



Wes-Kaapse Provinsiale Parlement Western Cape Provincial Parliament IPalamente yePhondo leNtshona Koloni

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Report of the Standing Committee on Agriculture, Environmental Affairs and Development Planning on the 2021/22 Annual Reports of the Department of Agriculture, and its Entity Casidra, for the year ended 31 March 2022.

The Standing Committee on Agriculture, Environmental Affairs and Development Planning, having deliberated on the Annual Reports of the Department of Agriculture and its Entity, Casidra, for the year ended 31 March 2022, referred to it, reports as follows:

1. Introduction

Section 113(3)(b) of the Constitution requires that “Members of the Executive Council of a province must provide the legislature with full and regular reports concerning matters under their control.” Section 65 of the Public Finance Management Act, 1999 (Act 1 of 1999) requires the Minister of each department and public entity to table an annual report in the legislature within six months of the end of each financial year.

As part of its oversight function, the Standing Committee on Agriculture, Environmental Affairs and Development Planning (the Committee) deliberated on the Annual Reports of the Department of Agriculture (the Department) and its Entity, Casidra, on 20 October 2022.

Annual reports are the key instruments for departments to report on performance measured against their performance targets and budgets as outlined in their Strategic Plans and Annual Performance Plans.

The Annual Report Programme for the 2021/2022 financial year was advertised in various newspapers, inviting stakeholders and members of the public to participate in the discussions.

The Committee deliberated on Part A: General Information, Part B: Performance Information and Part D: Human Resource Management of the respective Annual Reports.

2. Department of Agriculture

2.1 Overview

The year under review remained a challenging one in relation to the recovery from the COVID-19 global pandemic which necessitated innovative thinking for the Department to continue to provide services to the people of the Western Cape. The Department achieved 90% of its performance targets.

Highlights for the year included the completion of phase one of the Solar Photovoltaic Battery and Inverter Project that resulted in a reduction of the Department's electricity spend. The Agricultural Producer Support and Development Programme achieved all the planned targets and exceeded most indicators for the reporting period. Through the Comprehensive Agricultural Support Programme, the Department continued to support the commercialisation of farming enterprises and commodities. The implementation of the actions of the SmartAgri Plan within the Department and the sector to build a climate change resilient sector continued with a renewed focus on the need to plan for and address climate change challenges.

A successful Ostrich Products Showcase was held for foreign dignitaries and was supported by the South African Ostrich Business Chamber and Cape Karoo International at Leeuwenhof early in 2022. This was done to facilitate a better understanding of the industry and its meat products and enhance market access to international markets.

Agri-processing emerged as an important subsector with the potential to spur economic growth and create jobs. As a result, agri-processing was one of the strategic priorities of the Department. In order to revitalise the rural economy, the "Agri-Processing On Wheels" initiative was launched to take the services to the people, especially in remote areas.

The food price index indicated significant growth in the prices of oils, cereals, and food in general, including dairy and meat because of the disruption to international value chains. The geopolitical tension between Russia and Ukraine contributed significantly to the global supply of wheat, maize, sunflower and sunflower oils. This had a significant implication on South Africa and the Western Cape, given the existing trade relations with these countries.

The Department of Agriculture has partnered with the Bureau for Food and Agricultural Policy to monitor the extent and impact of value chain disruptions and has taken the necessary steps to support exporters to mitigate the potential impact of disruptions to export value chains.

2.2 Key issues discussed

2.2.1 Part of the Elsenburg Energy Master Plan has been completed and a further R80 million was required to complete the entire plan. The completion of the remainder of the Project and further development was dependent on the availability of funding. The Committee expressed concern in relation to the implementation of the Project, given the large amount of money required to complete it.

2.2.2 The Western Cape experienced a serious drought since 2015, with associated crop losses, water restrictions, and impacts on food and water security. Climate change and its impact on both water quality and availability through, among others, changes in rainfall patterns remained a concern to the Committee. To create a sector that was climate change resilient, the Department implemented climate change related measures in the SmartAgri Plan. However, the effect of climate change on Mediterranean climates and its impact on food security continued to be of concern to the Committee.

2.2.3 The state of rural roads in the province was of concern to the Committee.

2.2.4 The Committee remained concerned about the safe transportation of farm workers, particularly during the harvesting season and highlighted the need to enhance awareness of the risks involved and the need to transport farm workers safely and with dignity. The

Committee previously recommended an amendment to Regulation 247 of the National Road Traffic Act, 1996 (Act 93 of 1996) that stipulated the requirements for vehicles transporting workers.

- 2.2.5 The uncertainty created by the possible transfer of agricultural colleges from provinces to the Department of Agriculture, Land Reform and Rural Development (DALRRD), has had an impact on the governance and resources requirements of the Elsenburg Agricultural Training Institute (EATI). The transfer of four agricultural colleges to national government has already taken place. Important to note was that these four colleges were dysfunctional. The Western Cape Government has opposed the transfer of the EATI and has not signed any agreements with National Government in this regard.

The EATI was established in 1898 and was the first centre for agricultural training in South Africa. The Institute has secured an eminent track record in agriculture, especially in the field of agricultural training. The opportunities for practical training to support the development of agriculture in the Western Cape remained one of the competitive advantages of the training provided at the institute.

The Committee raised concern about this situation where a functional training institute, contributing significantly to the agricultural sector within the province, faced the uncertainty of being transferred.

The Committee strongly objected to the transfer of the EATI to National Government.

- 2.2.6 The purpose of the Agricultural Producer and Support Programme within the Department was to facilitate, coordinate and provide support to black smallholder farmers and commercial farmers through sustainable development within agrarian reform initiatives in the province. The Programme continued to provide targeted support to the 50 black commercial farmers identified in line with the DALRRD's Black Producers Commercialisation Programme.

It was unclear how many farmers were supported during the year under review, the type of support that was provided as well as the commodity that was supported. In addition, the process regarding management of the 50 black farmers who were a part of the Black Producer Commercialisation Programme was also unclear.

- 2.2.7 The purpose of the African Continental Free Trade Agreement was to accelerate integration and economic development through the establishment of organisations which would play a pivotal role in the mobilisation of resources and the management of the African financial sector. Exports contributed to a large portion of the Western Cape economy and social welfare of the people. Increased trade contributed immensely towards provincial economic growth. For this reason, the Department focused on establishing partnerships with ten African countries, as well as Brazil. The need for the latter was based on a request from the Ambassador to Brazil, who approached the Minister of Agriculture for a potential partnership.

3. Casidra

3.1 Overview

Casidra was the implementing agent for the Department and achieved an unqualified audit with findings for the year under review. The focus for the year under review encompassed the following three aspects: regaining the financial stability of the organisation, utilising

resources efficiently and enhancing stakeholder relationships. The Entity explored the possibility of new partnerships with other government departments and entities to increase its revenue base and modify its funding model and discovered that these government departments were hesitant to utilise the services of Casidra until the court case with the Auditor-General had been resolved. As this has now been resolved, the Entity plans to re-establish connections with these departments.

3.2 Key issues discussed

- 3.2.1 Amalienstein and Waaikraal were farms managed by Casidra on behalf of the Department. Both farms were financially unsustainable due to limited funding and the lack of a constant supply of water for irrigation. The drought has also had a significant impact as these farms are situated in the drought-stricken areas of the Little Karoo. The Committee has been in engagement with the Department and Casidra on a regular basis regarding the turnaround strategies for these farms to ascertain when transfer would take place to the relevant communities.

The Department informed the Committee that it would be irresponsible to advise that these farms be transferred to the communities in its current form as both farms were unsustainable.

The turnaround strategies were placed on hold because of community conflict on how the process should unfold. Various mechanisms were put in place to ensure the buy-in of the community. The Department had appointed the Institute of Justice and Reconciliation to administer social facilitation in this regard. Casidra received an annual budget to maintain the farms. No further development has taken place due to lack of funds.

The Committee expressed concern regarding the timeline for these farms to be transferred and the seemingly difference in approach between the Department and Casidra. It was also unclear what steps needed to be taken to complete the process.

- 3.2.2 The Committee was pleased that Casidra launched ICAS, an integrated holistic wellness platform to address employee wellness. However, the success of the implementation of the Programme and the tangible benefits of the Programme were unclear.

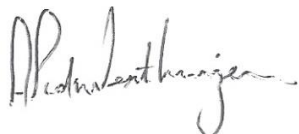
4. Resolutions/Actions

- 4.1. The Committee **REQUESTED** that the Department of Agriculture provides it with:
- 4.1.1 The completed Elsenburg Energy Masterplan, as well as an update on the implementation thereof;
 - 4.1.2 An analysis on the impact assessment of climate change, particularly its effect on Mediterranean climates, as well as its impact on food security; and
 - 4.1.3 A report on the state of rural roads, particularly gravel roads, in the province outlining the interaction, if any, with the Department of Transport and Public Works, organised and unorganised agriculture, as well as municipalities in efforts to address the matter and to improve the conditions of such roads.
- 4.2 The Committee further **REQUESTED** that Casidra provides it with a report on the implementation of the ICAS Wellness Programme with specific reference to the ways in which employee wellness is measured and the success of the Programmes being implemented.

- 4.3 The Committee **RECOMMENDED** that the Department of Agriculture engages with the Department of Transport and Public Works on its readiness for the upcoming harvesting season to ensure the safe transportation of farm workers, as well as on the progress to request an amendment to Regulation 247 of the National Transport Regulations in conjunction with the relevant section in the Sectoral Determination 13: Farmer Sector, South Africa Regulation as contained in the Labour Relations Act, 1997 (Act 75 of 1997).
- 4.4 The Committee **RESOLVED** that:
- 4.4.1 Given the continued contribution of the Elsenburg Agricultural Training Institute and its focus on the needs of the Province, that it would oppose the transfer of the Training Institute to National Government;
 - 4.4.2 Given the considerable impact of climate change on food security, that consideration be given to representatives of the Committee attending the 2022 United Nations Climate Change Conference in Egypt, albeit at short notice;
 - 4.4.3 It would invite the Department of Agriculture to brief it on the intergovernmental relations in relation to the 10 African countries that were identified, as well as Brazil, with specific reference to opportunities for collaboration, marketing and exports;
 - 4.4.4 It would invite the Department of Agriculture to brief it on the support afforded to black small-scale farmers with specific reference to the number of farmers supported, the type of support provided, as well as the commodities that were supported;
 - 4.4.5 It would invite the Department of Agriculture to brief it on the status of the Black Commercialisation Programme with specific reference to the 50 small-scale farmers involved in the Programme, the number of farmers that were supported and who have completed the Programme, the prospects for these farmers as well as the lifespan of the Programme and the future intake of small-scale farmers; and
 - 4.4.6 It would invite the Department of Agriculture and Casidra to brief it on the status of the turnaround strategies for the Amalienstein and Waaikraal farms with specific reference to the history of the previous turnaround strategies that were funded by the Department, when the last turnaround strategy was commissioned, where the challenges exist and the difference of opinion that seemingly exists between the Department and Entity.

5. Conclusion

The Committee recognised the challenges experienced during the year and congratulated the Department and Casidra on sterling working under difficult circumstances. The Committee was satisfied that the predetermined objectives for the 2021/22 financial year were adequately achieved and that it was accurately reported. The Committee further expressed its appreciation for the comprehensive responses from the Department of Agriculture and Casidra to the scrutiny of the Annual Reports and thanked the Minister, Head of Department, Chairperson of the Casidra Board, its Chief Executive Officer and officials for their contributions and efforts in this regard.



MR AP VAN DER WESTHUIZEN, MPP
CHAIRPERSON: STANDING COMMITTEE ON AGRICULTURE, ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING
DATE: 22 November 2022