**MEDIA STATEMENT**

**COMMITTEE ON AGRICULTURE EXPECTS ITS ENTITIES TO IMPROVE THEIR PERFORMANCE IN THE NEXT FINANCIAL YEAR**

**Parliament, Friday, 12 November 2021** – The Portfolio Committee on Agriculture, Land Reform and Rural Development, and the Portfolio Committee on Employment and Labour, today held a joint meeting to consider a task that was assigned to them through a National Assembly resolution on 10 November 2020, to conduct a comprehensive oversight on the living and working conditions of farm workers, farm dwellers and farmers, and to report to the House on or before 30 November 2021.

Due to lockdown restrictions as a result of the Covid-19 pandemic and other committee work commitments, the committees won’t be able to meet the 30 November 2021deadline and have agreed to request the House to extend the deadline to report on the task on 30 November 2022.

The Portfolio Committee on Agriculture, Land Reform and Rural Development was also briefed by the Agricultural Research Council (ARC), Onderstepoort Biological Products (OBP), National Marketing Council (NAMC), and the Perishable Products Export Control Board (PPECB), on their 2020/21 annual reports.

The committee acknowledged that the Covid-19 pandemic and the lockdown restrictions impacted negatively on some of the entities and became unable to reach their targets for the year. The committee has applauded the  PPECB for  being the only entity with excellent report and for consistently achieving a clean audit outcome.

Whilst the OBP achieved R238 million gross sales against the budget of R170 million, it has exceeded its budget by R68 million. The committee noted that the entity has improved on its performance from 43% in 2019/20 to 50% in 2020/21, and has reduced its irregular expenditure from R44 million to R9 million. The OBP received an unqualified audit opinion.

The committee noted transgressions such as late submission of financial statements by NAMC, irregular, fruitless and wasteful expenditure in some of the entities, and enquired what systems will be put in place to improve financial stability and overall performance.

It further noted the findings by the Auditor General of South Africa (AGSA) that ARC did not have adequate systems to record and maintain proper accounting records for all classes of property, plant and equipment, and that there were material differences between the financial statement and fixed asset register and underlying schedules.

The AGSA found material misstatements of contingencies in the submitted financial statements which were corrected, but the uncorrected material misstatements and supporting records that could not be provided, resulted in the financial statements receiving a qualified audit opinion. All the entities had affirmed their commitment to improve both financial and overall performance in the next reporting period.

**ISSUED BY THE PARLIAMENTARY COMMUNICATION SERVICES ON BEHALF OF THE CHAIRPERSON OF THE PORTFOLIO COMMITTEE ON AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT NKOSI ZWELIVELILE MANDELA.**

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