



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

Ref Number: WCPP 11/6/10

Draft Report of the Standing Committee on Agriculture, Economic Development and Tourism on its oversight visit to Elsenburg on 5 November 2024, as follows:

Delegation

The delegation consisted of the following members:

Brinkhuis, G (Al Jama-ah)
Bryant, DW (DA)
Masipa, NP (DA: Chairperson)
Stoffels, BN (ANC)
Wessels, DJ (DA)

Apologies were received from Members Constable (PA), Mbombo (DA) and Nkondlo (ANC).

1. Introduction and background

Section 114 (2)(b)(i) of the Constitution of the Republic of South Africa mandates provincial legislatures to provide for mechanisms to maintain oversight over the Provincial Executive Authority in the province.

The Committee agreed to undertake an oversight visit to Elsenburg to focus on its key activities and infrastructure, including the Agricultural Training Institute, winemaking, the equine farm, and the agri-processing hub with the aim of gaining insight into how these initiatives contributed to the Department of Economic Development and Tourism's Growth for Jobs Strategy.

This report highlights the Committee's findings and recommendations stemming from the visit.

2. Overview

The visit commenced with a welcome by the Department of Agriculture, that was followed by a presentation on Agricultural Development and Support Services as well as on Agricultural Research and Regulatory Services. The briefings were followed by a tour of the equine farm, Agricultural Training Institute, agri-processing hub and wine cellar.

2.1 Findings and observations

2.1.1. The Agricultural Producer Support and Development Programme encompassed the broad development agenda of the Western Cape Department of Agriculture. The design and implementation were predominantly for supporting smallholder farmers in the Western

Cape but did not exclude the commercial sector. This support was to enhance land reform programmes through institutional capacity building. Given that the predominant need for the development of an equitable and diverse agricultural sector was identified, a large part of the budget was utilised to build the capacity of the historically disadvantaged communities and individuals flowing from the Land Reform Programmes.

- 2.1.2 The Agricultural Research and Regulatory Services Programme played a crucial role in advancing sustainable agricultural practices, ensuring food security, and supporting the agricultural economy in the province. This Programme was structured to provide research, regulatory oversight, and support services to farmers and agricultural stakeholders.

The Committee was informed that during the Medium Term Budgeting Framework, the Department was allocated an additional R300 million.

- 2.1.3 The Comprehensive Agricultural Support Programme (CASP) and Ilima/Letsema funding were two major funding initiatives provided by the national Department of Agriculture, Land Reform and Rural Development (DALRRD) to support small-scale and emerging farmers. However, the Department of Agriculture faced several challenges in effectively implementing and managing these funds to achieve their intended outcomes. One of the key challenges was the slow pace of fund disbursement and administrative delays. Lengthy bureaucratic processes often slowed down the allocation of CASP and Ilima/Letsema funds, causing delays in project rollouts. This resulted in missed planting seasons and opportunities for growth, especially for time-sensitive agricultural projects.

In the context of CASP funding and other government grants, Schedule 4 and Schedule 5 referred to classifications of funds as outlined in the Division of Revenue Act (DORA). These Schedules dictated how the funds were allocated, managed, and overseen, especially between national and provincial governments.

Schedule 4 funds were conditional grants that were provided by DALRRD to provinces but with more flexibility in terms of spending. Under Schedule 4, funds were made available at the beginning of a financial year and could then be spent during that financial year. Although DALRRD set broad conditions for the use of these funds, provinces were responsible for further determining project specifics and reporting on outcomes. Schedule 5 funds were also conditional grants, but with stricter guidelines and oversight compared to Schedule 4. These funds were earmarked for very specific purposes or projects that were determined by DALRRD, and provinces then were obligated to use the funds exactly as prescribed.

The Department informed the Committee that the conditional grant allocation in terms of CASP funding was changed from a Schedule 4 to a Schedule 5. This had significant implications for the Department's ability to plan, implement, and manage projects funded by CASP. The timing and structure of Schedule 5 funds often created administrative burdens, limited flexibility, and caused delays in project execution, especially when funds were received late in the fiscal cycle. Schedule 4 funds, with their broader conditions, generally allowed for more timely, flexible, and regionally aligned spending, enabling the Department to respond more effectively to local agricultural needs and challenges.

- 2.1.4 Percheron horses were of interest to the Department due to their role in promoting agricultural tourism and sustainable farming practices. Known for their strength, endurance, and gentle disposition, Percherons were often used for work on farms, especially in settings that valued traditional farming methods or eco-friendly practices.

2.1.5 The Elsenburg Agricultural Training Institute was one of South Africa's oldest and most respected agricultural education centers. Established in 1898, it played a key role in developing skilled professionals for South Africa's agriculture sector, with a focus on practical, hands-on training in modern and sustainable agriculture. The Elsenburg Agricultural Training Institute was not just an educational institution but a vital part of the Western Cape's agricultural landscape. It combined rich history with modern training, research, and community engagement, preparing future leaders in agriculture and contributing to the sustainability and resilience of the province's agricultural sector. The college currently had 599 students enrolled and the precinct provided student accommodation.

2.1.6 The Agri-Processing Hub at the Elsenburg Agricultural Training Institute was an innovative facility designed to support value-added agricultural activities in the Western Cape. As part of the region's strategy to enhance economic growth, job creation, and competitiveness in the agriculture sector, the hub served as a center for training in processing and research.

The Agri-Processing Hub at Elsenburg was an essential part of the Western Cape's agricultural ecosystem. By focusing on skills development, innovation, and community support, it assisted farmers and entrepreneurs to add value to their products, supported rural economic development, and strengthened the agriculture value chain in the Region.

Agri-Processing on Wheels was an innovative Programme initiated by the Department to bring mobile processing facilities directly to farming communities. This Programme was particularly beneficial for small-scale and emerging farmers who lacked access to fixed processing infrastructure. Agri-Processing on Wheels brought essential processing technology directly to the doorstep of farmers who would otherwise face challenges accessing such resources. By supporting skills development, reducing waste, and adding value to local produce, the Programme not only empowered small-scale farmers but also strengthened the agricultural economy and food security in rural communities.

2.1.7 The wine cellar at Elsenburg was one of South Africa's oldest winemaking facilities, and it held historical, educational, and practical importance for the Western Cape's wine industry and agricultural education. The Elsenburg wine cellar was not only a historical asset but a training and research facility that supported the Western Cape's wine industry and nurtured the next generation of winemakers and viticulturists.

3. Resolution/Action

The Committee RESOLVED that it would engage with the national Department of Agriculture, Land Reform and Rural Development to consider changing the conditional grant allocation in terms of CASP funding from a Schedule 5 to a Schedule 4.

4. Acknowledgements

The Committee recognised the challenges faced by the Department, particularly in terms of the scheduled classification of CASP funding. The Committee acknowledged the vital work undertaken by the Department in supporting agricultural development and ensuring sustainable growth in the Western Cape.

A special word of thanks was extended to the staff at the Department of Agriculture who availed themselves to interact with the Committee. Their knowledge, enthusiasm, and willingness to share their expertise were much appreciated and helped to enrich the oversight visit.

A handwritten signature in black ink on a light-colored, textured background. The signature is stylized and appears to read 'NP Masipa'.

MR NP MASIPA, (MPP)

CHAIRPERSON: STANDING COMMITTEE ON AGRICULTURE, ECONOMIC DEVELOPMENT AND TOURISM

DATE: 4 March 2025