



Report of the Portfolio Committee on Agriculture and Rural Development on the 2022/2023 Annual Performance Plan and the Budget (VOTE 3)

Committee Details	
NAME OF COMMITTEE	AGRICULTURE & RURAL DEVELOPMENT VOTE 3
TABLING DATE	
CHAIRPERSON	HON NN SIBHIDLA-SAPHETHA

INTRODUCTION

Hon Chairperson,

Members of the Executive Council present

Hon members of the House,

Invited guests and those watching these proceedings through various media platforms

Molweni, Sanibonani, Dumelang, Good morning

Hon chairperson, I am presenting this report on behalf of the committee on Agriculture and rural development as guided by various pieces of legislation including the standing rules of this august house.

Hon members as we table this report, we are reminded of the recent catastrophic floods that visited our province last month. These floods caused an enormous distraction to life and livelihoods of the people of our province. We would like to extend our condolences to all those who lost their loved ones, sithatha lelithuba ukuthi sidlulise amazwi enduduzo kubo bonke abathe balahlekelwa zizihlobo nezalamani zabo ngenxa yalezizikhukhula sithi akuhlanga lungehliyo thuthuzelekani. Sihlalo siyayithola imibiko ethi kukhona imizimba noma abantu abangekatholakali okuyisilonda esi deep kakhulu kuthina ndlu emnyama uma ungazi ukuthi ithambo lakho lilele kuphi. Sinethemba lokuthi uhulumeni wabantu uzokwenza konke okusemandleni ukuthola labo abangekatholakali for families to find closure. Malunga ahloniphekileyo the agricultural sector was also severely affected by these floods. Thousands of hectares of farmland were damaged, livestock washed away, road infrastructure leading to farms also destroyed which in many cases lead to farmers unable to reach and rescue their livestock. This experience tells us that climate change is here. Lezizikhukhula zikhukhula zisitshela into eyodwa ukuthi ukuguquguquka kwesimo sezulu siphakathi kwethu. Nizokhumbula ukuthi ngo 2018 nango 2020 siye sathola izimvula ezinkulu ezadala umonakalo kwezolimo.

Hon Chairperson, the South Afrikan weather services reported that parts of the province received between 200mm and 400mm of rain in one day during that period. This is something

that has never happened in the recent history especially during April month. We really need to strengthen our mitigation and adaptation efforts so that we can save all life on earth.

Hon chairperson the committee scrutinized the APP and budget of the department and its entities using the tools of the Public-Sector Oversight Model (PSOM). The first draft of the APP and budget was presented to the committee in November 2021, and the committee held a stakeholders' engagement in Umhlabuyalingana Local Municipality on the 08th December 2021. The final draft of the Department of Agriculture and Rural Development's 2022/2023 APP and budget was tabled on the 05th of April 2022.

The report provides an account of the portfolio committee's engagements with the Department of Agriculture and Rural Development and its public entity (Agri-Business Development Agency) in considering the department's budget and APP.

ANNUAL PERFORMANCE PLAN (APP)

The APPs of the Department and ADA are aligned to all national and provincial priorities of the sixth administration.

The Department has three programs which it plans to implement over the MTEF, namely:

Administration, Agriculture Development Services and Rural Development

Alignment of Departments Outcomes and MTSF/PGDS priorities

MTSF PRIORITIES	DARD OUTCOMES
Priority 1: Capable, Ethical and Developmental State	Outcome 1: Effective and efficient corporate and financial support services to the Department.

<p>Priority 2: Economic transformation and job creation</p>	<p>Outcome 3: Improved farmer development for increased agricultural production, sector growth and inclusive rural economy.</p>
<p>Priority 3: Education, skills and health</p>	<p>Outcome 2: Improved household food security in the province</p> <p>Outcome 4: Reduced outbreak cases of Controlled and Notifiable Animal Diseases</p> <p>Outcome 5: Increased research knowledge production, agricultural education and training</p>
<p>Priority 4: Consolidating the social wage through reliable and quality basic services</p>	<p>Outcome 3: Improved farmer development for increased agricultural production, sector growth and inclusive rural economy.</p>
<p>Priority 5: Spatial integration, human settlements and local government</p>	<p>Outcome 3: Improved farmer development for increased agricultural production, sector growth and inclusive rural economy.</p>
<p>Priority 6: Social Cohesion and Safe Communities</p>	<p>Outcome 1: Effective and efficient corporate and financial support services to the Department.</p> <p>Outcome 4: Reduced outbreak cases of Controlled and Notifiable Animal Diseases.</p>

Priority 7: A better Africa and world	Outcome 1: Effective and efficient corporate and financial support services to the Department.
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PROGRAMME 1: ADMINISTRATION

Sub-programme 1.1: Corporate Services

Performance Indicators	2021/22	Annual Target 2022/23
1.1 Percentage of decisions that are compliant with the Promotion of Administrative Justice Act finalized.	100%	100%
1.2 Number of capacity building initiatives implemented for contract compliance	7	5
1.3 Number of ICT business cases approved for implementation	New Indicator	3
1.4 Number of performance oversight meetings held with Department entities	4	4
1.5 Number of policy awareness workshops undertaken in the Department	New Indicator	4
1.6 Number of performance reports submitted to oversight structures	5	5
1.7 Number of skills development interventions implemented	4	4

1.8 Percentage of Departmental vacancy rate	New Indicator	10%
1.9 Percentage of disciplinary cases finalized within the prescribed framework (90 days)	New Indicator	100%
1.10 Percentage of designated employees compliant with financial disclosure submission	New Indicator	100%
1.11 Percentage of employees signed performance agreements submitted within the prescribed timeframe	100%	100%
1.12 Percentage of annual employee performance assessments finalized within the prescribed timeframe	100%	100%
1.13 Percentage of budget programme expenditure	100%	100%
1.14 Percentage of valid supplier invoices for Administration paid within 30 days	100%	100%

The sub-programme had thirteen (13) performance indicators in the 2021/22 APP and has fourteen (14) in the 2022/23 APP. Therefore, four (4) performance indicators from the 2021/22 APP were dropped, namely; Approved ICT Strategy for the Department, Number of Departmental Offices with upgraded security system, Percentage achievement of Departmental APP targets and Percentage of approved funded vacant posts filled within 3 months after the closing date of advertisement; and there are five (5) new performance indicators, namely; Number of ICT business cases approved for implementation, Number of policy awareness workshops undertaken in the Department, Percentage of Departmental vacancy rate, Percentage of disciplinary cases finalized within the prescribed framework (90 days) and Percentage of designated employees compliant with financial disclosure submission. Of the nine (9) old performance indicators, eight (8) have targets that have remained the same and one (1) has decreased.

Sub-programme 1.2: Financial Management

Output Indicators	2021/22	Annual Target 2022/23
2.1 Approved 2021/22 Departmental Procurement Plan	1	1
2.2 Approved 2020/21 Infrastructure Programme Management Plan (IPMP)	1	1
2.3 Number of valid supplier invoices paid within 30 days	100%	100%
2.4 Number of In-Year Monitoring Reports submitted to oversight structures	12	12
2.5 Approved 2022/23 Departmental Strategic Risk Register	1	1
2.6 Approved 2022/23 Departmental Asset Register	1	1
2.7 Approved 2022/23 Departmental Contract Register	1	1
2.8 Percentage achievement of Department budget expenditure	100%	100%
2.9 Investigation conducted on fruitless, unauthorized and irregular expenditure	1	1
2.10 Unqualified AG audit outcome	1	1

The sub-programme had eleven (11) performance indicators in the 2021/22 APP and has ten (10) in the 2022/23 APP. Therefore, one (1) performance indicator from the 2021/22 APP was dropped, namely; number of state vehicles fitted with tracker. Targets for all ten (10) old performance indicators have remained the same.

Programme 2: Agricultural Development Services

Sub-programme 2.1: Sustainable Resource Use and Management

Output Indicators	2021/22	Annual Target 2022/23
3.1 Number of Subdivision of Agricultural Land Act applications to change land use submitted to National Department (DLRRD) within 30 days	87	100
3.2 Number of farm management plans developed for farmers	10	10
3.3 Number of disaster risk early warning campaigns conducted	4	4
3.4 Number of surveys on uptake for early warning information conducted	4	4
3.5 Number of hectares of agricultural land rehabilitated through the Land Care Programme	5 500	4 500
3.6 Number of beneficiaries trained under Land Care EPWP Programme	500	412
3.7 Number of green jobs created (EPWP)	950	808
3.8 Number of hectares of cultivated land under Conservation Agriculture practises	500	650
3.9 Percentage of budget programme expenditure	100%	100%
3.10 Percentage of valid supplier invoices for Agricultural Development Services paid within 30 days	100%	100%

The sub-programme had ten (10) performance indicators in the 2021/22 APP and the same number in the 2022/23 APP. Targets for five (5) performance indicators have remained the same, three (3) have decreased and two (2) have increased.

Sub-programme 2.2: Agricultural Producer Support and Development

Performance Indicators	2021/22	Annual Target 2022/23
4.1 Number of subsistence producers supported	1 6581	18 071
4.2 Number of smallholder producers supported	4 831	3 958
4.3 Number of black commercial farmers supported	20	23
4.4 Number of hectares planted for food production through Departmental support	26 980	28 320
4.5 Number of smallholder producers supported with agricultural advice	5 466	7 641
4.6 Number of agricultural job opportunities created through departmental interventions	570	45
4.7 Number of agricultural infrastructure established (by the Department)	82	42
4.8 Number of agricultural infrastructure rehabilitated by the Department	13	10
4.9 Number of kilometre fenced for agricultural use	566.28	249.9
4.10 Number of female farmer projects supported by the Department	160	113
4.11 Number of youth projects supported by the Department	73	83
4.12 Number of projects for people with disability supported by the Department	29	34
4.13 Number of producers supported in the Red Meat Commodity	1 244	705

4.14 Number of producers supported in the Grain Commodity	5 631	10 136
4.15 Number of producers supported in the Cotton Commodity	5	3
4.16 Number of producers supported in the Citrus Commodity	1	1

The sub-programme had sixteen (16) performance indicators in the 2021/22 APP and has the same number in the 2022/23 APP. Targets for seven (7) performance indicators have increased, eight (8) have decreased and one (1) has remained the same.

Sub-programme 2.3: Veterinary Services

Output Indicators	Annual Target	
	2021/22	2022/23
5.1 Number of visits to epidemiological units for veterinary interventions	12 970	13 100
5.2 Number of veterinary certificates issued for export facilitation	1 438	1 300
5.3 Number of Performing Animals Protection Act (PAPA) registration licenses issued	52	30
5.4 Number of animals vaccinated against rabies	179 970	179 970
5.5 Number of inspections conducted on facilities producing meat	480	340
5.6 Number of laboratory tests performed according to prescribed standards	95 000	95 000
5.7 Number of samples collected for targeted Animal diseases surveillance-FMD, CBPP, PPR & AI	7 429	1 200

The sub-programme had seven (7) performance indicators in the 2021/22 APP and has the same number in the 2022/23 APP. Targets for two (2) performance indicators have remained the same, one (1) has increased and four (4) have decreased.

Sub-programme 2.4: Research and Technology Development Services

Output Indicators	Annual Target	
	2021/22	2022/23
6.1 Number of scientific papers published in accredited journals	3	3
6.2 Number of research presentations made at peer review events	11	11
6.3 Number of research presentations made at technology transfer events	135	135
6.4 Number of research infrastructure managed	6	6
6.5 Number of research projects implemented to improve agricultural production	89	89
6.6 Number of new technologies developed for the smallholder producers	3	2

The sub-programme had eight (8) performance indicators in the 2021/22 APP and has six (6) in the 2022/23 APP. Therefore, two (2) performance indicator from the 2021/22 APP were dropped, namely; Centre of Excellence & Innovation ICT Lead Recruited and Approved plan to convert research stations into Centre of Excellence & innovation for 4th Industrial

Revolution adaptation. Of the six (6) old performance indicators, targets for five (5) remained the same and one (1) has have decreased.

Sub-programme 2.5: Agricultural Economics Services

Output Indicators	2021/22	Annual Target 2022/23
7.1 Number of beneficiaries supported with marketing advisory services	300	500
7.2 Number of clients supported with production economic services	350	550
7.3 Number of economic reports produced	4	4
7.4 Number of agri-businesses supported with agro-processing initiatives	400	500
7.5 Number of agribusinesses supported with Black Economic Empowerment advisory services	10	10

The sub-programme had five (5) performance indicators in the 2021/22 APP and has the same number of indicators in the 2022/23 APP. Targets for two (2) performance indicators remained the same and three (3) have increased.

Sub-programme 2.6: Structure Agricultural Education and Training

Output Indicators	2021/22	Annual Target 2022/23
8.1 Number of students graduated with agricultural qualification	90	90
8.2 Number of participants trained in skills development programmes in the sector.	1 670	1 560
8.3 Number of career awareness activities implemented to promote agriculture.	72	72

The sub-programme had three (3) performance indicators in the 2021/22 APP and has the same number of indicators in the 2022/23 APP. Targets for two (2) performance indicators remained the same and one (1) has decreased.

Programme 3: Rural Development

Sub-programme 3.1: Rural Development Co-Ordination

Sub-programme 3.2: Social Facilitation

Output Indicators	2021/22	Annual Target 2022/23
9.1 Number of projects supported with mentorship	37	43
9.2 Number of graduates enrolled into Unemployed Agriculture Graduates Programme	340	340

9.3 Number of Commodity Based Marketing Cooperatives linked to Government Markets	30	60
9.4 Number of Early Morning Farmers Markets for Youth. Women and Disabled People	5	22
9.5 Number of agricultural projects supported with Social Facilitation	15	50
9.6 Percentage of achievement of Rural Development budget expenditure	100%	100%
9.7 Percentage of invoices for rural development paid within 30 days	100%	100%

In summary the programme has two (2) sub-programmes, it had nine (9) performance indicators in the 2021/22 APP and has seven (7) performance indicators in the 2022/23 APP. Therefore, two (2) indicators were dropped, namely; number of Agri-Hubs, business plans developed and the number of Agri-Hubs constructed. Out of the seven (7) old performance indicators, targets for three (3) remained the same and four (4) have increased.

Budget 2022/23

The Department of Agriculture and Rural Development (DARD) is going to receive a baseline total budget of R2.406 billion for the 2022/23 financial year, resulting from fiscal consolidation budget cuts on equitable share amounting to R84.052 million in the 2022/23 financial year, with a function shift and additional own revenue cut of R8.630 million. The department's budget will be significantly affected by this function shift of the Agricultural Colleges (Cedara and Oscar Sithole College of Agriculture (OSCA)). The department will not be receiving additional funding for the year, as they received the economic recovery funds of R75.921 million in the 2021/22 financial year.

The rationalization process relating to entities was mostly completed, and Mjindi Farming (Pty) Ltd (Mjindi) was amalgamated under the Agri-business Development Agency (ADA) from 1 April 2020. Furthermore, administrative and project management support to Ntingwe Tea (Pty) Ltd (Ntingwe) are provided through ADA. The department and the Ithala Development Finance Corporation (Ithala) will both continue to hold shares in Ntingwe, thereby remaining as shareholders. The entity ADA will receive a total budget of R234.442 million for the 2022/23 financial year. The Budget is largely from the departments transfer of R199.963 million plus transfer for Ntingwe of R20 million.

The Budget Allocations 2022/23

Sources of funding

The Department is set to receive four conditional grants in 2022/23 amounting to R311.748 million, with the total grants decreasing by 1.2 percent. The equitable share will be allocated R2 178.808 billion in the year.

Land Care Grant

This grant is aimed at optimizing the sustainable use of natural resources to ensure greater productivity, food security (protection of grazing land, alien species control and fencing etc.), job creation and better quality of life. The allocation shows a slight growth of 0.7 percent in 2022/23 and 2023/24. The grant will increase from R13.022 million to R13.110 million or slight growth of 0.7 percent between the 2021/22 and 2022/23 financial years.

Comprehensive Agricultural Support Programme (CASP)

This grant is aimed at enhancing the capacity of the agriculture sector. It provides support to beneficiaries of land and agrarian reform programmes. It also provides revival of agricultural extension services and improvising the infrastructure at the agricultural colleges, the allocation of this grant will increase by 2.1 percent in 2022/23 and slightly increase by 1.6 and 4.3 percent in the outer financial years respectively. The CASP grant will provide support to famers in a form of provision of dip-tanks, fencing, irrigation schemes etc., and furthermore provide funds for employment of 120 unemployed graduates and 220 graduates employment will funded from equitable share for the year.

Ilima/Letsema Projects Grant

The grant is aimed at unlocking the potential of currently “under-utilized” land and other assets, particularly in communal areas. The grant is showing growth of 2.2 percent in the 2022/23 as compared to prior year and will grow by 1.6 and 4.3 percent in the 2023/24 and 2024/25 financial years respectively.

EPWP Integrated Grant for Provinces

The allocation totals R4.610 million or a slight decrease by 1.9 percent for the 2022/23 financial year, the allocation is made on an annual basis, based on the number of EPWP jobs created in previous year. The department will not have the 2023/24 and 2024/25 allocations yet.

Departmental Own Revenue

Total Own Revenue is projected to decrease by 17.5 percent between 2021/22 and 2022/23 and increase by 4.9 and 4.3 percent respectively, over the outer years.

The main sources of revenue are academic and accommodation fees at the two agricultural colleges and analytical services at departmental laboratories under the Sales of goods and services other than capital assets accounting for R19.444 million and the revenue projection show a decline in receipts between the 2021/22 and 2022/23 financial years mainly increases by 5 and 4.3 percent respectively, over the outer years.

Fines, penalties, and forfeits are collected in respect of lost library books or cards by students and staff. The conservative budgeting is due to the low revenue projections based on prior year receipts under this category.

Interest, dividends and rent on land relates to interest charged on outstanding debts. The fluctuating trend over the seven-year period is due to the unpredictable nature of this source, hence the marginal revenue growth over the MTEF. The high collection in 2019/20 was from interest received in respect of a debt owed by a supplier. The negative amount of R20 000 in the 2021/22 Revised Estimate relates to the reversal of interest charged in 2016 in respect of debt for an employee which was set up with the incorrect date. Thus, the interest charged had to be reversed resulting in a debit recorded under this category.

Sale of capital assets is derived from the sale of redundant assets, such as the sale of farming equipment, office equipment, vehicles, as well as biological assets sold at more than R5 000. The low collection in 2019/20 relates to the fact that the motor vehicle auction only took place late in the financial year and the cash was therefore only paid into the department's bank account in 2020/21, hence the high collection in 2020/21. The revenue growth expected over the MTEF is in line with the departmental disposal policy.

Transactions in financial assets and liabilities comprises staff debts recovered, such as breached bursary contracts, salary and supplier over-payments, etc. The revenue collection fluctuates over the seven-year period due to the unpredictable nature of this revenue source.

Departmental Expenditure by Programme

The department has three programmes as follows for the 2021/22 budget:

- **Programme 1** – Administration – R692.934 million
- **Programme 2** – Agricultural – Revised to R1 713.185 billion (was R1 835.444 billion)
- **Programme 3** – Rural Development – Revised to R84.437 million (was R73.085 million)

Total: Vote 3 – Agriculture & Rural Development – R2 490.556 billion

Programme 1: Administration – R692.934 million

The budget increases by 8 percent from 2021/22 to 2022/23 due inflationary increases to the operational and administrative functions within Programme 1. The budget for administration increases over the outer years, this is due to the additional allocation from National Treasury to fund non-pensionable cash allowances portion of the 2021 wage agreement. The department has made proposals to cut vacant posts and other item to contribute to the fiscal consolidation. The budget will increase by 3.3 and 4.3 percent respectively over the outer years.

Programme 2: Agriculture – R1 713.185 billion

The department's main service delivery programme is to be allocated a total budget of R1.713 billion, a decrease of 7.1 percent between the 2021/22 and 2022/23 financial years. The Programme decrease is due largely to KZN Economic Recovery Funds being pulled from the department and not allocated for the 2022/23 financial year and beyond. The allocation will slightly increase in the outer years to 0.6 and 4.3 percent respectively. The fiscal consolidation is part of the reason why the programme is displaying minimal growth over the MTEF. The increase from the 2021/22 Main Adjusted Appropriation is due to the additional funding allocated by National Treasury against Compensation of employee's item towards the non-pensionable cash allowance portion of the 2021 wage agreement, a roll-over of funds from 2020/21 to 2021/22, as well as savings moved to this programme to cater for the planting season activities, which were under-budgeted for, such as mechanization, seeds, fertilizer, etc. These savings were also to cater for wool shearing sheds, as well as the procurement of pre-fabricated buildings for veterinary clinics at Mhlumayo, New Hanover, Maphumulo, Mbumbulu and iLembe. Furthermore, the department undertook a shift of R10 million from Programme 3: Rural Development to this programme in respect of the implementation of the mega nursery projects and agronomic seed programmes.

Programme 3: Rural Development – R84.437 million

The Rural Development Programme, experienced an increase in the budget between 2021/22 to 2022/23 financial year of 13.4 percent, this was mainly from the R10 million reprioritized from Programme 2 to establishment of Agri-Parks, seed banks and nurseries.

The budget over the 2022/23 MTEF provides for the placement of unemployed graduates on farms, mentorship programmes under CASP, as well as the development of Agri-Hubs, among others. The notable drop in 2023/24 relates to the fiscal consolidation budget cuts that were effected in the previous budget process, but with carry-through over MTEF against goods and services, as well as marking the end of the three-year allocation for the Agri-Parks, nursery projects and agronomic seed programmes. The department has a Deputy Director: Office of the Director-General funded vacant post within this programme and this post will be filled over the MTEF.

Expenditure by Economic Classification

Compensation of Employees (CoE)

The compensation of employee's (CoE) item will growth slightly by 2.3 percent between 2021/22 and 2022/23 financial years. The slight increase in the CoE reflects the decision to freeze salaries in accordance with the fiscal consolidation efforts and continued cuts that will be reflected in the department deferring filling of posts (193 posts) and only filling 145 posts. This reduction was offset to some extent by the additional funding allocated by National Treasury against compensation of employees towards the non-pensionable cash allowance portion of the 2021 wage agreement. The reduction was further offset to some extent by the shift of funds within Programme 1, from goods and services to compensation of employees relating to the reclassification of insurance for subsidized motor vehicles in line with SCOA classification. This insurance cover is part of the fringe benefits received by employees in the subsidized motor vehicle scheme. The department has provided for a 2.3 per cent increase in 2022/23, 1.6 per cent in 2023/24 and 4.5 per cent in the outer year of the MTEF.

The MTEF budget provides for the 1.5 per cent pay progression, medical aid and housing adjustment. The department has 59 funded vacant posts, including Chief Director: Agriculture Services, Chief Director: Business Support Services, Director: Office of the HOD, Director: Management Advisory Services, Deputy Directors, Administration Officers, Directors: Veterinary Services, Director: Project Office, Director: Resource Management, Director: Agricultural Livestock Research Services and Deputy Director: Office of the Director-General, among others, and these posts will be filled over the MTEF. These posts are budgeted to be filled in 2022/23, with carry-through over the MTEF.

Goods and Services

The Goods & Services item see a declining growth of 8.6 percent between the 2021/22 and 2022/23 financial years mainly due the KZN Economic Recovery Fund for food security interventions and the livestock improvement programme. This allocation is not carried through over the 2022/23 MTEF, accounting for the significant decrease in 2022/23 financial year.

Transfer and subsidies

Provinces and municipalities provide for payments for the motor vehicle license fees and rates that are allocated R2.410 million in the 2022/23 financial year, a slight growth 15.7 percent from prior year.

Departmental Agencies and accounts' transfers are mainly for ADA as well as transfers for Skills Development Levy and TV licenses. The transfer to ADA is the largest under this category for operational costs and to implement various projects for the entity. The department will allocate a total of R219.962 million in the 2022/23 financial year to the entity. The outer years have a steady growth of 4.3 percent in 2023/24 and 2024/25 financial years.

Public corporation and private enterprise provide for the direct funded projects with the year-on-year variances dependent on the number of projects supported. This item will see a decline in allocation due to the KZN Economic Recovery Funds not being allocated beyond 2021/22 financial year. The transfer will slightly decline by 31.3 percent between 2021/22 and 2022/23 financial years.

Households – Mainly unplanned staff exits as well as bursaries and will receive a decreased by 108 percent allocation of R8.824 million between 2020/21 and 2021/22 financial years. The household item will increase slightly by an average of 1 percent over the outer years.

Payments for capital assets

Buildings and other fixed structures

The Building and other fixed structures houses a lot of vital project which include, the irrigation development in Makhathini, Bambanango abattoirs, the redline fence, which is meant to protect the borders etc. In 2022/23 the budget will grow from R68.532 million in prior year to R91.873 million or 25.4 percent growth between the 2021/22 and 2022/23 financial years.

Expenditure by Economic Classification

Machinery and equipment

The Machinery & Equipment item provides for acquisition of new and replacement departmental vehicles, agricultural equipment (tractors, implements irrigation equipment,

etc.), high tech laboratory equipment as well as office furniture and equipment. The budget allocation for 2022/23 financial year will grow by 9 percent between 2020/21 and 2022/23 financial years.

Biological Assets

The department intends to purchase livestock for specific research purposes at the various research stations for R640 000 in the 2022/23 financial year. The allocation grew from the R610 000 (grew by 23.6 percent) allocated for 2021/22 financial year. The budget allocation for this item grows by an average of 4 percent in the outer years.

Software and other intangible assets

The department intends to purchase software licenses as well as electronic performance management tools to enhance the monitoring and reporting on predetermined objectives and targets. The department allocated R403 000 in the 2022/23 financial year, a significant decline from the R1.380 million allocated in prior year.

Agri-Business Development Agency (ADA)

The ADA is now the only public entity reporting to the DARD. It will continue supporting commercial farming with agri-processing, as well as implementing the mandate of ADA. The entity will also take over the management of Ntingwe Tea Estate. ADA will receive R234.441 million which consists of the baseline allocation from DARD as a transfer of R199.962 million, and R20 million for Ntingwe Tea, and MICSETA for farmer ICT training amounting to R4.939 million for the 2022/23 financial year.

Committee Resolutions and/or Recommendations emanating from Deliberations on the 22/23 APP and Budget of the Department and its Entity:

The committee resolved to:

1. Request the department to submit a report in May 2022, on how the transfer of the two agriculture colleges to the department of higher education will impact on skills development programs offered to local farmers.
2. Request a report on how the department plans to recapitalize Intingwe Tea Estate by end of May
3. ADA to submit to committee a clear turnaround strategy with timelines for Makhathini flats. There was a general feeling during the discussions hon chairperson that the problems in that area are as old as some of the hon members of this house.
4. Request the hon Premier to approach the national government for establishment of a proper and bigger foot and mouth quarantine facility in the province
5. Request the hon MEC to improve the allocations for research and development in the next financial year
6. Lastly hon chairperson we ask the hon speaker to allocate more time and resources to scrutinise the APP and budget of the department

Voting on the Budget and APP

ANC – supported

IFP – supported

DA – supported, with the concerns that were raised

Minority Parties – supported

CONCLUSION

Madam Speaker, in conclusion, I wish to take this opportunity to thank the MEC, hon Sithole-Moloi, as well as all departmental officials, led by the HOD, for putting systems in place to deal with chronic management challenges in the department. The committee is impressed with the improvements on spending patterns as well as the Audit findings by the AG.

Hon chairperson, I would not have done justice if I do not thank the dedicated team of honourable members of the committee, hard working and forever ready officials that are providing support to the committee.

Ndiyabulela

Thank you hon chairperson



HON NN SIBHIDLA-SAPHETHA

DATE

Chairperson: Portfolio Committee of Agriculture and Rural Development