



**DRAFT MINUTES OF THE MEETING FOR THE PORTFOLIO COMMITTEE ON  
AGRICULTURE AND RURAL DEVELOPMENT HELD ON 21 APRIL 2020 AT  
13H00 VIA TEAMS**

**ATTENDANCE**

**COMMITTEE MEMBERS:**

Hon NN Sibhidla-Saphetha: Chairperson

Hon SA Duma

Hon S Mshengu

Hon B Zuma

Hon M Frazer

Hon N Mthethwa

Hon PN Msimango

Hon TJ Gumede

Hon C Pappas

Hon T Rajbansi

**LEGISLATURE STAFF**

NN Ndwalane: Committee Coordinator

S Nkosi: Committee Administrator

S Nxumalo : Cluster Manager

S Gudazi : Budget and Content Advisor

D Khuzwayo : Senior Legal Advisor

N Luthuli : Senior Researcher

N Madide : Public Participation Practitioner

W Hlongwa : Communications Officer

## **APOLOGIES:**

Hon S Mthethwa

### **1.1 OPENING AND WELCOME**

The Chairperson opened the meeting and welcomed everyone present. She mentioned that a briefing by the Researcher and the Budget Analyst could not be done, due to late receipt of reports from the Department, which should be highly discouraged.

### **1.2 CONSTITUTION OF THE MEETING**

The meeting was properly constituted.

### **1.3 ADOPTION OF THE AGENDA**

Hon Msimango moved for the adoption of the agenda, and he was seconded by Hon Duma.

### **1.5 MEC's REMARKS**

The MEC apologized for being late in the meeting, but mentioned that the Department had an event it was attending to. She also mentioned that Agriculture has been declared as an essential service for food security, to ensure that food production is sufficient especially during the Covid-19 Pandemic. The MEC reported that her and the team visited the Mkondeni market to ascertain that they are compliant in terms of food handling and that those who needed to be quarantined had done so, following one of the workers testing positive for Covid-19. The Agricultural offices are ready to assist farmers with applications for the relief fund, following the R1.2 Billion farm relief fund that has been made available by the National Minister.

## 2. DEPARTMENTAL PRESENTATIONS

### 2.1 APP and Budget 2020/2021

The Department had two strategic planning sessions on what needed to be changed and what needed to be adopted, from the last time they presented their draft APP and Budget, also taking into consideration what the National Department does.

Below is an indication of the planned agricultural development service:

Output Indicators	Annual Target	Reporting Period	Q1	Q2	Q3	Q4
Number of smallholder producers supported with agricultural production inputs.	1 898	Quarterly	365	314	539	560
Number of black commercial producers supported with agricultural production inputs	29	Quarterly	3	7	10	9
Number of producers supported with agricultural advice.	3 255	Quarterly	709	821	887	838
Number of job opportunities created through Departmental Infrastructure and Mechanization interventions	502	Quarterly	48	60	213	181
Number of households supported with food security interventions	17 679	Quarterly	1 607	3 084	6 183	6 585
Number of hectares planted for food production	12 510	Quarterly	572	638	5 943	5 357
Number of agricultural infrastructure established by the Department	75	Quarterly	8	17	32	29
Number of agricultural infrastructure rehabilitated by the Department	39	Quarterly	0	6	14	26
Kilometre of fence erected for agricultural use	207,8	Quarterly	12,4	19,5	124,4	53,5
Number of female farmer projects supported by the Department	31	Quarterly	2	3	12	14
Number of youth farmer projects supported by the Department	30	Quarterly	2	4	10	16
Number of projects for persons with disability supported by the Department	10	Quarterly	1	2	2	5
Number of land reform farms supported by the Department	12	Quarterly	0	2	5	5

There is currently more than 3000 unemployed Graduates, and the Department is planning to recruit 340 of those unemployed Graduates.

The Department has been allocated a total budget amounting to R2.548 billion for the 2020/21 financial year. The budget allocation is allocated to the 3 main Departmental Programmes as follows:

- Programme 1: Administration – R658.8 million
- Programme 2: Agriculture – R1.803 billion
- Programme 3: Rural Development – R86.1 million

Each programme has its own Sub-programmes which contain a total breakdown on how the funds will be utilized.

The Department also receives reduced allocations in 2020/21 for all Conditional Grants as follows:

The Land Care Grant amounting to R12.7 million (2019/20 this grant received R15.1 million), The Comprehensive Agricultural Support Programme (CASP) will receive a decreased amount of R206 million (The 2019/20 allocation was R267.6 million), Ilima/letsema Grant will also be reduced to R73.2 million in 2020/21 year from R98.2 million in the 2019/20 financial year, and EPWP grant is decreased from R4.8 million in 2019/20 to R4.6 million in 2020/21 financial year.

The Committee was mainly concerned about the plans for the year which will be affected due the Covid-19 Pandemic, which will then require the Department to go back to the drawing board and adjust their plans accordingly.

The Department acknowledged the need to review their APP and Budget later in the year, also highlighting that the adjustment budget in September will touch on the impact of Covid-19 and how the Department moves forward.

The Budget was adopted by the Committee as follows:

ANC – supported

IFP - supported

DA - reserved their right to cast a vote

Minority Parties – supported

## 2.1 AG Improvement Plan

The AG Improvement Plan was presented in the February meeting, and there were a few concerns raised by the Committee around consequence management. The Department mentioned that Treasury is assisting them in identifying all irregular expenditure, and that  $\frac{3}{4}$  of work had been done before the Lockdown due to Covid-19.

Update on the Corrective Measures:

	<b>CONSEQUENT MANAGEMENT</b>
<b>FINDINGS</b>	<b>CORRECTIVE MEASURES IMPLEMENTED</b>
<b>Findings on Performance information not submitted.</b>	Program 2 and 3 received a qualification and the Senior Management of programs have left the Department. DDG Agricultural Services for program 2 resigned on 31 December 2019 and Chief Director Rural Development for program 3 retired on 31 January 2020.

<b>CONSEQUENT MANAGEMENT</b>	
<b>FINDINGS</b>	<b>CORRECTIVE MEASURES IMPLEMENTED</b>
<b>32. Local production and content not specified</b>	<p>There are nine (9) cases identified of officials who invited quotations on the purchase of Departmental Furniture without specifying the local production and content requirements.</p> <p>The Department will be starting disciplinary procedures on these officials.</p>

### **2.3 Plan for Filling of Vacant Posts**

The Department has 227 vacant positions.

There are 6 positions that have been placed on hold, awaiting the reviewal of the Structure, which now brings the total to 221, with 8 positions filled already. The 213 positions that have not been filled have been categorized into phases. Phase 1 with 46 positions is planned to be finalized by the end of June 2020. Phase 2 with 167 positions is planned to be filled by August 2020.

### **2.4 Turn-around Plan to Address the issue of Under-Expenditure**

The Department had an expenditure of R2.4 Billion as at 31 March 2020, with R99.4 Million under-expenditure.

Under-expenditure increase by R100 million from 2017/18 to 2018/19. Significant improvement in 2019/20 with a reduction in under-expenditure of R165.8 million from R265 million in 2018/19 to R99.4 million.

All three programmes show regression in the middle year with good improvements in 2019/20.

Conditional grants showing improvement from 71.1% spent in 2017/18 to 80.4% in 2019/20.

Final expenditure for 2019/20 could change between programmes and economic classification during the preparation of AFS and reconciliation of Asset register.

Roll-over requests will be prepared for any unspent but committed funds.

## **2.5 Planting Season Plan**

The Department seeks to intervene with a holistic Planting Season approach to assist the poor farmers to participate in the mainstream economy of the province through developing vast tracks of underutilized land. The Department will therefore provide a comprehensive land preparation service which is inclusive of production inputs and mechanization.

Communal areas constitute approximately 3.25 million hectares of the total Provincial land mass. It is estimated that some 211 015 hectares of this land is potentially arable.

National Development Plan (NDP) promotes commercial production in communal areas and land reform farmers. KZN Planting Season Programme is aligned to NDP in that it focuses on poor resource farmers in communal areas and land reform farmers.

APAP in Red Meat Value Chain proposes integrated value chain with different commodities (especially yellow maize) feeding into the different red meat sectors, namely beef, pigs, sheep and goats.

Planting Season implementation is in line with Agri-Hubs, RASET and FSPU policies. There are plans to build feed mill that will produce feed for cattle in strategic points of Agri-Hubs.

Members of the Portfolio Committee mentioned that the planting season plan needs to be rigid and well researched in its nature, considering when areas get actual rain and what crops are best planted when.

The HOD of the Department promised that they will come up with a plan to change their research centers, which should address the concerns about the current planting season.

## **2.6 Covid-19 Response Plan**

The Covid-19 Response Plan was tabled by the Department; however, it was not engaged by the Committee. This follows an availed slot for the meeting on the 29<sup>th</sup> April 2020 and the 05<sup>th</sup> May 2020 to mainly focus on the Covid-19 Pandemic and the Department's response plan.

## **2.7 Rural Development Strategy**

The KZN Department of Agriculture and Rural Development (DARD) has undergone numerous changes in its administrative policies and programmes causing some concerns about its ability to really contribute to unlocking of the Province's agricultural potential. The Province has developed a provincial Agriculture and Rural Development Masterplan that will serve as a roadmap to

unlock socio-economic development in the sector through specific strategic programmes.

These programmes should bring about a revolution leading to real transformation in the sector and be able to address the triple challenges of poverty, unemployment and inequality that affects mainly youth, women and disable people.

Principles of the Master Plan have been highlighted as follows:

- Protect high value agricultural land;
- Commitment to climate-smart agricultural practices;
- Co-operation and integration and accountability by all;
- Application of relevant Research and Technology development;
- Utilize indigenous knowledge;
- Develop sustainable long-term actions to provide stability;
- Targeted promotion of smallholder production.

Successful implementation of the Masterplan should be measured against the following outcomes:

- Job creation,
- Inclusive growth and a launch pad for agrarian transformation
- Farm workers social cohesion
- Climate smart agriculture and related technological advancement
- Investment in agriculture and infrastructure development
- Marketing and trade of agricultural products produced in KZN
- Competitiveness, commercialization of agricultural enterprises especially by smallholder farmers and ensuring household food security
- Reduction of farm related crime especially stock theft.

The Chairperson suggested that the final Master Plan be presented when its ready, since this one is not final.

## 2.8 Action Plan for PSC Recommendations

The Action Plan on the PSC Recommendations was presented in a meeting which was held in December 2019, but there were a few concerns around the issues of the payment of suppliers that the Committee raised, that the Department needed to attend to.

<b>Category</b>	<b>Amount</b>	<b>Sum</b>	<b>ACTION</b>	<b>STATUS</b>
BANKING DETAILS NOT VERIFIED ON CSD	R417,481.6 3	21	Suppliers are made aware upon issuing of orders that it is their responsibility to ensure that their banking details on Central Supplier Database(CSD) are verified. In instances where the department encounters no bank details on CSD, payment cannot be processed. For these cases, the suppliers were notified again at payment stage to contact National Treasury and attend to their CSD verification.	Invoices were paid when bank accounts had been verified on CSD.

Category	Amount	Sum	ACTION	STATUS
LOGIS QUERY ON ORDER	R212,664.33	1	System fault prevented processing the invoices.	A fault was logged with National Treasury LOGIK and invoice was paid.
NO ORDER FOR RECURRING SERVICES	R6,745.48	2	End users are meant to open orders for monthly utility accounts for the financial year to facilitate monthly payments. As orders were not opened, payments were delayed.	Orders were opened and invoices paid. The Responsibility Manager was cautioned about not following processes to facilitate payment in 30 days.
ORDER HAD TO BE RECOMMITTED	R1,716,613.26	3	System error with the order issued prevented processing the invoices.	A call was logged with National Treasury LOGIK and corrections done on the orders, invoices were paid.
QUERY WITH INVOICE	R3,358,548.26	1	There was a query raised on the invoice and payment process had to be stalled until this was resolved.	The query was resolved with the supplier and invoice was paid.
<b>TOTAL</b>	<b>R 5,712,052.96</b>	<b>27</b>		

The Committee felt that the state of the report was now well articulated and it is welcome.

## 2.9 African Army Worm and Fall Army Worm Update Report

It is important to note that outbreaks follow the onset of wet seasons when dry grasslands produce new growth and cereal crops are planted. Major outbreaks of armyworm are commonly preceded by extended drought. Therefore, such outbreaks are witnessed in the central and northern districts, which is not uncommon. The three regions (uMsinga, Umfolozi and KwaHlabisa) recently visited are characterized by the climatic conditions mentioned (i.e. drought prone usually receiving below average rainfall). The regions in question received rains prior to the outbreaks occurring.

The situation at uMsinga was first identified on Wednesday (25/03/2020). The matter was reported to the DARD local office on Thursday (26/03/2020). The team of officials responsible for such work visited the site on Saturday (28/03/2020). The African armyworm larvae were feeding on normal grass in the region that is being used for grazing domestic livestock. There were no crop fields from a food security point of view that were affected.

### **3. COMMITTEE MATTERS**

#### **3.1 Adoption of Minutes of the Previous Meetings**

- Minutes of the meeting: **31 January 2020**

Hon Pappas moved for the adoption of the minutes with no amendments, and he was seconded by Hon Frazer.

- Minutes of the meeting: **21 February 2020**

Hon Gumede moved for the adoption of the minutes with no amendments, and she was seconded by Hon NB Mthethwa.

#### **Matters arising:**

- Intingwe Tea Estate Turn-Around Plan – This item was deferred to the next meeting.
- Comprehensive 5-year plan on the 57 farms in Mooi Mpopana – to form part of an agenda for the next meeting.

#### **3.2 AOP 2020/2021**

The Committee's Management was tasked with finalizing the AOP. A request for an extension in adopting the AOP was therefore put forward, to consider the APP of the Department which was presented today, and the Covid-19 impact.

#### **3.3 Update on Study Tour**

An update will be given in due course, noting that the Covid-19 has had a negative impact on a lot of plans.

#### 4. RESOLUTIONS

- Rationalization of public entities: A report on the alignment of ADA and Mjindi
- Follow up on all the responses on the letter to the HOD dated 26th February 2020.
- Food Security Report in response to Covid-19
- Full report on the expenditure of the drought relief fund given last year and how the farmers benefited.
- Write to PSC and share with them a report/plan that was presented by the Department following their recommendations.  
Invite PSC to the meeting in November 2020, to get progress on the implementation of their recommendations.
- Full report on why there was an under-expenditure on the conditional grant.
- Invite Department of Community Safety and Liaison to present their national strategy on rural safety
- Invite Department of Public Works to present a report on the delays in infrastructure projects which caused under expenditure over the years.
- Researcher and Budget analyst to rework the briefing report, taking into consideration all the questions and comments that were raised by the Members. The updated briefing report to be emailed to Members by the 4th May 2020, and to be adopted as a true reflection of what was raised in the meeting, before it is sent out to the Department for their response.
- Meeting with the Department on Covid-19 to be postponed from the 5th May 2020, to give them enough time to prepare for their responses.  
Suggested date for the meeting with the Department is the 15th May 2020.
- Full Report on Vet Services to cover (but not limited to):
  - Current Mandate
  - Structure
  - Services Provided
  - Data on Farmers serviced

The above resolutions need to be sent to the Department to respond within 14 days.

## **5. CLOSURE**

With there being no other business to discuss, the meeting was adjourned at 17h15.

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**Hon NN Sibhidla-Saphetha**  
**The Chairperson**

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**Date**