

Wednesday, 4 March 2026]

No 38—2026] THIRD SESSION, SEVENTH PARLIAMENT

PARLIAMENT

OF THE

REPUBLIC OF SOUTH AFRICA

**ANNOUNCEMENTS,
TABLINGS AND
COMMITTEE REPORTS**

WEDNESDAY, 4 MARCH 2026

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ANNOUNCEMENTS

National Assembly and National Council of Provinces

The Speaker and the Chairperson

1. Assent by President in respect of Bills

- (1) **Economic Regulation of Transport Amendment Bill** [B10–2025] – Act No. 10 of 2025 (assented to and signed by President on 23 February 2026) (*IsiChibiyelo soMthetho wokuLawula uMnotho wezokuThutha, 2025*) (*isiZulu*).

2. Classification of Bills by Joint Tagging Mechanism (JTM)

Please Note: The following entry replaces item 3(b) under “Classification of Bills by Joint Tagging Mechanism (JTM)” published in the ATC, dated 5 February 2026, on page 2. The Bill was erroneously announced to have been classified as a section 76 Bill instead of a section 75 Bill.

- (1) The JTM in terms of Joint Rule 202(6) classified the following Bill as a section 75 Bill:
 - (a) **South African Judicial Education Institute Amendment Bill** [B26–2025] (National Assembly – sec 75).

National Assembly

The Speaker

1. Referral to Committees of papers tabled

- (1) The following papers are referred to the **Standing Committee on Finance**:
 - (a) Prudential Authority’s Budget, Estimates of Expenditure, Fees and Levies Proposals for 2026/2027, in terms of the Financial Sector Regulation Act, 2017 (Act No. 9 of 2017).

- (b) Ombud Council's Budget, Estimates of Expenditure, Fees and Levies Proposals for 2026/2027, in terms of the Financial Sector Regulation Act, 2017 (Act No. 9 of 2017).
- (2) The following paper is referred to the **Portfolio Committee on Justice and Constitutional Development**:
- (a) Proclamation No. R.7144 published in *Government Gazette* No. 54174 dated 19 February 2026: Commencement of section 8 of the National Prosecuting Authority Amendment Act, 2024 (Act No. 10 of 2024).
- (3) The following paper is referred to the **Portfolio Committee on Public Service and Administration** for consideration and report:
- (a) Report of the Public Service Commission (PSC) to the National Assembly in terms of section 196(4)(e) of the Constitution, 1996, read with section 196(6) – 01 April 2024 to 31 March 2025 – December 2025.
- (4) The following paper is referred to the **Joint Standing Committee on Defence**:
- (a) Letter from the Minister of Defence and Military Veterans, dated 27 February 2026, to the Speaker of the National Assembly, informing members of the Assembly of the employment of Members of the South African National Defence Force (SANDF) for service inside the Republic of South Africa to preserve life, health or property in emergency or humanitarian relief operations in Limpopo Province under Operation CHARIOT.

2. Membership of Committees

- (1) Ms D Kohler-Barnard has been elected as Chairperson of the Executive Undertakings and Petitions Committee, with effect from 04 March 2026.
- (2) The following committee membership changes have been made:
- (a) **African National Congress**
- Portfolio Committee on Defence and Military Veterans**
- Appointed: Jama, Ms P [Alternate]
- Portfolio Committee on Public Service and Administration**
- Appointed: Mtolo, Ms N [Alternate]
- (b) **Democratic Alliance**
- Portfolio Committee on Agriculture**
- Discharged: Aucamp, Mr W
Appointed: van Der Walt, Ms D [Alternate]

(c) **uMkhonto weSizwe Party****Portfolio Committee on Agriculture**

Appointed: Madlala, Mr KB

Discharged: Madlala, Mr EK [Alternate]

Appointed: Mthethwa, Mr ZE [Alternate]

Portfolio Committee on Communications and Digital Technologies

Discharged: Ndhlela, Mr M

Discharged: Makhubele, Ms C

Appointed: Nchabeleng, Mr A

(d) **Economic Freedom Fighters****Portfolio Committee on Home Affairs**

Appointed: Malema, Mr JS [Alternate]

Portfolio Committee on Public Service and Administration

Discharged: Mkhonto, Ms K [Alternate]

Appointed: Maotwe, Ms O [Alternate]

(e) **Other Parties**(i) **Action SA****Portfolio Committee on Defence and Military Veterans**

Appointed: Ngobeni, Ms LM (Alternate)

(ii) **Inkatha Freedom Party****Executive Undertakings and Petitions Committee**

Appointed: Langa, Mr TM

(iii) **Build One South Africa****Portfolio Committee on Small Business Development**

Discharged: Hlazo-Webster, Mrs NL

TABLINGS

National Assembly and National Council of Provinces

1. The Speaker and the Chairperson

- (a) Draft Regulations regarding the enforcement mechanism for the processing of health information of data subjects, submitted by the Information Regulator in terms of section 112(2)(c) of the Protection of Personal Information Act, 2013 (Act No. 4 of 2013).

National Assembly

1. The Speaker

- (a) Reply by the Minister of Agriculture to Report of Proceedings on P20 Women's Parliament 13-14 August 2025, and Report on P20 Youth Parliament 13 June 2025, as adopted by the House on 3 December 2025.
- (b) Reply by the Minister of Agriculture to Budgetary Review and Recommendation Report of the Portfolio Committee on Agriculture on Vote 29, as adopted by the House on 4 November 2025.

Referred to the **Portfolio Committee on Agriculture**.

COMMITTEE REPORTS

National Assembly

1. Report of the Portfolio Committee on Women, Youth and Persons with Disabilities on the filling of vacancies for the National Council on Gender-Based Violence and Femicide Board, dated 3 March 2026

The Portfolio Committee on Women, Youth and Persons with Disabilities (hereinafter referred to as the Committee), having considered the referral by the Speaker through the ATC, dated 8 November 2024, for the Portfolio Committee to recommend candidates for appointment to the National Council on Gender-Based Violence and Femicide Board, reports as follows:

1. INTRODUCTION

The National Council on Gender-Based Violence and Femicide (NCGBVF) Act (No. 9 of 2024) was signed into the law on 24 May 2024 and proclaimed on 15 November 2024. The purpose of the Act is to provide a legislative framework for the establishment of the National Council on Gender-Based Violence (hereafter the Council) and Femicide and to coordinate a multi-sectoral and intersectoral approach towards the implementation of the National Strategic Plan on Gender-Based Violence and Femicide at national, provincial, local and community levels.

According to section 3 of the Act, the Council is a statutory body responsible for providing strategic leadership and coordination in the prevention and response to GBVF in the country. Moreover, the Council acts through its Board. To this end, section 6 of the Act provides that the President must, whenever it becomes necessary, appoint members of the Board from civil society and the private sector from a list of persons recommended by the National Assembly by way of resolution with supporting vote of the majority of the members of the Assembly. As the Committee oversees the Department in which the Council will be located, it is then also the responsibility of the Committee to initiate the process. Thus, the Portfolio Committee is mandated to consider the filling of these positions from civil society and the private sector and make recommendations to the National Assembly for the President to consider and appoint.

2. COMMITTEE PROCESS AND PROCEDURE

On the 16th September 2025, the Portfolio Committee met and discussed the process for the positions for the NCGBVF Board which included the advertisement, online application form and project plan.

The composition of the Committee was as follows:

Inkatha Freedom Party

Ms LL van der Merwe (Chairperson)

African National Congress

Ms TM Chauke-Adonis

Ms FL Shabangu

Mr NT Tsotetsi

Ms MB Pholwane

Democratic Alliance

Ms TA Khanyile

Ms F Mbiko

Patriotic Alliance

Ms J Pietersen

Economic Freedom Fighters

Ms P Mailola

uMkhonto weSizwe Party

Ms G Mchunu

Action SA

Dr TKS Letlape (alternate member)

2.1 Public Participation Process

The NCGBVF Act (No. 9 of 2024), provides for the procedures and processes for the appointment of the Board members. The matter for recruitment was referred to the Portfolio Committee for consideration on 8 November 2024 as per the ATC, No. 78 - 2024.

Request for recommendation of candidates for appointment to National Council on Gender-Based Violence and Femicide Board

(1) Request from the Minister in the Presidency for Women, Youth and Persons with Disabilities that the National Assembly recommends candidates for appointment to the Board of the National Council on Gender-Based Violence and Femicide, in terms of the National Council on Gender-Based Violence and Femicide Act, 2024 (Act No. 9 of 2024).

Referred to the **Portfolio Committee on Women, Youth and Persons with Disabilities** for consideration and report.

The Committee having been briefed by the Legal Advisor from Constitutional and Legal Services Office (CLSO) on the legal parameters for appointment of Board members at the meeting of 18 November 2025, resolved to proceed with the advertisements.

Parliament advertised on 5 October 2025 in various local, regional and national newspapers, including the parliamentary website, inviting applications and nominations for persons to serve on the NCGBVF Board. The deadline for the submission of applications was 7 November 2025. All applications were conducted online whereby applicants completed a Google Form and submitted the required documentation. All applicants as part of the application process were expected to submit a curricula vitae (CVs). Applicants could also submit via email or deposit an application in a box on the Parliamentary precinct.

A total of 403 applications were received (online, email, hand delivered at box situated on the Parliamentary precinct). Of all the applications received there were 48 duplications noted. In addition, there were 3 online applications received after the closing date (7 November 2025), i.e. after midnight and 5 applications emailed after the closing date bringing it to a total of 8 late submissions.

On 4 December 2025 the Committee adopted the shortlisting criteria and decided to shortlist 18 candidates to be interviewed for the NYDA Board. In compliance with the Protection of Personal Information (POPI) Act (No. 4 of 2013), the curriculum vitae of 18 candidates as submitted by candidates were published on the parliamentary website for public comments between 9 December 2025 and 31 January 2026. The Committee engaged with the public comments received online and via email.

Having published all the CVs as received, the Portfolio Committee discharged its duties conscientiously and with all due regard to the requirements of thoroughness, openness and transparency. Moreover, all the information as contained in the application form, the CVs and supporting documentation were stored online on an internal recording platform of Parliament, which was accessible only to the Committee Members and the support staff.

2.2 Shortlisting Criteria and Process

The minimum criteria for appointment as a Board member are set out in section 6(5) and disqualifications in section 7 of the NCGBVF Act. Desirable criteria for shortlisting entail the following as outlined in section 6(5) of the Act:

“(a) be fit and proper persons to hold office; (b) be persons with applicable knowledge and expertise with regard to matters that are related to the purpose of this Act; and (c) reflect the demographics and geographical spread of South Africa.”

The following categories of persons are disqualified from appointment to the Board by section 7 of the NCGBVF Act:

“A person is disqualified from being appointed to the Board or from remaining a member if such person— (a) has been convicted of— (i) a gender-based violence and femicide-related

offence; or (ii) any other criminal offence and sentenced to a term of imprisonment without the option of a fine; (b) is or becomes insolvent; (c) is or has been declared by a competent court to be of unsound mind; (d) is directly or indirectly doing business with the Council and fails to declare the interest and the nature thereof in the manner required by this Act; (e) is a person under curatorship; (f) has, at any time, been removed from an office of trust on account of any form of misconduct, including sexual harassment, corruption, theft or fraud; or (g) fails to disclose an interest in accordance with section 8 or attended or participated in the proceedings of the Board while having an interest contemplated in section 8.”

According to the Act, the Board consists of seven (7) representatives from civil society and the private sector. Furthermore, the Act states under section 6(2) Board of the Council that:

“(2) Only members of the Board referred to in subsection (1)(a) must be appointed by the President and must before appointment be subjected to a security screening as envisaged in section 2A of the National Strategic Intelligence Act, 1994 (Act No. 39 of 1994).

(3) The President must, whenever it becomes necessary to appoint the members of the Board referred to in subsection (1)(a), make an appointment from a list of persons recommended by the National Assembly by way of resolution with a supporting vote of a majority of the members of the Assembly.”

Of the total number of 312 applications received (excluding duplications and late submissions), the Committee could choose a shortlist. The Committee met on 4th and 5th December 2025 to conduct shortlisting for interviews. The Committee resolved to shortlist 18 candidates for interviews. The Committee also ensured that the shortlist reflects the demographics, geographical spread of the Republic as well as a recognition of persons with disabilities. The names of shortlisted candidates were published on the parliamentary website on 9 December 2025.

2.3 Verification of Academic Qualifications and Security Clearance

All shortlisted candidates were subjected to an academic qualification verification check and security clearance. Positive confirmations were received from the Human Resource unit of Parliament, of the academic qualifications, for 16 of the candidates shortlisted with one

candidate having no formal qualifications which was disclosed but certificate of attendance for various courses were submitted. Another candidate had not submitted the request for additional documentation despite numerous follow-ups made.

The Committee also agreed to request the State Security Agency (SSA) to conduct the security screening of the 18 shortlisted candidates. The report of the State Security Agency (SSA) indicated that 17 of the shortlisted candidates did not have a criminal record but a matter was raised in relation to the shortlisted candidate, Ms N. Mbobu. The Committee then resolved as per the legal advice from CLSO to disclose the name of the relevant candidate in the meeting and to indicate what the SSA raised. Furthermore, the Committee resolved that in the event that the candidate ranked in the top ten candidates to be recommended to the President, more information would need to be sought from the candidate in order to make a determination. The Committee was cognisant of the provisions outlined in section 7(a)(i) and (ii) prohibited criteria. The Committee takes heed of the legal advice received by the CLSO.

2.4 Interview Guidelines and Process

The Committee adopted an interview guideline to ensure that the interview process is fair and within the ambit of the NCGBVF Act. The following interview guidelines were adopted and covered the following areas:

- Introduction by a candidate
- Awareness of position not being salaried
- Establish any conflict of interest and which sector the person represented
- Knowledge of the overarching legal and policy framework (NCGBVF Act, and Mandate).
- Sector knowledge (GBVF, NSP Pillars, positive masculinity, focus on boy child/disability/LGBTQIA+)
- Experience in addressing GBV
- Good governance principles

The Committee agreed on a 40-minute interview schedule, which allowed for at least six questions per candidate. In addition, any Member could ask follow-up questions, to seek further clarity from a candidate.

3. INTERVIEW PROCESS

The interview process commenced on 3rd February 2026 and was completed on 5th February 2026, with all interviews being conducted in Johannesburg. A total of eighteen interviews were conducted of which (15) were in-person interviews and 3 candidates were approved for a virtual interview session.

During the interviews, all candidates were assessed based on structured interview guidelines as indicated above, in order to ensure an interview process that is fair and within the ambit of the NCGBVF Act.

4. COMMITTEE RECOMMENDATIONS

The Portfolio Committee resolves that the following ten (10) candidates (in alphabetical order) should be recommended for appointment by the President, to serve as Board members of the NCGBVF, for a period not exceeding three years as per section 9(1)(a) of the Act:

- Dr Zubeda Dangor
- Ms Siyabonga Silas/Siya Seer Hlongwa
- Mr TWM Limema
- Dr Ramalepe Lebogang Mathibe
- Ms Tirisano Moremane
- Ms Keitumetse Fatimata Moutloatse
- Ms Anele Ndlovu
- Ms Vuyisiwe Nxumalo
- Ms Caroline Peters
- Mr Anele Siswana

The Committee deliberated and agreed to recommend the top 10 candidates based on their performance during the interviews, skills and experience, and demographic profile that is representative of the country.

The above list of candidates is representative of demographics and geographic spread of the Republic, as espoused in section 6 (5)(c) of the NCGBVF Act (No. 9 of 2024). The other issues considered by the Committee for its recommendations include gender parity, women and disabilities as well as representation from civil society and the private sector. A true reflection of the recommendation also finds expression in the imperatives of the Employment Equity Act (No. 55 of 1998), which are to promote equal opportunity and fair treatment in employment through the elimination of unfair discrimination and to implement affirmative action measures to redress the disadvantages in employment experienced by designated groups. People from designated groups are black people (Africans, Coloureds and Indians), women and persons with disabilities.

The candidates come from a wide range of fields of study and professional backgrounds such as law, finance, development planning, arts, HIV/AIDS, health, social work, psychology, theology and education.

4.1 Demographic Profile of the Recommended Candidates

The Committee considered the demographics of the country and has ensured that the recommended candidates are illustrative of this inclusivity. There is one candidate who is a person with a disability amongst the recommended candidates.

4.1.1 Gender

Table 1: Recommended candidates by gender

Gender	
Male	2
Female	7
Non-Binary	1
Grand Total	10

As per the Table above of the 10 candidates recommended, (7) females, (2) males and (1) trans woman.

4.1.2 Race and Gender

Table 2: Recommended candidates by race and gender.

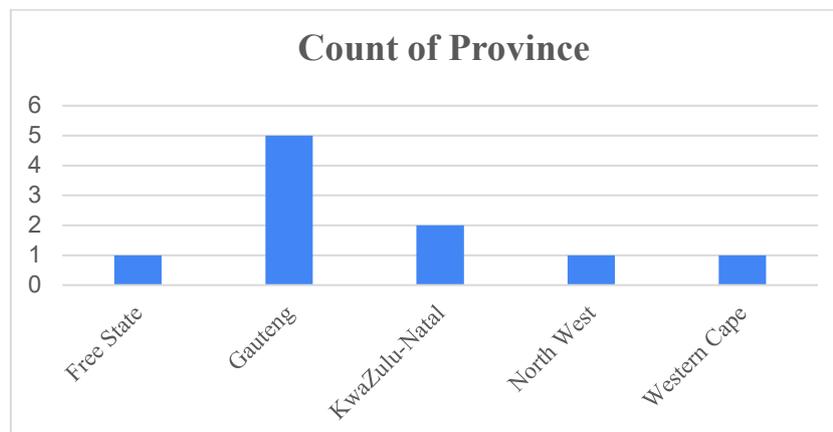
Gender	Race		Grand Total
	Black African	Coloured	
Male	2		2
Female	5	2	7
Non-Binary	1		1
Grand Total			10

Table 1 shows that there are 2 Black African Males, 5 Black African Females, 2 Coloured Females and 1 Black African Trans woman.

4.1.3 Province

Figure 3 below illustrates that the majority (n=5) of the candidates are from Gauteng Province, with 2 from KwaZulu-Natal, 1 candidate from the North West, 1 candidate from the Free State and 1 candidate from the Western Cape Province. Thus, five provinces are represented.

Figure 3: Recommended candidates by province.



4.1.4 Disability

One Black African male with a disability from the Free State has been recommended.

5. CONCLUSION

The Portfolio Committee has heeded to the call by the President to nominate suitable persons to be appointed to the country's first National Council on Gender-Based Violence and Femicide. Moreover, the Portfolio Committee would like to assure citizens that it has strived to comply with all sections of the NCGBVF Act in its recommendation of candidates for the appointment to serve on the NCGBVF Board.

The Committee is confident that all candidates recommended for the appointment have an understanding of the Council's mandate and are passionate about tackling the scourge of GBVF in the country. They are indeed representatives of civil society and the private sector with a wealth of experience, knowledge and skills. The Committee would also like to thank all candidates for making themselves available for the interviews. Further, the good work done by the support staff is acknowledged and commended.

Report to be considered.

**2. REPORT OF THE PORTFOLIO COMMITTEE ON AGRICULTURE
ON OVERSIGHT VISITS TO THE EASTERN CAPE PROVINCE FROM
27 TO 31 OCTOBER 2025 AND 27 TO 28 JANUARY 2026, DATED 27
FEBRUARY 2026**

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LIST OF ACRONYMS

BEE	- Black Economic Empowerment
CASP	- Comprehensive Agricultural Support Programme
CED	- Cooperative Enterprise Development
CEO	- Chief Executive Officer
CFO	- Chief Financial Officer
CGA	- Citrus Growers Association
CIPC	- Companies and Intellectual Property Commission
DALRRD	- Department of Agriculture, Land Reform and Rural Development
DEDEAT	- Department of Economic Development, Environmental Affairs and Tourism
DLRRD	- Department of Land Reform and Rural Development
DRDAR	- Department of Rural Development and Agrarian Reform
DRDLR	- Department of Rural Development and Land Reform
DWS	- Department of Water and Sanitation
FPSU	- Farmer Production Support Unit
ECDC	- Eastern Cape Development Corporation
ECM	- East Cape Macadamia Holdings (Pty) Ltd
EC DOA	- Eastern Cape Department of Agriculture
ECRDA	- Eastern Cape Rural Development Agency
HR	- Human Resources
IDC	- Industrial Development Corporation of South Africa Ltd
IYTC	- Imidushane Yaselwandle Traditional Council
LRAD	- Land Redistribution for Agricultural Development
MEC	- Member of the Executive Council
M&E	- Monitoring and Evaluation
NARYSEC	- National Rural Youth Service Corps
PLAS	- Proactive Land Acquisition Strategy
PPECB	- Perishable Products Export Control Board
PTO	- Permission to Occupy
RADP/RECAP	- Recapitalisation and Development Programme
REID	- Rural Enterprise and Industrial Development
SARS	- South African Revenue Services
SLA	- Service Level Agreement
SRCC	- Sundays River Citrus Company (Pty) Ltd
SRV	- Sundays River Valley
VIT	- Vulindlela Investment Trust

The Portfolio Committee on Agriculture, having conducted oversight visits to the Eastern Cape Province, from 27 to 31 October 2025 and 27 to 28 January 2026, reports as follows:

1. INTRODUCTION

In line with the mandate of the Committee, which includes undertaking provincial oversight visits to evaluate progress made in service delivery and to identify challenges encountered in the implementation of government programmes and projects. To give effect to its mandate, the Committee conducted an oversight visit to the Eastern Cape Province to engage with citrus farmers on the challenges they have raised with the Committee, to oversee the status of the green and brown field development citrus projects, to oversee the functioning of the Farmer Production Support Units (FPSUs) that are funded by the Department of Agriculture (hereinafter referred to as the Department) and to assess Government investment impact on Ncera Macadamia Farming business.

Citrus has huge potential in the Eastern Cape and is one of the commodities in which previously disadvantaged and emerging farmers have managed to gain access to export markets albeit under difficult and challenging circumstances. Some of the challenges include lack of infrastructure, access to finance, access to water, sanitary and phytosanitary measures, as well as concentration of the export value chain by a few players. Government has invested funds to develop and support some brown field and green field citrus projects to ensure participation of black farmers in the industry. The Committee visited some of these projects and engaged with emerging citrus farmers to better understand their challenges.

The oversight visit included some Farmer Production Support Units (FPSUs), which also play a role in the development of citrus and other farmers. The broad tasks of the FPSUs include primary collection of agricultural produce, storage, provision of processing and packing facilities for the local market, extension support and provision of mechanisation for farmers. FPSUs are meant to be rural development networks that are led by farmers or cooperatives with the aim to achieve the national goals of inclusive rural development and integration, employment creation, poverty eradication and reducing inequality.

The Committee also visited Ncera Macadamia Farming near East London. During the Committee's visit to Ncera Macadamia Farming in October 2025, it became apparent that various other important stakeholders including government departments that have been

involved and have invested funds in Ncera Macadamia Farming were not present and therefore, the Committee could not receive a balanced view and the required answers about the business that has since collapsed. The Committee resolved to hold another engagement with all stakeholders. The follow-up engagement took place in the Eastern Cape on 27 and 28 January 2026, and another engagement with one of the private partners took place on 10 February 2026.

1.1 Composition of the delegations

A multiparty delegation of Committee Members supported by different teams of Parliamentary Officials as reflected in Table 1 and Table 2 below, participated during the oversight visits.

Table 1: Committee delegation during the oversight visit in October 2025

Members of Parliament	Political Party	Support Officials	Designation
Ms DD Pule <i>(Chairperson/leader of the delegation)</i> Ms S Davids Ms NA Ndalane Mr S Sekoati*	African National Congress (ANC)	Ms A Kakaza	Committee Secretary
		Ms N Mgxashe	Content Advisor
		Ms N Qwabe	Committee Researcher
		Ms N Mrwerwe	Committee Assistant
Mr CFB Smit Mr WAS Aucamp	Democratic Alliance (DA)	Mr N Batala Ms P Qiqimana	Protection Services Officials
Mr ZE Mthethwa Mr BK Madlala	uMkhonto Wesizwe (MK)	Ms S Govender	Communication Officer
Ms L Arries	Economic Freedom Fighters (EFF)		
Mr R Cebekhulu	Inkatha Freedom Party (IFP)		
Mr TRAP Trollip	ActionSA		

The delegation was also accompanied throughout the visit by the Chairperson of the provincial Portfolio Committee on Agriculture and Rural Development, Dr DF Bese and Committee Coordinator, Mr S Mahobe. The relevant government officials from the National and Provincial Department of Agriculture, Project Managers and Extension personnel.

Table 2. Committee delegation during the follow-up engagement on Ncera Macadamia Farming in January 2026

Members of Parliament	Political Party	Support Officials	Designation
		Ms A Kakaza	Committee Secretary

Ms DD Pule <i>(Chairperson/leader of the delegation)</i> Ms S Davids Ms NA Ndalane Dr N Nkabane	African National Congress (ANC)	Ms N Mgxashe	Content Advisor
		Ms N Qwabe	Committee Researcher
		Ms N Mrwerwe	Committee Assistant
Mr CFB Smit	Democratic Alliance (DA)	Mr N Sisele Mr N Gcolothela	Protection Services Officials
Mr ZE Mthethwa Mr BK Madlala	uMkhonto Wesizwe (MK)	Mr S Mokoena	Communication Officer
Ms L Arries	Economic Freedom Fighters (EFF)		
Mr R Cebekhulu	Inkatha Freedom Party (IFP)		
Mr TRAP Trollip	ActionSA		

The follow-up engagement to engage with Ncera Macadamia Farming shareholders and other stakeholders took place at Bhisho Showgrounds. Present during the follow-up engagement were the Chairperson of the provincial Portfolio Committee on Agriculture and Rural Development, Dr DF Bese and Committee Coordinator Mr S Mahobe; the Provincial MEC for Agriculture, Ms Nonceba Kontsiwe; the Provincial MEC for Economic Development, Environmental Affairs and Tourism, Ms Nonkqubela Peters, relevant government officials from the National Departments of Agriculture and Land Reform and Rural Development; and Provincial Departments of Agriculture and Economic Development, Environmental Affairs and Tourism; Ncera Macadamia shareholders, i.e. private sector partners (Kula Macadamia and Amadlelo Agri), community shareholder (Vulindlela Investment Trust), Imidushane Yaselwandle Traditional Council and Ncera community members.

1.2 Structure of the report

This report presents an account of a five-day oversight visit conducted by the Portfolio Committee on Agriculture at Buffalo City Metropolitan Municipality, Amathole and Sarah Baartman District Municipalities in the Eastern Cape Province from the 27 – 31 October 2025, and engagements with shareholders and stakeholders involved in Ncera Macadamia Farming that took place on 27 – 28 January 2026 at Bhisho Showgrounds in Bhisho and a virtual engagement on 10 February 2026. It highlights the delegation's engagement with reports and brief introduction of project presentations made on site or during engagements and

observations made during project site visits where the delegation interacted with departmental chief directors, directors and the beneficiaries/farmers/shareholders.

Following the introduction, the report proceeds as follows:

- Section 2 outlines the Terms of Reference;
- Section 3 presents a summary of inputs by the beneficiaries, private partners, national and provincial Departments of Agriculture and observations from the project sites the delegation visited;
- Section 4 highlights reflections and observations of the Committee; and
- Section 5 concludes by proposing recommendations to the National Assembly for the attention of the relevant Executive Authorities (Ministers).

2. TERMS OF REFERENCE

Oversight activities of the Committee are based on Section 55(2) of the Constitution which provides that “The National Assembly must provide for mechanism - (a) to ensure that all executive organs of the state in the national sphere of government are accountable to it; and (b) to maintain oversight of - (i) the exercise of national executive authority, including the implementation of legislation; and (ii) any organ of state”. The Executive is obliged to account on its actions. Oversight visits thus constitute a myriad of mechanisms available to the Committee for exercising its constitutional mandate to hold the Executive accountable.

2.1 Specific objectives of the oversight visit

The oversight visit sought to –

- a) provide the Committee with an opportunity to engage with citrus farmers on the challenges they have raised to the Committee;
- b) visit citrus farms and packhouses;
- c) assess progress on the implementation and functioning of the Farmer Production Support Units (FPSUs) for the development of emerging farmers; and to
- d) assess the impact of Government investment at Ncera Macadamia Farming.

2.2 Committee approach and site visits

The Committee held an introductory briefing session with the Chairperson of the Provincial Portfolio Committee of Agriculture, National and Provincial Departments of Agriculture, National Department of Land Reform and Rural Development and visited Ncera Macadamia Farming, Farmer Production Support Units (FPSUs) and citrus farms, and interacted with recipients/beneficiaries. In its interactive approach, the Committee sought to understand what is happening at Ncera Macadamia Farming, challenges encountered by citrus farmers and to oversee the functionality of the FPSUs including the support provided by the Departments to the Ncera Macadamia Farming, FPSUs and citrus farmers in the Eastern Cape Province.

3. OVERVIEW OF REPORTS AND OBSERVATIONS FROM NCERA MACADAMIA FARMING, CITRUS FARMS AND FPSUS VISITED

This section summarises inputs from interactions with beneficiaries, national and provincial departments responses as well as delegation observations during project site visits.

3.1 Buffalo City Metropolitan Municipality

3.1.1 Ncera Macadamia Farming (Pty) Ltd

This subsection gives an overview of the Committee's interactions on Ncera Macadamia Farming, which include the first engagement at Ncera Macadamia Farming in October 2025 and subsequent engagements that took place in January and February 2026, as well as the 2025 Due Diligence Report commissioned by the ECRDA.

Ncera Macadamia Farming (Pty) Ltd is located in the Ncera area under Ward 31 of Buffalo City Metropolitan Municipality, on communal land that is under the authority of the Imidushane Yasekwandile Traditional Authority. It is a community based Broad-Based Black Economic Empowerment (B-BEE) macadamia farming enterprise, emanating from a partnership between the Ncera community under the administration of Imidushane Yasekwandile Traditional Authority and private partners. The business has since collapsed and was officially closed in October 2024.

3.1.1.1 Reports from Ncera Shareholders

East Cape Macadamia Holdings (Pty) Ltd (ECM)

East Cape Macadamia Holdings (Pty) Ltd (ECM) is a consortium that comprises of Amadlelo Agri, Kula Macadamia and TGK Farming. The 3 companies collectively hold 49% shareholding in Ncera Macadamia Farming (Pty) Ltd (NMF). The private partners, who proposed the commercial macadamia production on communal land, approached the Imidushane Traditional Authority with the idea. The Imidushane Yaselwandle Traditional Authority made available on an-80-year lease, 300 hectares (ha) of communal land for Ncera Macadamia Farming.

The Vulindlela Investment Trust (VIT), representing Ncera communities under the Imidushane Yaselwandle Traditional Authority owns 51% of NMF. The shareholders' agreement allowed 5 members from VIT and 4 members from ECM (2 Amadlelo Agri, 1 Kula and 1 TGK) to be part of the Board of Directors. VIT has representations from women, youth, farmers and Traditional Leaders. Government (or its officials), as funders, had an ex-officio status in the Ncera Board until 2016, when they stopped attending Board meetings.

In terms of the shareholders' agreement, VIT's role was to ensure land access, safety and security against vandalism by people and livestock, community human resources and goodwill. ECM was responsible for providing business management, training and skills transfer, technical input, fundraising, financial management and access to markets. All the immovable assets in NMF are owned by the Landlord and are used by NMF in terms of existing notarial registered lease agreements.

The feasibility study for Ncera Macadamia Farming commenced in May 2005 and was completed in December 2005, thereafter, construction for the five-star rated macadamia nursery commenced and was completed at the end of May 2006. The aim was for the enterprise to produce its own macadamia trees and further sell to the open market as a way of developing the macadamia industry in the Eastern Cape.

The private sector reportedly availed upfront funding of R10 million (cash and sweat equity) to cover initial planning, project preparation, feasibility studies, community consultations, mobilisation and organisation into the required entities, business planning and fundraising. Government was approached to fund the project based on the outcomes of the feasibility study and multi-year business plan as compiled by private sector, industry experts and Ncera stakeholders. Government funding to NMF is represented in Table 3 below.

Table 3. An account of investments to Ncera Macadamia Farming as reported by ECM Holdings*

Year	Amount	Funding	Purpose
2008 – 2016	R90 mil	DOA (CASP)	Plantation development, tree maintenance costs, infield infrastructure & mechanisation
2020 – 2023	R9.4 mil	EC DOA (ECRDA)	Save NMF during distress period
2011 – 2018	R6 mil	DEDEAT	Dehusking & drying facility
2016 – 2022	R74 mil	DRDLR	Bulk irrigation water infrastructure**
2022	R7.8 mil	DRDLR	Salaries & creditors
2019	R4 mil	Standard Bank	Loan for wages & salaries
2023/2024	R4.5 mil	ECDC	Salaries, wages, creditors & business rationalisation
TOTAL	R195.7 million		

*The total amount presented in Table 3 excludes R10 million worth of investment from the private partners (ECM) in cash and sweat equity.

**The R74 million for bulk irrigation infrastructure was directly administered by the Department of Land Reform and Rural Development (formerly DRDLR and DALRRD).

Commercial operations in Ncera started in 2008 with planting of 50 ha (Phase 1), which was subjected to several delays due to funding but was completed by March 2009. The first harvest for the 50 ha was realised in 2013, marked by a celebration which was attended by Government in May 2013. Phase 2 commenced in 2012 with plantings of 30 ha, another 30 ha in 2013, 40 ha in 2014 and a further 30 hectares in 2015/16, making the total planted with macadamia, 180 ha. The development of the remaining 120 ha was dependent on the installation of the bulk irrigation system, which was eventually completed in July 2022. By that time, the Committee learned during the visit, that the business was already struggling with cashflow challenges and on the verge of collapse.

During its operation, despite the oldest macadamia trees being 16 years old, the NMF could not break even for a variety of reasons. These include cashflow challenges due to erratic funding that compromised input supplies and operations; suboptimal irrigation water supply, where orchards received less than 10% of their required irrigation water from inception until July 2022; worst drought in decades (2015 – 2021) also compounded the lack of sufficient irrigation water; a militant workforce and frequent strikes due to unpaid wages as a result of the erratic funding, which led to almost annual disruptions in production and sub-optimal crop and orchard management; and the 2020 macadamia market crash that affected the industry at large. At inception, the business used boreholes for irrigating orchards, which were inadequate

while waiting for bulk water supply infrastructure that was anticipated to be completed and operational by 2016. The bulk water supply infrastructure was eventually completed in July 2022.

ECM reported that challenges at NMF peaked in 2020 as non-payment of wages resulted in a disruptive strike by workers. During the ensuing strikes that led to vandalism of farm infrastructure, 40 ha of the originally planted 180 ha were burned down and by the time the business collapsed, only 140 ha were operational.

ECM reported that all the funds that were paid directly into the NMF special project account had funding agreements with specific reporting mechanisms namely; creditor details, bank accounts paid to, proof of payments and production of financial reports for submission to the funders. These included independently audited financial statements, which were also shared with the funding partners until 2022. For 2023 and 2024, NMF could not produce audited statements and produced unaudited financial statements due to financial constraints and lack of credit worthiness with creditors as a result of poor payment record.

TGK Farming, which still has 12% shareholding out of the private partners' 49% in the collapsed NMF, withdrew from the business and resigned from the Board of Directors in 2019. ECM reported that the resignation of TGK representative' and its withdrawal from NMF operations followed a disciplinary action by the Board as Mr Grant Simpson acted outside his mandatory responsibility. This was regarding the Standard Bank Corporate Social Investment grant of R4 million that was ringfenced for salaries and wages and only Mr Jongolo, the Chairperson of the NMF Board, was authorised to sign for the release of the funds. ECM reported that Mr Simpson used his proximity to Standard Bank management and authorised the release of the funds to pay for production inputs without discussions with the Chair of the Board. This placed the company in breach of the Standard Bank–signed agreement as he had no authority to sign for the release of the funds and the funds were specifically ring-fenced for the payment of wages and salaries in terms of the agreement. In response, he opted to resign and withdraw from the activities of NMF.

ECM reported that TGK Farming played a key role in skills transfer, capacity building for the work force and had an intimate relationship with the workers by virtue of their close working arrangement. Their abrupt departure demotivated the workers and had a negative impact on the confidence levels of the workforce they trained and the community at large. TGK's refusal to

explain their abrupt departure to the community also complicated matters and created a perception that they were fired from the company, which burdened the company and its stakeholders. As a result, problems that ensued afterwards were always perceived to have been as a result of the departure of TGK Directors, a situation that was made worse by the resignation of one of the Acting managers from the community, who worked closely with TGK.

To address the absence of macadamia technical expertise following the departure of TGK Farming, the company resolved to appoint Mr Richard Hurly, a macadamia specialist, on a limited time basis (consultant) to complement the Acting manager from the community who subsequently resigned. Mr Hurly is among the top five macadamia specialists in the country with a solid track record in macadamia farming. However, the business could not recover from the combination of challenges and events since 2020 and was dependent on government grants that arrived late or did not arrive at all. It stopped operations in May 2024 and officially closed doors in October 2024. The company Directors and Shareholders have engaged with the 2025 Due Diligence Report and resolved through a signed resolution to accept the Report and its implementation.

When reporting to the Committee, **TGK Farming** reported that it left NMF to focus on the family business. It joined NMF after being approached by Amadlelo Agri for involvement in NMF due to its technical expertise as it is involved in the macadamia industry, the industry's potential for exports and employment creation. TGK was later introduced to Imidushane Traditional Authority by Kula Macadamia in 2004. It reported that it was responsible for technical skills transfer through training and empowerment, by 2018, the community members that were part of NMF were competent enough and managing the farm effectively. It reported that on its departure in 2019, NMF was relatively operational despite the challenge with lack of water, which was still unresolved then. TGK highlighted that the business was always struggling to break even in terms of revenue as it was constrained by unavailability of water and erratic or lack of funding. As much as the quality of the nuts was very good, the yields were low due to unavailability of water. The challenges were exacerbated by the extended drought that affected the region and the macadamia market crash from 2020 to 2022, which resulted in some commercial farms being lost.

Imidushane Yaselwandle Traditional Council

The Vulindlela Investment Trust (VIT) was set up in 2004 as a community Trust to safeguard the interests of the community and the Traditional Leadership of Imidushane Yaselwandle through its Traditional Council, and to represent the community in all economic development initiatives. The Trust comprises of 1 representative from Imidushane Yaselwandle Traditional Council (IYTC) and 1 representative from each village except for village 1, which has 2 representatives as Ncera Macadamia Farming (NMF) is located on its land. As the 51% shareholder of Ncera Macadamia Farming (NMF), the Trust is reportedly represented by 6 members in the Board of Directors. It was initially represented by 3 VIT members and 1 representative from IYTC member. From 2016, these members were joined by 1 member each from Ncera Associations representing women, youth and farmers. As the host village of NMF, village 1 makes up 60% of the NMF workforce.

The Trust was funded by NMF for its operations, and the term of service for Trustees is five years. As VIT was funded by Ncera Macadamia Farming (NMF), when NMF struggled financially, the support to VIT and its functionality was affected. Community members that were part of the Board used to get stipends to attend meetings and do other Board-related work. However, when NMF struggled financially, VIT Board members could not attend Board meetings and stopped participating altogether. The last term of the Trustees ended in 2021, and the community has not appointed new representatives for the Trust since then. Out of 9 villages, only 2 villages submitted names of people to be part of the Trust. The remaining members of the Board are the representative of IYTC and 3 members from Ncera associations as VIT is now defunct.

A former Trustee from IYTC, who was also a member of the NMF Board reported that during his term, community Board members were not trained or capacitated for Board responsibilities. As a result of capacity challenges regarding governance matters including conflict with the community he was representing, he subsequently resigned from the Board. It was reported that only the first Board of Directors of NMF received training, the Trustees that joined the Board in 2016 were not trained. It was reported that VIT also lacked communication skills to ensure that members of the community in all 9 villages have correct information and understand what is happening with NMF. Misinformation among community members and comments on social media did not assist NMF when private partners were trying to source funds.

Despite these challenges, the Council highlighted the benefits that the community gained from NMF while it was still operational. These include:

- Entrepreneurship opportunities as service providers for Fencing, Tractors contracted to NMF, catering and grass cutting.
- 120 permanent workers and additional part-time workers during harvesting season.
- 12 industrial machines bought for Women' Association.
- Soccer and rugby kits bought for local teams.
- Launch of Ncera Macadamia Farming Festival in 2016 – promoted local artists, caterers, arts and crafts.
- Launch of Macadamia Skills Academy in 2016 – trained approximately 800 community members through learnership.

The IYTC highlighted that as much as the Ncera community members are beneficiaries of NMF, there is lack of accountability and appreciation of the fact that the community owns the infrastructure, not NMF. They reported that this is evidenced by the vandalism and destruction of property that took place despite information sessions and shareholders' meetings that were held annually. It also highlighted lack of knowledge of labour laws as during protests, management that is part of the community and the security personnel (nominated from villages) formed part of the strike.

Imidushane Traditional Authority acknowledged the weaknesses in the NMF model including some of the self-inflicted challenges the business experienced. However, because of the visible economic contribution NMF made to the community while it was still operational, and the struggles the community currently face, it appealed for the revival of the business, taking into account the challenges and weaknesses that have been raised. It emphasised taking a closer look at employment processes and appointments to the Board; and supported the idea of an external management company to run the business.

Ncera Community members

The community members who were part of the different engagements reported that they were never made to understand or were involved in the running of the Ncera Macadamia Farming (NMF) other than being employees while the private consortium members were Directors. They complained about lack of transparency and consistent reporting from the Directors including VIT that represents them. Serious governance weaknesses and failures were highlighted including reports that the business did not have an appointed Chief Executive Officer (CEO), Chief Financial Officer (CFO) and a Human Resources (HR) department. They

further mentioned that the community Board members were not appointed but nominated and were never trained.

One of the community members reported that the first protests in NMF started in 2009 after the workers were not paid wages for about 4 months, and non-payment of wages happened again in 2021/22. They emphasised that there was no transparency and discussions with the community about what was happening. The community members reported that they hardly saw the private partners, who, along with the provincial Department of Agriculture, refused to meet with the community but only the Traditional Authority. They highlighted the struggles they face as a community due to unemployment since Ncera Macadamia Farming closed down.

3.1.1.2 Report of Government Departments/Entities

Eastern Cape MEC for Agriculture

The Provincial MEC for Agriculture, Ms Nonceba Kontsiwe highlighted Government plans to revive agriculture in the Province. With lack of water being one of the challenges that contributed to the failure of NMF, the MEC reported that revitalisation of irrigation schemes in the Province is one of the key interventions. The revitalisation of Ncera Macadamia Farming aligns with the goal of ensuring that arable land in the Province contributes to economic activity, food security and employment creation; and the Province is committed to ensuring that Ncera succeeds. However, the success should depend not only on funding, but also on discipline, transparency and accountability. Ncera Macadamia Farming presents an opportunity to create wealth and employment opportunities for the rural communities of the 9 villages in Ncera. The Provincial Department has handed Ncera Macadamia Farming to its implementing entity/agency, ECRDA, which has done due diligence on the business and is processing the Due Diligence Report to ensure good governance and accountability; and to assess the possibility of resuscitating the business.

Eastern Cape MEC for Economic Development, Environmental Affairs and Tourism

The Provincial MEC for Economic Development, Environmental Affairs and Tourism, Ms Nonkqubela Peters highlighted the need to restructure the shareholding proportion without tempering with the 51% that is owned by the community. She mentioned that NMF needs to be run like a proper business by ensuring that people with the relevant requisite skills are

appointed and remunerated accordingly. She flagged the need for extensive education and capacity building of community members to ensure that the community understands that it partly owns the business and is therefore responsible for its success and must take responsibility when it fails. The MEC emphasised undertaking a comprehensive risk assessment before the business is revived.

Joint report of the National DOA, EC DOA and ECRDA

There were serious anomalies between the information that was submitted to Parliament by the National Department of Agriculture as a project profile, and information that was presented on-site by the provincial officials and partners. The initial report submitted to the Portfolio Committee by the Department gave an indication of an operational business that is making profit from 180 ha that was under production by 2014, which was in total contrast to the report from the private partners in respect of planting, operations and the subsequent vandalism that took place in the business. The Committee learned of the business collapse and its subsequent closure in May 2024, during the visit to Ncera in October 2025. It also witnessed first-hand the aftermath of the vandalism that took place and neglected orchards.

There were also anomalies on the information that the Departments presented during the engagements in Bhisho on 28 January 2026 and information presented by ECM, the Ncera Macadamia Farming (NMF) private partners. Despite investing extensively in NMF, which is a private enterprise, the departments could not provide satisfactory responses to questions from the Committee delegation. They seemed to be as much in the dark about their investments in NMF as the Committee despite ECM reporting that reports were submitted to Departments as agreed. These included audited financial statements that were submitted to Departments until 2022, after which cashflow constraints at NMF prevented independent auditing of financial statements.

Departments, as funders, were ex-officio members of the Board of NMF, and the provincial Department and the ECRDA were reportedly attending Board meetings until 2017/18 and reported that they “exited” the business by 2018/19 when they were no longer receiving invitations to Board meetings. However, ECM reported that Departments stopped attending Board meetings in 2016. If Departments were attending NMF Board meetings but were not aware of shortcomings, then that could mean that they do not have the capacity to monitor and evaluate Government investment for community development. Despite their ex-officio status

on the Board, the Departments admitted not having evidence of the actual investment by the private partners into NMF.

In terms of job creation that has been flagged as one of the benefits to the Ncera community, the Departments presented projections instead of the actual number of jobs that were created. In the same presentation, 176 was cited as the number of jobs that were created during the peak of the business while IYTC placed the number of permanent jobs at 120 and ECM at 114. ECM reported that by 2020/21, following vandalism of property including 40 ha of orchards, the number was 73 due to retrenchments. While the Departments' projections were way above the actual jobs created, they did not differentiate between permanent and part-time jobs.

The report of investments into NMF was also contrary to what was presented by ECM as illustrated on Table 3 on page 9. Table 4 below illustrates funds that were invested into NMF as reported by the Departments. There are variations across funders including the total investment into the business, with the Departments reporting R182.5 million (Table 4) including private partner investments while ECM reported R195.7 million (Table 3) excluding their investment. There are also anomalies in the two tables on funds invested by DEDEAT and ECDC, which is the provincial entity of DEDEAT, as well as funds invested by the Department of Land Reform and Rural Development (DLRRD), formerly DRDLR and part of the former DALRRD for the bulk water supply infrastructure.

Table 4. An account of investments to Ncera as reported by DOA, EC DOA and ECRDA

Year	Amount	Funder	Purpose
2005 - 2008	R2.8 mil	Amadlelo Agri	Nursery construction & tree propagation.
	R1.4 mil	Kula	Community mobilisation & facilitation.
	R1.9 mil	TGK Trust	Feasibility study.
	R1.0 mil	DOA (CASP)	Nursery construction & tree propagation.
	R1.0 mil	ECDC	Nursery construction & tree propagation.
2008 - 2009	R5.0 mil	DOA (CASP)	Orchard establishment (phase 1)
2009 - 2010	R1.4 mil	DOA (CASP)	Orchard establishment (phase 1)
2010 - 2011	R6.3 mil	DOA (CASP)	Orchard establishment
2011 – 2012	R5.7 mil	DRDAR (CASP)	Orchard establishment
2012 - 2013	R11.0 mil	DRDAR (CASP)	Orchard establishment
	R2.0 mil	DEDEAT	Orchard establishment
2013 - 2014	R8.5 mil	DRDAR (CASP)	Orchard establishment

2014 - 2015	R7.5 mil R1.2 mil	DRDAR (CASP) DEDEAT	Orchard establishment Dehusking & drying equipment
2015 - 2016	R7.0 mil R24.3 mil	DRDAR (CASP) DRDLR	Orchard establishment Pipeline construction – Bulk water supply
2016 - 2017	R11.7 mil R20.6 mil	DRDAR (CASP) DRDLR	Orchard establishment Pump station construction – Bulk water supply
2017 - 2018	R5.3 mil	DRDAR (CASP)	Orchard establishment
2019/20	R3 mil	Standard Bank loan	Operating capital
2021/22	R8.7 mil R41.8 mil	DALRRD (EDTM) DALRRD	Operating capital. Bulk water supply – completion of pump station, reservoir, water pipeline and access roads
2022/23	R3.4 mil	ECRDA loan	Operating capital – <i>never repaid</i>
TOTAL	R182.5 million		

Despite the National DOA reporting that it only invested funds on NMF as the Comprehensive Agricultural Support Programme (CASP) through the Provincial Department, DALRRD, which is the former Department of Agriculture, Land Reform and Rural Development, invested R8.7 million in 2021/22 through EDTM (Table 4), an amount that is not accounted for in Table 3. EDTM is the Economic Development, Trade and Marketing Programme of the national Department of Agriculture.

Report of the Department of Land Reform and Rural Development (DLRRD)

The DLRRD reported that it was approached by the Provincial DOA, then called DRDAR, in 2015, requesting funding investment for bulk water supply infrastructure and in-field irrigation. DLRRD commenced investment into NMF irrigation infrastructure in 2015 (the Department at the time was called DRDLR) through the Rural Infrastructure Development Programme and the project was finalised in 2022 (the Department then was part of the former DALRRD).

The DLRRD attributed the six-year delay in constructing the bulk water supply infrastructure that was questioned by the Committee, to delays experienced due to non-performance by the initial contractor on Phase 2 of the bulk water supply infrastructure construction. This resulted in the termination of the contract in December 2018 and commencement of a process of re-advertisement and appointment of a new contractor. It reported that Covid-19 restrictions adversely impacted the procurement process for securing a new contractor and the appointment

was finalised in January 2021. This is notwithstanding that Covid-19 restrictions were introduced in March 2020, more than 12 months after the termination of the contract.

The appointed contractor completed the Irrigation and Pump Station infrastructure project as per specifications in July 2022 and the project was handed over to NMF in August 2022. Despite the infrastructure completion, the delay in water provision compounded by other challenges that have been already mentioned, had already adversely impacted the operations of the enterprise and NMF could not honour its financial obligations including electricity that was eventually disconnected by Eskom, which further impacted its credit status.

The DLRRD reported that it invested approximately R95.3 million in total to support NMF. It also mentioned construction of an access road but there is no proper road to Ncera Macadamia Farming. The total amount is also in contrast to the reported amounts from the joint report of the national and provincial DOA that estimated the costs for the bulk water supply infrastructure at R86.7 million, which is concerning given that the DLRRD was merged with Agriculture as DALRRD from 2019 to 2024. The ECM that reported on NMF, estimated the costs at R74 million, however, it admitted that it was not responsible for the funds for bulk water supply infrastructure as such were administered by the funding department.

Report of the Provincial Department of Economic Development, Environmental Affairs and Tourism (DEDEAT)

DEDEAT has a Local Rural Economic Development (LRED) Fund for SMMEs that cannot get funding from commercial banks. It reported that ECDC, the entity of DEDEAT, funded NMF since 2017 with R6 million Agri-blended finance that comprised of R2.6 million as a loan and R4.4 million as a grant. NMF had not repaid the loan component and by the end of 2025, it owed ECDC R4.16 million, which includes interest. The DEDEAT did not report on or give an account of other funds that were attributed to it in Tables 3 and 4. In its assessment of NMF, the DEDEAT flagged that human resource costs and management fees in particular were quite high and were higher than operational costs, and there is a need to restructure finances. It further recited some of the issues that have been highlighted in the 2025 Due Diligence Report including lack of a functional governance structure, hence lack of consequence management. DEDEAT is of the view that a comprehensive diagnostic assessment of NMF is required to identify root causes of the business collapse and validate the turnaround strategy before any re-funding is considered.

3.1.1.3 Issues from the 2025 Due Diligence Report commissioned by ECRDA

The Due Diligence Report was completed in September 2025 and below is some of the issues that it raised that the Departments and entities including stakeholders that were involved in Ncera Macadamia Farming have not addressed during the visit and engagements:

- As of June 2025, Ncera Macadamia Farming (NMF) had a total debt of approximately R20.8 million, a figure which is possibly more due to interest on arrears.
- While Departments spoke as if there is infrastructure at Ncera, infrastructure (administration office, dehusking and drying facility, electricity kiosk for the pump station) had been destroyed through vandalism by the same community that partly owns the business. Infrastructure theft and vandalism was reportedly continuing as there is no security.
- While the irrigation system was eventually installed in 2022 and has since been vandalised, there were operational challenges with the system that needs to be rectified with the original service provider.
- Vulindlela Investment Trust (VIT), which is a major shareholder (51%) does not have the required financial capacity to invest in the business.
- Social dynamics and conflicts among the 9 villages that are represented through VIT are a risk that needs to be addressed.
- Lack of technical capacity in the business; and reliance on consultants for technical expertise and on government funding is not sustainable.
- Lack of capacity and commitment to the business – none of the shareholders have the capacity and level of capital commitment required for an operation like NMF, otherwise they would have salvaged the company before it got to the point it is in.

The *observations at Ncera Macadamia Farming can be summarised* as follows:

- Misleading of Parliament as the initial project profile that was submitted to the Portfolio Committee did not report about the status quo at Ncera Macadamia Farming (NMF) but provided misleading information that was refuted by community members. The business was already struggling in 2020 and by 2022, the project had failed with water and electricity disconnection that was not reported by departments including extensive vandalisation of fixed infrastructure (buildings, irrigation system), fencing, implements and orchards.

- Lack of accountability by the Ncera community, which is a majority shareholder in the business but did not take responsibility to prevent or stop vandalism of business infrastructure and orchards including the new irrigation system that held back business operations for six years.
- Poor and irregular planning around the expansion without reliable water provision and a water use licence. As a consequence, irrigation installation was delayed by six years and the original cost of irrigation installation and final costs ballooned uncontrollably.
- NMF business relied on government grants despite being a private sector initiative and the provision of such grants in silos allowed misuse. It failed due to milestone and financial management deadlines not being met.
- Due to lack of intergovernmental relations, it is very difficult to ascertain how much money has been spent at NMF as State departments operated and reported in silos, with serious anomalies in the reported funding amounts that have been invested in NMF.
- State departments and entities failed to ensure that the community they support through their investments is properly capacitated to fully understand shareholding requirements, responsibilities, business operations and is able to participate in the business as partners rather than employees.
- Inadequate social facilitation and proper communication to ensure that all community members are on the same page regarding shareholding in the business and its value to the community.
- Poor cooperation and collaboration between shareholders, i.e. VIT and ECM.
- Lack of monitoring and evaluation (M&E) as well as consequence management by government to safeguard its investment in the business.
- Lack of accountability for the collapse of the business as there is uncertainty on whether the state departments that funded the business and all shareholders effectively fulfilled their roles as stipulated in the funding contracts and shareholders agreement.
- There was no assurance from shareholders that the business can be revived without government intervention. Despite NMF being a private business, the private partners expect government to intervene in the community conflict.
- Lack of a time frame for the consideration of the September 2025 Due Diligence Report by the ECRDA.

- A matter of grave concern is that the State partnered with the same private partners, ECM, in another community-based failed macadamia business, Amajingqi Macadama Farming in Willowvale, which also had similar red flags.

3.2 Amathole District Municipality

3.2.1 Zanyokwe Farmer Production Support Unit (FPSU): Amahlathi Local Municipality

The Zanyokwe FPSU forms part of the Zanyokwe Irrigation Scheme that was established in 1984 by the former Ciskei government. At present, the Scheme consists of 412 hectares (ha) of irrigation for which it has water rights, in a series of blocks running from below Keiskammahoek to close to the R63 at Middeldrift. Approximately 180 ha are used by farmers within a cooperative structure, with substantial financial support from the Government in the form of grants. Water is supplied by the Amathole Water Board, under pressure, at no cost.

The land is owned by title deed or occupied by Permission To Occupy (PTO) by members of local villages that have each formed primary cooperatives. Each cooperative has its own operational plan and can raise funds independently. The cooperatives are in turn, members of a secondary cooperative, which is not involved in production, but supports and coordinates the activities of the producer cooperatives, as well as providing technical support to farmers and financial and project management. The former Department of Agriculture, Land Reform and Rural Development (DALRRD) and the Eastern Cape Provincial Department of Agriculture decided to assist the farmers with the development of the FPSU and have assisted with infrastructure (irrigation, packing shed, cooler room), implements (potato washer, truck, other implements and repair of tractors) and production inputs.

The Zanyokwe FPSU is registered as a private legal entity that is 100% owned by farmers with 0% shares to the Directors. Currently, there are seven primary cooperatives (coops) that fall under Zanyokwe FPSU and one of the coops belongs to youth that graduated from the National Rural Youth Service Corps (NARYSEC). The FPSU has a 7-member Board and 4 of the members are women. Dr Litha Matiwane is the Chairperson of the FPSU and Mr Thulani Magida of AgriTech, who is also a Board Member, is the Treasurer of the FPSU. AgriTech is leasing land from the area to grow potatoes. Zanyokwe FPSU staff compliment consist of a Farmer Production Support Manager, 4 Security guards, 3 Tractor operators, 1 Truck driver

and 1 Extension Officer, Mr Mpengesi, placed by the Provincial Department of Agriculture to act as a Project Manager and provides technical advice to the farmers.

The secondary cooperative is funded by both the Provincial and National Departments and also earns revenue from fees levied on the primary cooperatives and the hire of equipment to farmers. The secondary cooperative is well equipped for packaging and transporting the produce to formal markets (retailers) in and around the District Municipality and as far as Lesotho. Through the scheme, farmers have bought 2 trucks, a 4-ton truck that is operational and an 8-ton truck that currently needs repairs. Farmers form the Scheme pay for electricity in the FPSU and equipment repairs. The Scheme has a strong relationship with Fort Cox College of Agriculture, with which it has a Service Level Agreement (SLA) and Dohne Agricultural Research Station. Both institutions provide training for farmers.

The farmers mostly grow vegetables, maize and fodder (lucerne). They indicated that they used to have a lessee who grew chillies but left due to weather challenges. There is interest in bringing back chillies as they are labour-intensive. The main challenges highlighted by Zanyokwe farmers was dilapidated irrigation scheme infrastructure, which dates back to 1984 and needs refurbishment or replacement, land tenure security as some farmers do not have title deeds, poor condition of the gravel access road, access to finance for expansion. Beneficiaries indicated that there is 350 ha of land that is unused and full of thorn trees that they would like to develop for citrus.

They indicated that they have engaged the Minister of Land Reform and Rural Development on land tenure security and title deeds. The FPSU has developed a 5-year Strategic Plan and is building a relationship with Amahlathi Local Municipality while it has a relationship with ECRDA, which assisted farmers with loans. It is working on the SA Gap Certification and has engaged the Land Bank for Blended Finance Scheme.

The *observations for Zanyokwe FPSU can be summarised* as follows:

- Despite State expenditure on infrastructure (offices, workshops and storerooms) there were little or no signs of meaningful outputs and outcomes.
- Uncertainty about management capacity and staff expertise to run the FPSU including impact of support from extension services.
- The area has potential, and the cooperatives need support to access the underdeveloped 350 ha that is not under irrigation.

- Land tenure insecurity and lack of title deeds negatively impact sustainability of some of the farming operations.
- Aged irrigation infrastructure and poor condition of the access road limit the production potential of the cooperatives and access to markets.

3.2.2 The Upper Kat River Citrus Farmers: Raymond Mhlaba Local Municipality

3.2.2.1 Gonzana Citrus Farm

The Committee delegation met with the citrus farmers at Gonzana Citrus Farm, which belongs to Chief Siseko Maqoma. The citrus farmers in the area started in 1988 at the time of the former Ciskei government but most still do not have title deeds. Chief Maqoma started at Gonzana Farm, which belonged to his parents, in 1995 with 22 ha under production (navel oranges). The farm now has 42 ha under production, and the aim is to get to 80 ha. Water rights are a challenge for expansion and Chief Maqoma is engaging with the Department of Water and Sanitation (DWS) to get a water licence for additional hectares. The farm employs 14 permanent workers and approximately 80 temporary workers in season. After 30 years of operations, Chief Maqoma still does not have a title deed, and the farm is still registered under government.

Out of 21 farmers, only 10 received title deeds and farmers have been signing deeds of transfers over the years to no avail. In 2021/22, farmers again signed deeds of transfers and even paid conveyancers' fees but are still waiting for title deeds. Some of the title deeds are held by the Industrial Development Corporation (IDC) as farmers owe it. Farmers in the area experienced various challenges and were left by a strategic partner who was supposed to assist them heavily indebted. Some of the debt was eventually written-off for some of the farmers, which created further challenges with the South African Revenue Services (SARS), which considered the written-off debt as profit and taxed the farmers heavily. The 2021/22 financial year was the worst season for citrus exports as fruit had to be dumped at sea due to lack of market access.

The farmers work closely with the Provincial Department of Agriculture, which provides support through the Comprehensive Agricultural Support Programme (CASP) for start-up farms. The farmers have a good working relationship with the Eastern Cape Provincial Department of Agriculture and the ECDC and appreciate the assistance they receive from

the provincial Department of Agriculture. However, funding is not well coordinated and usually arrives very late considering that timing is everything in agriculture. As a result, farmers have to rely on suppliers and marketing agents, which is not ideal. Farmers understand that Department funding is limited, and they want a revolving credit account to assist with production costs as banks deemed them not bankable. They would want the area to be a citrus belt as citrus is labour-intensive and can easily address high unemployment in the area.

East Asian countries provides better prices for citrus farmers from the area. However, their disadvantage is that their fruit is scattered and is not exported under one channel. Although not all of them agreed, the Chairperson of the farmers highlighted the need for their own packhouse due to high costs of packing, which is 40% of profit. Farmers pleaded for assistance with packing costs. The Eastern Cape Development Corporation (ECDC) has requested the Citrus Growers Association (CGA) to do a feasibility study for a packhouse in the area. Farmers also highlighted the poor condition of the roads, which are not suitable for transporting fruit to the market. The farmers have a good working relationship with the Eastern Cape Provincial Department of Agriculture and the ECDC.

The *observations from the engagement at Gonzana Citrus Farm can be summarised as follows:*

- The resilience of farmers in the area was commended; however, lack of tenure security undermines growth. Lack of assistance by the Department of Land Reform and Rural Development in finalising the issuing of title deeds to relevant farmers may derail the gains that have been made.
- Gonzana is one of the few financially sustainable and viable farms in the Upper Kat River.
- Access to water rights is a general challenge that limits expansion and poor road infrastructure impacts transportation of citrus to the market.
- The reported high cost of packing and provision of marketing channels require an intervention from the National Department.
- Government policies are not aligned with farming operations as assistance often reaches farmers late.
- Beneficiaries are almost entirely dependent on grant funding; and lack of access to finance and inadequate funding constrains growth and independence.

3.2.2.2 Krila Citrus Farm

The Krila Citrus Farm is operated by Mr S Skotile. It used to belong to his father through Ulimocor, a cooperative of the former Ciskei government that used to run the farms on behalf of government. He received assistance from the Provincial Department of Agriculture through CASP for infrastructure including fencing. Out of the 27 ha planted with citrus, 17 ha were damaged by frost. The farm is not operational, and citrus trees are dying as there is no electricity to irrigate due to costs and theft of transformers. The CGA has recommended putting up nets to cover the trees. Insurance for crop damage (frost/hail) pays only if the damage is 30% and above.

The Provincial Department of Agriculture is dedicating R10 million per year, which is managed by the ECRDA, for revolving credit. Krila Farm is one of the farms getting grant assistance from ECRDA. The Director from the National Department of Agriculture highlighted that the Cooperative Enterprise Development sub-programme that has been transferred from Rural Development to Agriculture, is not fully operational under Agriculture as the National Department of Agriculture does not have offices in provinces.

Observations from Krila Farm can be summarised as follows:

- The establishment of the farm was poorly conceived and conceptualised due to large parts of the farm being prone to heavy frost. As new trees have been wiped out by frost, the farm requires establishment of frost-resistant varieties.
- Lack of support by government to address challenges regarding the high cost of electricity. There is a need to consider the Agro-energy Fund to assist farmers.
- The Departments of Agriculture and Land Reform and Rural Development should relook at the placement of the Cooperative Enterprise Development function.
- A proper due diligence should be done on the farm before investing more funds.
- Lack of proper training and monitoring of funds provided to farmers.
- Inadequate insurance that is not customised to farmers' needs.

3.2.2.3 Lovers Retreat Farm

Lovers Retreat Farm belonged to Mr N Yeko, who started farming with livestock and vegetables in 1987. After his passing, his wife, Mrs Yeko and their children continued farming. The Provincial Department of Agriculture assisted with infrastructure and setting up citrus on

15 ha. The main challenges reported by the family were electricity costs (unable to irrigate), theft of transformers and cables, non-realised export revenue due to lack of transparency in the privately-owned packhouse that packs their fruit, and the small area under production (15 ha).

Observations at Lovers Retreat Farm can be summarised as follows:

- Farmers were ill-advised by the Department, which suggested putting citrus on 15 ha when the minimum area to break even is at least 50 ha. This renders the operations unsustainable.
- Lack of clear government plans to address the high cost of electricity for farmers.
- Inadequate technical support to enhance productivity, lack of support to capacitate farmers on markets and to ensure transparency by the packhouses that packs their fruit for exports.
- The need to relook at the impact of using long-term area averages for determining client suitability by finance institutions.

3.2.2.4 Greenwood Citrus Farm

Greenwood Farm is owned by Ms Noluthando Mbilase. It is 62 ha in extent, and 38 ha are under citrus production. Her electricity was cut-off by Eskom as she was unable to pay. She received assistance from ECRDA and paid the account. However, Eskom expects her to re-apply as power was totally cut-off. She cannot irrigate as she has no electricity and therefore, the farm was not operational during the visit. As a female farmer, Ms Mbilase was also worried about her safety in the absence of electricity. She highlighted the high costs of packing and electricity and theft of transformers. She reported a need for a forensic investigation into the Eden Agri Packhouse as 90% of the farmers that packs with them do not make profit but owe the packhouse.

Observations from Greenwood Farm can be summarised as follows

- While the owner is the former Female Farmer of the Year and had received significant funding support, there are still challenges to meet electricity commitments to ensure the farm is sustainable.

3.2.2.5 Top Kat Farm

The Top Kat Farm belonged to Mrs Metula who ran the farm with her late husband; and at some stage she won the Female Farmer of the Year Award. She was forced to leave the farm due to a community unrest that unfolded soon after her husband's passing. The farm is currently not operational and is being claimed by Mr Lulamile Solwandle on behalf of the community, who are renaming it to Joe Modise Farm. Mr Solwandle indicated that farmers have been promised land and support since 2019 and have been annually clearing thorn trees on the farm hoping to receive government assistance to start citrus.

In response, the Provincial Department of Agriculture indicated that there is a challenge with land tenure security as the Farm is registered under the former farmer, Mrs Metula (Top Kat). Due process needs to be followed to transfer the farm to Joe Modise Cooperative. The Department cannot provide grant support when there is uncertainty on tenure security. The Director, Mr Mngqangu will review the documentation to address the issue of tenure at Top Kat/ Joe Modise farm while looking at reasons for Mrs Metula abandoning the farm.

Observations at Top Kat/ Joe Modise farm can be summarised as follows:

- The delegation observed that the Department responsible for Land Reform did not address challenges and land conflicts in the area.
- Mrs Metula was forcefully evicted through gender-based violence and victimisation as a widow. Following years of not farming after leaving Top Kat, she was subsequently given access to Sandkloof Farm that the Committee also visited; and is clearly not sustainable and appears to have been acquired way beyond its true market value.

3.2.3 Ngqushwa Local Municipality

3.2.3.1 Naudeshoek Farm

The Naudeshoek Farm, which is 106 ha in extent, belongs to Mr Khayaletu Mpahla. He leased the farm since 1992, started with 6 ha and extended it to 80 ha. In 2007, he was promised a title deed for the farm through the Land Redistribution for Agricultural Development (LRAD) programme, however, to this day, he has not received the title deed. He highlighted that farmer support and after-care for farmers was better pre-1994 in the former Ciskei. For 13 years, the citrus farmers have been under a painful situation with a strategic partner who used black farmers for his benefit and got them into debt. Farmers got out of the situation in 2020 through the intervention of the Provincial Department of Agriculture.

Mr Mpahla indicated that he received assistance through LRAD and Recapitalisation and Development Programme (Recap) and through this assistance, he has all the necessary machinery, but other citrus growers do not. He indicated that he has 24 permanent employees and 150 seasonal labourers; and needs approximately R10 million per year to run the farm. He works with his daughter, who is the Assistant Manager. Mr Mpahla highlighted the market crisis of 2021/22 that killed most citrus growers; and indicated that he was saved from the crisis by diversification as he also farms with livestock.

Mr Mpahla reported that in 2018, the Ripplemead Packhouse was launched before its completion by the former MEC for Agriculture in the Province, Mr Xolile Nqatha. The Packhouse, which was built for R60 million for 3 citrus growers/farmers is still incomplete and in a terrible state as some of the equipment was not properly fitted and still needs to be corrected. The costs of running the Packhouse are quite high and other 2 growers have left and only Mr Mpahla is using it and is responsible for its maintenance costs. He highlighted that capital is the main challenge for farmers.

Mr Mpahla highlighted the main challenges that farmers need assistance with, namely:

- Lack of title deeds.
- Access to water rights and costs.
- Electricity costs and the need to access green energy alternatives.
- A revolving credit financial facility.
- Poor road condition, which has a negative impact on logistics of getting trucks to the Packhouse and getting the fruit to the market.

Key observations at Naudeshoek Farm can be summarised as follows:

- Costs implications for electricity and water access; and the possibility to support farmers with solar or other green energy alternatives.
- Need to investigate strategic partnerships as most do not benefit farmers.
- Lack of title deeds.
- Poor road infrastructure that has an impact on logistics and fruit quality.
- Lack of access to finance to enable farm development and expansion.

3.2.3.2 Ripplemead Citrus Packhouse

The Ripplemead Citrus Packhouse is situated at Baltein location, approximately 45 kilometres from Peddie town in Ngqushwa Local Municipality. It replaces the old Packhouse that was built in the 1930s by citrus farmers in the Keiskamma Valley. Due to its dilapidated state, the old Packhouse was disqualified by the Perishable Products Export Control Board (PPECB) and could not be accredited to pack citrus for export markets. As a result, farmers applied for funding for the construction of a state-of-the-art Packhouse that is built according to latest industry standards to enable packing citrus from the Keiskamma Valley for export. The Provincial Department of Agriculture submitted the funding application to the former national Department of Agriculture, Forestry and Fisheries, now Department of Agriculture (DOA) for the Comprehensive Agricultural Support Programme (CASP) funding. The approval of CASP funding led to the construction of the current Ripplemead Citrus Packhouse which is compliant with international standards for the export of citrus.

The primary beneficiaries of the Packhouse are three citrus farms along the Keiskamma River who are part of the Keiskamma Cooperative. The farms are, the 86-ha Ripplemead Farm established in 1993, owned by Mr. Z.L. Mgadle and has 68 ha under citrus production, the 106-ha Naudeshoek Citrus Farm established in 1992, owned by Mr. K.S. Mpahla and has 80 ha under citrus production and the 203-ha Siyamila Citrus (Pty) Ltd established in 1997, owned by Mr H. Nyamezele with 55 ha under citrus production. Each family of the 3 growers is represented by 2 family members (1 adult and 1 youth) on the Board of the Cooperative and by extension, the Ripplemead Packhouse and Dr Mono Mashaba is the 7th and independent Board member and is also the Chairperson of the Board. The Packhouse has a core team of 7 permanent staff and 105 seasonal workers.

Dr Mono Mashaba, the Chairperson of the Board of the Keiskamma Cooperative has been seconded by the Citrus Growers Association (CGA) to assist in the running of the Ripplemead Packhouse and development of citrus in the Keiskamma Valley. He indicated that while the primary beneficiaries of the Ripplemead Packhouse are the 3 citrus growers belonging to the Keiskamma Cooperative, 2 others had to stop using it due to financial liabilities with marketing agents. Marketing agents provide advance production funds to growers and then dictate where a grower should pack his/her fruit, in this case, Port Elizabeth. Only Mr Mpahla is using the Ripplemead Packhouse. The Packhouse can only pack but does not directly export, which means growers have to use export agents. In future, the Board of the Ripplemead Packhouse plans to establish a Marketing Company.

Following the losses incurred during the market crisis of 2021/22, the former Department of Agriculture, Land Reform and Rural Development (DALRRD) through the Cooperative Enterprise Development (CED) Directorate, intervened with a grant of R19.8 million to salvage the operational issues and payment of creditors including reconnection of electricity by Eskom.

The incomplete structure has an impact on the throughput of the Packhouse. For the past 2 years, the Packhouse has been packing 6 000 bins instead of the potential 12 000 bins, if all the growers use it. The Packhouse does not even have infrastructure such as a bakkie to take surplus fruit to local markets.

There are other newly established citrus orchards, namely, Waterfall Farm with 23 hectares under production and Craighead (Pure Vitamins) with 27 hectares under production. Both are expected to supply Ripplemead Packhouse with their fruit. There was an attempt from government to get all growers packing at Ripplemead, but financial challenges prevented them. Mr Mpahla is the only grower who can afford the maintenance costs of the Packhouse and Dr Mashaba warned that if he leaves, the Packhouse will collapse. Because of the equipment that has not been properly installed, the Packhouse had a 14% downtime and expenditure is more than income.

Dr Mashaba further mentioned that if Ripplemead Packhouse cannot be fixed in the next 2-3 years, the Mpahla farm will not be able to use the Packhouse. He also highlighted that because of the poor condition of the road, there is only one company that is willing to come to Ripplemead Packhouse to pick up packed fruit, which means that growers are unable to negotiate transport costs. In addition, they also have to pick up packing material themselves as no company is prepared to send their vehicles due to the road condition.

The Amathole District Office of the Provincial Department of Agriculture has completed a feasibility study to determine the deficiencies in the Packhouse and the cost of rectifying those. It was reported that the Provincial Department of Agriculture, ECDC, ECRDA and CGA are working together to rectify the design flaws in the Packhouse, and a tender was issued for Phase 1 to fix the picking area, the packing line and loading zone of the Packhouse. The ECDC has already transferred funds for Phase 1 of the Packhouse repair to the CGA holding account. There is an Oversight Committee that consists of representatives of the Board, Eastern Cape Department of Agriculture, ECDC and national Department of Agriculture.

3.2.3.3 Inputs from other beneficiaries of Ripplemead Packhouse

Mr Mgadle of Ripplemead Farm reported that he is one of the farmers whose debt was not written off after the challenges they experienced with the strategic partner. He further mentioned that he is not using Ripplemead Packhouse but packs at Coega in Port Elizabeth as it is advantageous for him. He also highlighted a concern regarding the composition of the Ripplemead Board and is of the opinion that the Board should constitute more independent members rather than family members. He highlighted a challenge with conflict of interest as the Manager of the Packhouse, who is also a member of the Board, is the daughter of Mr Mpahla of Naudeshoek farm.

Mr Nyamezele of Siyamila Citrus highlighted the high costs of running the Packhouse, which was not even properly constructed, as a reason he is unable to use the Packhouse. He mentioned that the costs including road infrastructure challenges and sustainable financial support limit citrus growers' progress and ability to expand.

Key observations from Ripplemead Citrus Packhouse can be summarised as follows:

- Governance challenges as a result of the conflict regarding the Board composition and management of the Packhouse.
- Lack of accountability from the Departments (national and Provincial Department of Agriculture) regarding the incomplete state of the Packhouse including the equipment that has not been properly fitted.
- The poor condition of the road and the negative impact it has on the citrus growers' businesses and the sustainability of the Ripplemead Packhouse.
- The high costs of running the Packhouse as reported by the growers.

3.3 Sarah Baartman District Municipality

3.3.1 Ndlambe Local Municipality

3.3.1.1 Alexandria FPSU

The Alexandria FPSU was started in 2017 within the Addo Agri-Parks programme of the former Department of Rural Development and Land Reform (DRDLR). It was introduced to the farmers by Mr Johannes Hobs, Chairperson of Addo Agri-Hub from Sundays River Valley.

The Alexandria FPSU emerged as a result of mechanisation constraints as farmers relied on two tractors supplied by the Provincial Department of Agriculture, which had to be frequently repaired, resulting in production delays.

There is no physical structure that can be identified as the Alexandria FPSU. A site that was identified, which is a commonage called Kruisfontein, could not be used for constructing the FPSU as there was no infrastructure on the site and it was not secured and has since been invaded for settlement with more than 100 housing structures. However, the Alexandria FPSU operates as a primary cooperative that was registered with the Companies and Intellectual Property Commission (CIPC) in 2021. The Alexandria FPSU Cooperative has 9 directors who are nominated from 9 active local farms who serve as the FPSU management guided by the constitution of the Cooperative. It has 15 identified farms on their register with 123 direct beneficiaries. The FPSU covers farmers from Alexandria up to Bathurst. The main farming activities are chicory and livestock (beef and dairy) production.

The FPSU received 3 tractors and other implements from the former DALRRD and cattle, feed, remedies and production inputs for chicory from the former DRDLR. As the FPSU does not have a physical structure, the Local Municipality wanted to store the tractors in its facilities. However, the farmers refused and preferred that all the equipment be kept at Spioenskop Farm in Alexandria, which belongs to Mr Meyers, who is the Chairperson of the Cooperative and the FPSU. The farmers were comfortable with having their equipment at Mr Meyers' farm as it is secure. There are discussions to have the FPSU built on Mr Meyers' farm if the Department cannot find a suitable and safe site. The farmers reportedly receive various training on governance, business management and technical skills from the Provincial Department and other agencies. The Cooperative has 3 trained tractors drivers. The tractors are used by the Cooperative members on a rotational basis, and records of use and hours are kept for maintenance purposes.

Farmers highlighted that as much as they are all members of the Cooperative and FPSU, they have different farmer categories and operate at different scales. The majority of them do not have farms but operate from the municipal commonage, which has its own challenges. While they receive support from Government, the support is often inadequate. Chicory farmers highlighted that the closure of the Chicory SA Factory in Alexandria resulted in the collapse of the chicory industry, which has been the source of their struggles as chicory played a crucial role in the livelihoods.

The Provincial Department of Agriculture plans to assist former chicory farmers with the development of canola, sunflower and soya. It reported that it is going to collaborate with a strategic partner who has experience in oil seed production and extraction. The strategic partner reportedly has a contact in Swellendam that has expertise on oil seeds production, extraction and the equipment that is required.

Key observations from Alexandria FPSU can be summarised as follows:

- Lack of due diligence by the former DRDLR in identifying a site for the FPSU.
- The need for a suitable site with proper infrastructure for building the FPSU to ensure that farmers are well-serviced and the equipment is sheltered. The lifespan of the equipment will be significantly reduced as it is currently kept in the open at Mr Meyers' farm.
- Lack of due diligence by the Provincial Department in its decision to assist former chicory smallscale farmers to grow canola, sunflower and soya considering that no other established commercial farmers are growing the oil seeds in the area. The decision, which is based on an idea from a strategic partner, will likely put up farmers for failure and get them into debt.
- No lessons learned from previous and failed strategic partnerships such as in the case of citrus growers as the Provincial Department of Agriculture will rely on strategic partners for growing and processing oils seeds that have never been grown in the area before.

3.3.2 Sundays River Valley Local Municipality

3.3.2.1 Sandkloof Farm

Mrs Ntombentsha Metula previously farmed at Top Kat in Fort Beaufort from 1993 to 2019 when she was forced to leave the farm due to community unrest. She was left destitute and stayed in the township without farming until 2023 when the former DALRRD offered the Sandkloof Farm in Paterson through the Proactive Land Acquisition Strategy (PLAS). She does not have a title deed but a 30-year lease with the Department. The farm is 223 ha in extent and only 13 ha are under citrus production. The arrangement between the Department (now Department of Land Reform and Rural Development) and the previous owner was that the infrastructure will be left in the farm and the fruit in the trees will be shared with the new user.

However, the previous owner reportedly took everything in the farm including equipment and fruit in the trees and left it bare.

Mrs Metula had to start from scratch without even start-up capital. The former DALRRD reported that it procured and delivered a sprayer, ladders, picking bags, scissors JoJo tank, hand weed cutter and gloves as well as a tractor. One of the tractor tyres burst while the Committee delegation was on the farm due to heat. Mrs Metula highlighted that she has faced many challenges since arriving at the farm and has been struggling to keep up with maintenance costs and the electricity bill such that Eskom has cut-off electricity in the farm on 29 October 2025, two days before the Committee visit. Without electricity, she could not irrigate the orchards, which means that she has already lost revenue for the next season. She appealed for the Committee's assistance to get electricity restored in the farm.

One of the farmers who is part of the Sundays River Valley FPSU highlighted that the area where the farm is located is not suitable for citrus but livestock. He reported that even the irrigation that is in the farm cannot cover the 13 ha that is under citrus production. He warned that whatever will be invested in the farm for citrus production going forward, is likely going to be a waste.

Key observations on the Sandkloof Farm can be summarised as follows:

- Consistent failure by the Department of Land Reform and Rural Development to do proper due diligence when purchasing farms. The Department was requested to submit to the Committee a due diligence report that was done before purchasing the farm.
- Lack of title deeds and adequate post-settlement support to land reform beneficiaries.
- Lack of technical expertise within the Department, for example, inability to advise farmers to diversify, and pursuance of citrus in a farm that can be productively used for livestock.
- As the Department could not provide satisfactory responses on-site, it was requested to submit a comprehensive report on the condition of the farm when it was bought, its condition, its extent, contract with the seller, its condition when it was subsequently transferred to Mrs Metula.

3.3.2.2 Livestock Farmers Cooperative from Paterson

While at Sandkloof Farm, the delegation also met with livestock farmers from Paterson, who are part of the Paterson Livestock Cooperative. They applied for a farm in 2017 but were told by the former DRDLR that there are no farms in the area. In 2020, the Livestock Cooperative received commonage land from the Sundays River Valley Local Municipality, for which they received a 5-year lease from the municipality this year (2025). The commonage is 192 ha in extent and is not enough for all their livestock, but it is better than nothing and will assist as the area struggles with high unemployment rate. The main challenge is that the commonage has no infrastructure. The cooperative would like assistance with fencing, water tanks, ablution facilities and change rooms.

3.3.2.3 Cleveland Farm

Cleveland Farm in Addo is owned by Mr André Kleinsmidt and his family who took occupation of the farm since 2006. The farm extent is 8.3 ha and is under irrigation. They farm with vegetables, lucerne and hemp. The farm has a permit from the Department of Agriculture for hemp production, for which they have a market. The hemp is taken by a company called MediGro that is based in Coega. The farm received support from the Provincial Department of Agriculture and share a tractor with other vegetable farmers. The farmers received two tractors from the Department which they share among the north and south side of the valley. Mr Kleinsmidt mentioned that vegetable farmers in the valley are not recognised by commercial citrus farmers.

He highlighted the main challenge in the valley as land and water access where use of fronting through foreign nationals to get water rights and land is common. He mentioned that Sundays River Valley receives 3 000 ha worth of water rights, but previously disadvantaged farmers do not receive any substantial rights, which inhibits their development and expansion plans. He highlighted a need for an investigation into allocation of water rights and whether people who have water rights are using them productively.

Key observations at Cleveland Farm briefing can be summarised as follows:

- Water accessibility by farmers needs to be prioritised by government.
- Government focus on citrus to the detriment of vegetables and livestock, commodities that also have potential in the Sundays River Valley, and have cushioned citrus farmers that are diversifying during crisis.

3.3.2.4 *Sundays River Valley Agri-Hub/FPSU*

Similarly to the Alexandria FPSU, the Sundays River Valley FPSU does not have a physical structure. The FPSU was planned as part of the Agri-Hub in the Sundays River Valley Local Municipality that serves the towns of Addo, Kirkwood, Paterson, Valencia, Glenconner, Kleinport and Durnbrood.

The identified site for the Agri-Hub was at Santa Clara Farm (275/113) located at Addo. As part of the Agri-Hub development, the former DRDLR supported emerging farmers with two Landini tractors. However, because of vandalism at Santa Clara Farm as there were no beneficiaries and no operations taking place, the tractors and other shared equipment were taken to Nomzamo Farm at Kirkwood for storage. This was to be a temporary measure until the Sundays River Valley (SRV) Agri-Hub has an established management committee consisting of representatives for citrus farmers, vegetable farmers and livestock farmers within Sundays River Valley Local Municipality. After reported misuse of implements and equipment at Nomzamo Farm by beneficiaries, the committee decided to move the two tractors and equipment to Cleveland Farm, owned by Mr Kleinsmidt.

Between 2021/22 and 2024/25, the Agri-Hub received approximately R7.5 million through the Rural Enterprise and Industrial Development (REID) Directorate of the former DALRRD. The funding went towards production input support and equipment for citrus and vegetable farmers as well as livestock farmers that are part of the Agri-Hub. It was reported that through the support, the farmers affiliated with the Agri-Hub created more than 600 jobs (permanent and temporary).

The entities affiliated to the Sundays River Agri-Hub, which is yet to be built, are Willowtree Trust, Glengrove Trust, Khangela Trust, Sophumelela Trust, Siyaphambili Enterprise, Siyathemba Enterprise, Thandiz Sandkloof Cooperative, Zidlekhaya Enterprise, Mbuyiselo Trust, Luthando Trust, Nomzamo Trust, Yawa Enterprise, Cleveland Trust, Addo Fresh Produce Cooperative, Enon and Besheba Cooperative, Siqalo Enterprise, Belvior Trust and Sinethamba Cooperative.

3.3.2.5 *Sundays River Valley Black Citrus Growers*

The SRV Black Citrus Growers consist of 20 black economic empowerment (BEE) farms that operate through joint ventures and management agreements. Mr Simphiwe Yawa is one of the growers who is in a joint venture with a commercial grower, Mr Venter, and works directly with 14 of the 20 BEE farms. He acknowledged the assistance the growers' association has received from government including tractor training by the former DALRRD's Cooperative Enterprise Development (CED) Directorate. He mentioned that since the split of the former DALRRD, CED is no longer visible. He further highlighted the inadequacy of the funding, which has to be shared among all farmers including equipment, thus limiting their development into fully fledged and independent commercial businesses. Mrs Metula's farm, Sandkloof, was prioritised for assistance by the Growers' association as it had nothing.

The overall challenges highlighted by Mr Yawa were:

- Lack of title deeds, with most PLAS farms on 30-year leases.
- Water rights and electricity.
- Bulk infrastructure.
- Farming equipment/machinery
- Unsustainable funding, highlighting a need for a credit facility for production inputs and farmer training.
- Lack of exit strategy/plans for government-funded farms to make way for new entrants.

In Luthando Citrus Farm, which is one of the 20 BEE citrus farms that was acquired through Land Redistribution for Agricultural Development (LRAD), the farm beneficiaries reported that the previous owner of the farm signed an agreement with the Department to be the new beneficiaries' mentor. The beneficiaries reported that the mentor, Mr Potgieter, did not capacitate them with the requisite skills to operate the farm until his retirement. The beneficiaries highlighted that as much as they own 75% of the farm and 25% being owned by the Sundays River Citrus Company (Pty) Ltd (SRCC), with which they and most citrus farms in the area pack, they know nothing about the farm's business transactions. The beneficiaries further highlighted the high costs they pay to SRCC for management fees, packing costs, carton rentals, etc.

3.3.2.6 Other farmers at Sundays River Valley

Mr Frank Williams of Kwalo Trust has bought Rietfontein Farm through the Land Bank. However, he does not have electricity and water despite the river going through his farm.

Without water and electricity, there is no production and as a result, he is unable to repay his bond. Out of desperation, he approached the Department of Land Reform and Rural Development to buy his farm, and the response was that there is no money to buy farms.

Additional challenges that were highlighted by farmers across commodities (citrus, livestock and vegetables) at SRV included:

- Lack of title deeds even for farmers who have bought the farms through private means and the negative impact this has on their ability to access finance to develop their farms and repay bonds. Some private buyers (Sundays River Farming Trust) have been waiting for title deeds since 2012.
- The high cost of Eskom electricity, with farmers emphasising the need for alternatives such as solar energy.
- Lack of support for farmers who have been given government farms despite promises including farmers who have submitted proof of ownership on request by the Department.
- Limited assistance for livestock farmers e.g. for fencing and handling facilities as the government focuses more on citrus in the area.
- Mentorships and strategic partnerships that growers on PLAS farms were forced into by the former DRDLR without monitoring whether there is proper skills development of the black farmers to enable them to independently run businesses.

4. COMMITTEE REFLECTIONS AND OBSERVATIONS

The Portfolio Committee, having interacted with the National and Provincial Departments of Agriculture, the Chairpersons of the FPSUs, farmer associations and cooperatives, farmers and beneficiaries of the citrus farms and FPSUs visited, reflected on the oversight visit and made the following observations:

- 4.1 There were serious anomalies including misinformation between the project profiles that were submitted by the Department to the Committee and what the Committee delegation observed in all visited sites including the information it received from Department Project Managers and beneficiaries on-site.
- 4.2 Misleading information that was submitted to the Committee on the status of Ncera Macadamia Farming. The profile report gave an indication that the Macadamia business, which received approximately R200 million from national and provincial departments,

was operational when in reality, the business has been struggling since 2020 and officially closed down in October 2024.

- 4.3 Lack of due diligence, poor planning, poor identification of project drivers, lack of beneficiary training and governance failures contributed to the collapse of Ncera Macadamia Farming.
- 4.4 Lack of intergovernmental relations and silo working approaches was evident in Ncera Macadamia Farming, which received varying amounts for similar activities from different departments, the same departments that were also not certain about other investments in the business.
- 4.5 Misleading information that was submitted to the Committee as profiles for Farmer Production Support Units (FPSUs) in Alexandria and Sundays River Valley (SRV), which both have no physical structures.
- 4.6 There was no due diligence in identifying sites for the construction of FPSUs (Alexandria and SRV), which could have resulted in fruitless and wasteful expenditure, a challenge that is often reported by the Auditor-General of South Africa (AGSA) on building projects.
- 4.7 Lack of title deeds and land tenure insecurity remain major challenges for emerging farmers, with some having been waiting for title deeds for more than 30 years. This is attributed to delays by the former Department of Rural Development and Land Reform (DRDLR), which after the split from the former Department of Agriculture, Land Reform and Rural Development (DALRRD), became the Department of Land Reform and Rural Development (DLRRD).
- 4.8 The challenge of lack of title deeds affects both land reform beneficiaries and those that bought farms through private means and is a serious hindrance to farmers' growth, derailing the gains that some citrus farmers have made as they are unable to access finance for business operations and expansion.
- 4.9 Lack of due diligence by the former DRDLR and later, former DALRRD, when buying farms and upon acquisition, as well as ill-advice on farming commodities. This sets up farmers for failure, for example, Yeko family at Lovers Retreat Farm in Fort Beaufort (Upper Kat River) and Mrs Metula at Sandkloof Farm in Paterson (Sundays River Valley).
- 4.10 Inadequate and distinct lack of farmer support to all emerging farmers including a well-coordinated post-settlement support and capacity building for land reform beneficiaries is a continuous challenge while the Departments often rely on strategic partners for

technical expertise. This was more pronounced in the failed brown field citrus farms in Upper Kat River.

- 4.11 Government funding policies are not aligned with farming operations and lack agility to efficiently and timeously address farmers' needs. The Blended Finance Scheme that is administered by the Land Bank is expected to address some of the funding challenges, but it remains out of reach for most emergent farmers.
- 4.12 Lack and inadequate access to water, lack of electricity, the high cost of electricity for those with access, poor road infrastructure (Zanyokwe FPSU, Ripplemead Packhouse) and the allegedly high packing fees charged by private packhouses, stifle development and growth of emerging farmers while threatening their sustainability.
- 4.13 The high cost of electricity that effectively resulted in the discontinuation of farming operations as Eskom cut-off power for those who could not pay, e.g. Krila, Lovers Retreat and Greenwood Citrus Farms in Fort Beaufort and Sandkloof Farm in Paterson.
- 4.14 Inadequate mechanisation and the general need for proper mechanisation support for the different commodities and farmer categories.
- 4.15 There is lack of support from government to address the challenges associated with water access, the high cost of electricity, theft of transformers and cables in farming areas, allegedly high packing costs and lack of transparency by some packhouses.
- 4.16 Lack of a clear plan to capacitate farmers on markets and to ensure transparency by packhouses considering the alleged high cost of packing, which allegedly leaves citrus farmers more indebted instead of making profit from exports.
- 4.17 Conflicts that arose among beneficiaries were not effectively addressed. These include Top Kat farm in Fort Beaufort that Mrs Metula previously successfully ran but had to abandon due to unrest; and the conflicts regarding governance matters and use of Ripplemead Packhouse in Ngqushwa, which is the only government-funded and farmer-owned packhouse in the province.
- 4.18 Strategic partnerships and mentorship programmes that black citrus growers on PLAS farms were forced into by the former DRDLR did not benefit the farms as mentors and partners allegedly did not impart any skills to ensure that the black farmers are empowered to independently run their businesses. Instead, the farmers were left worse off and in debt.
- 4.19 There is a need for government to investigate strategic partnerships and the allegedly high packing costs in the citrus industry while developing a holistic approach to mentorships and strategic partnerships in the agricultural sector.

- 4.20 The resilience of the citrus farmers in the province was commended as they persevered despite facing challenges that include indebtedness that emanated from failed strategic partnerships and inadequate funding, water access, high electricity and packing costs.
- 4.21 Lack of technical expertise in Departments and continued reliance on strategic partners is getting emerging farmers into debt and setting them up for failure. For example, plans by the Eastern Cape Department of Agriculture to replace the collapsed chicory industry in Alexandria with oilseeds, on advice from a strategic partner.
- 4.22 Government focus on citrus to the detriment of vegetables and livestock, which are commodities that also have potential in the Sundays River Valley and have cushioned citrus farmers that are diversifying with livestock during crisis.
- 4.23 Infrastructure challenges and lack of support for farmers on municipal commonages including limited support for livestock farmers in Sundays River Valley.
- 4.24 The Cooperative Enterprise Development (CED) function, which used to be in the former DRDLR might be misplaced in the Department of Agriculture as farmers reported that it is currently non-functional and no longer assisting.
- 4.25 There is serious lack of monitoring and evaluation (M&E) of government investments by responsible departments to track progress and identify problems while ensuring transparency and accountability. Lack of M&E and consequence management was witnessed at Ncera Macadamia Farming, Ripplemead Packhouse and SRV citrus farms.
- 4.26 There are no exit strategies and plans for government funded farms or projects to ensure seamless transition for beneficiaries while making way for new entrants.

5. COMMITTEE RECOMMENDATIONS

Having interacted with the National and Provincial Department of Agriculture, having further visited projects and interacted with beneficiaries; and in view of the reflections and observations discussed above, the Committee makes the following recommendations to the National Assembly for the attention of the following Ministers: Minister of Agriculture, the Minister of Land Reform and Rural Development and the Minister of Electricity and Energy:

The Minister of Agriculture should –

- 5.1 Ensure that the Department of Agriculture, in consultation with the Eastern Cape Provincial Department of Agriculture, provides a full and detailed report giving an account of the CASP and other funds that have been invested annually in Ncera

Macadamia Farming since inception until its closure in 2024. The report should also detail the contractual and reporting arrangements with NMF, benefits that accrued to the community of Ncera through investment from the Departments and implementation of the recommendations from the September 2025 Due Diligence Report on Ncera Macadamia Farming.

- 5.2 Ensure that the Department develops for submission to Parliament, an outcomes-based Action Plan for the monitoring and evaluation of the utilisation of conditional grants (e.g. CASP) and other Department funding programmes.
- 5.3 Engage the Minister of Land Reform and Rural Development to streamline farmer support programmes to develop an agile, timeous and responsive farmer support package to address fragmentation, lack of agility and misalignment of existing farmer support programmes with farming operations. These support programmes include the Blended Finance Scheme, which is not effective and reportedly out of reach to most farmers.
- 5.4 Review the Blended Finance Scheme to ensure that it has a revolving credit component that is agile, customised to farmers' needs and aligns with production seasons to ensure that farmers receive timeous funding as and when they need it.
- 5.5 Ensure that the Department and the Eastern Cape Department of Agriculture develop for submission to Parliament an Action Plan to address the Committee findings and specific challenges that have been reported in all the visited projects regarding mechanisation, market access, poor condition of access roads, which negatively impacts transport logistics and market quality of produce, as well as inadequate insurance.
- 5.6 Ensure that the Department and the Eastern Cape Department of Agriculture submit an Action Plan to Parliament for addressing challenges at Ripplemead Packhouse, which include rectifying the Packhouse design flaws, high running costs, bad access road and conflicts among beneficiaries on the Packhouse governance structure.
- 5.7 Ensure that the Department develops a framework with an M&E Plan for all government funded projects; and further develop guidelines and an M&E Plan for mentorships and strategic partnerships in Agriculture.
- 5.8 Institute an investigation into the operations of citrus packhouses including the allegedly high packing fees that are reportedly charged to some of the emerging citrus growers;

and ensure that the Department develops an intervention Plan to assist emerging farmers that are constrained by high packing costs.

- 5.9 Engage the Minister of Land Reform and Rural Development to review the placement of the Cooperative Enterprise Development (CED) function that was previously with Rural Development but since the split has been moved to Agriculture. Farmers are of the opinion that since the move to Agriculture, the function is invisible and no longer assists farmers.
- 5.10 Ensure that the Department in collaboration with the Eastern Cape Provincial Department of Agriculture develops a Plan to support livestock farmers; and further liaise with Municipalities to revive the utilisation of commonages such as those in the Sundays River Valley through provision of required infrastructure and technical support.
- 5.11 Ensure that the Department and the Eastern Cape Provincial Department of Agriculture submit to Parliament a due diligence report and a plan to grow oil seeds to replace chicory in the Alexandria area.
- 5.12 Engage the Minister of Water and Sanitation regarding limited and lack of access to water by emerging citrus growers and other emerging farmers in the Eastern Cape.
- 5.13 Ensure that the criteria for the Agro-Energy Fund allows access for citrus growers and other farmers that are struggling with high electricity costs.

The Minister of Land Reform and Rural Development should:

- 5.14 Engage with the citrus farmers in the Upper Kat River Valley, Ngqushwa and Sundays River Valley in the Eastern Cape to address their challenges with tenure security and receipt of title deeds. Some of the farmers, which include those that bought farms through private means and those that acquired farms through land reform, have been waiting for title deeds for more than 30 years. Submit a report on the engagements and outcomes to Parliament.
- 5.15 Submit to Parliament a detailed report on the outcomes of engagements with farmers from the Zanyokwe Irrigation Scheme FPSU on land access challenges, tenure security and lack of title deeds.

- 5.16 Institute an investigation into the conflict that led to the abandonment of an operational Top Kat Farm in the Upper Kat River Valley by Mrs Metula, and her being subsequently given a dysfunctional farm, Sandkloof Farm, with no equipment and inadequate water in the Sundays River Valley (SRV).
- 5.17 Ensure that the Department of Land Reform and Rural Development submit a Due Diligence Report that was done before purchasing Sandkloof Farm in SRV; and also a comprehensive report with dates on the condition of the farm when it was bought, its extent, the contract with the seller, decision to move Mrs Metula to the farm, its condition when it was subsequently transferred to Mrs Metula and details of support provided since she took occupation of the farm.
- 5.18 Investigate and review mentorships and strategic partnerships that farmers on PLAS farms (Upper Kat River and Sundays River Valley) are forced into by the Department of Land Reform and Rural Development. Such partnerships allegedly do not impart skills to capacitate emerging farmers despite government investments, instead, benefits accrue to the mentors and strategic partners who often leave emerging farmers indebted and worse off, once the government funding dries up.

The Minister of Electricity and Energy should:

- 5.19 Engage citrus and vegetable farmers in the Upper Kat River Valley, Ngqushwa and Sundays River Valley in the Eastern Cape to determine their electricity needs and to address challenges with access to electricity and managing the high cost of electricity in farming areas. Submit a report to Parliament on the engagements and outcomes.
- 5.20 Ensure that Eskom develops and rolls out an educational and awareness programme to assist farmers with better electricity usage and suitable equipment utilisation.

Unless otherwise indicated, submit to Parliament, within two months after the adoption of this report by the National Assembly, responses to the recommendations with required action plans and reports as outlined.

Report to be considered.

3. REPORT OF THE PORTFOLIO COMMITTEE ON SOCIAL DEVELOPMENT ON THE SECOND QUARTER PERFORMANCE AND EXPENDITURE REPORT FOR 2025/26 OF THE DEPARTMENT OF SOCIAL DEVELOPMENT (DSD), DATED 03 March 2026

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1. INTRODUCTION

The Portfolio Committee on Social Development (hereinafter referred to as the Committee) examined the second quarter performance and expenditure report for 2025/26 of the Department of Social Development (hereinafter referred to as Department) on 04 February 2026. It also received a progress report on the drafting of the Basic Income Support (BIS) policy as per its resolution that quarterly reports should also report on BIS policy. It reports as follows:

2. MANDATE OF THE COMMITTEE

The Committee's mandate as prescribed by the Constitution of South Africa and the Rules of Parliament is to build an oversight process that ensures a quality process of scrutinizing and overseeing the department's action. It is to conduct oversight that is driven by the ideal of realising a better quality of life for all people of South Africa. The Committee is also required to facilitate public participation, monitoring and oversight over the legislative processes relating to social development. In doing this, it also confers with relevant governmental and civil society organs on social development matters.

The Committee also enhances and develops the capacity of its members to exercise effective oversight over the Executive Authority in social development. It monitors whether the Department of Social Development fulfils its mandate according to priorities.

It also has a mandate to perform the following:

- Considers legislation referred to it;
- Conducts oversight of any organ (s) of the state and constitutional institution(s) falling within its portfolio;
- Facilitates appointment of candidates to entities;
- Considers international agreements; and
- Considers budget of department and entities falling within its portfolio.

For the current medium term (2025 – 2030), the Committee's oversight focuses on the department and its entities performance regarding the implementation of the priorities set in the National Development Plan and in the Medium Term Development Plan.

3. THE MANDATE OF THE DEPARTMENT

The Department derives its mandate from several pieces of legislation and policies, including the White Paper for Social Welfare (1997) and the Population Policy (1998), which sets out the principles, guidelines, policies and programmes for developmental social

welfare in South Africa. The White Paper for Social Welfare has provided the foundation for social welfare in the post-1994 era.

The Constitutional mandate of the department is to provide sector-wide national leadership in social development by developing and implementing programmes for the eradication of poverty and social protection and development amongst the poorest of the poor and most vulnerable and marginalized.

3.1 National Development Plan (NDP)

The NDP vision 2030, which inter alia promotes social protection is defined by:

- Protective measures to save lives and reduce levels of deprivation;
- Preventative measures which help people avoid falling deeper into poverty and reduce their vulnerability;
- Promotive measures which enhance the capabilities of individual communities and institutions;
- Transformative measures which tackle inequities through changes in policies, laws and budgets; and
- Developmental and generative measures, which increase the poor's consumption by promoting local economic development.

3.2 Policy priorities for the medium term

Priority 1: Advancing inclusive growth and job creation

Outcome target:

- 6 481 801 work opportunities created

Priority 2: Reduce poverty and tackle the high cost of living

Outcome targets:

- 25% reduction of the population living below the food poverty line.
- 3.4% reduction of individuals vulnerable to hunger.
- 20.8 million beneficiaries supported through various grants.
- 3 600 000 girls in quintile 1 -3 schools accessing free sanitary products.
- 550 000 university students receiving funding through NSFAS bursaries annually (social grants beneficiaries).
- 70% improvement in social cohesion index.

Priority 3: Building a capable, ethical and developmental state.

Outcome targets:

- 90% of public entities financially stable.
- Corruption does not feature in top five list of concerns of South Africans in 2029 survey.
- Government-led, coherent and integrated cybersecurity approach.
- Full compliance with global Cybercrime Convention.
- South Africa to avoid a further round of grey listing after the next Financial Action Task Force (FATF) mutual evaluation in 2026/27.

3.3 Key strategic themes emerged from the State of the Nation Address (SONA) 2025, which have a bearing on the Department:

- **Continue and redevelop the SRD grant:** the President stated that the grant is an essential mechanism for alleviating extreme poverty. It will be used as a basis for the introduction of a sustainable form of income support for the unemployed.
- **Strengthening support to victims of GBVF:** the President noted that Government continues to work across society to end violence perpetrated against women. The promulgation of the National Council on Gender-Based Violence and Femicide Act will enable the establishment of a national

structure to oversee a coordinated response to GBVF. Government will ensure that the Council is fully functional and properly resourced. Government will also continue to strengthen support to victims of gender-based violence through the 65 Thuthuzela Care Centres across the country. The country also has 44 GBV shelters out of 52 districts.

The SONA also highlighted the need to strengthen support to survivors of gender-based violence. This includes the establishment of another 16 sexual offences courts in the next financial year.

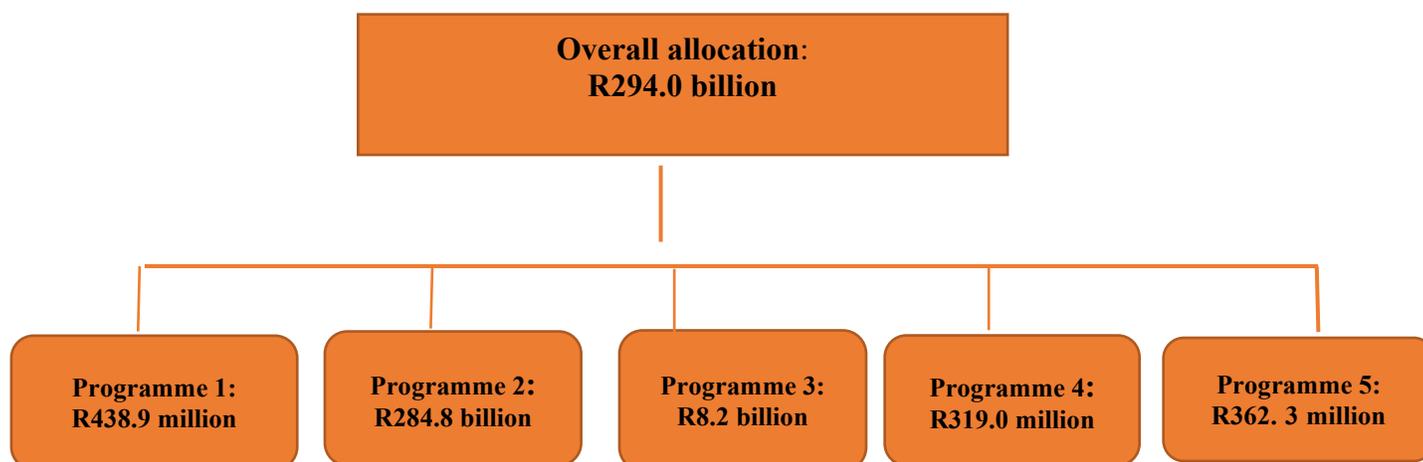
- **Ensure women empowerment:** the President highlighted the importance of the economic empowerment of women, noting that women, among other marginalised groups were excluded from the economy. A transformation fund worth R20 billion a year over the next 5 years would be established to fund black-owned and small business enterprises, as well as the fast-tracking of the regulations of the Public Procurement Act to ensure equitable opportunities for women-owned businesses, are important measures to advance women's economic empowerment.
- **Address youth unemployment:** youth unemployment would be addressed through various mechanisms including the Presidential Youth Employment Intervention and Youth Employment Service.
- **Adoption of the National Strategy to Accelerate Action for Children:** the strategy will focus on poverty reduction, child protection and addressing malnutrition.

4. OVERALL ASSESSMENT OF THE FINANCIAL PERFORMANCE

4.1 Overall budget allocation for 2025/2026

The DSD has an available budget of R294.0 billion for 2025/26 as compared to R275.1 billion for 2024/25. A total of R293.1 billion¹ is appropriated for Transfers and subsidies. Transfers and subsidies for previous years amounted to R274.2 billion² for 2024/25 and R262.1 billion³ for 2023/24.

Figure 1: Budget appropriation for 2025/26



¹ National Treasury (2025).

² National Treasury (2024).

³ National Treasury (2023).

4.2 Summary of expenditure per programme for Q2, 2025/2026

Table 1: Summary of expenditure per programme, 2025/2026

Programme	Voted	Actual				
		Apr – Jun 2025	July-Sept 2025	Total Spending	% Spent	Available
		R'000	R'000	R'000		
P1 :Administration	438 938	138 685	98 756	237 441	54,09%	201 497
P2: Social assistance	284 750 952	69 771 239	70 018 652	139 789 891	49,09%	144 961 061
P3: Social Security Policy And Administration	8 184 436	1 332 704	2 017 572	3 350 276	40,93%	4 834 160
P4: Welfare Services Policy Development And Implementation Support	318 999	59 704	79 215	138 919	43,55%	180 080
P5: Social Policy And Integrated Service Delivery	362 317	162 315	31 710	194 025	53,55%	168 292
TOTAL	294 055 642	71 464 646	72 245 905	143 710 551	48,87%	150 345 091
Economic Classification						
Current Payments	941 173	246 445	211 743	458 189	48,68%	482 984
Compensation of Employees	575 109	135 009	138 194	273 203	47,50%	301 906
Goods and Services	366 064	111 437	73 550	184 986	50,53%	181 078
Transfers and Subsidies	293 099 446	71 215 944	72 033 549	143 249 493	48,87%	149 849 953
Departmental agencies and accounts	8 289 117	1 442 603	1 999 230	3 441 833	41,52%	4 847 284
Foreign governments and international organisations	4 734	1 902	1 907	3 809	80,47%	925
Non-profit institutions	52 715	0	11 921	11 921	22,61%	40 795
Households	284 752 880	69 771 439	70 020 491	139 791 930	49,09%	144 960 950
Payments of Capital Assets	15 023	2 257	613	2 869	19,10%	12 154
Payments of Financial Assets	0	0	0	0		0
TOTAL	294 055 642	71 464 646	72 245 905	143 710 551	48,87%	150 345 091

Out of the annual budget allocation of R294 055 billion, the department spent a total of R72 254 billion in quarter 2, which marked 48.90% expenditure compared to R71 464 billion (50.4%) in quarter 1. In the two quarters, the department spent a total of R143 710 billion out of the allocated annual budget, marking a 48.78% expenditure performance. The department had R150 345 billion available for the remainder of the financial year. Based on this expenditure performance it appears that the department is in the right track in spending its allocated budget.

The programme 1: Administration, spent R237.4 million or 54.1 % of the available budget by the end of the second quarter. This is R33.2 million or 16.3 % higher than the projected expenditure. The higher spending related to Goods and Services, driven by Travel costs of R22.906 million, office accommodation at R21 042 million and Auditor General South Africa fees at R18 811 million. Spending on Compensation of Employees amounted to R119 million (50% of the allocated), funding a headcount of 332 posts. This Programme routinely accounts for the highest expenditure compared to other programmes.

Programme 2: Social Assistance, transferred R139. 789 billion (49.09%) towards the payment of social grants.

Programme 3: Social Security Policy and Administration, spent R3. 350 million or 40.93% of the available budget by the end of the second quarter. Again, Travel costs accounted for higher expenditure under Goods and Services at R3 019 million. As part of the process of finalising the Basic Income Support policy, the Branch held several consultative workshops with various government departments to strengthen the policy. In addition, the team travelled to various provinces to provide training on the implementation of social assistance regulations, deepen understanding of the Child Support Grant top-up, and broader social security rights. Officials in the Branch also had to travel to conduct the various consultations and training sessions. Furthermore, the team visited various SASSA social assistance appeals processes. The Branch also, due to limited personnel to conduct research and legislative review, appointed a service provider to with the development of a business case to inform the proposed amendment of the SASSA Act.

On Compensation of Employees, this Programme spent a total of R27 million, funding a headcount of 67 posts.

Programme 4: Welfare Services Policy Development and Implementation Support, had the least expenditure compared to other Programmes. It spent R138.019 million (43.55%) with R44.9 million spent on Goods and Services. The main cost drivers were Travel and Subsistence at R13. 731 million, Consultant at R8. 481 million and Venues at R8 091 million. It spent R81. 4 million on Compensation of Employees, funding a head count of 227 posts.

Programme 5: Social Policy and Integrated Service Delivery, spent R194. 025 million (53.55%), with spending on Travel accounting for R5. 613 million, including venue hire for the NPO Panel of Arbitrator meeting, travelling of officials to the launch of the New NPO System in Northwest Province. For Compensation of Employees it spent a total of R45.4 million funding a headcount of 94 posts.

Transfers to households for social grants trend analysis

The trends in expenditure as it relates to transfers to households for social grants between 2023/24 2025/26 shows a gradual increase from R253.8 billion in 2023/2024, as detailed below:

- For 2025/26: An amount of R284.8 billion or 96.9% was earmarked for social grants to households. A total amount of R8.1 billion was allocated to SASSA for the operation and administration and fraud investigations of social grants, and R216.3 million to NDA to implement poverty alleviation programmes.
- For 2024/25: A total amount of R266.2 billion or 97% of the total departmental expenditure was allocated to Transfers to households in the form of social grants. In addition, the DSD transfer funds to its entities, the South African Social Security Agency (SASSA) and the National Development Agency (NDA). The former received an allocation of R7.7 billion for operations and administration of social grants, while the latter received an allocation of R212 million. It is worth noting that the bulk of social grants budget is consumed by the Child Support Grant (CSG), which is estimated to benefit more than 13.15 million children from poor households in 2024/25,⁴ and the Old Age Grant (OAG) which was estimated to benefit more than 4.08 million people aged 60 and above.⁵
- For 2023/24: A total amount of R253.8 billion or 96.5% of the total departmental expenditure was allocated to Transfers and subsidies in the form of social grants to households. During this period, SASSA and the NDA received an allocation of R7.9 billion and R220 million, respectively.⁶

⁴ National Treasury (2025)

⁵ National Treasury (2024)

⁶ National Treasury (2023)

5. DSD OVERALL SECOND QUARTER NON-FINANCIAL PERFORMANCE FOR 2025/2026

Table 2: Achievement of targets for quarter 2, 2025/2026

Programmes	Targets achieved	Targets not achieved	Total targets	% Programme Performance
Programme 1	3	1	4	75%
Programme 2	1	0	1	100%
Programme 3	5	6	6	83%
Programme 4	16	17	17	94%
Programme 5	7	9	9	78%
Total targets	32	5	37	86%

5.1 Targets not achieved by DSD during second quarter 2025/26

The Department did not achieve targets listed below:

Table 3: Targets not achieved for Q2 of 2025/2026

Programme	Target not achieved	Reasons for deviation
Programme 1	The Department received a qualified audit opinion	DSD recorded items that did not meet the definition of transfers and subsidies to households in accordance with the Modified Cash Standards. This was due to lack of systems to identify ineligible beneficiaries by SASSA. In addition, there was no proper audit evidence for transfers and subsidies as SASSA did not implement adequate monitoring systems to maintain supporting documents (beneficiary files).
Programme 3	The target to submit the BIS draft policy to Cabinet to request approval to publish public comments was not achieved.	SEIAS Certification was obtained on 17 September 2025 and consultation Report approved on 30 September 2025. Cabinet directed further consultation with key departments including National Treasury. Consultation with National Treasury has not been completed. Further consultation will be requested with National Treasur

Programme 4	The target to present the National Plan of Action for Children at the Technical Working Group (TWG) was not achieved.	The National Plan of Action for Children was processed to the TWG but could not be presented. The TWG members took a decision that the session planned was a special meeting to deliberate on urgent issues, hence the NPAC presentation was declined. The NPAC is scheduled to be presented to the TWG meeting scheduled for 7 October 2025.
Programme 5	The target to submit the Progress Review Report on the implementation of the Population Policy to Cabinet for approval was not achieved.	The report was finalised but not processed to the FOSAD SPCHD cluster yet. The technical experts who are responsible for the report were also responsible for hosting the Population Association of Southern Africa (PASA) Conference, in September 2025, for the SADC region. The report will be processed to the FOSAD SPCHD cluster in 3rd quarter.

Some of the key targets achieved per Programme included:

- **Programme 1:** Successfully completed the integration of the Department of Social Development (DSD) data on the Child Protection Register – Part B (Register of persons unsuitable to work with children) with the Department of Basic Education’s e-Cares Early Childhood Development (ECD) system. This integration enables automated verification of the suitability of potential teachers during recruitment processes, ensuring compliance with child protection regulations. The integrated solution is currently being deployed into the production environment.

Also, Successfully digitised and deployed the Children in Conflict with the Law Expungement, Inter-country Adoption, and Declaration Adoption processes. Additionally, digitised and implemented the CW05 Intake Assessment process for

citizens, improving service delivery and case management efficiency within child welfare operations. Conducted Quarterly oversight meetings with both SASSA and the NDA were convened in line with the Entity and Oversight Framework.

- **Programme 2:** 100% (R71,051 billion) of Social Assistance Grant funds was transferred to SASSA in line with the Approved Vote drawings from National Treasury for the 2nd quarter.
- **Programme 3:** conducted oversight visits in three provinces namely Gauteng, Northern Cape and Western Cape to monitor SASSA, gain firsthand information, get feedback regarding the implementation of the social assistance programme and assess adherence to legislation. Adjudicated 94.77% (1 468 of 1 549) appeals within 90 days of receipt. Conducted capacity building workshops in Gauteng, Northern Cape and Western Cape on Social Assistance legislation.
- **Programme 4:** conducted six capacity building sessions on the Children’s Act. The Implementation of SBC programmes was monitored in 3 provinces namely. North West, Limpopo and Mpumalanga. Compiled a consolidated monitoring report on the implementation of Community-Based Prevention and Early intervention services to vulnerable children (RISIHA) in nine (9) provinces. Monitored the implementation of the Integrated Social Crime Prevention Information Systems:
 - VEPIMS - Nelson Mandela Metro (Eastern Cape), DK Kaunda district (North West), Johannesburg Metro (Gauteng),
 - PCM & CYCA systems - Fezile Dabi (Free State), Tshwane (Gauteng) and Bojanala (North West),
 - ADS - City of Cape Town (Western Cape), Gert Sibande (Mpumalanga) and Mangaung (Free State)

Monitored the implementation of the Psycho-social Services and Shelter Policy in five (5) hotspot areas in line with the National Strategic Plan on GBVF namely,

Free State Province (Welkom, Botshabelo and Betlehem) and in Western Cape Province (Heidelberg and Worcester).

Submitted to the Social Protection, Community and Human Development (SPCHD) Cabinet Committee the Draft Policy on Social Development Services to Persons with Disabilities.

- **Programme 5:** a report on the implementation of the Framework for Integration of the Population Policy in the DDM has been produced, providing key insights into progress and areas for improvement. Monitored the implementation of the DSD Youth Development Policy priorities in five (5) provinces. over 6 552 youth participated in youth skills development programmes . Of those 26 were persons with disability. The majority was female at 64%. All 411 qualifying NPOs NPOs were registered within 2 months. A report on the implementation of the National Food and Nutrition Security Plan was compiled.

6. COMMITTEE DELIBERATIONS AND OBSERVATIONS

- **Welfare services:** The Committee raised various performance areas under welfare services. It raised a concern about the Department's poor performance on addressing GBV. It is important for DSD to put in place effective systems and resources to assist victims of GBV. It also expressed a concern that the DSD Western Cape was not available for the training on substance abuse when it has high levels of substance abuse. It wanted to know if the Department had visited Eastern Cape which was reported to have high levels of teenage pregnancy. It wanted to know if the DSD has statistics on the number of young girls who fell pregnant, how many perpetrators were arrested and how many are back at school?

The Committee also raised a concern that transfers to the South African National AIDS Council (SANAC) was delayed, when this is a periodic transfer. It wanted to know what consequence management had been applied in the regard.

The Department reported that after GBV was classified as a pandemic, an interministerial plan of action was developed, led by the Department of Women, Youth and Persons with Disabilities (DWYPD) and it identified work streams, which meet weekly at NATJOINT centre, where progress reports are made.

Regarding the impact assessment of its programmes, the Department reported that the Welfare Services Branch works with M&E unit to develop an impact study on its programmes - anti GBVF programmes, child protection, food security and substance abuse.

Regarding teenage pregnancy crisis, the Department reported that this is led by the DWYPD. Government departments report their contributions to it. DSD implements YOLO, Chomi, Sinovuyo Social Behaviour Change programmes which targets parents. It is planning to upscale the roll out of these programmes.

Transfers to SANAC were delayed due to delayed submission of the report and other necessary documents by SANAC. The funds were transferred after SANAC had submitted all the necessary documents.

- **Community development:** The Committee raised a concern that the Department reported that only 6 066 people accessed nutritious food through its programmes when there are millions of people who live in poverty. It wanted to know how many NPOs had been impacted as a result of chronic underspending. It also wanted to know if the Department conducts monitoring and evaluation on the work of the funded NPOs and on the number of NPOs that lost their funding?

The Department reported that it has an M&E tool that provides trends on districts that require intervention. It also monitors the number of people who were assisted and the impact of interventions. It is working hard to address the needs of the poor and vulnerable by implementing programmes that target the most affected districts.

The food security policy will be approved by Cabinet in 2027/2028. The policy aims to standardise interventions on food security across the country. It acknowledged that it cannot provide assistance across the country but through the District Development Model (DDM) it manages to intervene at district level.

NPOs are funded every financial year but funds are either withheld or withdrawn because of non-compliance by NPOs and non-submission of necessary documents on time. It, however, provides assistance to struggling NPOs.

DSD funds all registered NPOs but the country has economy that is not growing and that affects funds available for NPO funding. However, social grants complement by providing income support. Food security cuts across government departments, such the Department of Health and the Department of Basic Education. DSD also provides meals through Community Nutrition and Development Centres (CNDCs), community based programmes, children's homes, drop in centres, and early childhood development (ECD) centres. Also, through Integrated Community Registration Outreach Programme (ICROP), it is able to identify areas that need intervention.

- **BIS policy:** The Committee was also concerned that the Department's target date of March 2027 to submit the revised BIS to Cabinet further stretches the finalisation of the policy when there are millions of people who are excluded from the Covid 19 Social Relief of Distress Grant. It was concerned that for 2025 it only organised a two-day policy colloquium. It wanted to know how the costing model of the policy was done. It also wanted to know how MyMzansi programme links to BIS policy.

The Department explained that MyMzansi platform is a new unified government digital platform for all citizens to access services. BIS aims to link income support with other government services and economic opportunities. MyMzansi platform

once operational will link beneficiaries to government services. The platform is still under development.

The initial costing of the policy only focused on policy provisions and not the linkages to economic opportunities and other government services, which the Cabinet instructed the Department to include. The revised costing model includes a linkage between the social grants and other government services, which is a complex process. The revised costing was done in February 2025.

The Department had approached Cabinet to request to publish the policy for public comments. Cabinet instructed the Department to conduct further consultations with government departments to include economic inclusion measures for the SRD beneficiaries. The consultation process took time as it involved various government departments. Also, drafting and ultimately submitting a policy to Cabinet goes through various government processes. It usually takes up to 2 years to go through these processes, which also includes the Department considering public comments, redrafting and submitting a revised policy to Cabinet.

- **Non-financial performance reporting:** the Committee noted with concern the 86% performance progress, which seemed to be a systemic under performance based on the qualified audit opinion the Department received for the 2024/2025 financial year. This pointed to a fundamental failure, which could not only be addressed through Audit Action Plans. There is a need for effective leadership. The Minister needs to consider establishing a war room to deal with performance matters because accountability for poor performance lies with the administrative level of the department headed by the Director-General.

The Committee also raised concerns that the presentation was silent on outcomes and outputs on the impact of the programmes, for instance, the impact of the number of users who accessed Substance Use Disorder (SUD) treatment services.

The Department explained that the qualified audit finding was not intended. It was, however, inevitable because of the issues the AGSA had identified in the past financial years. It received a qualified audit report because of duplicated Quad 7 beneficiaries, beneficiaries paid while outside the country, beneficiaries that were paid after death, beneficiaries paid without verified IDs, debtors and incomplete database. However, together with SASSA they are of the opinion that AGSA was harsh when SASSA has implemented a lot of systems.

Regarding alignment between achievement of targets and budget expenditure, the Department explained that out of the allocated budget of R294 billion, R284 750 billion goes towards household transfers. The Annual Performance Plan (APP) is then developed based on the financial resources and capacity the department has available. The APP was submitted to the Department of Planning, Monitoring and Evaluation and National Treasury to assess if the department is able to implement it. The 86% achievement is performance that needs to be recognised based on the resources available.

The Department also explained that performance assessment in the public sector is institutionalised by the Department of Planning, Monitoring and Evaluation (DMPE) through certain guidelines. Implementation of policies and programmes is done by provincial DSD departments and contracted service providers. To monitor performance, the national department conducts consistent monitoring and evaluation. The M&E system it developed measures progress at provincial departments, and it is verified at various levels. DSD officials and NPO employees were capacitated to capture the data. The system was fully implemented in Free State and partially in North West and KwaZulu-Natal provinces.

The M&E information needs to be linked to the outcome and output. It also relies on Statistics South Africa at a national level and community surveys and census. DSD then identifies priority focus areas from these surveys and develop policy interventions. It is also in the process of developing a five year evaluation research

study that will focus on GBV, hunger, child protection, substance abuse and social assistance programme. These are long term studies that are costly to conduct in real time. The department can on annual basis build up on its M&E information and report to the Portfolio Committee. It can also continue improving on quarterly reporting based on what it is able to collect.

- **Financial performance:** The Committee also noted with concern that the Department only spent 48% of its allocated budget, which was significant underspending, which may have affected service delivery. It wanted to know what bottleneck was encountered that resulted in the underspending?

The Department explained that 1.3% underspending on Q2 was not that significant because public spending follows a linear trajectory which is 50% in Q2. The budget expenditure is monitored closely, with underspending envisaged on Compensation of Employees because of vacancies. Goods and Services expenditure of R366 million, which marked 44%, which was 6% lower. It will be closely monitored.

- **Section 32 reports:** The Committee noted with concern that quarterly reports do not report on Irregular, Fruitless and Wasteful (IFW) expenditures. Reporting on this expenditure to the Committee at the end of the year is too late. That means there is no measuring mechanism for the Committee during the year. It is thus important that the Committee receive financial expenditure regarding irregular expenditure and material irregularities on time. The Committee should not have to wait until the end of the financial year to be briefed on IFW. Annexure A of the Public Finance Management Act and National Treasury Guidelines on Fruitless and Wasteful Expenditure are very clear what steps and measures the Accounting Officers needs to take immediately when financial misconduct is reported.

The Department undertook to forward the midyear report on IFW to the Committee.

- **Minister's remarks:** there is no level of articulation that can convince the Committee on underperformance. It is the commitment of the department and its entities to reach people on the ground. The Department provided reasons for targets not achieved and that cannot change, but the department accepts the criticism from the Committee. The Department visited six (6) provinces in 2025 and has serviced more than 1 000 people a day. For example, in Western Cape province through ICROP it managed to assist people to apply for their Identity Documents (IDs) and apply for social grants. In Eastern Cape province, in Mthatha, it visited an area known for extortions and GBV and managed to get police deployed. In KwaZulu-Nata province, it visited Mkhanyakude District where there was a serial killer. After its intervention the serial killer was arrested. In Mpumalanga it visited an area where local businesses were overtaken by foreign nationals. Through its engagements with the Department of Small Business and Development this was addressed. It also visited North West and Limpopo provinces, where GBV was at the rise. The MEC for Social Development and the South African Police Service (SAPS) are leading interventions to address this. The department plans to visit Bloemfontein and Northern Cape.

All the policies were submitted to Cabinet. Cabinet process are out of control of the department. The Department is however, looking forward to the finalisation and implementation of the BIS policy.

- **Deputy Minister's remarks:** Minister and Deputy Minister have a war room where they meet with the accounting officers to address the concerns raised by the Committee. The Department handed 40 000 blankets in Kwamata for beneficiaries to sell them as a poverty eradication strategy. The department is looking at building a blanket factory. It also started a cellular repair project.

7. RECOMMENDATION

Having considered the Q2 financial and non-financial report the Committee made the following recommendation:

- The Minister should ensure that the Department aligns the Section 32 reports (quarterly reports) with Audit Action Plans. These reports should also include a report on reported cases of Irregular, Fruitless and Wasteful Expenditure.

8. RESOLUTION

- The Committee should develop a reporting framework which will enable Members to submit reports on their constituency work. Then the Chairperson can forward it to the Minister for response and intervention.

Report to be considered.

9. REFERENCE LIST

National Treasury. (2025). *Estimate of National Expenditure: Vote 19*. Pretoria

National Treasury. (2024). *Estimate of National Expenditure: Vote 19*. Pretoria

National Treasury. (2023). *Estimate of National Expenditure: Vote 19*. Pretoria