Monday, 28 September 2026]

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OF THE

REPUBLIC OF SOUTH AFRICA

ANNOUNCEMENTS, TABLINGS AND COMMITTEE REPORTS

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ANNOUNCEMENTS

National Assembly

The Speaker

1. Referral to Committees of papers tabled

(1) The following papers are referred to the **Portfolio Committee on Defence and Military Veterans** for consideration and report. Reports of the Auditor-General on the Financial Statements and Performance Information are referred to the **Standing Committee on Public Accounts** for consideration:

(a) Report and Financial Statements of Vote 23 – Department of Defence for 2025-26, including the Report of the Auditor-General on the Financial Statements and Performance Information of Vote 23 for 2025-26.

(b) Report and Financial Statements of the Castle Control Board (CCB) for 2025-26, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2025-26.

(c) Report and Financial Statements of the Armaments Corporation of South Africa SOC Limited and its subsidiaries (ARMSCOR) for 2025-2026, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2025-26.

(2) The following papers are referred to the **Portfolio Committee on Electricity and Energy** for consideration and report. Reports of the Auditor-General on the Financial Statements and Performance Information are referred to the **Standing Committee on Public Accounts** for consideration:

(a) Report and Financial Statements of the National Energy Regulator of South Africa (NERSA) for 2025-26, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2025-26.

(b) Report and Financial Statements of the South African National Energy Development Institute (SANEDI) for 2025-26, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2025-26.

(c) Report and Financial Statements of the National Nuclear Regulator (NNR) for 2025-26, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2025-26.

(d) Report and Financial Statements of Eskom Holdings SOC Ltd (Eskom) for 2025-26, including the Report of the Independent Auditors on the Financial Statements and Performance Information for 2025-26.

(3) The following papers are referred to the **Standing Committee on Finance** for consideration and report. Reports of the Auditor-General on the Financial Statements and Performance Information are referred to the **Standing Committee on Public Accounts** for consideration:

(a) Report and Financial Statement of the Ombud for Financial Services Providers (FAIS Ombud) for 2025-26, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2025-26.

(b) Report and Financial Statements of the Financial Sector Conduct Authority (FSCA) for 2025-26, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2025-26.

(c) Report and Financial Statements of the Financial Intelligence Centre (FIC) for 2025-26, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2025-26.

(d) Report and Financial Statements of the Government Technical Advisory Centre (GTAC) for 2025-26, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2025-26.

(e) Report and Financial Statements of the Government Pensions Administration Agency for 2025-26, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2025-26.

(f) Integrated Report and Financial Statements of the South African Special Risks Insurance Association (SASRIA) for 2025-26.

(g) Report and Financial Statements of the Independent Regulatory Board for Auditors (IRBA) for 2025-26, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2025-26.

(h) Report and Financial Statements of the South African Revenue Service (SARS) for 2025-26, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2025-26.

(i) Integrated Annual Report of the Public Investment Corporation SOC Limited (PIC) for 2025-26.

(j) Report and Financial Statements of the Office of the Pension Funds Adjudicator for 2025-26, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2025-26.

(k) Integrated Report and Financial Statements of the Land and Agricultural Development Bank of South Africa (Land Bank Group), including the Report of the Auditor-General on the Consolidated and Separate Financial Statements of the Land and Agricultural Development Bank of South Africa and its subsidiaries (Land Bank Group) for 2025-26.

(l) Report and Financial Statements of Accounting Standards Board for 2025-26, including the Report of the Independent Auditors on the Financial Statements for 2025-26.

(m) Report and Financial Statements of the Ombud Council for 2025-25, including the Report of the Independent Auditors on the Financial Statements and Performance Information for 2025-26.

(n) Integrated Report and Financial Statements of the Development Bank of Southern Africa (DBSA) for 2025-26.

(o) Report of the Chief Executive Officer (CEO) of the Prudential Authority of the South African Reserve Bank (SARB) on the Road Accident Fund for the period 1 April 2020 – 31 March 2025.

(4) The following papers are referred to the **Portfolio Committee on Higher Education** for consideration and report:

(a) Revised Annual Performance Plan of the Department of Higher Education and Training for 2026/27.

(b) Revised Annual Performance Plan of the South African Qualifications Authority (SAQA) for 2026/27.

(5) The following papers are referred to the **Portfolio Committee on Justice and Constitutional Development** for consideration and report. Report of the Auditor-General on the Financial Statements and Performance Information is referred to the **Standing Committee on Public Accounts** for consideration:

(a) Report and Financial Statements of Vote 27 – Office of the Chief Justice (OCJ) for 2025-26, including the Report of the Auditor-General on the Financial Statements and Performance Information of Vote 27 for 2025-26.

(6) The following papers are referred to the **Portfolio Committee on Employment and Labour** for consideration and report. Reports of the Auditor-General on the Financial Statements and Performance Information are referred to the **Standing Committee on Public Accounts** for consideration:

(a) Report and Financial Statements of the Commission for Conciliation, Mediation and Arbitration (CCMA) for 2025-26, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2025-26.

(b) Report and Financial Statements of the National Economic Development and Labour Council (NEDLAC) for 2025-2026, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2025-26.

(c) Report and Financial Statements of Productivity SA for 2025-26, including the Report of the Independent Auditors on the Financial Statements and Performance Information for 2025-26.

2. Membership of Committees

(1) The following committee membership changes have been made by the African National Congress:

(a) **Portfolio Committee Justice and Constitutional Development**

Discharged: Motaung, Ms NE

Appointed: Gigaba, Dr KMN
Appointed: Kumbaca, Ms AN [Alternate]

(b) **Joint Standing Committee on Defence**

Discharged: Gigaba, Dr KMN
Appointed: Motaung, Ms NE

TABLINGS

National Assembly and National Council of Provinces

1. The Speaker and the Chairperson

(a) Report and Financial Statements of the Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities (CRL Commission) for 2025-26, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2025-26.

2. The Minister of Correctional Services

(a) Report and Financial Statements of Vote 22 – Department of Correctional Services (DCS) for 2025-26, including the Report of the Auditor-General on the Financial Statements and Performance Information of Vote 22 for 2025-26.

3. The Minister of Electricity and Energy

(a) Report and Financial Statements of the South African Nuclear Energy Corporation SOC Ltd and its subsidiaries (NECSA) for 2025-26, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2025-26.

(b) Report and Financial Statements of the National Radioactive Waste Disposal Institute (NRWDI) for 2025-26, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2025-26.

4. The Minister of Higher Education and Training

(a) Report and Financial Statements of Vote 17 – Department of Higher Education and Training for 2025-26, including the Report of the Auditor-General on the Financial Statements and Performance Information of Vote 17 for 2025-26.

(b) Report and Financial Statements of the Agriculture Sector Education and Training Authority (AgriSETA) for 2025-26, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2025-26.

(c) Report and Financial Statements of the Banking Sector Education and Training Authority (BANKSETA) for 2025-26, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2025-26.

(d) Report and Financial Statements of Culture, Arts, Tourism, Hospitality and Sport Sector Education and Training Authority (CATHSSETA) for 2025-26, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2025-26.

(e) Report and Financial Statements of Construction Education and Training Authority (CETA) for 2025-26, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2025-26.

(f) Report and Financial Statements of the Council on Higher Education (CHE) for 2025-26, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2025-26.

(g) Report and Financial Statements of the Chemical Industries Education and Training Authority (CHIETA) for 2025-26, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2025-26.

(h) Report and Financial Statements of Education Training and Development Practices Sector Education and Training Authority (ETDP SETA) for 2025-26, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2025-26.

(i) Report and Financial Statements of the Energy and Water Sector Education and Training Authority (EWSETA) for 2025-26, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2025-26.

(j) Report and Financial Statements of the Financial and Accounting Services Sector Education and Training Authority (FASSET) for 2025-26, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2025-26.

(k) Report and Financial Statements of the Food and Beverages Manufacturing Industry Sector Education and Training Authority (FoodBev Seta) for 2025-26, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2025-26.

(l) Report and Financial Statements of the Fibre Processing and Manufacturing Sector Education and Training Authority (FP&M Seta) for 2025-26, including the Report

of the Auditor-General on the Financial Statements and Performance Information for 2025-26.

(m) Report and Financial Statements of the Insurance Sector Education and Training Authority (INSETA) for 2025-26, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2025-26.

(n) Report and Financial Statements of the Local Government Sector Education and Training Authority (LG SETA) for 2025-26, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2025-26.

(o) Report and Financial Statements of the Manufacturing, Engineering and Related Services Sector Education and Training Authority (MerSeta) for 2025-26, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2025-26.

(p) Report and Financial Statements of the Media, Information and Communication Technologies Sector Education and Training Authority (MICT Seta) for 2025-26, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2025-26.

(q) Report and Financial Statements of the Mining Qualifications Authority (MQA) for 2025-26, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2025-26.

(r) Report and Financial Statements of the South African Qualifications Authority (SAQA) for 2025-26, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2025-26.

(s) Report and Financial Statements of the Transport Education and Training Authority (TETA) for 2025-26, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2025-26.

(t) Report and Financial Statements of the Public Service Sector Education and Training Authority (PSETA) for 2025-26, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2025-26.

(u) Report and Financial Statements of the Wholesale and Retail Sector Education and Training Authority (W&RSETA) for 2025-26, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2025-26.

(v) Report and Financial Statements of the Quality Council for Trades and Occupations (QCTO) for 2025-26, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2025-26.

(w) Report and Financial Statements of the Services Sector Education and Training Authority (Services Seta) for 2025-26, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2025-26.

(x) Report and Financial Statements of the Health and Welfare Sector Education and Training Authority (HWSETA) for 2025-26, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2025-26.

(y) Report and Financial Statements of the Safety and Security Sector Education and Training Authority (SAS SETA) for 2025-26, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2025-26.

(z) Report and Financial Statements of the National Skills Fund (NSF) for 2025-26, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2025-26.

5. The Minister of Home Affairs

(a) Report and Financial Statements of Vote 5 – Department of Home Affairs for 2025-26, including the Report of the Auditor-General on the Financial Statements and Performance Information of Vote 5 for 2025-26.

6. The Minister of Justice and Constitutional Development

(a) Report and Financial Statements of Legal Aid South Africa for 2025-26, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2025-26.

7. The Minister of Mineral and Petroleum Resources

(a) Report and Financial Statements of the Council for Geoscience (CGS) for 2025-26, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2025-26.

(b) Report and Financial Statements of the Mine Health and Safety Council (MHSC) for 2025-26, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2025-2026.

(c) Report and Financial Statements of the Mintek Group and its subsidiaries for 2025-26, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2025-26.

(d) Report and Financial Statements of the South African Diamond and Precious Metal Regulator (SADPMR) for 2025-26, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2025-2026.

(e) Report and Financial Statements of the State Diamond Trader (SDT) for 2025-26, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2025-26.

8. The Minister in The Presidency

(a) Report and Financial Statements of The Media Development and Diversity Agency (MDDA) for 2025-26, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2025-26.

(b) Report and Financial Statements of Vote 14 – Statistics South Africa for 2025-26, including the Report of the Auditor-General on the Financial Statements and Performance Information of Vote 14 for 2025-26 (Book 1).

(c) Annual Report on Performance Information of Statistics South Africa for 2025-26 (Book 2).

9. The Minister of Public Works and Infrastructure

(a) Report and Financial Statements of Agrément South Africa for 2025-26, including the Report of the Independent Auditors on the Financial Statements and Performance Information for 2025-26.

(b) Report and Financial Statements of the Construction Industry Development Board (CIDB) for 2025-26, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2025-26.

(c) Report and Financial Statements of the Council for the Built Environment (CBE) for 2025-26, including the Report of the Independent Auditors on the Financial Statements and Performance Information for 2025-26.

10. The Minister of Transport

(a) Integrated Report and Financial Statements of the Airports Company of South Africa SOC Limited (ACSA) for 2025-26.

(b) Annual Financial Statements of the Airports Company of South Africa SOC Limited (ACSA) for 2025-26, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2025-26.

(c) Governance and Remuneration Report of the Airports Company of South Africa SOC Limited (ACSA) for 2025-26.

(d) Integrated Report and Financial Statements of the Air Traffic and Navigation Service SOC Limited (ATNS) for 2025-26.

(e) Annual Financial Statements of the Air Traffic and Navigation Service SOC Limited (ATNS) for 2025-26, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2025-26.

(f) Report and Financial Statements of the South African Civil Aviation Authority (SACAA) for 2025-26, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2025-26.

COMMITTEE REPORTS

National Assembly

1. Report of the Portfolio Committee on Land Reform and Rural Development on the Petition on Farm Equity Schemes, dated 23 September 2026

The Portfolio Committee on Land Reform and Rural Development, having considered the petition on Farm Equity Schemes referred to it by the National Assembly, reports as follows:

1. Introduction

1.1. Background

The Portfolio Committee on Land Reform and Rural Development, hereafter referred to as the Committee, considered a petition filed by a consortium of four Non-Governmental Organisations (NGOs) to the Speaker of the National Assembly on 15 September 2025. The four NGOs are: the Surplus People Project (SPP), Corruption Watch, the Legal Resources Centre (LRC), and the Support Centre for Land Change (SCLC). The NGOs acted on behalf of members and former members of the Farm Equity Schemes (FES).

The petition concerns the implementation and outcomes of FES in South Africa. It called for an investigation into the administration, governance, and impact of the FES introduced as part of the government's land reform programme to promote economic inclusion and ownership opportunities among historically disadvantaged farmworkers. The petitioners allege that the FES were financed through substantial public investment and intended to enable farmworkers to acquire equity in the agricultural enterprises where they were employed. However, many FES failed to achieve their intended objectives. The petitioners base their allegations on various reports, including the outcome investigation by Zalo Capital in 2013 (commonly referred to as the Zalo Report) commissioned by the Department of Land Reform and Rural Development.

1.2. Scope of the investigation

The petition called upon the National Assembly to exercise its constitutional oversight mandate by investigating the failure of FES. It further requested that the National Assembly should examine the implementation of previous FES recommendations, conduct a comprehensive

forensic audit of the schemes, and facilitate public hearings to receive evidence from affected farm workers and other stakeholders. The petition alleges that FES challenges stem from weaknesses in oversight, governance, transparency, and accountability. These have significantly contributed to the ineffective implementation of the FES.

The Committee recognises both the complexity of the allegations and its own capacity constraints to conduct forensic investigations. Notwithstanding these constraints, the Committee considered the petition within the framework of Parliament's constitutional oversight responsibilities, including ensuring accountability for public expenditure, scrutinising the Executive action, protecting the rights and interests of affected citizens, and promoting the objectives of equitable and sustainable land reform. The Committee's inquiry therefore focused on assessing the evidence presented, identifying systemic concerns, and determining whether further investigation or remedial measures by competent authorities are warranted.

This report therefore accounts for the Committee's consideration of the petition, the evidence and submissions received, the processes undertaken during the investigation, and the Committee's findings and recommendations to the National Assembly.

1.3. Structure of the Report

This report is organised into seven sections as follows:

Section 2: It outlines the Committee's approach to the investigation, including the scope of the investigation, sources of evidence, oversight activities undertaken, stakeholder engagements, and the key questions that guided the Committee's work. It also highlights methodological limitations and considerations relevant to the assessment.

Section 3: This section situates FES within the context of South Africa’s agricultural development and land reform programme. It examines the origins, policy rationale, intended objectives, and implementation of the model, and analyses key structural and operational challenges affecting its performance. The section further reviews previous evaluations, including the 2013 ZALO Capital Report, and assesses the extent to which relevant recommendations were implemented.

Section 4: This section presents evidence gathered through oversight visits, stakeholder submissions, public hearings, and engagements conducted by the Committee. Drawing on case studies from the Western Cape, Eastern Cape, and Northern Cape, it examines the experiences of beneficiaries and other stakeholders, tests the allegations raised in the petition, and identifies recurring patterns relating to governance, accountability, benefit-sharing, financial management, and beneficiary participation.

Section 5: This section synthesises the evidence obtained through the inquiry and presents the Committee's key findings. It evaluates the effectiveness of FES in achieving its stated objectives, assesses the adequacy of governance and oversight arrangements, and identifies systemic weaknesses and areas of concern. Based on the evidence, the section draws conclusions regarding the performance, sustainability, and accountability of the FES model.

Section 6: This section is a summary of an intervention plan developed by the DLRRD which the Committee will use for monitoring the extent to which its recommendations would be implemented.

Section 7: This section sets out the Committee's recommendations for consideration by the National Assembly. The recommendations are directed at the relevant executive authorities and organs of state. They are intended to strengthen accountability, improve oversight and governance, address identified shortcomings, and enhance the effectiveness of FES interventions.

2. The Committee’s approach

The Committee adopted a phased, evidence-based approach to understand the design, implementation, performance, and governance of the FES. The approach allowed the Committee to examine the petitioners' concerns and beneficiaries’ experiences, assess the adequacy of government oversight, and identify possible policy and administrative interventions.

As detailed in Table 1 below, the Committee's investigation commenced with consideration of the petition, identification of key issues requiring investigation, and consideration of a programme to guide its work. In this regard, the Committee received a briefing by the four

NGOs outlining the issues. The presentation highlighted the historical development of FES, the policy framework underpinning the schemes, previous evaluations, and research findings, including the concerns identified in the petition.

As a second phase, the Committee undertook an extensive oversight visit programme. Site visits were conducted in the Northern Cape, Western Cape and Eastern Cape to enable Members to engage directly with beneficiaries, worker trusts, commercial farming partners, organised agriculture, community representatives and government officials. These visits provided the Committee with first-hand evidence regarding governance arrangements, beneficiary participation, financial performance, dividend payments, tenure security, skills transfer, and the broader socio-economic impact of the schemes.

Table 1: Process Mapping

Phase of Inquiry	**Date(s)**	**Key Engagements and Oversight Activities**
Phase 1: Initiation and Scoping of the Inquiry	12 November 2025	Consideration of the Farm Worker Equity Schemes (FES) Petition and identification of key issues requiring investigation.
	28 January 2026	Briefing by the Department on the FES Petition and consideration of the Committee's inquiry programme and work plan.
Phase 2: Evidence Gathering through Oversight Visits	02 February 2026	Oversight visit to the Northern Cape (2 days) to assess selected FES projects and engage with beneficiaries and stakeholders.
	13-15March 2026	Oversight visits to the Western Cape (3 days) to examine the implementation and performance of FES projects.
	25-27 June 2026	Oversight visits to the Eastern Cape (3 days) to gather evidence, assess project outcomes, and engage with affected stakeholders.
Phase 3: Analysis, Deliberations and Exploration of Remedies	05 August 2026	Stakeholder engagement on Farm Worker Equity Schemes, focusing on findings, policy implications, lessons learned, and possible interventions.

	12 August 2026	Engagement with government departments and officials on challenges affecting FES and potential corrective and remedial measures.
Phase 4: Report Finalisation and Adoption	23 September 2026	Committee deliberations on the findings, conclusions and recommendations, followed by consideration and adoption of the Committee Report.

In Phase 3, the Committee held stakeholder engagements: first with researchers, civil society groups, policy experts, and other interested parties, then with government partners such as the Department of Agriculture, Land Bank, and provincial Departments of Agriculture. The government platform allowed the Committee to review the government's response to concerns raised during the investigation and evaluate existing and potential interventions to resolve challenges within the schemes. These meetings helped the Committee consider diverse views on the effectiveness of FES, whether the schemes met their objectives, and the reforms needed to fix identified issues.

Phase 4 focused on refining the observations and recommendations and adopting this report.

The process outlined above ensured that the investigation was evidence-based, informed by documentary evidence, stakeholder inputs, government perspectives and, most importantly, the experiences of affected beneficiaries. This approach provided a sound basis for evaluating the effectiveness of FES and formulating recommendations to strengthen accountability, transparency, beneficiary participation, and the overall impact of land reform interventions.

Table 2: Focusing the investigation – key questions

Theme	Key Questions	Areas of Assessment
Policy design and implementation	Did FES achieve their intended objectives?	• Ownership, income and economic participation of farm workers • Contribution to land reform and transformation • Tangible benefits derived from the schemes

	Was the design of FES fundamentally flawed?	• FES as instruments for achieving land reform • Power imbalances between farm owners and farm workers • Governance arrangements as enablers for ownership and participation
	Why were known weaknesses not addressed?	• Outcomes of the 2009 review and moratorium • Implementation of the revised policy framework
Financial Accountability	What happened to the more than R700 million invested in FES?	• Allocation per scheme; farms, trusts, entities and beneficiaries received funding • Benefits accruing to farm workers compared to farm owners and agribusinesses
	Was there financial mismanagement or misuse of public funds?	• Purpose and use of public funds • Possible fraud, corruption or maladministration • Basis for forensic investigation or recovery of funds
Governance and Oversight	Did government exercise adequate oversight?	• What monitoring systems were in place? • What reports were produced? • Why did oversight mechanisms fail? • Which government institutions were responsible?
	Can the State disclaim responsibility?	• To what extent does the state remain responsible for the outcomes of public-funded FES and promoted as land reform? • What obligations remain towards affected beneficiaries?
	Who should be held accountable?	• Government entities, officials and/or implementing agencies?
Impact on Beneficiaries	What benefits did farm workers actually receive?	• Disbursement of dividends and amounts paid vis-à-vis the financial state of companies • Ownership, management and decision-making

	What harm was suffered by beneficiaries?	• Beneficiary rights, access and loss of opportunities (land ownership, etc) • Impact on tenure security and livelihoods • "Bought out" members/beneficiaries.
Redress and Future Policy	What remedial action is required for affected beneficiaries?	• Petitioners' recommendations regarding corrective action. • DLRRD responses on key actions
	What alternatives should replace FES?	• What could worker-centred models look like, in terms of genuine ownership, democratic participation and secure tenure?

3. Historical context of South Africa's agricultural development and the emergence of FES

The development of large-scale commercial agriculture in South Africa was shaped by colonial and apartheid policies that concentrated land ownership and agricultural resources in the hands of a white minority while dispossessing Black South Africans of land and economic opportunities. Between 1910 and 1940, state policy prioritised agricultural expansion and food self-sufficiency through legislative and financial interventions, including the establishment of the Land Bank in 1912, the Natives Land Act of 1913, the Native Trust and Land Act of 1936, and various agricultural marketing measures. While these interventions contributed to the growth of commercial agriculture, they also entrenched exclusion and transformed many Africans into labourers on white-owned farms. By the mid-twentieth century, approximately 87 per cent of agricultural land was owned by white farmers, creating an unequal and dualistic agrarian system characterised by concentrated ownership in white hands and landlessness and lack of access to productive resources for black people.

From the 1940s to the 1970s, commercial agriculture benefited from extensive state support, including regulated markets, subsidised inputs, extension services and competition controls. These measures enhanced productivity and profitability but further consolidated large-scale commercial farming and reinforced structural inequalities. By the late 1980s and early 1990s, agricultural deregulation, market liberalisation and reduced state support fundamentally altered

the operating environment of the sector. At the same time, growing recognition of the historical injustices associated with land dispossession was beginning to heighten pressure for land reform measures that could promote transformation while maintaining agricultural productivity and investor confidence.

Following the advent of democracy in 1994, land reform became a central policy instrument for addressing historical inequalities and broadening participation in the agricultural economy. Within this context, FES emerged as an innovative form of land redistribution that sought to combine worker empowerment, commercial sustainability and agricultural productivity. Commercial farmers, particularly in the Western Cape fruit and wine industries, initially promoted the model as a way to enable farm workers to acquire ownership interests in farming enterprises without fragmenting productive farms. The government later adopted and formalised the model through the land redistribution programme, supported by the Provision of Land and Assistance Act, 1993 (Act No. 126 of 1993), and the 1997 White Paper on South African Land Policy.

Under the FES model, commercial farmers typically initiated projects, identified beneficiaries and established worker trusts or similar legal entities through which farm workers acquired shares in farming enterprises. Beneficiaries utilised government grant funding, initially through the Settlement/Land Acquisition Grant (SLAG) programme and later through the Land Redistribution for Agricultural Development (LRAD) programme, to purchase equity in agricultural businesses. Shareholding was generally divided between the commercial farmer and a worker trust, while farming operations continued through an operating company. Farm workers therefore assumed the dual role of employee and shareholder within the enterprise. Following the replacement of LRAD by the Proactive Land Acquisition Strategy (PLAS), support to existing schemes was expected to continue through the Recapitalisation and Development Programme (RADP).

The objectives of FES extended beyond land redistribution. The schemes sought to improve the living and working conditions of farm workers through dividends, capital appreciation and greater employment security; facilitate skills transfer and participation in management and decision-making; enhance tenure security; contribute to economic growth through investment, productivity and employment creation; and transform power relations within commercial agriculture by enabling farm workers to become co-owners of farming enterprises.

The implementation of FES involved substantial public investment as shown below in Table 1. Evidence presented to the Committee indicated that 89 schemes were funded nationally, with approved grants amounting to approximately R683 million, of which more than R643.5 million had been disbursed. The Western Cape accounted for the largest concentration of schemes and funding, receiving more than R403 million across 54 projects, followed by the Eastern Cape with 21 projects funded through grants exceeding R105 million.

Table 3: Grant Funding Allocations for Farm Worker Equity Schemes (DLRRD)

Province	Number of FES	Grant Funding
Western Cape	54	R403 421 786
Eastern Cape	21	R105 321 140
Gauteng	4	R8 550 545
Mpumalanga	3	R123 520 969
Northern Cape	3	R12 624 620
North West	2	R2 339 016
KwaZulu-Natal	1	R20 884 963
Limpopo	1	R6 702 848
Total	**89**	**R683 365 887**

Despite their ambitious objectives and substantial public investment, concerns emerged regarding the effectiveness of FES as a land redistribution and empowerment instrument. Evidence presented to the Committee suggested that beneficiaries generally acquired shares in private companies or trusts rather than direct land ownership. Consequently, many did not obtain secure tenure rights or meaningful control over the productive assets underpinning the enterprises in which they held equity. Beneficiaries frequently reported limited involvement in the establishment and governance of schemes and often lacked an understanding of shareholding arrangements, trust structures, dividend policies and financial management practices. Decision-making authority commonly remained concentrated in the hands of commercial farming partners, trustees and management structures.

The Committee received differing perspectives on the impact of FES. Proponents argued that the model enabled workers to share in the value of productive agricultural enterprises while preserving economies of scale and avoiding land fragmentation. Critics, however, contended

that the schemes often channelled public investment into private enterprises without transferring meaningful ownership, decision-making authority or economic benefits to beneficiaries. Particular concern was raised regarding dividend performance. The 2013 ZALO Capital review found that only nine of the 88 schemes assessed had paid dividends to beneficiaries, despite significant public investment.

The Committee also noted concerns about tenure security, gender inequality, limited skills transfer, and weak beneficiary participation. In many cases, beneficiaries remained minority shareholders with limited influence over enterprise governance, while women's participation and benefits were often constrained by broader patterns of inequality within the agricultural sector. Evidence further pointed to weaknesses in project approval processes, beneficiary verification, monitoring, accountability and post-settlement support. Responsibility for addressing governance and performance challenges was frequently fragmented across multiple stakeholders, resulting in weak oversight and limited corrective action.

These concerns closely mirror the issues raised in the petition before Parliament, particularly allegations of governance failures, inadequate oversight, limited transparency, and the failure of many schemes to achieve their intended land reform and empowerment objectives. This historical and policy context provides the foundation for understanding both the emergence of FES and the Committee's assessment of their effectiveness as instruments of land redistribution, agrarian reform and economic empowerment.

4. Oversight visits: Northern Cape, Western Cape and Eastern Cape

This section presents evidence gathered during oversight visits to the Northern Cape, Western Cape and Eastern Cape. It documents case studies that assess the concerns and allegations raised in the petition.

4.1 Northern Cape

During its oversight visit to the Northern Cape, which focused on other issues, the Committee included some FES projects, including the Badirammogo Trust, which is discussed below.

4.1.1 Badirammogo Trust Share Equity Scheme (02 February 2026)

The Badirammogo Trust was established in 2004 under the AgriBEE Programme. The Trust was allocated a 45 per cent shareholding in Sonvrucht Farming, an enterprise located in Kakamas, Northern Cape. Beneficiaries allege that they were unlawfully deprived of their shares, citing procedural irregularities and severe socio-economic consequences. The Provincial Department of Agriculture and the Master of the High Court initiated an investigation under the Trust Property Control Act into alleged irregularities affecting the Share Equity Schemes. A long-running dispute (2021–2024) over payment for the investigator was resolved when the High Court ruled that the Provincial Department is responsible.

Correspondence brought before the Committee shows that Mandilakhe Mpemba, representing beneficiaries of Badirammogo, repeatedly sought assistance from national and provincial agriculture departments regarding the alleged unlawful loss of beneficiaries' shares in Sonvrucht Farming. Government initiated an investigation, and Mr Mpemba requested implementation of the investigation report's recommendations. At the time of the oversight visit, the dispute over payment to the service provider had not yet been concluded. The key concern for the oversight visit was therefore the status of the beneficiaries' shares and the implementation of any competent investigative findings.

It is alleged that the beneficiaries of Badirammogo Trust sold their entire participation quotas in May 2007 for R20,000 each. The sales included all rights (capital, income, voting, and loan accounts), and the trust's trustees accepted them. All forms indicate voluntariness, understanding, and signatures at Kakamas. The mass, uniform sale raises questions about fairness, value, and procedure.

Table 4: Timeline of Key Events

YEAR	Key issue
2004	Badirammogo Trust is formed under AgriBEE, receiving a 45% shareholding in Sonvrucht Farming.
2021–2023	A dispute arises over who must pay the High Court–appointed investigator responsible for reviewing maladministration in Northern Cape Share Equity Schemes.

29 November 2023	A High Court hearing takes place regarding the responsibility for the investigator's payment.
23 February 2024	Judgment delivered: Provincial Department must pay the investigator; leave to appeal is dismissed.
April–May 2024	Mpemba sends multiple emails requesting the implementation of the investigation report and departmental intervention. The National Department (Mr Moeketsi) states it did not sanction the investigation and was not involved in the court case; therefore, it cannot comment on or implement its findings.
August 2024 – September 2024	Mpemba expresses disappointment with the National Department's stance and urges reconsideration, attaching documents alleging rights violations. He requests assurance that beneficiaries' matters will be addressed.
2025	Provincial officials (Ms Botes) offer to arrange virtual and in-person meetings involving National and Provincial Departments. Meeting scheduled for 5 August 2025, later requested for rescheduling to 22 August 2025

However, immediate concerns were raised, and those can be summarised as follows:

- Uniform pricing (R20,000) suggests a standard buy-out rather than individual valuation of rights; the documents contain no valuation basis.
- Simultaneous dates and repeated reliance on Trust Deed clause 16.3 indicate a coordinated process driven by trustees, not individual negotiations.
- There were no Trustee resolutions or independent advice confirmations, or any valuation of the Trust's underlying assets (e.g., the Sonvrucht Farming stake).
- Review of documents shows that the disputes about lost shares have been ongoing for a long time, with allegations of maladministration and non-implementation of an investigation commissioned via the Master of the High Court.

During the engagements, the beneficiaries requested the following:

- Urgent intervention and clarity are needed regarding unresolved issues affecting the beneficiaries of the Badirammogo Trust Scheme. These specifically concern share

dispossession, maladministration, and the implementation of the Master of the High Court's investigation report.

- The DLRRD and the Provincial Department of Agriculture must resolve the question of the jurisdictional authority over the commissioning of the investigation into the Trust and implement the recommendations.
- Beneficiaries remain in poverty, with no benefit from shares intended to uplift farmworkers through AgriBEE transformation.
- Repeated requests for clarity, accountability, and meetings have been met with delays or conflicting responses between the two departments. Beneficiaries also face financial barriers to attending departmental meetings.

4.2 Western Cape

From 13 to 15 March 2026, the Committee undertook an oversight visit to the Western Cape to assess the implementation, governance, sustainability and developmental impact of selected FES projects. The Committee sought to establish whether the FES projects advance the constitutional objectives of land reform, including redress, equitable access to land, meaningful ownership, economic participation, wealth creation, tenure security and rural development. The Committee specifically wanted to understand whether the beneficiaries have derived sustainable benefits from the state investments and whether governance arrangements adequately protect their rights and interests.

The Committee engaged with a broad range of stakeholders, including officials of the DLRRD, local municipal representatives, trustees, farm managers and commercial partners, and beneficiaries. These were followed by site inspections where farm managers and beneficiaries could demonstrate operations. Not all sites could show operations because most were on weekends.

4.2.1 Paardekop Workers Trust, Citrusdal

The Paardekop Workers Trust, one of the earlier worker ownership initiatives in the Western Cape, is situated about 14 kilometres north-west of Citrusdal in the Cederberg Local Municipality. The project was designed to promote worker ownership of productive

agricultural land while maintaining the viability of an established commercial farming enterprise. The government assisted with acquiring about 272 hectares of Lemoenkloof, Droedam, and portions of Piekenierskloof, at a cost of R3.45 million, funded through the Land Redistribution for Agricultural Development programme (LRAD).

The main production was a commercial rooibos tea farming operation previously owned by Paardekop Boerdery. At the time of acquisition, 158 farm and packhouse workers formed the Paardekop Employees Trust, which would own the land. Of these, 31 LRAD beneficiaries became the legal beneficiaries of the Trust, jointly owning the agricultural assets. The main aim was to broaden ownership of productive agricultural land, preserve commercial agricultural production, facilitate skills transfer and create opportunities for workers to participate in the economic benefits generated by the enterprise.

The new landowners entered into a lease and share-cropping agreement rather than transferring full operational responsibility immediately to beneficiaries. Under this arrangement, the commercial farming entity continued cultivating rooibos tea on the land while the Trust received 25 per cent of the wet tea harvest. The commercial operator bore production risks and most operating costs, while a skills transfer programme was introduced to develop beneficiary capacity and management expertise. The arrangement reflected a common approach within worker ownership schemes, prioritising commercial sustainability alongside gradual beneficiary empowerment.

The project seems to have achieved a measure of sustainability. Production continues on the farm, and at the time of the visit, the enterprise remained operational years after establishment. Trustees reported that dividends have been distributed to beneficiaries since 2008, suggesting that the project has continued to generate economic returns. The continued functioning of the enterprise contrasts with a number of land reform projects that experienced production decline or collapse following transfer of ownership.

Notwithstanding these positive indicators, particular concerns were raised regarding the relationship between beneficiary rights and employment status. Beneficiaries alleged that individuals who ceased employment on the farm could lose access to benefits associated with their ownership interest. If accurate, such a practice would raise important questions regarding the nature of ownership rights within the Trust, as ownership would effectively remain tied to

labour relations rather than existing as an independent economic asset. This issue goes to the core of the Committee's inquiry into whether worker ownership schemes genuinely empowered beneficiaries or whether workers remained dependent on the commercial enterprise for the enjoyment of their rights.

The Committee also identified financial transparency as a significant concern. Trustees indicated that financial statements could be made available subject to trustee approval and maintained that dividends had been distributed over an extended period. However, beneficiaries alleged that financial reports had not been shared with them since 2018. This divergence in accounts highlights a broader governance challenge. Beneficiaries cannot meaningfully exercise ownership rights without regular access to financial information, audited statements and transparent reporting on enterprise performance. The Committee noted that reported annual dividend payments averaging approximately R2 500 per beneficiary appeared modest relative to expectations associated with ownership of a productive agricultural enterprise. While fluctuations in rooibos tea prices were cited as an explanation for limited returns, the absence of comprehensive financial records prevented any definitive assessment of whether benefits were being distributed fairly and appropriately.

A further concern identified by the Committee was the apparent absence of sustained government oversight. Members were informed that the Department had not visited the project for approximately eighteen years. The lack of periodic oversight, monitoring and evaluation may have contributed to unresolved governance concerns and weakened accountability mechanisms over time. The case therefore demonstrates how projects can continue operating commercially while simultaneously developing governance weaknesses that remain largely unexamined in the absence of active oversight.

The Paardekop Workers Trust consequently presents a nuanced picture of worker ownership and land reform. On the one hand, the project demonstrates that worker ownership initiatives can preserve agricultural production, maintain commercial viability and continue generating benefits over a prolonged period. On the other hand, it raises important questions regarding beneficiary participation, transparency, accountability and the practical enjoyment of ownership rights. The Paardekop experience suggests that the success of worker empowerment initiatives cannot be assessed solely by continued production or the transfer of legal ownership. Rather, success must also be measured by the extent to which beneficiaries can participate in

governance, access information, exercise control over assets, and derive meaningful and sustainable economic benefits from their ownership interests.

4.2.2 Hexrivier Citrus Workers Trust

Hexrivier Citrus FES originated as a land reform and worker empowerment initiative to enable farm workers to acquire a substantial ownership stake in a commercially successful citrus enterprise in the Citrusdal area of the Western Cape. In February 2006, the DLA approved R4.1 million in LRAD funding to facilitate the purchase of a majority shareholding in the Hexrivier Citrus enterprise. The funding benefited approximately 150 farm worker beneficiaries representing 80 households, who became members of the Hexrivier Citrus Workers Trust. Beneficiaries supplemented the state grant with a R1 million loan, demonstrating a significant financial commitment to the acquisition.

The scheme was structured around workers acquiring a controlling share in an established citrus-farming operation on approximately 176 hectares of agricultural land in the Clanwilliam area. The beneficiaries were to become active participants in a commercially viable enterprise while continuing to benefit from management expertise and access to agricultural markets. In line with the design of FES schemes, the aim was to combine worker ownership, income generation, skills development and long-term wealth creation.

Oral evidence presented to the Committee suggests that over time, the project underwent a series of restructurings and ownership changes, thus significantly altering the original model. It was subsequently amalgamated with Ceder Estate, a much larger citrus farming operation comprising approximately 3 400 hectares of agricultural land. It meant that beneficiary ownership became diluted within a substantially larger corporate structure. As a result, farm worker beneficiaries ultimately held only a 14 per cent shareholding in the enlarged enterprise, with the prospect of purchasing additional shares in the future.

The Committee found that the evolution of the project raises serious concerns about the erosion of beneficiary ownership over time. Oral evidence presented during the oversight visit suggested that beneficiaries initially held a significantly larger stake in the enterprise, reportedly around 70 per cent, but that successive transactions, restructuring processes and

ownership changes progressively reduced their economic participation. The Committee was unable to document the precise sequence of events due to limited access to historical records and the unavailability of the equity partners to engage with the Committee. However, the message that beneficiaries gave the Committee was that those who had originally entered the project as majority stakeholders eventually lost the ownership position that formed the foundation of the empowerment model.

Beneficiaries expressed a sense of dispossession of their rights. Oral submissions made during the public meeting revealed that beneficiaries regarded the project as far more than a financial investment. Ownership represented recognition, dignity, economic security and a permanent stake in the agricultural economy from which they had historically been excluded. Therefore, the loss of ownership was not only a financial setback, but it was also the loss of a hard-earned opportunity for intergenerational advancement and economic inclusion.

The disposal of beneficiary shares is one of the most contentious issues at Hexrivier. Beneficiaries allege that their shareholding interests were sold for approximately R64 000 to R65 000 per beneficiary. However, it was not possible to determine how the valuation was calculated, whether independent valuations were undertaken, or whether beneficiaries received impartial legal, financial, or technical advice before agreeing to the disposal of their shares. These questions remain unresolved, particularly whether the compensation paid adequately reflected the underlying value of the assets, the commercial performance of the enterprise, and the long-term value of the beneficiaries' ownership interests.

It is also alleged that beneficiaries were advised that the enterprise faced significant debt obligations and that, if they continued as owners, it would require substantial additional capital contributions. This left them with little practical choice but to dispose of their shares. They argue that the decisions were not made on the basis of fully informed consent. This, as observed elsewhere in the Northern Cape and Eastern Cape, highlights a recurring concern: the unequal bargaining power that often exists between farm worker shareholders and sophisticated commercial partners. Beneficiaries lack access to independent advice, technical expertise and financial information, and therefore their ability to make informed ownership decisions is compromised.

4.2.3 Crispy Farm Equity Scheme, Ceres

The Crispy Coolers Project, one of the longest running FES, is located on a portion of the farm Rietvalley No. 364 in Ceres, Western Cape. It was established in 2002 as a joint venture between farm workers and their employer, Dutoit Agri, to create worker ownership in a commercially strategic agri-processing enterprise. It was structured around developing and operating a controlled-atmosphere cold storage facility used to store apples, pears, and other fruit for extended periods.

The DLA approved a Settlement and Land Acquisition Grant of R18.64 million for the project, involving about 932 worker shareholders. It is one of the largest worker participation initiatives supported through public funding. Dutoit Agri contributed an additional investment of approximately R11.5 million, bringing the total project value to around R30 million.

The project aimed to give farmworkers a stake in a commercially viable enterprise linked to the broader fruit value chain. Through long-term rental and utilisation agreements with Dutoit Agri, the facility secured a stable client base and predictable revenue stream. According to project management, this arrangement has underpinned the financial sustainability of the enterprise since 2003, with the latest rental agreements renewed for an additional five-year period in February 2026. Management further indicated that the company maintains modern governance and financial management systems and undergoes annual audits. On conventional commercial indicators, Crispy Coolers appears to be one of the more successful projects supported through land reform funding.

However, the Committee's engagement with beneficiaries revealed a far more complex picture. The Committee observed tension between enterprise success and beneficiary success. While management presented evidence of a financially sustainable and professionally managed enterprise, many beneficiaries described limited economic benefits flowing from their ownership interests over an extended period. Several participants indicated that dividend payments had either been infrequent or too small to produce any meaningful improvement in household livelihoods. For many beneficiaries, the anticipated benefits of ownership did not meet the expectations generated at the inception of the scheme. Crispy shows that a project may be commercially profitable and institutionally stable while still failing to deliver substantial improvements in the lives of worker shareholders.

Another concerning issue is the disposal of shares by beneficiaries. Testimony presented during community engagements suggested that a number of beneficiaries accepted offers of approximately R30 000 for their shares. The committee could not find evidence of the appropriateness of the valuation. It was obvious that when poor people with immediate financial pressures and economic hardships were given options for a lump sum, they would take it. What has become obvious for many of the poor people in the schemes is that decisions were not based on sound economic conditions. The socio-economic conditions such as high levels of unemployment, household indebtedness, medical costs and other socio-economic pressures significantly affected decision-making.

Sme speakers alleged that some beneficiaries were forced to sign important documents during periods of illness, bereavement or financial distress. Additionally, widows and the families of deceased beneficiaries were reportedly experienced difficulties in accessing benefits or enforcing inheritance rights associated with shareholding interests. These concerns are relevant to the broader examination of governance and accountability within FES projects.

4.2.4 Langwyde Workers Trust, Op-die-Ber, Ceres.

The Langwyde Workers Trust was established in 2008 through the LRAD programme; the project involved acquiring a 33.33 per cent shareholding in Wydekloof Boerdery (Pty) Ltd, a substantial agricultural enterprise operating across approximately 10 023 hectares in the Witzenberg Municipality. The project received an estimated R43 million in public funding to benefit 242 worker beneficiaries who became shareholders through the Langwyde Werknemerstrust.

The scheme was designed, like others discussed earlier, to enable farmworkers to participate in the ownership of a commercially successful agricultural enterprise while sharing in the wealth created through farming operations. Rather than transferring land ownership directly to beneficiaries, the project was structured around equity participation in an existing commercial farming business. Through this arrangement, beneficiaries acquired ownership interests in a diversified fruit farming operation.

Over the years and through the reinvestment of profits, Wydekloof Boerdery reportedly expanded its asset base, acquired additional land, upgraded packhouse infrastructure and replaced orchards to maintain competitiveness within the fruit industry. Farm management argued that this strategy prioritised long-term capital growth over short-term dividend distributions, resulting in a substantial increase in the underlying business's value. On conventional commercial measures, the project appears to have remained viable and may have generated significant growth in shareholder value.

However, the Langwyde case also highlights one of the most important questions facing the FES inquiry: how should success be measured in worker ownership schemes? While management emphasised enterprise growth and asset appreciation, many beneficiaries assessed the project through a different lens: the extent to which ownership had translated into tangible improvements in their livelihoods. Beneficiaries informed the Committee that dividend payments over the past seventeen years had generally ranged between R1 000 and R1 500 per beneficiary when distributions were made, and that payments were often irregular. Although these amounts may reflect commercial decisions regarding reinvestment, many beneficiaries perceived them as disproportionately low when compared to the scale of the initial public investment and the reported growth of the enterprise.

The Committee therefore concluded that the central issue is not merely the quantum of dividends received, but whether beneficiaries have derived returns proportionate to both the value of the public investment and the commercial performance of the enterprise over time. Put differently, the case raises questions about whether workers have experienced meaningful economic empowerment or whether the benefits of growth have largely remained embedded within the enterprise itself.

The Committee was also struck by the apparent disconnect between beneficiaries' legal ownership and their understanding of that ownership. The Langwyde scheme was repeatedly described as having a complex shareholding structure, a concern previously identified in the 2013 Zalo Report. Several beneficiaries indicated that they struggled to understand how the scheme operated, how shares were valued, how profits were allocated and how decisions affecting shareholder interests were taken. This complexity appears to have limited beneficiaries' ability to exercise informed ownership and participate meaningfully in governance processes.

Transparency emerged as a significant concern during engagements with beneficiaries. Allegations were raised that, at various points, beneficiaries had been encouraged to consider selling their shares while being informed that insufficient funds were available for dividend distributions. The Committee did not receive sufficient evidence to conclusively verify these claims. Nevertheless, the allegations raise important questions about information asymmetries within worker equity schemes and whether beneficiaries have the information necessary to make informed decisions about their ownership interests.

Further concerns were raised regarding access to financial information, the administration of shares belonging to deceased beneficiaries, inheritance arrangements and restrictions affecting the transfer or sale of shares. Beneficiaries questioned whether existing arrangements adequately protected shareholder rights and whether all beneficiaries had equal access to information relating to the value and performance of their investment.

4.3 Eastern Cape

On 25 June 2026, the Committee participated in a stakeholder engagement at Africanos, where beneficiaries from several FES, including the Luthando, Endulwini and Khangela Equity Schemes, shared their experiences of participating in the programme.

A consistent message emerging from the engagement was that the intended objectives of the FES model had not been fully realised. Beneficiaries reported that, despite substantial public investment, they derived limited tangible benefits from participating in the schemes. The FES model was designed to facilitate worker empowerment through equity ownership, while also providing mentorship, skills transfer, management support and capacity-building programmes over a transitional period of approximately five years. According to beneficiaries, many of these commitments were either poorly implemented or not implemented at all, resulting in continued dependence on commercial partners and limited progress toward self-sufficiency. Several beneficiaries expressed concern that, although they were recognised as shareholders, they did not enjoy meaningful participation in governance, management or financial decision-making processes. Questions relating to transparency, access to information, dividend distribution and succession rights featured prominently throughout the engagement.

Table 5 below presents an overview of FES schemes in the Eastern Cape. Key observations are as follows:

- Koukamma Municipality accounts for the largest concentration of projects, with 9 schemes, approximately 69% of all identified beneficiaries (1 287 beneficiaries), and at least R36.8 million in grant funding.
- Blue Crane Route received the largest single grant allocation through the Middleton Ostrichvlei Project (R20.07 million).
- The projects collectively represent nearly 1 900 beneficiaries supported through almost R78 million in grant funding.
- Most schemes were structured as either majority worker-owned entities (50% or more shareholding) or fully worker-owned projects (100%), suggesting a strong emphasis on beneficiary equity participation.

Table 5: FES in the Eastern Cape

No.	Scheme Name	Local Municipality	Share Holding	HDI Beneficiaries	Grant Funding
1	Krantzdrift	Makana	18%	54	R864 000
2	Rockville	Ndlambe	100%	28	R574 430
3	Jay Dee Rovon	Koukamma	100%	129	R4 333 884
4	Umthombo CPA	Nelson Mandela Bay	100%	17	R424 507
5	Jiks CC	Ndlambe	100%	5	R216 585
6	Brandwag Equity Share Scheme	Sundays River Valley	75%	71	R3 182 433
7	Mooi Uitsig	Koukamma	100%	10	R204 090
8	Grasslands	Kouga	TBC	50	R3 233 608
9	Eve Brand Farm Workers Trust	Koukamma	TBC	240	R9 809 000
10	Rhebok Rant Trust	Kouga	TBC	22	R839 168
11	Klipdrift Cooling Project 2	Koukamma	49%	250	R5 661 800
12	Blaauwkrantz Empowerment	Nelson Mandela Bay	49%	21	R948 927

13	KwaZulu Egg Producers	Nelson Mandela Bay	58%	7	R416 143
14	Sanddrift Project	Koukamma	51%	61	R2 541 687
15	Groendal Joint Venture	Koukamma	50%	160	R9 709 440
16	Vaalheuwel Project	Dr Beyers Naudé	50%	5	R337 335
17	Endulini Sundays River D/T	Nelson Mandela Bay	40%	50	R2 241 150
18	Battlesden Citrus Joint Venture	Sundays River Valley	51%	50	R1 420 400
19	Galactic Deals Citrus JV	Kouga	49%	31	R1 164 908
20	Masiphakami Workers Trust	Koukamma	50%	27	R1 955 003
21	Klipdrift Cooling Project	Koukamma	TBC	60	R2 599 012
22	Middleton Ostrichv.	Blue Crane Route	100%	100	R20 068 200
23	Mbuyiselo Workers Trust	Sundays River Valley	75%	23	R1 279 858
24	Appelkloof Joint Venture Project	Koukamma	TBC	350	Not specified
25	Bakkiehoek Boerdery	Kouga	40%	28+	R3 962 196

4.3.1 Luthando Equity Scheme

The Luthando Equity Scheme (Luthando Citrus) is situated near Kirkwood in the Eastern Cape. It was established in 2003 to enable farm workers to acquire equity in a commercial citrus farming enterprise. In its design, it was intended to benefit approximately 70 farm worker beneficiaries. Beneficiaries collectively acquired a majority shareholding of approximately 75 per cent, while a commercial partner retained the remaining 25 per cent. The model envisaged

that beneficiaries would progressively increase their participation in the management and operation of the enterprise while benefiting from dividends and growth in the value of their shares.

However, beneficiaries informed the Committee that they had limited access to financial information, management decisions, marketing arrangements and dividend declarations despite being majority shareholders. While dividends had reportedly been paid during the early years of the project, beneficiaries indicated that these payments had subsequently ceased, although farming operations and export activities continued. Beneficiaries were repeatedly informed that the farm was not generating profits, yet they stated that they were not provided with audited financial statements or other documentation to substantiate these claims.

The Committee was informed that, notwithstanding their majority shareholding, beneficiaries exercised little practical control over the enterprise. Financial management and strategic decision-making reportedly remained largely in the hands of the commercial partner, so ownership did not translate into effective control.

Beneficiaries further alleged that proposals had been advanced to sell the farm. While members reportedly opposed such proposals, they indicated that they lacked the financial resources necessary to acquire the commercial partner's remaining shareholding. Concerns were also raised regarding the valuation of the enterprise and the rationale advanced for a possible sale. Beneficiaries questioned whether sufficient alternatives had been explored before consideration was given to disposing of the asset.

The issue of inheritance and succession rights also emerged as a significant concern. Representatives indicated uncertainty about the treatment of shares following a beneficiary's death. Questions were raised about whether surviving spouses, dependants and family members were entitled to inherit or benefit from these shares, creating uncertainty regarding the long-term security of beneficiary households.

4.3.2 Endulini Equity Scheme

The Endulini Equity Scheme was established in 2000 and is associated with the Endulini Fruit citrus operations in the Patensie and Kirkwood areas. Through the LRAD programme, the government contributed approximately R2.24 million towards acquiring a 673-hectare citrus

farm intended to benefit 50 participants. Beneficiaries collectively acquired a 40 per cent shareholding in the enterprise.

During the stakeholder engagement in Patensie, beneficiaries reflected on their experiences at the project's inception. Many indicated that they had limited understanding of the legal, governance and financial arrangements underpinning the scheme when they became shareholders. Beneficiaries recalled being informed that they would participate as shareholders but stated that concepts such as shareholding, trusteeship, fiduciary responsibilities and corporate governance were not adequately explained to them. Consequently, they entered the arrangement without a clear understanding of their rights, obligations and long-term interests. The Committee also heard allegations that inaccuracies had emerged in beneficiary records over time, leading to disputes regarding membership and shareholder status. Beneficiaries expressed concern about the management of shareholder information and indicated that these issues had contributed to feelings of exclusion and marginalisation.

Concerns were further raised regarding declining participation by beneficiaries. A representative of the scheme reported that only a small number of shareholders remained actively involved in the affairs of the enterprise. While beneficiaries acknowledged that dividends had been paid on occasion, they questioned both the sustainability and transparency of the arrangements and expressed uncertainty regarding how financial decisions were made.

The Committee was unable to conduct a site visit to the farm. Farm management denied access because no prior arrangements had been made, limiting the Committee's ability to verify some of the matters raised during the engagement independently.

4.3.3 Bakkieshoek Farm

Testimony received regarding Bakkieshoek Farm revealed concerns about informed consent, access to information, and beneficiary participation in decision-making processes. Beneficiaries alleged that they had, at various stages, been encouraged to sign agreements and legal documents without being provided with adequate explanations of their contents or implications. One beneficiary reported signing documents while in a vulnerable position and without a proper understanding of the commitments being undertaken.

The Committee also heard allegations that management regularly cited poor financial performance to justify limiting dividend payments and other financial benefits to beneficiaries. However, beneficiaries said they lacked access to financial records and therefore could not verify these claims independently.

The concerns raised at Bakkieshoek reflected broader themes emerging from the oversight process, including inadequate transparency, limited access to information, weak beneficiary empowerment and persistent power imbalances between beneficiaries and those exercising managerial control over the enterprises.

4.3.4 Grasslands Development Trust Equity Scheme, Humansdorp

The Grasslands Development Trust is located near Hankey and comprises approximately 485 hectares of productive agricultural land. The project involves approximately 49 beneficiaries and operates through a partnership arrangement in which beneficiaries contribute land, while strategic partners provide livestock, equipment, technical expertise, operational management and skills development support.

Information presented to the Committee indicated that the project had achieved several positive outcomes. These included sustained agricultural production, active beneficiary participation in governance structures, regular communication between stakeholders and access to skills development opportunities. The project was presented as an example of how land reform initiatives can generate sustainable outcomes when supported by transparent governance arrangements, effective partnerships and meaningful beneficiary involvement.

The Committee observed that the project appeared to exhibit several characteristics commonly associated with successful land reform interventions, including accountable leadership, operational stability, structured capacity-building programmes and collaborative relationships between beneficiaries and strategic partners. Departmental presentations further indicated that beneficiaries had derived tangible benefits from participation in the project and had expressed interest in expanding the enterprise. However, while the project was presented as a success story, the Committee could not independently verify these claims. No beneficiaries or scheme representatives attended the stakeholder engagement, despite being invited to participate.

Consequently, the Committee could not obtain direct testimony from beneficiaries regarding the project's performance and impact.

5. Key findings and observations

The Committee's primary question was whether the FES represented a successful land reform intervention, or whether public funding intended to empower farm workers primarily benefited other stakeholders, leaving the intended beneficiaries excluded, impoverished, and without meaningful ownership. Additionally, it considers what accountability and redress measures are now necessary.

5.1 Systemic failure of the FES model

- *To what extent did the FES achieve its intended objectives, and were any shortcomings attributable to fundamental flaws in the design and implementation of the programme?*

While it is generally acknowledged that the policy intention was to empower farm workers and ensure they are integrated into mainstream agriculture-inclusive economic development, FES stakeholders and the DLRRD acknowledged that FES largely failed to achieve its intended objectives of empowering farm workers through ownership, participation, and economic advancement. Instead, evidence from departmental reviews (2005 and 2011) and civil society research indicated that many schemes entrenched existing inequalities and power imbalances. The revised policy was never approved; instead, the Department introduced another equity model known as the 50/50. Instead, it seems the FES benefited the previous owners or commercial partners who have held on to control of the enterprises, with little or no benefit to the new equity partners, i.e. farm workers.

In response to the Petition, there was substantial agreement among Members of the Committee, the DLRRD and petitioners that FES did not deliver meaningful transformation for many beneficiaries. This suggests that intervention is needed to address the concerns (**see below)**.

5.2 Weak governance and accountability mechanisms

- *To what extent did the State exercise effective oversight, monitoring, and intervention throughout the implementation of the programme; can government reasonably disclaim responsibility for the outcomes achieved; and where should accountability ultimately reside for any systemic failures, governance deficiencies, or adverse consequences that arose*

Evidence from beneficiaries and FES members across the Eastern and Western Cape highlighted a lack of oversight. Despite public investment of close to R700 million, many beneficiaries reported limited participation in governance structures, inadequate access to financial information, uncertainty about dividend payments, and weak communication from commercial partners. These concerns were observed across multiple schemes. One could therefore conclude that governance failures were not isolated incidents but reflected broader systemic weaknesses in oversight, reporting, transparency, and accountability.

The design of the scheme envisaged closer monitoring of the schemes by creating a role for a 'protector', someone who would monitor performance on behalf of the state and in the interests of public investment in the schemes. Across the schemes, there was no evidence that the protector played any role. Even more shocking, in the EC, the chief director stated that there were no reports of protectors in the files. This supports the petitioners' view that the government was absent from these schemes, leaving farmworkers in the hands of private interests. Furthermore, the Committee's interest in the scheme's objectives, governance framework, and the Department's oversight responsibilities showed that accountability mechanisms may not have been sufficiently defined at the inception of the projects and were quite clearly not enforced. Therefore, the institutional arrangements governing the FES programme were incapable of ensuring accountability of the enterprises, specifically commercial interests, for public funds and their undertakings to the beneficiary partners.

In this context, the Committee suggested that the State cannot readily disclaim responsibility for the programme's outcomes. In fact, having heard that some of the people who were involved at the initial stages of the FES were no longer in the employ of government, it called for further investigation by those entities of the state that have the capacity to do so; for example, the SIU, and in some cases the Auditor-General of South Africa could also be approached. The Committee expressed a concern that government had a duty to ensure that governance

structures protected beneficiaries and that the intended developmental objectives were achieved.

The Committee held that different actors should share the accountability ecosystem. The table below describes the differentiation.

Table 6: Accountability ecosystem for FES

Actor(s)	**Accountable For**	**Accountable To**
Government	Policy design, public expenditure, oversight, regulatory enforcement, programme outcomes	Parliament and the public
Implementing agencies and officials	Monitoring, compliance, support, reporting, interventions	Government
Trustees, directors and commercial partners	Fiduciary duties, governance, transparency, financial management, beneficiary representation	Government, regulators and beneficiaries
Beneficiaries	Participation in governance and exercising oversight over representatives	Scheme governance structures

Oral evidence from petitioners and beneficiaries has, from site to site, highlighted governance weaknesses, including lack of transparency and access to information for beneficiaries; limited participation of farm workers in decision-making; weak monitoring and oversight by the state; beneficiaries signing agreements without understanding their rights and obligations; and inadequate accountability mechanisms for trustees, farm owners and implementing agencies. The persistence of governance concerns over many years suggests a breakdown not only at the level of individual schemes but also within the broader accountability ecosystem that was intended to safeguard the programme's integrity and outcomes.

5.3 Significant public investment with limited demonstrable benefits

- *To what extent did the more than R700 million invested in the FES generate the intended returns and benefits for beneficiaries, and do the financial records, governance practices, and implementation outcomes of the scheme indicate mismanagement, maladministration,*

or misuse of public funds that warrant further investigation, accountability measures, or remedial action?

It is reported that the erstwhile Department of Land Affairs invested close to R700 million in public funds in the schemes. Yet, there is limited evidence demonstrating sustainable benefits to farm workers. If contributions by the Provincial Departments of Agriculture were factored in, the amounts may even be more than what is reported. Because there is no rigorous programme for monitoring and evaluation (M&E), there is insufficient information to quantify the impact of the expenditure. However, anecdotal evidence from beneficiaries suggests that the benefits were minuscule. As a result, the Committee acknowledged its own limitations in conducting an enquiry on this matter; hence the request for the Minister to consider requesting the presidential proclamation for an SIU forensic investigation.

5.4 Failure to implement previous recommendations and state capacity

- *To what extent did the Department exercise adequate oversight and monitoring of FES, and how did the failure to implement previous evaluations and recommendations, including those contained in the Zalo Capital Report and other departmental reviews, contribute to the persistence of governance, beneficiary, and operational challenges within the scheme programme?*

Numerous evaluations, including the Zalo Report and departmental reviews, identified shortcomings and proposed remedial measures. However, many recommendations were never implemented, resulting in continued harm to beneficiaries and the persistence of the underlying problems.

Petitioners questioned why these were not recommended, indicating a possible policy shift away from FES. The Committee discovered that a policy change to the 'Strengthening Relative Rights of People Living on Farms' (known as 50/50 schemes) resulted in the Department not providing ongoing monitoring and support. As a result, the Department did not act on the Zalo Capital report. At the time the Committee reviewed this, the Department had assured that it would address certain FES concerns raised by the petition. The Committee emphasised the need to refocus on FES, but not to create new ones in their current form.

The Department conceded that it lacked the institutional capacity, commercial expertise and resources required to manage and oversee complex equity partnerships. This weakness affected both FES and subsequent alternatives such as the 50/50 policy model.

5.5 Continued vulnerability of farm workers

- *Did FES provide beneficiaries with lasting socio-economic empowerment and security, or did the schemes leave many beneficiaries exposed to continued vulnerability, including eviction, insecure tenure, dependence on commercial partners, limited access to benefits, and uncertainty regarding their rights and interests upon retirement, retrenchment, resignation, disability, death, or inheritance? If so, what were the causes and consequences of these shortcomings?*

Whilst the schemes were intended to improve the socio-economic conditions of farm workers, public hearings suggest they remain among the most vulnerable groups in rural areas, with many beneficiaries continuing to experience insecure tenure and poor living conditions on and off farm. Some of the highlights were:

- Hexriver Scheme members/beneficiaries were evicted, and some were living off farm with limited or no access to economic benefits.
- In some schemes, those that continued were, in many ways, dependent on commercial partners/farm owners
- Many were frustrated by the lack of agility from the department to intervene when matters were brought up, with government officials citing that schemes were private entities; therefore, farmworkers lacked any recourse when schemes failed.
- Occurrences of evictions after retirement or retrenchment were most pronounced in the Western Cape FES.
- Some of the Trust Deeds lacked protections for the socio-economic rights of the FES members/beneficiaries. For instance, in the Northern Cape, Trust Deeds allowed for evictions when they no longer worked in the scheme. In some, there was no clarity about retirement, retrenchment, resignation, disability, or death and inheritance

5.6 Historical power relations undermined implementation

Members observed that the model underestimated the unequal bargaining power between commercial farm owners and farm workers. This often resulted in farm owners retaining effective control over decision-making and financial benefits. The support mechanism failed to empower farmworkers to participate at Scheme level as equals with former farmworkers or equity partners.

6. Assessment of the FES Implementation Plan

The Committee considered the comprehensive time-bound implementation plan developed and submitted by the Department. It sets out interventions to address the governance, ownership, development, and oversight challenges identified across affected FES. These interventions include social facilitation processes, land tenure support, an independent review of all schemes, support for forensic investigations, scheme-specific development planning, and strengthened monitoring and reporting arrangements.

Areas of intervention	**Comment**
Independent assessment of all government-funded FES projects	The Committee noted that the plan provides for an *Independent Review of all the Schemes.* However, the plan does not specify the full scope. The Committee's recommendation would need to be specific to shape the scope of the review.
Consolidated report to Parliament	The plan makes no provision for periodic reporting to Parliament. It would enable oversight of the implementation of the interventions. Recommendations must be specific insofar as the implementation plan is concerned.
Identification of schemes requiring forensic investigation	The Committee welcomes that the plan includes a need for forensic investigations. The Committee expressed a need to link between forensic investigation and the findings of the independent review. There may be other interventions outside the forensic investigation.
National Corrective and Remedial Action Plan	Elements exist, but there is no formal national corrective plan with milestones, indicators and reporting obligations.

SIU forensic investigation	The plan includes the motivation for proclamation, Presidency approval, and commencement of investigations.
Interim and final reports to Parliament	No reporting deadlines reflected.
Policy and legislative review	Completely absent from implementation plan. This is vitally important for the future of the programme or similar interventions such as the so-called 50/50 projects.
Beneficiary support interventions	Land tenure support and social facilitation are included, but broader support measures are missing.
Monitoring and evaluation framework	Monitoring appears in the plan, but no formal framework, indicators or reporting schedule are provided.

- It provides for the commissioning of an independent review of all FES projects through the development of terms of reference and the appointment of independent reviewers. This is vitally important for understanding the status quo of the schemes and identifying appropriate remedial measures.
- It embeds interventions within a participatory process involving scheme members and stakeholders. This process aims to identify development needs, strengthen beneficiary participation, and support future interventions.
- It provides for forensic investigations through the pursuit of a Presidential Proclamation and collaboration with the Special Investigating Unit (SIU), the Department of Justice and Constitutional Development, and other stakeholders. The Committee welcomes the inclusion of measures to facilitate investigations into potential wrongdoing and to support referrals where misconduct is identified.
- Other Interventions to secure land tenure rights and implement scheme-specific development plans are welcome. The plan envisages collaboration between national and provincial departments to strengthen monitoring, oversight and support mechanisms over the medium term.

The above are positive elements of the Plan. However, the Committee considers the plan partially responsive to the issues it raised. For example, the scope of the intervention is not clearly defined. The intervention requires close monitoring and oversight; therefore, it is necessary to submit interim reports at clearly defined intervals. Articulation of clear milestones,

performance indicators, accountability mechanisms and regular parliamentary reporting requirements is vitally important as it aids parliamentary oversight.

Whilst many speakers have cautioned the government against throwing money at dead projects, the Committee sought clear indications of policy and legislative interventions for projects such as FES and 50/50, given the huge public investment and the need to avoid leaving them at the mercy of the private sector. Strict monitoring is requested because these cases affect the most vulnerable in society. Systemic weaknesses in the policy, regulatory and oversight framework governing FES and commercial partnerships must be addressed. This includes establishing a formal monitoring and evaluation framework to track progress against corrective actions, measure outcomes for beneficiaries, and report regularly to Parliament.

The Committee concluded that the implementation plan was a useful basis for responding to the petition. However, recommendations were required to enable significant refinement of the plan to align with the Committee's recommendations, particularly in relation to parliamentary accountability, policy reform, beneficiary redress, measurable implementation targets, and oversight reporting. At the end of the day, the Committee sought to ensure that beneficiary rights were restored or compensated for, that governance was improved, and that sustainable outcomes were secured for affected communities.

7. Recommendations

In view of the observations contained in this report, the Committee makes the following recommendations:

Independent assessment of FES

The Minister must -

7.1 Within three months of the adoption of this report, commission an independent assessment of all FES projects to determine their legal status and operational viability; verify beneficiary ownership and participation; assess governance and financial performance and position; quantify the extent of beneficiary harm, exclusion and loss of

benefits; evaluate departmental oversight; and develop scheme-specific corrective and remedial interventions with clear implementation timelines.

7.2 Within 12 months of the adoption of this report by the National Assembly, submit the assessment and a consolidated report to Parliament containing details of all FES projects, government investment, ownership structures, operational and financial status, beneficiary outcomes, governance risks, previous oversight findings, and recommended corrective and remedial actions, including implementation plans and timeframes.

7.3 The assessment must highlight schemes that require comprehensive forensic investigations, and the recommendations are highlighted below.

National corrective and remedial measures

The Minister must -

7.4 develop a time-bound National Corrective and Remedial Action Plan for all FES within three months of adoption of this report, and within six months, submit a report to Parliament on the implementation progress. The Plan should address governance failures, beneficiary exclusion, financial irregularities, ownership disputes, and weaknesses in oversight and post-settlement support. It should include clear implementation milestones, measurable performance indicators, assigned responsibilities, and biannual reporting (every six months) to Parliament. The Plan should be beneficiary-centred, focused on restoring beneficiary rights and delivering meaningful redress, and supported by appropriate disciplinary, civil, regulatory, or criminal action where wrongdoing is identified.

Comprehensive audits and forensic investigations

The Minister must -

7.5 Seek a Presidential Proclamation to enable the Special Investigating Unit (SIU), in collaboration with relevant law enforcement, regulatory and oversight authorities, to conduct a comprehensive forensic investigation into the FES programme from its inception to the date of its suspension. The scope of the investigation should, inter alia, assess the following:

- Utilisation and value for money of all public funds invested in the FES, including the reported R700m and any additional funding provided by other national and provincial government departments, state agencies and/or development finance institutions.
- The financial position of the enterprises/schemes, including revenue, profitability, dividend distributions, liabilities, assets and asset disposals, as well as the extent to which beneficiaries received tangible benefits.
- Governance arrangements, allegations of maladministration and financial misconduct, including the role played by strategic partners, commercial entities, consultants, former and current public officials, and any other parties involved in the establishment, management or restructuring of schemes
- Assess the allegations of maladministration, fraud, corruption, financial misconduct, conflicts of interest and breaches of fiduciary duties involving both public and private actors
- The disposal, transfer, encumbrance or dilution of scheme assets and beneficiary interests, including any potentially irregular or unlawful transactions;
- Dividend policies, dividend calculations and distributions, including allegations of irregular, withheld or unexplained payments;
- Any changes in ownership structures or beneficiary shareholding that may have resulted in the erosion of beneficiary rights, loss of ownership, or the concentration of control in the hands of minority shareholders.

7.6 An interim report must be submitted to Parliament within six months of the proclamation and a final report within 18 months. The report must set out findings, financial losses suffered, responsible individuals or entities, and recommended corrective measures. Where evidence of criminal conduct, financial misconduct, maladministration or regulatory breaches is identified, the SIU must refer such matters to the appropriate law enforcement agencies and regulatory institutions for further investigation, disciplinary action, civil recovery, prosecution or other appropriate remedial measures.

Policy and Legislative Reform

The Minister must -

7.7 Within 12 months of the adoption of this report by the NA, review the legislative, policy and regulatory framework governing FES, considering the findings of the 2013 FES Review, subsequent assessments, and this Committee's findings. The policy review should assess the implementation of previous recommendations, identify gaps and the causes of persistent failures, and propose reforms to strengthen beneficiary ownership and inheritance rights, financial transparency, governance and accountability, departmental oversight, beneficiary participation, and the regulation of strategic partnerships. The Department should table a report to Parliament setting out the review findings, proposed legislative and policy amendments, and a time-bound implementation plan.

7.8 Policy intervention should consider the introduction of targeted support interventions for affected beneficiaries, including tenure security, legal assistance, governance and financial literacy training, skills development, economic empowerment initiatives, and improved access to housing and social support programmes.

Monitoring and Evaluation

The Minister must -

7.9 Establish a monitoring and implementation framework and submit regular progress reports to Parliament on the implementation of recommendations arising from investigations, oversight activities, audits, and stakeholder engagements, with clear timelines and measurable outcomes.

9. Conclusion

The Committee wishes to express its gratitude to the civil society organisations that have submitted the petition and helped the Committee navigate these complex issues, especially the Surplus Peoples Project, the Legal Resources Centre (Makanda Office), Corruption Watch and the SCLC.

Report to be considered

2. Report of the Portfolio Committee on Agriculture on the 2025/26 Third Quarter (Q3) and Fourth Quarter (Q4) Performance and Expenditure Reports of the Department of Agriculture and its Entities, dated 22 September 2026

The Portfolio Committee on Agriculture (hereinafter referred to as the Committee) having examined the 2025/26 Third Quarter (Q3) and Forth Quarter (Q4) Performance and Expenditure Reports of the Department of Agriculture (hereinafter referred to as the Department or DoA), the Agricultural Research Council (ARC), the Onderstepoort Biological Products (OBP), the National Agricultural Marketing Council (NAMC) and the Perishable Products Export Control Board (PPECB), reports as follows:

1. Introduction

The Quarterly Performance and Expenditure Reports of the Departments are compiled in accordance with the requirements of Section 92 of the Constitution of the Republic of South Africa 1996, Department of Performance Monitoring and Evaluation (DPME) Guidelines on the Preparation of Quarterly Performance Reports, and other government legislative prescripts such as the Public Finance Management Act (PFMA) (Act No.1 of 1999), relevant National Treasury regulations and frameworks that guide performance management in the public sector to display and promote transparency and accountability to stakeholders and the general public. To monitor the performance and expenditure of the Departments, Committees of Parliament are obliged to consider quarterly reports of the Departments and relevant public entities.

2. Briefing by the Department of Agriculture (the Department or DoA) on the Third Quarter and Fourth Quarter Performance and Expenditure Report for the 2025/26 Financial Year

2. 1 Briefing by the Department

The Director-General (DG), Mr Mooketsa Ramasodi, presented the report on Q3 and Q4 performance and expenditure of the Department. He provided a comprehensive briefing

regarding the Department's Q3 and Q4 performance and expenditure, as well as the implementation of the audit improvement plan. The presentation covered several critical areas on the Department's performance including acknowledgement of the failure to meet Q3 targets for the Food Security and Agrarian Reform subprogramme. Verification issues and delays were cited as the reason, which improved by Q4. On the Audit Improvement Plan it was reported that out of 30 audit findings from the Auditor General of South Africa (AGSA), 14 were fully implemented, 13 partially implemented, and 3 remain outstanding, primarily due to financial and resource constraints on Information and Communication Technology (ICT) and Human Resources Management (HRM). The DG highlighted the impact of power failures and connectivity issues on the Department's efficiency. He reported that the 'fit-for-purpose' organisational structure is awaiting concurrence from the Department of Public Service and Administration (DPSA) and National Treasury. He further mentioned the reallocation of funds to address foot-and-mouth disease (FMD) and committed to provide detailed information on Blended Finance beneficiaries and transformation targets.

3. Briefing by the Agricultural Entities on the Third Quarter (Q3) and Fourth Quarter (Q4) Performance and Expenditure Reports for the 2025/26 Financial Year

3.1 Presentation by the Agricultural Research Council (ARC)

The Chairperson of the ARC Board, Ms Joyene Isaacs, introduced the ARC presentation on Quarter 3 (Q3) and Quarter 4 (Q4) of 2025/26. She informed the Committee that she is still the Chairperson of the Board as it has been granted an extension until the end of September 2026, thereafter, a new Board/Council would have been appointed. Ms Isaacs highlighted that the ARC has received a second unqualified audit outcome form the Auditor-General, which follows a lot of hard work from the Council and the Management of the ARC in the past few years. The Chief Executive Officer (CEO), Dr Litha Magingxa, presented the non-financial performance of the ARC for Q3 and Q4; and the Chief Financial Officer (CFO), Mr Abdul Carim, presented the Q3 and Q4 financial performance and progress on the implementation of the ARC's audit improvement plan.

By the end of Q4, the ARC had achieved an overall performance of 93%, continuing a positive year-on-year trend. Out of 29 targets, only two were not met i.e. student-related targets and

enterprise development goals. The CEO emphasised the long-term impact of ARC's work, including the generation of approximately 2 000 peer-reviewed publications, the release of 30 cultivars, and the development of over 179 new technologies for the agricultural sector. Under industry support, specific examples of successful interventions were shared, such as the evaluation of new mango varieties for climate adaptability and yield and support for the honeybush value chain in the Western Cape and foot-and-mouth disease (FMD) vaccine production. Dr Magingxa highlighted the continued development of a short-term, stop-gap system for vaccine production while pursuing options for a large-scale factory with a 20 million -dose capacity.

3.2 Presentation by the Onderstepoort Biological Products (OBP)

The Chairperson of the OBP Board, Prof Peaceful Mabeta noted the critical challenge that the OBP had with non-availability of vaccines for a number of years. She highlighted significant progress that has been made in Q3 and Q4 in terms of commissioning the two freeze driers that have been procured to address production challenges. With the newly commissioned two freeze driers, the OBP would become one of the companies with the highest capacity in terms of vaccine production in the whole of Africa. The Acting Chief Executive Officer (CEO), Dr Jacob Modumo presented the Q3 and Q4 non-financial performance and the Chief Financial Officer (CFO), Ms Inge Mulder, presented Q3 and Q4 financial performance and progress on the implementation of the OBP’s audit improvement plan.

The procurement and commissioning of the two new freeze-driers was highlighted as a critical milestone. Dr Modumo emphasised that the equipment significantly boosts vaccine production capacity, positioning OBP as a leading vaccine manufacturer in Africa. The entity reported performance fluctuation, with noted improvement from poor performance in earlier quarters to reach 71% performance in Q4. Dr Modumo emphasised that the entity is on the right track regarding its core business deliverables. The CFO noted a significant shift from previous losses to a net profit of R54 million, attributed to improved revenue streams and cost management The presentation mentioned the transition to a direct distribution model implemented in 2011 to replace middlemen, ensuring better access for commercial farmers.

3.3 Presentation by the National Agricultural Marketing Council (NAMC)

The Chairperson of the NAMC Board, Prof Andre Jooste introduced the NAMC team and after his opening remarks, requested the CEO, Dr Simphiwe Ngqangweni, to present the Q3 and Q4 non-financial performance and the Acting CFO, Ms Mandisa Mlambo, to present Q3 and Q4 financial performance and progress on the implementation of the audit improvement plan of the NAMC.

The CEO highlighted the financial constraints that the entity faces, which limits its ability to retain expertise and skilled personnel. He announced that the NAMC has lost its CFO to resignation during Q4 and one of the Senior Managers retired. Despite the challenges, the NAMC achieved an unqualified audit outcome for the 2025/26 financial year. It exceeded its target for linking farmers to markets, reaching 52 farmers in Q3 and 72 in Q4. The CEO highlighted collaborative efforts in transformation, including partnerships with the Pan-African Network for Economic Analysis of Policies (PANAP) and initiatives for smallholder farmers. The NAMC focused on three main business units i.e. agricultural regulatory measures (managing statutory levies), research output and market access.

3.4 Presentation by the Perishable Products Export Control Board (PPECB)

The Chairperson of the Board of the PPECB, Mr Anton Kruger introduced the report and requested the CEO, Mr Lucien Jansen, to present the Q3 and Q4 non-financial performance and the CFO, Ms Aneesa Moosa Camroodien, to present the Q3 and Q4 financial performance and progress on the implementation of the audit improvement plan for the PPECB.

The CEO, Mr Lucian Jansen, provided an overview and highlights of the organisation's performance for the 2025/26 financial year. The highlights included export growth attributed to a 16% increase in export volumes, with the European Union remaining the largest recipient at 57%. The CEO emphasised the seasonal nature of the PPECB activities, noting that the total headcount rose to 974 employees in Q4 to accommodate peak citrus export periods. The entity exceeded targets for its flagship Agricultural Export Technologist Program (56 graduates against a target of 50) and trained 1 281 smallholder farmers for market readiness. The CFO Ms Aneesa Moosa Camroodien reported that the PPECB achieved a clean audit and generated a net surplus of R23.6 million, driven by strong citrus export demand and prudent cost management.

4. Overview of Committee Observations and Conclusions on the 2025/26 Third Quarter and Fourth Quarter Performance and Expenditure Reports of the Department and its Entities

The Committee welcomed the presentations made by the Department and its Entities on the Third Quarter (Q3) and Fourth Quarter (Q4) Performance and Expenditure Reports. During the Committee deliberations and discussions on the performance and expenditure for the 2025/26 Q3 and Q4, the Committee Members made observations and raised concerns as follows:

4.1 The Department

4.1.1 The failure of the Department and the OBP to respond to previous queries regarding the cost of the imported FMD vaccines, additional costs incurred and the cost to farmers in the provinces and other stakeholders that bought the vaccines from OBP.

4.1.2 A serious concern was highlighted about failed projects on which government has spent millions of rands for land reform and development of black farmers without anyone being held accountable for the failures. Specific examples were made of some of the projects that have been visited by the Committee, a farm that was bought at above market price in North West with pecan nut orchards that were not in production and a macadamia project in the Eastern Cape that has collapsed.

4.1.3 Legislative weaknesses in preventing loss of agricultural land to development activities and land rezoning, for example, in Mpumalanga Province.

4.1.4 Lack of reporting and progress on the transformation of the agricultural sector.

4.2 The Agricultural Research Council (ARC) and the Onderstepoort Biological Products (OBP)

4.2.1 Lack of communication on changes in the entities' Boards including executive management matters in entities, for example, the extension of the term of the ARC's Board and appointment of the CFO at OBP, a position that has been vacant for quite some time.

4.2.2 Long outstanding executive management vacancies at OBP remain a major concern, specifically the CEO position that has been vacant since May 2025.

4.2.3 Lack of progress in the construction of the Good Manufacturing Practice (GMP) Project by the OBP and delayed construction of the FMD Vaccine Facility at the ARC due to financial constraints.

4.2.4 The ARC was commended for the successive unqualified audit outcome from the AGSA after decades of qualifications and the 93% performance.

4.3 The National Agricultural Marketing Council (NAMC) and The Perishable Products Export Control Board (PPECB)

4.3.1 Concern was raised about the lack of disaggregated data (demographic) by both the NAMC and PPECB when reporting on farmer support activities.

4.3.2 The PPECB was commended for the clean audit, however, increasing irregular expenditure remains a concern as it indicates lapses in financial governance. .

4.3.3 Acknowledgement of the impact of financial constraints to the activities of the NAMC particularly linking smallholder farmers to markets.

5. Committee Recommendations on 2025/26 Q3 and Q4 Reports

After deliberations, the Committee made the following recommendations to the Department and its relevant Entities:

5.1 The Department should submit a detailed report clearly outlining the targets and achievements for black producers through the activities of the Agriculture and Agroprocessing Master Plan since its adoption in 2022.

5.2 The Department should submit a detailed beneficiary-level report for producers that have been supported through the Blended Finance Scheme in the past financial year in all provinces.

5.3 The Department should submit a report at the beneficiary level including demographic data, ownership, job creation and turnover figures, for AgriBEE Fund transactions to demonstrate its impact.

5.4 The Department and the OBP should submit the requested information regarding vaccine costs by the 28th of August 2026.

5.5 The NAMC and the PPECB should disaggregate information on smallholder development and support in future presentations to the Committee.

5.6 The PPECB should include demographical data when presenting information on exports in all future presentations.

5.7 The NAMC should submit a detailed report on the status of Agricultural Trusts and their activities.

5.8 The Department should submit an updated report on all failed agricultural projects that have been visited by the Committee since the beginning of the 7th Administration in 2024, including a determination on whether further funding will be ceased for non-performing projects and where funding continues, reasons for re-funding.

Report to be noted.