

**Budget Vote speech by the Deputy Minister of Agriculture, Forestry and Fisheries,
Honourable General Bheki Cele (MP)**

16 Jul 2014

Honourable Chairperson

Honourable Minister of Agriculture, Forestry and Fisheries, Other Ministers and Deputy Ministers present,
Members of the Executive Councils responsible for Agriculture,
Honourable Chairperson and Members of the Portfolio Committee of Agriculture, Forestry and Fisheries,
Honourable Members of Parliament, Distinguished Guests,
Comrades

Ladies and gentleman,

Our policies for transformation are clear. To illustrate the essence of our Budget Vote today, I wish to draw attention to the well-known proverb that says “Give a man a fish, and you feed him for a day. Teach a man to fish, and you feed him for a lifetime.”

The above stated scenario obliges us to vigorously drive the transformation of the sector so that our people no longer remain on the periphery of the sector. The department will be hard at work to ensure that this noble vision is accelerated.

This calls for a review of our policy and regulatory framework to create an enabling environment for inclusive growth, job creation food security and rural economic development.

As a further illustration we know that the number of commercial farms in primary agriculture has declined from almost 120 000 in 1950 to around 29 000 currently. This decline has been accompanied by a commensurate increase in average farm size and a change in the technology mix on farms.

As farms grow larger, they tend to rely less on labour and more on capital assets such as mechanisation. While different branches of agriculture have distinct characteristics, the overall trend has been one of job loss, both in terms of permanent as well as casual and seasonal jobs.

This phenomenon of increasing farm size and declining farm employment is common to developed countries, but an anomaly to a developing country like ours. In developed countries, the phenomenon normally coincides with a growing scarcity of labour because of more attractive opportunities elsewhere in the economy. In South Africa, however, it is happening amid a deepening problem of rural unemployment.

Redressing the problem requires interventions which encourage the fuller use of land within commercial farming areas; broadening market participation to include the growing number of smallholder producers, and promoting a better balance between large-scale commercial farms and smallholder farms via land reform and development within the former homelands. We are therefore particularly happy that the General Household Survey shows a 58% increase in the number of smallholder farmers since 2009.

Honourable Members, a key element of both poverty and inequality is unemployment, in turn leading to food insecurity. It is both a consequence of poverty and inequality as well as a cause.

In this light we support the policy perspective and sector mandate stated by the Minister, which is to strive for greater inclusivity of our markets, to facilitate the creation of more job opportunities. We therefore want to focus our comments on the how.

We concur with the Minister's pronouncements on the National Development Plan (NDP). The implementation of the NDP will however only happen successfully if it is shared with and owned by our people. We must allow communities to play an active role in the decisions that affect their lives.

Honourable Members, we want to suggest that the triple challenge of poverty, inequality and unemployment will not be overcome through mere state machinery. Instead the shift towards inclusive economic growth requires community participation, a more participatory democracy if you like. As much as we need radical economic transformation, we simultaneously need to transform the dynamics and structures of interaction between our government and our people.

The Department of Agriculture, Forestry and Fisheries sees social mobilisation and advocacy as a key tool for effecting government plans.

We will therefore embark on a robust social mobilisation and advocacy campaign, through which we seek to engage, understand our sector, and empower our communities.

Our approach will be targeted at women and youth. The passion, success and commitment of black farmers in agriculture, were systematically eroded through colonialism and apartheid interventions. As Africans and youth in particular were forced into indentured labour, it dehumanised and in turn dissuaded the youth from work in agriculture.

Twenty years into democracy, remnants of colonialism and apartheid are still apparent in the sector. As such, most youth think of agriculture as oppressive, hard labour with low wages and no room for career advancement.

Getting youth to realise the multiple and diverse economic and career opportunities can radically change the image and face of agriculture. We will partner with knowledge based institutions, such as schools, colleges and universities, youth formations and churches to create awareness of agriculture as the sector of the future.

The Minister will engage with the Ministers of Education around re-kindling an interest in and the teaching of agriculture as a subject.

Public Entities

The implementation machinery to deliver on the mandate of the Department of Agriculture, Forestry and Fisheries is supported by the Public Entities within this portfolio, who report to Parliament through this Ministry, and these are:

Onderstepoort Biological Products (OBP)

The Onderstepoort Biological Products (OBP) is Africa's primary vaccine producer for the treatment of animal diseases. This facility will continue with the modernisation and recapitalisation of its manufacturing plant. They are our pride in manufacturing the only effective Foot and Mouth vaccine in Africa. This modernisation project will ensure investment in critical equipment to the manufacture and development of safe vaccines. It will further create job opportunities for a new genre of bio-technicians for our country.

Agricultural Research Council (ARC)

The Agricultural Research Council (ARC) is positioned to be the most prestigious research institute in the continent. Its role is that of innovation and product development. They are our innovators and trouble shooters, geared to build the productive base as well as drive processes to enhance the productivity of our economic assets such as our soil and water.

Through their innovation they create a demand for our products. One such example is the red blush pear, developed by the ARC. It has become a European hit. This is a true example of the importance of innovation. Honourable Members, the role of the ARC is immeasurable.

National Agricultural Marketing Council (NAMC)

In South Africa, approximately 80% of total agricultural production is subjected to statutory measures. Across the world, approximately 85% of developed countries are making use of statutory measures in their agriculture as well. This statutory environment enables the collection of levies by the various agricultural sectors for purposes of growing and increasing the competitiveness of the industries.

The NAMC's basic business principles will continue to link stakeholders with agricultural markets and to provide valuable market information. During the financial year, the NAMC will prioritise small-holder farmers and producers for specific training and valuable access to market information. This will be delivered through the Agri-business Development Division supported by a budget of R1.1 million.

Perishable Products Export Control Board (PPECB)

Within the framework of the Industrial Policy Action Plan – IPAP, fruits and vegetables are the most important commodities in the agro- processing sector. Both are high-value crops and have large labour multipliers. At the end of the first quarter of 2014, our National Agricultural Marketing Council statistics indicated that this industry exports amounted to R6.5 billion.

The Perishable Products Export Control Board (PPECB) has been in the forefront of ensuring a sizeable increase of fresh produce exports through quality certification and cold chain management services. This, Honourable Members, involves a complex infrastructure from farm to international consumer, where our products continue satisfying demanding markets.

Through the Strategic Integrated Project 11 (SIP11), solutions to problems associated with creating the necessary support mechanism and bottlenecks that hinder development in the transportation of perishable products, were devised. Through this process, engagements with stakeholders intensified our resolve to build on our exports for the improvement of the sector's contribution into the GDP. In this financial year, PPECB will invest R5.4 million to upgrade their technology to integrate mobile phone capabilities into service delivery.

In conclusion, I would like to thank my wife, Thembeke Cele, seated in the gallery, for her unwavering support.

I would also like to thank Honourable Minister, for his sound and mature leadership.

I also appreciate and thank the commitment from the stakeholders in the sector.

I appreciate the Director-General and her team for their support and the service to the department. Together, as a team, we will move South Africa forward.

I thank my friends, my colleagues and my comrades, as well as the staff in the Ministry for their commitment.

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