskappe beloon. En dis tyd dat ons die generasies van inheemse kennis en ervaring erken en integreer met konvensionele navorsing. Daai kennis kan 'n mens nie in skole leer nie. Die vissermanne en vroue sê daar moet eers seewater in

jou are vloei voor dat jy kan weet wat die see sê. Mense soos Suleiman Achmat, Zandisile Henderson Ndongeni, Uncle Jack Heydrick en ander meet 'n bestaansreg in visery befryf. Di simmers al erf porsie wat hulle het.

The Department plans to work closer with the security cluster departments to protect our marine resources just like we plan to work and protect farmers and farm workers. The Lilian Ngoyi, the Victoria Mxenge, the Florence Mkhize as well as the Sarah Baartman will patrol the national waters covering up areas to 200 nautical miles offshore, particularly during the FIFA World Cup.

Forestry Production and Resources Management

Forests are the lungs of our planet. Their products are also an integral part of our furniture of life. Without forests there would be no paper, no ceilings, no tables and all the comforts that have come to define modern life today. The forestry program pursues sustainable management and efficient use of natural resources.

We aim to respond to the centrality of forests in our socio economic life. The difficulty that we have to address is the domination of the sector by few players and the incapacity of the sector to invite participation by small scale players. The same can also be said about the challenge of transformation in the few significant players in the sector.

Our country is presently faced with the shortage of timber which threatens the sustainability of local sawmilling, pulp and paper operations and

subsequently poses a threat to employment opportunities and local economies. In dealing with this challenge we will implement the annual plans of operations with assistance from the Working for Forests Program.

Existing agricultural programs such as LARP and CASP will be broadened to include support for the forests. Working with FAO we will look at the integrated assessment of our forest resources. The DBSA will assist in terms of the finalization of the transfer of plantation assets to land reform beneficiaries. The administration and enforcement of the National Forests Act, 1998 and the National Veld and Forest Fire Act, 1998 will be done by both the national and the regional offices.

The target set for the Million Trees Program will be met through cooperation with and contributions made by various partners. I would like to take this opportunity to thank Total SA as the main sponsor of the Arbour Week celebrations.

The transformation of this sector will enable increased rural jobs to be created as well as protection and enhancement of environmental assets and natural resources. The Department has budgeted R501.4 million for the coming year to assist in minimizing the degradation of wetlands. We will adopt a climate change sector plan and establish improved early warning systems.

Policy, Planning, Monitoring and Evaluation

Honorable Speaker, agriculture, forestry and fisheries are business-oriented activities. The value-chains for these three components provide food security for the country and earn South Africa reasonable foreign exchange earnings. It is thus critical that both government policy and strategy interventions and private sector expectations are managed judiciously.

In this regard we are reviewing the various sector plans of the different components that our department straddles. In this regard we will continue with the established practice of consulting with all our stakeholders.

Agriculture Production, Health and Food Safety

Food Safety and Food Health has become such an increasingly sensitive trade matter to a point where some nations seeks to use them against developing nations. Both the World Trade Organization agreed tariffs and other known Sanitary and Phytosanitary measures seem to have a lesser impact than originally intended.

Food safety including traceability is now taking the center stage. This suggest s that our capacity to manage both animal and plant diseases as well as our ability to intervene when the need arise should be paramount.

The country has seen incidents such as the Rift Valley Fever, Foot and Mouth Disease and Avian Flu as well as increased Fruit Fly infestation for some orchards recently. The Department will work together with the private

sector to maximise the use of available resources in order to respond comprehensively to disease management and cross-border management.

In addition, an initiative to fund a strategic vaccine bank for major trans-boundary animal disease outbreaks will be undertaken. This will allow a more effective response to major Trans-boundary Animal disease outbreaks.

The nation can be assured that the Department is in full control and with resources at our disposal; we will not compromise the trading status of the country with any of our trading partners. There will always be short-term and knee-jerk reactions when a disease is reported. This is normal! The Department will deal with such disease outbreaks adequately and efficiency.

The program will promote efficient production, handling and processing of food, fibre and timber. In order to achieve this, the department will contribute to increased number of commercial farm employees from 780 000 (currently) to 800 000 in 2014/15, the number of smallholder farmers will be increased from 200 000 (currently) to 250 000 in 2014/15 and the percentage of small farmers producing for sale will also be increased from 4.07% to 10% in 2014/15.

During the medium term, the Department will solicit the sectoral marketing support interventions aimed at unblocking market access barriers. It will further negotiate market access of SA products through bi-lateral trade initiatives such as the EU, EFTA, SACU, SADC, India and the WTO.

Honourable Members, we are convinced that under the able leadership of President Zuma, a product of the rural areas, together with the administrative capacity of the department we will make our contribution towards the creation of another countryside. A people's countryside. The energy, vigilance and guidance from the portfolio committee remains an inspiration.

Honourable Speaker, the tireless effort of the Deputy Minister cannot go unnoticed. My work is further made easy by the competent senior leadership of the DAFF as well as its committed cadre of civil servants. Last but not least important is my ministerial staff who are always patient with my unending demands. The final tribute is reserved for my family my two boys who at a tender age are learning to pay the price of the creation of a better South Africa.

Mr Speaker and honourable members please receive the budget for the Department of Agriculture, Forestry and Fisheries for the financial year 2010 to 2011.

I thank you.