



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 2022/23 Annual Reports of the Department of Agriculture, and its Entity Casidra, for the year ended 31 March 2023.

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 2023, 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 19 October 2023.

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 2022/2023 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 2022/2023 Annual Report of the Department of Agriculture emphasised that the Western Cape was responsible for 51% of South Africa's total agricultural exports, amounting to R59,4 billion in 2022. Furthermore, the Report outlined the Department's actions in response to the key announcements made during the Budget Address in 2022.

These actions included, among others, the development of a Western Cape African Agricultural Strategy, upgrading the Provincial Veterinary Laboratory and extending the Memorandums of Understanding with commodity organisations.

Agriculture's reliance on exports made it susceptible to market instability, and South Africa's response to geopolitical events could have a negative effect on trade relations. In light of this the Western Cape was particularly concerned about the renewal of the African Growth and Opportunities Act (AGOA) in 2025.

The traditional agricultural export markets held significant importance for the Western Cape, and the Report emphasised the need to identify opportunities and support initiatives that aimed to increase and maintain the market share in these economies. Simultaneously, there was a focus on exploring opportunities on the African continent due to its potential for trade and other ventures.

Challenges experienced included the energy crisis, biosecurity concerns, shortages of animal vaccines, and climate change. To address these challenges, the Department hosted an Energy Summit for the Agriculture Sector in June 2023, a Veterinary Services Week in September 2023, and expedited the implementation of the Management Improvement Plan based on the evaluation of the SmartAgri Plan.

The Department achieved 96% of its performance targets in spite of the challenges experienced and received an unqualified audit opinion.

2.2 Key issues discussed

2.2.1 In order to increase agricultural production in a sustainable manner the Department held 32 farmers day events during the year under review. The Committee was informed that these farmers day events were held based on the needs identified by farmers.

2.2.2 Mitigation measures to deal with the effects of climate change continued to be of concern to the Committee. The objective of the signed Memorandum of Understanding between the Western Cape Department of Agriculture and the California Department of Food and Agriculture was to promote the co-operation between the regions that shared similar challenges and climates and to deal with the effects of climate change. The Committee was informed that a departmental delegation visited the State of California in June 2023 as a result of the agreement. Although the visit took place outside of the year under review, the Committee was pleased to be informed that progress had been made on this front and that an extensive report on the visit was available.

Progress in the field of climate change included the establishment a transversal governance structure on climate change that was spearheaded by the Minister of Agriculture and the Minister of Local Government, Environmental Affairs and Development Planning and an agreement that was signed with the University of Stellenbosch's New School for Climate Change Studies. The latter would establish a link between the Department and postgraduate students at the university that could result in joint projects and international funding. The Committee was informed that international funders were no longer keen to fund government initiatives, and that they would rather fund tertiary institutions.

The Inter-Ministerial Committee, driven by the Minister of Agriculture, on climate change matters was welcomed by the Committee.

- 2.2.3 The Department offered internships and work-based learning opportunities to 173 individuals. These programmes provided practical experience within the Department and on farms, contributing to skills development and income generation through stipends for durations ranging from 12 to 24 months. The Committee was informed that a significant number of these interns found permanent employment within the contracted intern period.
- 2.2.4 The Annual Report of the Department was silent on the status of the possible transfer of the Elsenburg Agricultural Training Institute to the national Department of Agriculture, Land Reform and Rural Development. The Committee had raised concern about this situation in past meetings where a functional training institute, contributing significantly to the agricultural sector within the province, faced the uncertainty of being transferred to another sphere of government. This remained of concern to the Committee.
- 2.2.5 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.

The Committee was pleased to be informed that the Department launched its African Agricultural Strategy for the Western Cape. The Strategy focused on economic development, job creation, and food security. The Department elaborated on the outcomes of the strategy and how specific Programmes within the Department were linked to this Strategy.

3. Casidra

3.1 Overview

Casidra was the implementing agent for the Department and achieved an unqualified audit opinion for the year under review. The focus for the year encompassed regaining the financial stability of the organisation, utilising resources efficiently and enhancing stakeholder relationships. The Entity entered into partnerships with other government departments and municipalities to increase its revenue base and modify its funding model.

The focus of the Entity remained on delivering projects on behalf of the Department, assisting with disaster relief projects and financial record keeping, and other services for small farmers. Previous financial years were indicative of leadership issues and losses. The appointment of the new Chief Executive Officer in June 2022 brought much needed stability to the organisation.

3.2 Key issue discussed

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 Committee has engaged the Department and Casidra on a regular basis regarding the turnaround strategies for these farms, and to ascertain under what conditions transfer could take place to the relevant communities.

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

Community conflict was experienced on how the transfer and related processes 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 major developments have taken place due to lack of funds.

The Committee had previously requested a summary of the financial results of the farms for the last three years and it was clear that the farms were not financially sustainable. It was clear that the farms were unlikely to ever make profit given the infrastructure issues, the climatic issues that impacted them, and the fact that they annually require government subsidies.

The possibility of seeking additional investment to make the farms viable and the possible establishment of a legal entity was mentioned. There was a need for a significant investment in water infrastructure on these farms.

Despite these challenges, the Department and Casidra were committed to finding solutions for these farms.

4. Resolutions/Actions

- 4.1. The Committee **REQUESTED** that the Department of Agriculture provides it with:
 - 4.1.1 A list of upcoming Farmers' Day events as well as the topics to be covered;
 - 4.1.2 The Report that emanated from the departmental International Visit to the State of California that took place in June 2023;
 - 4.1.3 Further detail on the type of Internship Programmes that were offered as well as an indication of the type of positions into which these interns were permanently recruited;
 - 4.1.4 An update on the status of the possible transfer of the Elsenburg Agricultural Training Institute to the national Department of Agriculture, Land Reform and Rural Development;
 - 4.1.5 A copy of the Western Cape African Agricultural Strategy, and
 - 4.1.6 An update on the condition of the dam at the Waaikraal Farm with specific reference to the functionality of the dam, whether the plastic cover that was previously stolen has been replaced, and the cost of constructing the dam.
- 4.2 The Committee **FURTHER REQUESTED** the Department of Agriculture submit a report on past promises regarding the transfer of the farms, Amalienstein and Waaikraal, to the adjacent communities, including when, where and by whom these promises were made.
- 4.3 The Committee **RECOMMENDED** that the Department of Agriculture investigates the possibility of workplace integrated training at the Waaikraal and Amalienstein farms, similar to that offered at the Oudtshoorn Research Farm.
- 4.4 The Committee **RESOLVED** that members, on receipt of the list of Farmers Day events and the topics, could determine whether any of these topics may be of interest and then be supported to undertake an oversight visit to observe the Department's input at these events, subject to the Parliamentary Programme.

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 2022/23 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.

A special word of thanks was extended to the Chairperson of the Casidra Board, Professor Johan Kirsten, whose terms had ended, and to the Chief Financial Officer of the Department, Mr Floris Huysamer, who will be retiring at the end of the year.



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DATE: 21 November 2023