





# NATIONAL COUNCIL OF PROVINCES Assessing state capacity to respond to community needs

Capacity to address structural constraints facing small scale farmers and SMME's Sekhukhune District

29 March 2022



DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT







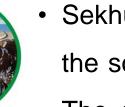
#### **Presentation Outline**

- 1. District overview
- 2. Challenges faced by small-scale farmers and SMME in Sekhukhune District
- 3. Key Agricultural Development Priorities
- 4. Irrigation schemes
- 5. REPORT ON CPAs-LIMPOPO



#### **Sekhukhune District overview**









Sekhukhune District lies to the North Western part of Mpumalanga and to the south of Limpopo Province and is approximately 13 264 square meters. The main urban centres are Groblersdal, Marble hall,, Burgersfort, Jane Furse, Origstad and Steelpoort and only 5 .5% of the population is estimated to stay in the urban centres. This means that 95.5% of the population stay in rural areas. The District is serviced by 3 major rivers being Olifants, Tubatse and Elands. These rivers supply large dams, which include De Hoop, Loskop and Flag Boshielo. The economy of the District is driven by mining, agriculture and Tourism. Tourism, agriculture and manufacturing are also significant with potential to be further enhanced.



#### Sekhukhune district overview



 Commercial agriculture is dominant in the Loskop valley including the Olifants scheme (Marble hall and Groblersdal) and in Orighstad in Fetakgomo-Tubatse Municipality.



 Subsistence farming is dominant in the area with many farmers producing under dryland conditions and few relying on perennials secondary rivers and boreholes. Common crops include grains, vegetables, citrus, grapes, cotton and dry beans.





#### Sekhukhune district overview continues







The District consists of 4 Municipalities namely Fetakgomo-Tubatse; Elias Motsoaledi, Ephraim Mogale; and Makhuduthamaga.

The total population of the district is  $\pm$  967 197 people, mainly comprised of women (55%) with 56% of the population being under the age 20. About 23% of the population does not have formal education, 23% primary education and 22% with secondary education and only 1% with tertiary education. Unemployment level is 69,1%. The District settlement patterns is largely rural with  $\pm$ 500 dispersed villages







Challenges faced by small-scale farmers and SMME in Sekhukhune District





#### DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

#### Challenges faced by small-scale farmers



Agricultural is a high value cost business and complex in nature. Most challenges still revert back to structural challenges of the then apartheid government which will not be changed over night. The challenges of marginalised soil structures, the lack of adequate water sources, land ownership, land invasion and small land sizes.



Major challenges the farmers are facing namely nature of farming business model, lack of capital, level of education and access to market. Access to market is also one of the setback faced by farmers. The market channels created in collaboration with white commercial farmers are also having some shortfalls. The speed at which market requirements are changing make it difficult for farmer to cope with the financial capital required to adhere to the standards sets.



slow progress in water rights approvals and update to farmers.



#### Challenges faced by small-scale farmers

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Challenges	Strategies
Poor infrastructure	<ul> <li>Provide financial support through CASP and other funds to</li> </ul>
	improve infrastructure development.
Market Access	Continues partnership with established commercial farmers to
	access market and learn during the process;
	Working with Commodity organization and establishment of
	working streams of specific commodities.
Poor production system	<ul> <li>Intensify production by improving production techniques;</li> </ul>
	Clustering of farming according to commodities.
	<ul> <li>Upskill farmers through formal and informal training and</li> </ul>
-	mentorship



#### **Challenges faced by small-scale farmers**

Challenges	Strategies
Water rights	• The district has embarked on training and information sessions
	walking through farmers on the requirements of water rights
	application. The District has also identified two officials per
	municipality to work with farmers and were provided training to
	assist.
Land invasion	• For state land for with Department of Agriculture Rural Development
	and Land Reform;
	Continue to engage role players like Magoshis and municipalities.
Community	Mobilise and create awareness e.g. workshops
conflict	







Four key agricultural development priorities to guide the development of agricultural sector in the district. These priorities were identified to support the Revised Limpopo Development Plan (LDP), Revitalization of Agriculture and Agro-processing Value Chain (RAAVC) all advancing National Development Plan. Among the key areas of emphasis in the draft 2020/25 LDP which emphasize the industrialization of the provincial economy.









### Priority 1: Infrastructure development to stimulate production and increase job opportunities.

Most farmers are still using primitive methods of farming reducing any efforts to increase production, profit and quality of produce. This priority is aimed at supporting district objective number 1 of innovative private sector activities or public—private partnerships that promote market-driven production, processing and marketing initiatives. In order to attract markets certain infrastructure are priority to enable farmers to improve quality of produce. The district has embarked on development of various irrigation systems to support primary production and Mogalatjane Irrigation scheme is one of them.







The Limpopo Department of Agriculture and Rural Development (LDARD), completed a feasibility study in 2019. The study aimed at investigating the current grain production and determined potential to expand production in the Sekhukhune District Municipality. Various shortcomings, which reduce the potential of farmers to increase production, were highlighted. Most known factors are the lack of timely support, poor land preparations, the lack of adequate production inputs and late planting.



The intention is to provide comprehensive support to increase production yield. In 2019/20 production season the District piloted with GrainSA a possibility of increasing production at Saaiplaas and Matabane with 44 farmers covering 122,8ha. Almost all 34 farmers who participated in the pilot/study group have doubled production from less than a ton per hectare to an average of 3tons per hectare. The District intends to intensify dry land grain production by supporting farmers in selected areas with high potential climatic and soil conditions to increase yield. This will be done by offering comprehensive support to farmers, which include mentorship, soil preparation such as ploughing, discing, planting, fertilisers and chemicals.











#### Priority 3: Intensification of cotton production as high value industrial crop

Ephraim Mogale and Elias Motsoaledi Municipalities are the top cotton producing areas in the District. Cotton is successfully planted under dry land and farmers market their products at Loskop Ginnery which is at Marble Hall about 30 km from the production areas. Cotton SA is involved as the mentor and Loskop Ginnery is the only accredited seeds supplier. In general the farmers are strategically located and competitive as they are linked to both seeds supplier, market and provision of mentorship in cotton production. The most expensive production inputs are seeds, chemicals and labour as cotton is hand -picked. Cotton farmers created at least 2 seasonal workers per hectare during harvesting season which last for about 3 months.

In 2019/20 average yield for the whole Province is 0.6 tons/ha under dry land but some of Ephraim Mogale Farmers produced 1.8 tons/ ha in the last season which is commendable. The market price was R8 300.00/ton. The support on cotton production created more than 300 seasonal workers for harvesting and other related farm activities.









Priority 4: Improved Market access through operationalization of Farmer Production Support Unit.

Farmer Production Support Unit (FPSU) will play a pivotal role in supporting farmers in the district and fits well with the intention to increase grain production. have completed Vleeichboom FPSU is completed and will strengthen the capacity of farmers to mainly produce grain. Most of these farmers are situated at Makhuduthamaga and Elias Motsoaledi Municipalities which are closer to the to the facility. These farmers will be linked to the FPSU once is operational for advisory services, production inputs and mechanization services. There is a proposal for inclusion of small-scale mill facility in the FPSU, which will benefit these farmers/households and cut transport costs. The Agrihub, which will be established in Groblersdal, will also assist in the long term as there will be mill constructed as part of agroprocessing initiatives.



#### Challenges faced by SMME's in agriculture







- Financial capacity of the service providers to supply service on time and of quality.
- Failure to adhere to specific contractual obligations.
- Failure to understand the agricultural project cycle, the seasonal nature of the services.
- The lack of suitable tractors and implements for various crops and the lack of understanding of requirement of various crops particularly when it comes to land preparation, planting and calibration of other inputs.



#### **Mitigation Strategies**







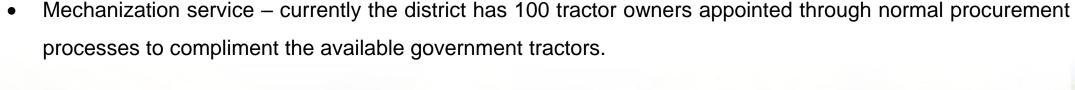
- Enforce compliance with the specifications;
- Provide support on project management and assist service provider to understand project requirements during compulsory briefing sessions.
- Advise on possible institutions that could assist service providers with financial injection.
- Provide technical extension service on utilization of implements prior to the production season.



#### **Mitigation Strategies**

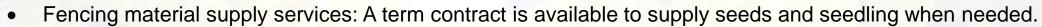


The District uses services of various SMME's to support agricultural development and they are as follows:





- Seed services: A term contract is available to supply seeds and seedling when needed.
- Fertilizer services: A term contract is available to supply seeds and seedling when needed.





- Borehole drilling and equipping services: A term contract is available to supply seeds and seedling when needed.
- Development of infrastructure projects in general, which is procured through normal procurement processes.



#### Mogalatjane irrigation scheme







Mogalatjane irrigation scheme is owned by a cooperative with 98 beneficiaries and has about 130 hectares of arable land. Mogalatjane irrigation scheme has been approved and budgeted for infrastructure development from the 2021/22 financial year for the installation of irrigation systems. The scope of work includes:

- Fencing installation,
- Buildings maintenance and repairs,
- Sub surface drainage and erection of proper roads,
- Mechanical and electrical works, installation of new irrigation systems (1 Toweable
   Centre pivots and sprinklers on the centre pivots outskirts) and infield pipelines.

The service provider is appointed to complete works to the value of R19 million for a period of 12 months.



#### Mogalatjane irrigation scheme continues



1. Strategies to ensure production and project sustainability

The following are strategies put in place to ensure operationalization of Mogalatjane Irrigation Scheme:-



- 1. Established Irrigation Scheme Task Team
- The task team comprises of department officials covering major directorate critical for the scheme namely Crop and Agribusiness; two farmers; LED representative and other stakeholders like commercial farmers are called when need arise.



- The department will assist farmers with full two cycle of cotton intensive production in collaboration with CottonSA.
- The intension of two years production support is to provide skills, knowledge and assist farmer to build operational capital when department financial support comes to an end.









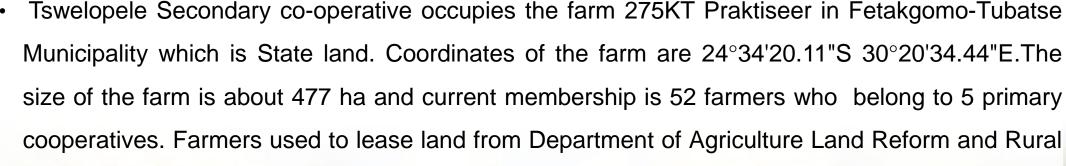


- The market for the crop is already secured with Cotton Ginary Marble Hall.
- In additional to various training received more emphasis will be training on Institutional
  Capacity of committee members. This will ensure that committee members have requisite
  skills and knowledge the manage the project and provide required feed-back to farmers.
- During the two years of intensive production with farmers the department will ensure dedicated Agricultural Advisor.
- The identification of Strategic Partners is still on the table and Task team members will discuss any potential investors to ensure acceptable model.



#### Tswelopele irrigation scheme





Development as the custodian of State Land. The current lease expired and is not yet renewed.



The farm was supported with 440ha floppy irrigation system in 2008 through RESIS program and operated through strategic partnership up to 2012. The farm was not utilised since 2012 after termination of the partnership and this led to vandalism of the infrastructure. There are few farmers who operate individual small plots under furrow irrigation next to the river.









#### **Tswelopele Irrigation Scheme Development Plan**



The plan to develop the entire 440ha was put on hold after the information received that the property is under claim through Restitution of Land Right Act.



#### Challenge facing the scheme

Land invasion is one of the biggest challenge facing the scheme. However, Department of Agriculture, Land Reform and Rural Development (PSSC) is working on the matter.



#### **NATIONAL COUNCIL OF PROVINCES**

**REPORT ON CPAs-LIMPOPO** 

**MARCH 2022** 









#### **TENURE REFORM IMPLEMENTATION- CPA INFORMATION**

DISTRICT	TOTAL NUMBER OF CPAs
Capricorn	31
Mopani	38
Sekhukhune	30
Vhembe	68
Waterberg	57
Overall- Provincial	224









CPA NAME	REGISTRATION NO	PROGRAMME	LOCAL MUNICIPALITY	NO OF BENEFICIARIES
Ga Mawela St George	07/0988/A	Restitution	Fetakgomo- Tubatse	220
Bakoni Tau Phuti	05/0790/A	Restitution	Fetakgomo- Tubatse	800
Bakoni ba Maimela	15/1420/A	Restitution	Makhuduthamaga	332
Kwa Qhaba	07/1008/A	Restitution	Elias Motswaledi	113
Kgono	07/1055/A	Restitution	Elias Motswaledi	1615







CPA NAME	REGISTRATION NO	PROGRAMME	LOCAL MUNICIPALITY	NO OF BENEFICIARIES
Roka Lebea	15/1453/A	Restitution	Fetakgomo Tubatse	1254
Umbiza	07/1061/A	Restitution	Elias Motswaledi	81
Ardwick	98/0113/A	Restitution	Fetakgomo Tubatse	302
Legwagweng	16/1469/A	Restitution	Makhuduthamaga	357
Kwa Malawuza	20/1695/A	Restitution	Elias Motswaledi	23







CPA NAME	REGISTRATION NO	PROGRAMME	LOCAL MUNICIPALITY	NO OF BENEFICIARIES
Babina Noko ba Maganeng	07/1043/A	Restitution	Elias Motswaledi	84
Bakwena ba Kopa	10/1264/A	Restitution	Elias Motswaledi	1012
Bakoni ba Masha Makapole	00/0198/A	Restitution	Fetakgomo Tubatse	147
Konoqoli	07/1055/A	Restitution	Elias Motswaledi	104
Kwa-Huba	07/0962/A	Restitution	Elias Motswaledi	305







CPA NAME	REGISTRATION NO	PROGRAMME	LOCAL MUNICIPALITY	NO OF BENEFICIARIES
Lehlakong	07/1128/A	Restitution	Elias Motswaledi	69
Batau ba Seloane	06/0897/A	Restitution	Elias Motswaledi	3500
Bakwena ba Mohlabetsi	10/1255/A	Restitution	Elias Motswaledi	234
Tubatse African Agriculture Merging	98/0041/A	Restitution	Fetakgomo- Tubatse	124
Ba Matlala Lehwelere	09/1176/A	Restitution	Elias Motswaledi	2398







CPA NAME	REGISTRATION NO	PROGRAMME	LOCAL MUNICIPALITY	NO OF BENEFICIARIES
Ezweni Labobaba	03/0562/A	Redistribution	Elias Motswaledi	29
Kalokanang	03/0525/A	Redistribution	Ephraim Mogale	22
Kwamahlungulu	19/1613/A	Restitution	Elias Motswaledi	212
Mpepu ea Ipelesha	01/0336/A	Redistribution	Ephraim Mogale	272
Mtshoeni	03/0567/A	Redistribution	Elias Motswaledi	26







CPA NAME	REGISTRATION NO	PROGRAMME	LOCAL MUNICIPALITY	NO OF BENEFICIARIES
Ndzundza Mabhoko	07/1044/A	Restitution	Elias Motswaledi	433
Mogomane	17/1076/A	Restitution	Ephraim Mogale	516
Rantho	05/0862/A	Restitution	Fetakgomo Tubatse	108
Dinoko	10/1263/A	Restitution	Elias Motswaledi	386
Mmatoti	12/1307/A	Restitution	Elias Motswaledi	213







# STATE LAND ALLOCATION PROJECT LEASES (700 000 HECTARES: EX-SADT AND PLAS LEASES









## HIGH-LEVEL SUMMARY (Hectares Allocated)

Type of Allocation	No. of Land Parcels	Number of Hectares
Lease Agreements	24 1	11942,7047 (NSAC) 746,4647 (PLAS)
Community	28 5	19630,6700 (Reserved) 7188,8607 (Government Gazette)
Donation	2	52926,4802
Disposal	1	1560,6762 (Court order)
Land Claim	80	21114,6897
TOTAL	141	121 516,3224 ha

# POA PROPERTIES (2022/23 ALLOCATIONS)









## HIGH-LEVEL SUMMARY (Hectares to be allocated)

Type of Allocation	No. of Land Parcels	Number of Hectares
POA	301	94 061,9693
TOTAL	301	94 061,9693

#### PLAS LEASES









DISTRICT OR METROPOLITA N MUNICIPALITY	No. OF PROJECTS	No. OF LAND PARCELS	TOTAL No. OF POSSIBLE LEASES	30-YEAR LEASES SIGNED		30 YEAR LEASES SIGNED BY THE LESSEE (STILL TO BE SUBMITTED TO CD: LPSSC)
Capricorn	36	74	40	39	0	0
Mopani	18	38	24	23	0	0
Sekhukhune	7	17	7	6	0	0
Vhembe	7	10	8	8	0	0
Waterberg	70	116	69	63	0	0
TOTALTOTAL TO	138	255	148	139	0	0









#### **CHALLENGES**

- Land parcels not allocated for long term leases as they are utilized by communities
- Land parcels that are under claim
- Land allocated to communities/tribes as there is no cooperation between local communities and tribes
- Invasions by communities













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Agriculture, Land Reform and Rural Development
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