



## agriculture, land reform & rural development

Department:  
Agriculture, Land Reform and Rural Development  
REPUBLIC OF SOUTH AFRICA

### **National Council of Provinces**

#### **Interactive Virtual Ministerial Briefing on Agriculture Land Reform and Rural Development**

##### **Progress made on interventions to mitigate the impact of COVID-19 pandemic in Agriculture, Land Reform and Rural Development**

(Virtual Meeting – Zoom Video Conferencing)

25 August 2020

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### **Introductions**

- Chairperson of the NCOP – Honourable A. Masondo;
- Deputy Chairperson of the NCOP – Honourable S.E. Lucas;
- Chief Whip of the NCOP – Honourable S.J. Mohai;
- Honourable Deputy Ministers Mcebisi Skwatsha and Sdumo Dlamini;
- Honourable NCOP members and Special Delegates;
- Ladies and gentlemen;

Good morning

### **COVID-19**

Chairperson, COVID-19 has caused unforetold negative impact in lives, health and livelihoods of citizens of our country. This negative impact is also felt globally. While COVID-19 interventions are aimed to protect human health and lives, the impact is also profound in the social and economic system. This pandemic has also impacted on household, national and global food security. The pandemic has shown stuck reality and fault lines in our national and global security supply chains. It also reminded us of the intricate inter-woven and interlinked nature of agriculture and food sector with other sectors of our economy. It exposed inefficiencies in the pricing and distribution of food in the local market -where access and affordability of food was a challenge during the lockdown period. The pandemic also made visible the previously under-recognized roles of informal food sector as a vibrant market and also the informal sector players as key distributing network for food to our communities.

At global level, COVID-19 has negatively impacted global food systems. Within the continent, Covid-19 pandemic has been reported in 54 of Africa's 55 countries and in varying degrees, the disease has severely stretched health sector capacities but just as concerning, it has greatly dislocated economies. Lockdowns intended to reduce disease transmission and infection rates have closed down much economic activity and dislocated whole value-chains, with consequent loss of public revenues as well as personal and corporate incomes. Poverty rates are shooting up while production, trade and GDP of all countries are either stagnant or in steep decline.

In the midst of exploring ways of managing COVID-19 by the world, South Africa's adopted a holistic approach towards food security and nutrition, ensuring that nationally systems are in place and influencing international partners to share experiences and advocating for transparent trade in agriculture.

### **THE REGULATORY RESPONSE**

When His Excellency President Ramaphosa announced a hard lock down for 21 days with effect from 26 March 2020, very few of us could have predicted the events that unfolded thereafter and the controls that government through the National Corona-virus Command Control Centre would have to put in place in order to regulate and control the spread of this disease. Right at the onset, the regulations promulgated in terms of the Disaster Management Act, placed agriculture within essential services. This sector was prioritised due to its important role in food security. Production of food was declared as an essential good while services towards the production of food in agriculture were also declared as essential.

During the hard lock, which since the risk adjusted approach was adopted is known as Level 5, there were few agriculture sector commodity value chains which were impacted outside of food production but most were accommodated when the country transitioned into Level 4 restrictions. These value chains mainly included floriculture, wool, cotton, tobacco and liquor industries. The movement to Level 3 relieved the outstanding value chains except for the liquor and tobacco, although the liquor industry was at some stage opened under Level 3. Under Level 2 which was pronounced by the HE President Ramaphosa on 15 August 2020, the whole of the agriculture industry is open and our services as the Department are also open to meet the demands made on our services.

At all stages of the lockdown, the Department and the agricultural sector partners worked together to address regulatory gaps and operational bottlenecks. The cooperation was constantly alive to the emerging issues and had mechanisms that fed into the government processes to address challenges. The Department also concluded bilateral discussions with trading partners to allow for the export of our produce to their territories under revised conditions due COVID-19. These discussions included negotiations for our citrus exports as the Level 5 lockdown coincided with the initiation of our 2020 citrus exports season. Citrus remains the biggest export revenue earner in our sector.

### **THE CONTINENTAL AND INTERNATIONAL ENGAGEMENTS**

South Africa as the Chair of the African Union Specialized Technical Committee on Agriculture, Rural Development, Water and Environment (AU STC ARWE) convened a meeting of Ministers responsible for Agriculture and Food Security on 16 April 2020. In this meeting the Ministers discussed the impact of COVID-19 on agriculture in the continent. The Ministers noted that there were signs of emerging disruptions on the upstream and downstream links of the food and agriculture value chains in AU Member States as a result of measures taken to slow the spread of the virus. The Ministers agreed on a Declaration on Food Security and Nutrition during the COVID-19 pandemic and established a Task Force to address the action plan. The Ministers further agreed on five critical areas to advance and change the trajectory of food and nutrition security and these are:

- (a) The use crop calendars and recommended actions during the COVID-19 outbreak in the Africa region;
- (b) Ensuring effective social protection response and inclusive recovery in the context of COVID-19 in Africa;
- (c) Instituting measures for supporting domestic markets in the context of COVID-19;
- (d) Taking advantage of the mechanism of the newly created African Continental Free Trade area (AFCFTA); and
- (e) Safeguarding input supply chains and lessening dependence on imported inputs.

The Task Force comprising of the AUC, the Food and Agriculture Organisation, World Bank, African Development Bank, IFAD and the European Commission has already presented its first report to the AU STC and commendable progress has been made in a short period of time. Further reports from the four work streams of the STC are expected to be shared with STC and Ministers. One of the important interventions from the Task Force is on identifying emerging hotspots experiencing food shortages. It is expected that once these are identified, food systems within the affected area and warehouse infrastructure would be established to address the emerging hotspot. The Department is already working with the FAO, StatsSA and the Human Science Research Council and other partners in South Africa to conduct surveillance to identify these hotspots and recommend early response interventions. This is important work that will further entrench working relations with other government departments involved in the food and nutrition security environment.

Subsequent to the Declaration by the Ministers of Agriculture, the STC on Agriculture, Rural Development, Water and Environment recognising that the issues of food security and nutrition are broad and require a continental, multi-pronged, multi-sectoral and intergovernmental approach broader proposed and co-convened a meeting of Ministers of Agriculture and Food Security and Ministers responsible for Finance (in the Economics STC) and those responsible for Trade and Industry on these critical matters towards crafting a sustainable recovery agenda for our continent. The Ministers agreed on a Joint Ministerial Declaration and Action Agenda on 27 July 2020, under the theme “Building Resilient Food Systems through Agricultural Trade and Investments to Achieve Food and Nutrition Security in Africa”. This is one example on how recognition of the intricate linkages with other sector departments can be addressed in a structured manner.

The Southern African Development Community (SADC) also convened on 22 May 2020 a similar meeting on COVID-19 where Ministers responsible for Agriculture, Food Security and Aquaculture further recognised the impact that COVID-19 had on the region, especially on the smooth undertaking of field operations and timely distribution of agricultural inputs especially in rural base communities. The Ministers adopted the commitments made at the AUC/FAO Ministerial Meeting as a cogent response to the COVID-19 and encouraged Members states to implement these measures.

Apart from these continental meetings, there were two further significant meetings where South Africa made contributions at the G20 on 21 April 2020 and at Hundred and Sixty and Fourth (164<sup>th</sup>) Session of the FAO Council from 6 to 10 June 2020.

I am providing these continental and international interventions to show the enormity of the challenges posed by COVID-19 and the need for South Africa to be transparent in our interventions and expose our own interventions to international best practice. This is important as South Africa is playing at a global stage and will serve in the FAO elected Council seat in 2022.

## **THE FINANCIAL INTERVENTIONS**

In our attempt to address the possible negative impact of COVID-19 on our small scale and subsistence farmers, the Department made an announcement on 26 March 2020 availing R1.2 billion to assist this category of farmers to increase production. A further R100 million was set aside for utilisation by commercial farmers through the Land Bank. Of the R1.2 billion, a sum of R400 million funding was set aside for the farmers participating in the Pro-Active Land Acquisition Programme. A sum of R20 million was set for hygiene products to assist farm workers.

Relating to the applications for this funding, which were opened on 06 April 2020, the criteria targeted South African small scale and subsistence farmers who had actively been farming for a minimum of 12 months prior to the application date. These farmers were expected to have a turnover of between R20 000 and R1 million. The intervention also targeted awarding the funding to 50% women, 40% to youth and 6% to people with disabilities. The maximum amount that a farmer could qualify for was set at R50 000. The prioritised commodities and inputs within each category were as following:

- Poultry: Day old chicks, Point of lay chickens, feed, medication and sawdust.
- Vegetables: Seeds, Seedlings, fertilizer, pesticides, herbicides and soil correction.
- Fruits: Fertilizers, pesticides and herbicides.
- Other Livestock: Feed and medication.
- Winter field crops: Soil correction, fertilizer, seeds, seedlings, herbicides and pesticides.

## **INSTITUTIONAL MECHANISMS**

The applications were handled during the hard lockdown and there were challenges experienced in terms of lodging of applications. We would like to thank all farmers, farmer organizations, commodity groups, traditional leaders, communities including NGOs; and the National Development Agency for the assistance to our farmers in completing and lodging applications under very trying times. The adjudication process involved the recommendations from municipalities, which were then assessed at provincial level before concurrence is concluded at national level. Through this process we noted excellent cooperation from all the three spheres of government and we thank all stakeholders for their continued effort. The lessons-learnt through this process will greatly advance our readiness to respond to other challenges within the sector. Updates were provided to the Members of the Executive Councils through MINMEC meetings. The MECs made a telling contribution in terms of the process and have been instrumental in ensuring that the process has good oversight and guidance.

## PROGRESS TO DATE

The process of issuance and redemption of vouchers still continuing and the current figures may still change due to the process of ensuring that no farmer was excluded from benefiting from the process due to errors committed during the adjudication process. Furthermore there is an appeal process that we have set up to ensure that those aggrieved by the decisions taken by the Department have the right to appeal through the Appeal Authority. This added process will ensure that administrative justice is served to applicants and that the system of adjudication is open and transparent and subject to review.

### *PPEs*

To date relating to personal protective equipment the following together with the total costs have been procured:

<b>PPEs</b>			
<b>No</b>	<b>Description of item</b>	<b>Quantity</b>	<b>Cost</b>
1	Supply of 3 ply Face Masks: Surgical	400 000 units	R11 500 000,00
2	Hygiene Soap – 175grams Bar	400 000 units	R4 659 800,00
3	Supply of Cloth Masks	200 000 units	R3 700 000,00
<b>Total</b>			<b>R19 859 800,00</b>

The three ply face masks were purchased before there were regulations permitting the use of cloth masks. Since then the Department has moved to procure a further 200 000 face masks. All of the masks and soaps have been distributed to the provinces to assist farm workers.

### *The allocations to PLAS farms*

The disbursement of the funds from the department to the farmers' holding accounts has been processed for the 146 projects. This process is in partnership with the commercial banks, commodity groups and the farmers. Preparations for summer cropping have also begun through procurement of production inputs and mechanization.

### *Deployment of extension officers*

The Department has as of May 2020, deployed a total of 46 agricultural extension advisors for a period of a year to 160 PLAS farms. Of these 46, there are 19 Livestock Specialists, 18 are Crop Specialists and 9 are Agricultural Economists.

The following reflects the provincial deployment and the number of farms within a particular province:

<b>Province</b>	<b>Number of farms</b>	<b>Number of Extension Advisors</b>
Eastern Cape	7	3
Free State	21	7

Gauteng	17	7
KwaZulu-Natal	8	4
Limpopo	12	6
Mpumalanga	31	4
Northern Cape	23	6
North West	36	6
Western Cape	5	3
<b>Total</b>	<b>160</b>	<b>46</b>

### *Allocations to smallholders and smallholders*

Recognising that the process of allocation is still unfolding, as of today, a total of:

- 54 767 applications were received for consideration;
- 17 714 of these were recommended by districts for provincial consideration;
- 15 513 were approved at provincial level and concurred to at national level;
- 39 254 were rejected;
- Of the 15513 approved, 5 097 were applications from women; 2 430 from youth and 148 were from people with disabilities. Majority of the approvals were in the livestock sub sector.
- A total of R556 048 106 has already been allocated for the successful applicants.

In terms of the provincial allocations the following information is availed to the NCOP:

LATEST NATIONAL SUMMARY OF ALLOCATION PROCESS (25 AUGUST 2020)													
Province	Total Applications received	District Recommended Applications	Applications Rejected by Province	Approved Applications	Demographics (Approved Applications)			Commodities (Approved Applications)					Total Approved Funds in Rands
					Women	Youth	PWD	Poultry	Vegetables	Fruits	Other Livestock	W/inter Field Crops	
EC	10545	2215	8663	1882	629	243	0	288	239	2	1338	15	79 089 920
FS	5389	461	4996	393	161	39	0	34	21	0	330	8	17 397 596
GP	1299	991	308	991	463	145	48	396	289	0	306	0	38 345 000
KZN	4651	2786	1802	2849	1181	470	6	470	1378	19	977	5	101 049 758
LP	7096	2445	4651	2445	1328	624	52	705	1186	32	400	122	101 782 712
MP	5566	1634	4682	884	304	212	14	144	317	2	419	2	41 783 682
NC	9002	1 482	7521	1 481	247	148	19	16	8	0	1 440	17	47 941 504
NW	8779	4144	5746	3033	475	374	8	206	130	4	2533	160	70 529 188
WC	2440	1555	885	1555	309	175	1	223	167	18	1109	38	58 128 746
<b>TOTALS</b>	<b>54 767</b>	<b>17 713</b>	<b>39254</b>	<b>15513</b>	<b>5097</b>	<b>2 430</b>	<b>148</b>	<b>2 482</b>	<b>3 735</b>	<b>77</b>	<b>8 852</b>	<b>367</b>	<b>556 048 106</b>



(Source: DALLRD, 2020)

A cursory glance at the approvals shows that there was underperformance in terms of allocations to women, youth and people living with disabilities. The Department is committed to the set targets and will work on a programme promoting participation of targeted groups in agriculture. This intervention will depart from the current promotion of having Female Entrepreneur of the Year and the awards for the Youth as it will have a 365 days approach towards maximizing participation by these targeted groups in land allocation; owning farming

and business operations as eloquently emphasized by the President during the Women's Month message.

Currently the Department is in the process of issuing vouchers to successful applicants. To date a total of R144 million has been paid to service providers. The Department is also working on ensuring that the service providers are paid within the prescribed 30 days after providing services as prescribed.

### **CHALLENGES EXPERIENCED**

This implementation was executed during a period of hard lockdown and therefore the restriction in terms of movement of people had a negative impact in terms of the number of applications which complied with the set criteria. There were also harsh realisations that we as a Department had to face as there was a stuck observation that record keeping for our farmers needs serious improvement. We also observed a number of briefcase farmers who saw this as an opportunity to enrich themselves at the expense of genuine farmers. We further currently investigating reports that certain suppliers forcing farmers to take the other agricultural inputs that they do not require because they were out of stock of the required inputs. We are also investigating and will announce once found, the names of farmers or individuals that are selling vouchers received. Unfortunately there were a number of public servants who applied for the intervention. These were excluded from benefiting from the process during the process of verification of identity numbers. This process of assistance towards COVID-19 is currently being audited by the Auditor-General and the findings of the Auditor-General will be made public to ensure that this process is transparent. We also intend to publish the names of all who applied for this intervention.

### **THE 2020/2021 SUPPLEMENTARY BUDGET**

The 2020/2021 budget for the Department of Agriculture, Land reform and Rural Development is R14.4 billion and part of the budget relates to transfers to the provinces to execute on the mandate of the sector. The following were allocated to the provinces:

- (a) Ilima/Letsema Conditional Grants – R428 million;
- (b) CASP Infrastructure Grant – R965 million;
- (c) CASP Upgrade of Colleges – R25 million; and
- (d) CASP Extension Services – R214 million.

These budgets are lower than the original allocations as at the February 2020 Budget Vote and therefore provincial departments will have to reprioritise projects to ensure that critical projects that are aimed at food security are prioritised during this COVID-19 period.

### **THE PRESIDENTIAL STIMULUS PACKAGE**

On 21 April 2020, the President announced an economic recovery stimulus package of R500 billion. Within that stimulus as reported during our supplementary budget plenary, an allocation of R100bn was set aside for job creation and retention. The Agricultural sector is identified as one of the sectors with the potential to stimulate the economy and will likely be allocated R688 million set aside for the sector. This allocation will be used to support in the region of 50,000 marginalised producers producing for local markets, in peri-urban and rural

areas. The relief fund is the government intervention to assist subsistence producers who were negatively impacted by the national lockdown.

### **THE SOLIDARITY FUND**

The Solidarity Fund has partnered with certain government departments, including our Department, the Food and Agriculture Organization and Community structures to intervene in assisting subsistence farmers within the sector with funding relief for production. This commitment by the Solidarity Fund was captured by the HE President Ramaphosa in his commitments to women of South Africa in his Women's month when he said: 'Of the R75m in Covid-19 relief earmarked for farming input vouchers, 53% of the beneficiaries will be rural women. We must ensure women subsistence and small-scale farmers continue to receive support beyond the lockdown. AU member states will put policies in place to increase women's ownership of land to 30%.' This additional funding into the sector is appreciated as the financial needs of our farmers are on the increase.

### **THE AGRICULTURE AND AGROPROCESSING MASTER PLAN**

COVID-19 put a strain on public resources but this crisis also provides an opportunity to re-think investment and financing mechanisms for agriculture. To this effect the Department has embarked on a consultation process with key stakeholders on the Agriculture and Agro-processing Master Plan to co-create an inclusive and sustainable agricultural sector. At a meeting held on 26 June 2020, business, labour, communities and government committed to work towards a social compact in agriculture that would ensure that we rebuild a more resilient sector. The sector is already coining plans for life beyond COVID-19. These plans will align with the District Development Model as launched by the President towards fundamentally changing our approach to local development.

### **CONCLUDING REMARKS**

The prospects of the agriculture sector are very promising, even under the COVID-19 period. The country has experienced a bumper grain crop of 15.5 million tonnes, the GDP 2020, 1<sup>st</sup> Quarter Report, agriculture grew by 27.8% as compared to the last quarter of 2019. Furthermore projections from a number of economists predict positive growth for the sector for the 2020 production year. While these prospects remain true, it is important to ensure that we continue to support the sector to grow, especially the smallholders and subsistence farmers. While COVID-19 is a disruptive force, we also need to build resilience to economic shocks, climate change, land degradation, biodiversity loss, water scarcity, and pests and diseases. It is time to turn this crisis into an opportunity to move us towards a better "new normal", that is to transform current cropping systems to more sustainable and resilient ones that have the ability to reduce risks and vulnerabilities to multiple threats, and to absorb, adapt and recover in a timely manner.