



The Presidency
Department of Planning Monitoring and Evaluation

**Briefing by the DPME on the 2013/14
Annual Performance of the Department of
Agriculture, Forestry, and Fisheries (DAFF)**

A presentation to the
Portfolio Committee of DAFF

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The outcomes system

The outcomes system was introduced in 2009 to achieve more effective spending and performance. The aims are to:

- Increase the **strategic focus** of government by focusing on a limited number of priority outcomes
- Increase focus on **measurable results** - targets for indicators linked to key outcomes, improved logical links between inputs, activities, outputs and desired outcomes and impacts
- **Improve coordination** across departments and spheres of government by introducing whole-of-government plans (the delivery agreements)
- Move away from a culture of doing the same activities the same way again and again, without consideration of the impacts of those activities (develop a culture of **continuous improvement**)

DPME tracks government performance against 14 Outcomes. **Outcome 7 focus on Rural Development**, with DRDLR as the lead department and supported by DAFF, and other departments

Outcome 7: Vibrant, equitable and sustainable rural communities and food security for all

Output 1: Sustainable agrarian reform with a thriving farming sector

Output 2: Improved access to affordable and diverse food

Output 3: Improving rural services to support livelihoods

Output 4: Improved employment and skills development opportunities

Output 5: Enabling institutional environment for sustainable and inclusive growth



Classification of performance for this report

Green	Target has been achieved, or Target has been exceeded, or Target has been substantially achieved, or Target is likely to be achieved by 2014
Amber	Target could possibly be achieved by 2014
Red	Target has not been achieved, or Target will not be achieved by 2014, or Target is unlikely to be achieved by 2014

Sustainable agrarian transformation

Indicator	2009 level	Target for 2014	Latest measurement	Note	Rating
Sustainable agrarian transformation with a thriving farming sector	6.7 m ha (DRDLR 2009)	24.5 m ha [30% of total of 82m ha of productive land] transferred to marginalised groups from 1994	9 403 491 ha transferred (PoA Nov, 2013) (11.5% of total productive land)	Unlikely to be achieved	
		Delivery Agreement: acquire and allocate 1.14 m ha of strategically located land between 2009-2014	1 444 824 ha (PoA Nov, 2013)	Achieved	
	Approx. 200 000 small holders	50 000 new smallholders	39 840 new small holders (PoA Nov 2013)	Could possibly be achieved	

Sustainable agrarian transformation cont...

- South Africa consists of 122 mil ha of land, of which approx. 13% is arable. 100 mil ha (82.3%) is classified as “farm land”, and 12.75 mil ha is arable agricultural land
- The 30% target on land reform was set in 1994 and not part of the 2009 targets In retrospect, the challenges of undertaking land and agrarian reform were underestimated and the target was very ambitious
- Progress with restitution and redistribution

a) Restitution:

- Since the inception of the programme in 1995, 79 696 claims were lodged, 77 334 have been settled of which 59 758 had been finalised by March 2013 (DRDLR Budget Speech, May 2013)
- Though the pace of settling these claims has improved since 2009, claims settled are not necessarily finalised for hand over
- Given the pace at which claims were settled, insufficient attention was given to ensuring finalisation and sustainable development of land restored to beneficiaries
- The remaining claims for settlement are largely on high value commercial farmlands, and most difficult to resolve

Sustainable agrarian transformation cont...

b) Redistribution

- Since 2009, the number of hectares acquired under the land acquisition programme has been rising benefitting mostly rural provinces such as the North West and Limpopo
 - The land acquisition and redistribution programme had exceeded its 2014 delivery agreement targets with 4 860 farms transferred to black people and communities between 1994 and end March 2013 – which is more than 4 million hectares, benefitting a quarter of a million people (DRDLR Budget Speech, May 2013)
- Many of the farms transferred under the land reform programme are not productive - the under-utilisation of newly acquired land by beneficiaries is the primary concern

Sustainable agrarian transformation cont..

- Recapitalisation of deteriorated farms:
 - The Recapitalisation and Development Programme has provided a partial response to the under-utilisation of newly acquired land
 - 1 317 farms have been recapitalised between the 3rd quarter of 2009 and September 2013 (DRDLR PoA November 2013)
 - However, recapitalisation needs to be more effectively coupled with improvements in other forms of support (such as access to finance and markets and agricultural support)
- Many of the new smallholders being counted are not sustainable commercial enterprises

Sustainable agrarian transformation

- Challenges with utilisation of transferred land and development of more commercial smallholders:
 - Insufficient involvement of the commercial sector in developing smallholders
 - Inadequate/ineffective agricultural support (extension workers)
 - Questions regarding effectiveness of financial support to small farmers
 - Crowding out of smallholders from markets by commercial producers
 - Smallholders are not producing enough volumes of produce continuously to be able to compete with commercial producers
 - Lengthy process of land transfer leads to lack of investment by former owner, resulting in deterioration of infrastructure by the time of transfer
 - Insufficient coordination between DAFF, DRDLR and DTI for agricultural development

Sustainable agrarian transformation

- A report by the Food and Agricultural Organisation in 2011 identifies the effective use and preservation of agricultural land as of utmost importance
- However, a spatial statistical analysis undertaken by DAFF, 2011 indicated that the surface area of arable agricultural land that had been converted to non-agricultural uses through urban and mining developments equals the size of the Kruger National Park, est. 2 million ha (for period 1994 -2005)
- Historical data on the number of farms in South Africa reveals that in 1930 there were **96 640** farms, which increased to 116 848 in 1950, to 119 600 in 1953 before starting a declining trajectory to 64 810 in 1986; 60 000 in 1994; 40 000 in 2006 and approx. **35 000** in 2014 (Agricultural Census)
- Though part of this is a result of consolidation of small farms into larger units (with average farm size increasing from 730 ha in 1952 to 2000 ha in 2009), vulnerability of the sector to market forces has largely contributed to the trend

Policies restricting agrarian transformation

- The policy and legal environment related to land ownership and use has in the past not been conducive to agrarian transformation and development of the agricultural sector
- A number of Acts deals with subdivisions, changes in land use and agricultural land, resulting in a duplication of legislation and overlapping of departmental actions and responsibilities
- For instance;
 - Whereas the Subdivision of Agricultural Land Act 70 of 1970 (SALA) was enacted to prevent the fragmentation of agricultural land into small uneconomic units, Section 2 allows municipalities to subdivide agricultural land purchased by it without input or consent. Further, the Act only applies to commercial areas
 - The Subdivision of Agricultural Land Act Repeal Act 64 of 1998 was assented to on 16 September 1998 to repeal SALA, but its date of commencement has not been proclaimed

Policies/Acts restricting agrarian transformation

- The National Environmental Act 107 of 1998 (NEMA) establishes principles for decision-making on matters affecting the environment
- However, NEMA does not adequately ensure the protection of high value agricultural land as its focus is on biodiversity and environmental conservation
- Spatial Planning and Land Use Management Act, 2013 (SPLUMA) provides the framework for spatial planning and land use, asserting that the use of agricultural land for agricultural purposes, is a matter that vests in the national sphere of government however, there are issues related to capacity to implement

These Acts impede on DAFF's ability to protect and preserve agricultural land and to ensure its productive use.

Food security

Indicator	2009 level	Target for 2014	Latest available measurement	Note	Rating
Establish community, institutional and school food gardens to enable at least 30% of poor households to produce some of their own food	No baseline	68 000	970 248 food gardens established (POA Report Nov 2013)	Achieved	

Food security means that people can consistently access sufficient and nutritious food to meet their dietary needs for an active and healthy life at a price they can afford (World Food Summit, 1996)

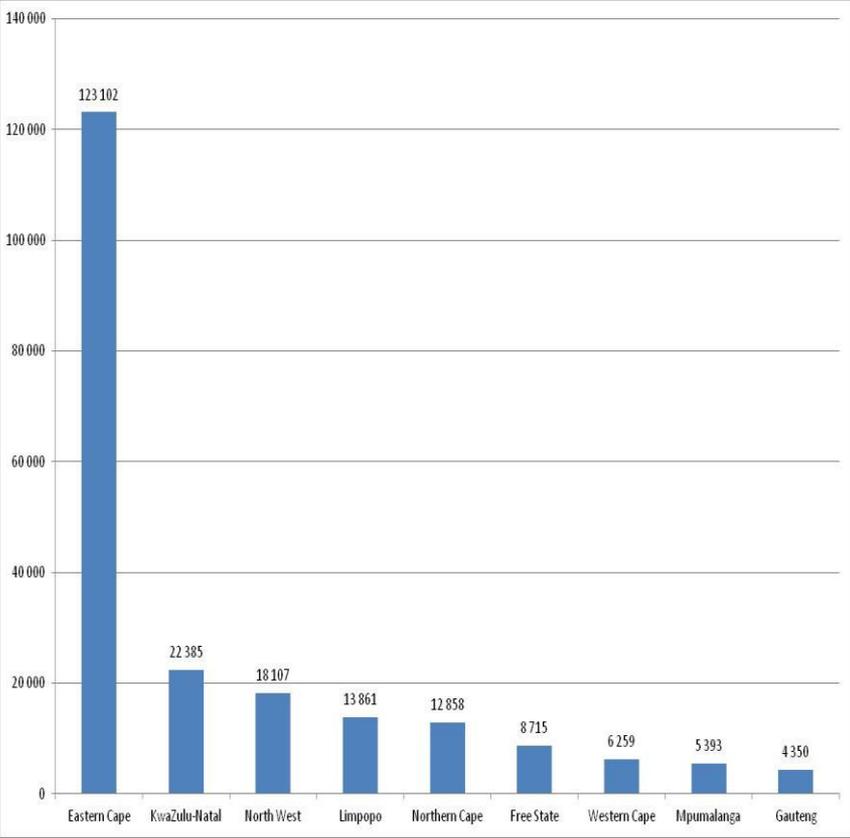
Food security

Analysis

- Between 10% and 15% of households were still vulnerable to hunger in 2011 and 22.7%, or 13,8 million people have insufficient access to food (Stats SA GHS 2012)
- Current measurement of 970 248 food gardens suggest some improvement in data collection (especially in KZN) but more work needs to be done to verify this figure
- The target for the number of food gardens was too low - a more realistic target should be guided by NDP vision to graduate 400 000 people out of poverty by 2014 – this is being addressed in the MTSF 2014-2019
- Food gardens only address only one component of food security - other production interventions need to be considered, such as increasing livestock productivity

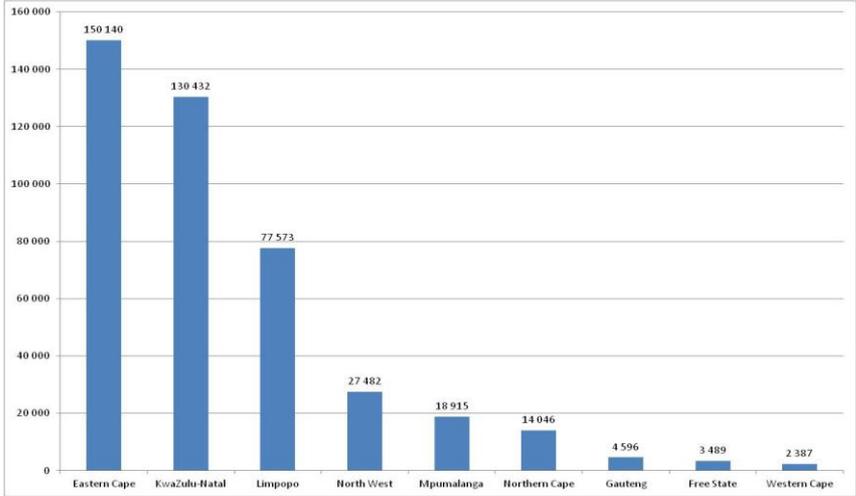
Food security continue – opportunities in livestock

Number of h/holds rearing sheep

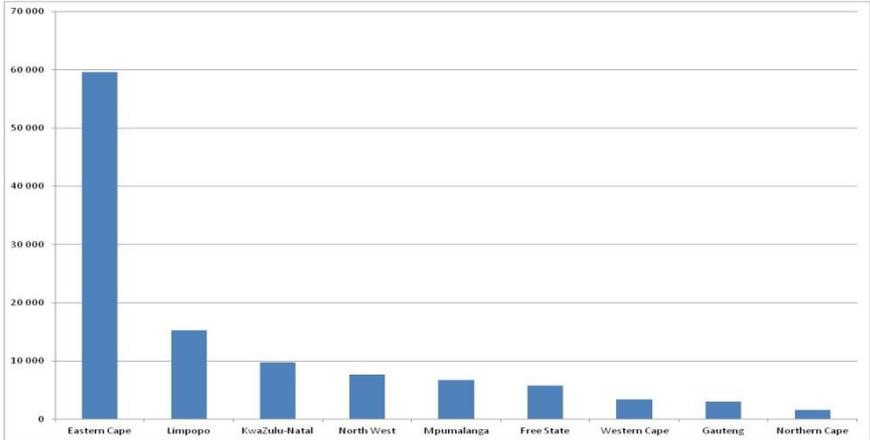


StatsSA, 2012

Number of h/holds rearing goats

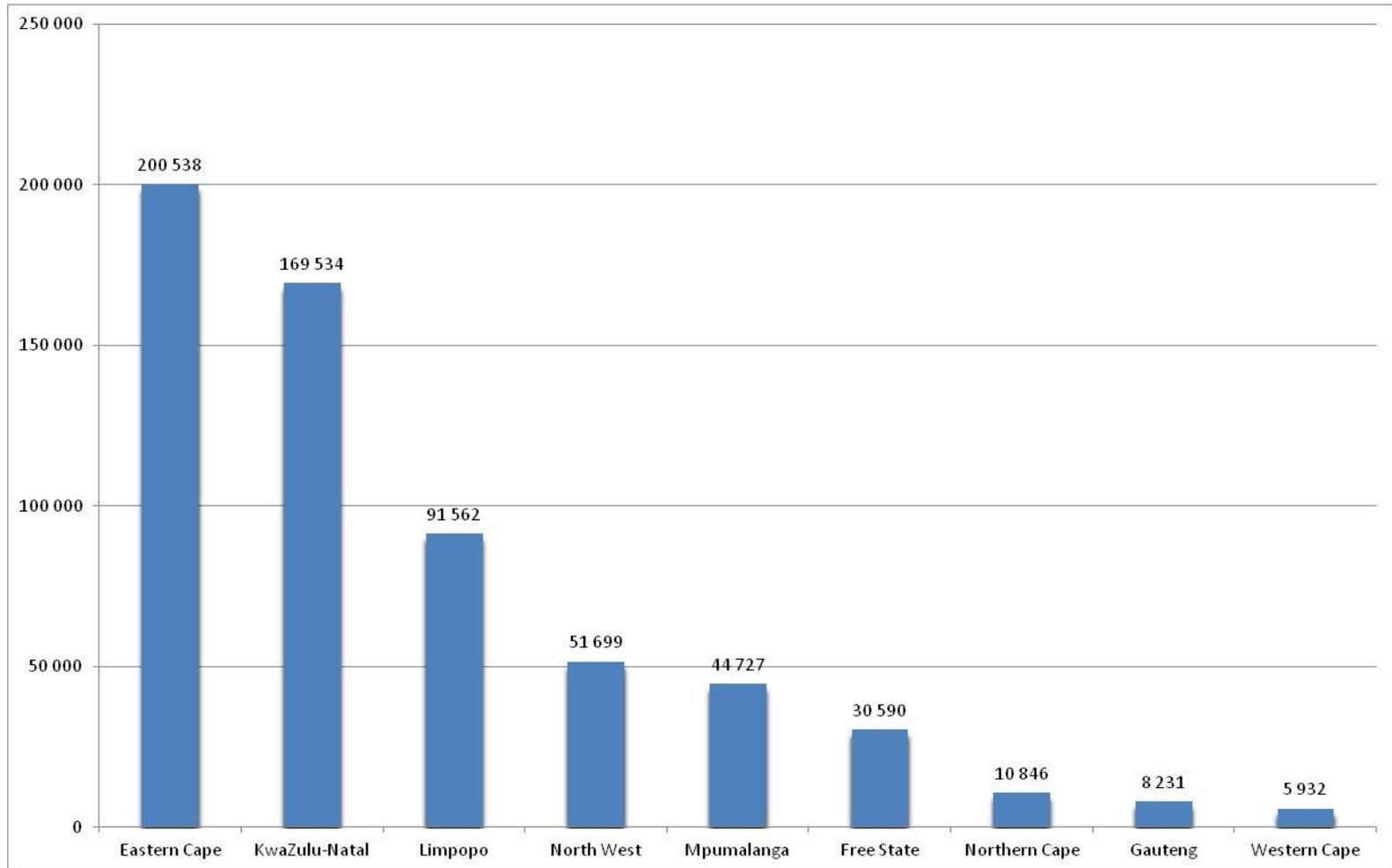


Number of h/holds rearing pigs



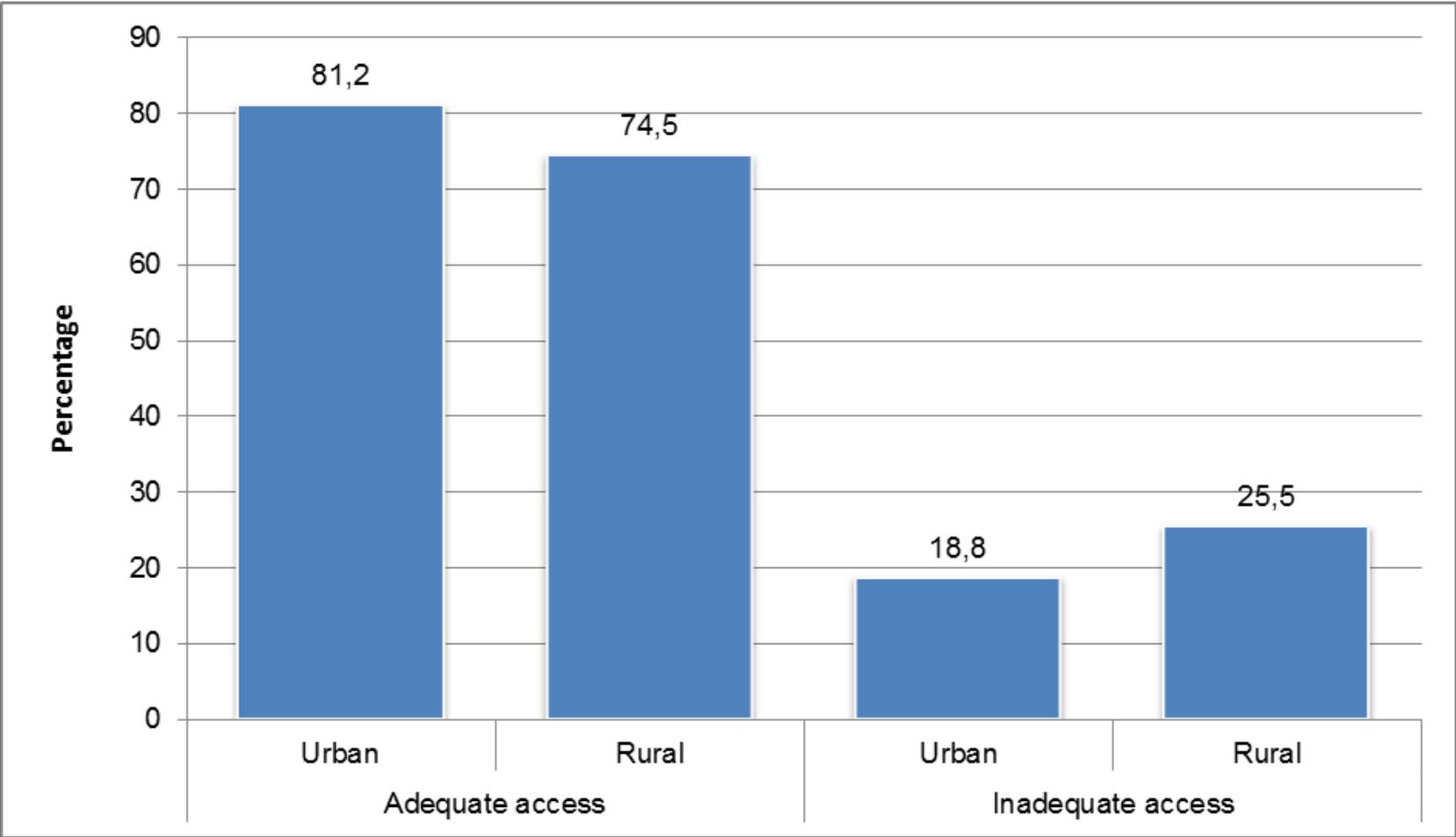
Food security continue – opportunities in livestock

Number of households rearing cattle



StatsSA, 2012

Food security continue - rural access



A quarter of the rural population (25,5%) have inadequate access to food.



Reduce rural unemployment

Indicator	2009 level	Target for 2014	Latest available measurement	Note	Rating
Reduce rural unemployment	44% (broad definition) (StatsSA QLFS 2009) Delivery Agreement: 73.4% (Department of Social Development survey on ISRDP, 2008)	Delivery Agreement target of 60% to be revised in the MTSF. See analysis below	47,6% (broad definition) (StatsSA QLFS, 2 nd Quarter 2014)	Unlikely to be achieved	

Reduce rural unemployment continue...

Analysis

- Different data sources have been used for the baseline and the target and the performance measurement on rural unemployment, and are not comparable
- Delivery Agreement baseline and target were informed by a Department of Social Development study in 22 nodes of the Urban Renewal Programme (URP) and Integrated Sustainable Rural Development Programme (ISRDP), which has not been repeated since
- Latest measurement in the table is from the Quarterly Labour Force Survey conducted by StatsSA, using a category called 'tribal areas' (similar to former homeland areas; 2009 data on this category is also available)
- Broad unemployment in 'tribal areas' has risen, from 44% in 2009 (StatsSA QLFS 2009) to 47,6% in the 2nd quarter of 2014 (StatsSA QLFS, 2013), partly due to:
 - Slow rate of overall national economic growth
 - Inadequate progress with smallholder farmer development
 - Lack of growth in employment in commercial agricultural sector

Reduce rural unemployment continue...

Analysis

- The New Growth Path and the National Development Plan have identified primary agriculture as one of the key sectors for addressing food security, job creation and economic growth, especially for rural communities and small towns.
- However, employment in agriculture has declined, from 1.1 million in 2004 and 710 000 in 2009 to 638 000 in 2012 (QLFS 2nd Q 2010 and 2nd Q 2012). This is contrast to the estimate in the NDP that agriculture has the potential to create 1 million new jobs by 2030
- Agricultural sector's contribution to gross domestic product (GDP) has shrunk from 15% in 1950 to 2.2% in 2012, while real contribution to GDP has declined from R42.143 billion in 2008 to R 41.553 billion in 2011 (StatsSA GDP, May 2012)

Reduce rural unemployment continue...

Analysis

- Perhaps the decline in share of GDP and employment reflects the changing structure of the country's economy, as well as the growing efficiency of the farming sector, with fewer units on a larger scale (but may also be due to skilled farmers leaving the sector in SA)
- Farms that are run as private companies (as opposed to those individually owned), make up 5% of all commercial farming units, but account for a third of commercial farming income. The sector is heavily dependent on a small but increasingly efficient group of large commercial farms
- There are few new entrants to the sector and those who are farming are aging (average age of 58 years)

Employment figures CASP conditional grant- contradictory

Evaluation report on CASP tabulated below

Province	Before CASP				Currently			
	Beneficiaries		Non-beneficiaries		Beneficiaries		Non-beneficiaries	
	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time
LP	10	2	7	12	6	3	7	14
MP	32	2	3	2	35	2	3	3
GP	2	1	2	1	2	2	2	2
NW	6	1	2	1	5	1	3	3
KZN	4	1	8	4	7	2	9	7
FS	8	2	2	4	9	3	2	6
NC	15	0	0	1	14	1	2	0
EC	8	8	2	2	9	8	2	4
WC	6	1	2	2	43	46	6	8
Total	7	2	4	4	11	8	5	6

Annual Report : Jobs created in 2013/14

Total: 9 932 jobs (Permanent: 2 085; Temporary or seasonal jobs 7 847).

YOU'RE RIGHT, JENKINS,
THE NUMBERS DON'T LIE.

GET ME SOME
THAT DO.

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Auditor-General's findings: 2013/14 Report

- Unqualified audit opinion for 2013/14 in respect of the financial information
- The Auditor-General drew attention to the following matters:
 - Predetermined objectives (performance information, strategic planning and management)
 - Audit Committee not in place
 - Ineffective Internal Audit
 - Procurement and contract management (e.g., quotations not obtained)
 - Insufficient oversight on reporting
 - Insufficient human resources (Internal Audit, Regional Offices and SMS positions)
 - Risk assessment not conducted
 - Risk Management Strategy not in place
 - Expenditure management (to prevent irregular expenditure). and
 - Transfer of funds (funds not monitored as required by the Division of Revenue Act – DORA).



Management Performance Assessment Tool (MPAT) 2013 Results on DAFF

- DPME, together with the Offices of the Premier and transversal policy departments have since 2011 been assessing the quality of management practices
- DPME has documented good practices since 2011 to assist departments to improve their management practices



The Concept of MPAT



Performance Level Descriptions

Level 1	Department is non-compliant with legal/regulatory requirements
Level 2	Department is partially compliant with legal/regulatory requirements
Level 3	Department is fully compliant with legal/regulatory requirements
Level 4	Department is fully compliant with legal/regulatory requirements and is doing things smartly



MPAT 2013: Departmental Scorecard



ND Agriculture Forestry and Fisheries						
MPAT Scores	MPAT 1.2	MPAT 1.3		Changes		
	Final Score	Self	Final Score	1.3 Self to Final	1.2 to 1.3	Final
1 Strategic Management						
1.1 Strategic Planning						
1.1.1 Strat Plans	3	4	4	—	-	▲ 1
1.1.2 APP	2	4	2	↓	-2	—
1.3 Monitoring and Evaluation						
1.3.1 M&E	3	4	2	↓	-2	▼ -1
2 Governance and Accountability						
2.1 Service Delivery Improvement						
2.1.1 SDIP	3	2	2	—	-	▼ -1
2.2 Management structure						
2.2.1 Mgt Struct	3	4	1	↓	-3	↓ -2
2.3 Accountability						
2.3.2 Audit Comm	3	2	2	—	-	▼ -1
2.4 Ethics						
2.4.1 Prof Ethics	2	3	1	↓	-2	▼ -1
2.4.2 Fraud Prev	2	1	1	—	-	▼ -1
2.5 Internal Audit						
2.5.1 Interl Audit	1	3	1	↓	-2	—
2.6 Risk Management						
2.6.1 Risk Mgt	1	1	1	—	-	—
2.7 Delegations						
2.7.1 Deleg's: PSA	2	4	4	—	-	▲ 2
2.7.2 Deleg's: PFMA	3	4	4	—	-	▲ 1
2.10 PAIA						
2.10.1 PAIA	-	2	3	▲	1	▲ 3

LEGEND	
Score colours	
	Level 1
	Level 2
	Level 3
	Level 4
Change icons	
	Score moved up by 2 or 3 levels
	Score moved up by 1 level
	Score remained unchanged
	Score moved down by 1 level
	Score moved down by 2 or 3 levels



MPAT 2013: Departmental Scorecard

ND Agriculture Forestry and Fisheries							
MPAT Scores	MPAT 1.2	MPAT 1.3		Changes			
	Final Score	Self	Final Score	1.3 Self to Final	1.2 to 1.3 Final		
3 Human Resource Management							
3.1 HR Strategy and Planning							
3.1.1 HR Planning	2	3	2	▼ -1	▬ -		
3.1.2 Org Design	3	4	3	▼ -1	▬ -		
3.1.3 HR Dev Plan	3	4	4	▬ -	▲ 1		
3.2 Human Resource Practices and Administration							
3.2.1 Pay Sheet Cert	2	4	4	▬ -	▲ 2		
3.2.2 Recr & Reten	1	3	3	▬ -	▲ 2		
3.2.4 Mgt Diversity	1	1	1	▬ -	▬ -		
3.2.5: Health & Wellness	-	2	2	▬ -	▲ 2		
3.3 Management of Performance							
3.3.1 1-12 PMDS	4	3	3	▬ -	▼ -1		
3.3.2 SMS PMDS	2	3	2	▼ -1	▬ -		
3.3.3 PMDS HOD	1	2	-	▼ -2	▼ -1		
3.4 Employee Relations							
3.4.2 Discipl Cases	1	3	2	▼ -1	▲ 1		
4 Financial Management							
4.1 Supply Chain Management							
4.1.1 Demand Mgt	3	4	4	▬ -	▲ 1		
4.1.2 Acquisition Mgt	3	3	3	▬ -	▬ -		
4.1.3 Logistics Mgt	3	3	3	▬ -	▬ -		
4.1.4 Disposal Mgt	3	4	4	▬ -	▲ 1		
4.2 Expenditure Management							
4.2.1 Cash Flow	3	4	3	▼ -1	▬ -		
4.2.2 Paym't of Suppl	3	3	2	▼ -1	▼ -1		
4.2.3 Unauthorised, etc	3	4	4	▬ -	▲ 1		
5 MPAT Process							
5.1 MPAT Process							
5.1.1: MPAT	-	2	2	▬ -	▲ 2		

Key Lessons from analysis of data and good practice

COMMITMENT

ACCOUNTABLE LEADERSHIP AND CONSISTENCY OF PURPOSE

actively builds a committed performance monitoring culture by setting the tone and following through.

A PROFESSIONAL SERVICE CULTURE

supported by peer pressure and cooperative engagements enables performance backed by monitoring, feedback and consequences.

Management Practises

ALIGNED POLICY, PLANNING AND PERFORMANCE REVIEW SYSTEMS

link operational plans, human resources and budgets to implementation especially when based on evidence and review.

ORGANISATION, STRUCTURES, PROCESSES, RESOURCES AND NORMS

support a focus on compliance when incentives and consequences are clear. Resources are not the issue - how they are mobilised and deployed is.

IMPROVED PERFORMANCE

MPAT has a notable influence on improving management practice.

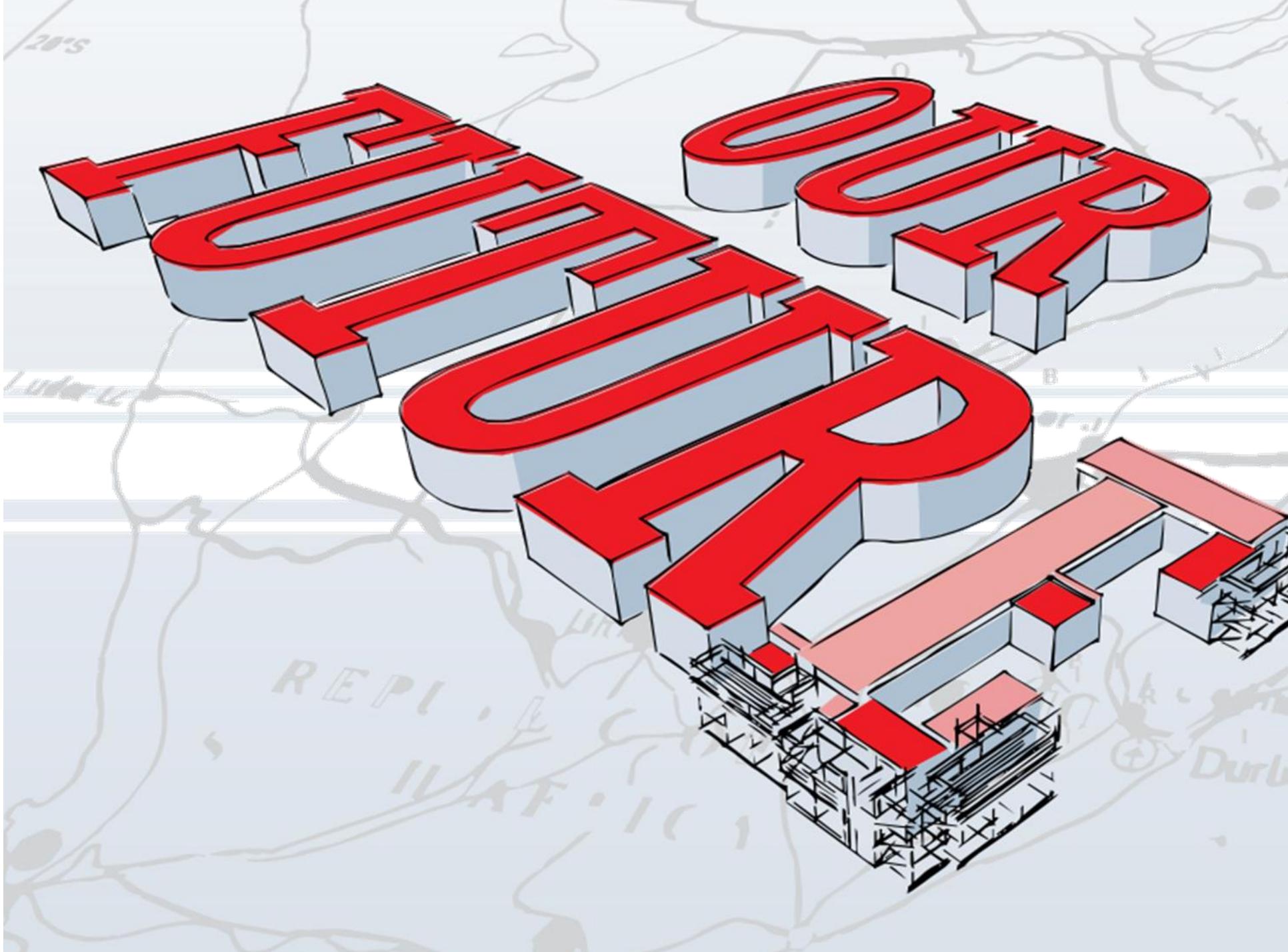
CONSEQUENCE

Managing public entities

- There are five public entities accountable to the Minister (Agriculture Research Council, Onderstepoort Biological products, National Agriculture Marketing Council, Ncera farms and The Perishable Product Export Certification Board)
- They play a vital role in support of the department and performance on Outcome 4 and 7.
- These entities are generally not functioning and performing as envisaged, and have been criticised by industry players and academic institutions



REPUBLICAN



Outcome 7: Comprehensive Rural Development and food security for all (new title)



Outcome 7 priorities – NDP policy imperatives

The NDP identifies the following priorities, which now comprise the focus of Outcome 7 MTSF, 2014-2019

1. Improved land administration and spatial planning for integrated development
2. Up-scaled rural development as a result of coordinated and integrated planning, resource allocation and implementation by all stakeholders
3. Sustainable land reform (agrarian transformation)
4. Improved food security
5. Smallholder farmer development and support (technical, financial, infrastructure) for agrarian transformation
6. Increased access to quality basic infrastructure and services, particularly in education, healthcare and public transport in rural areas
7. Growth of sustainable rural enterprises and industries characterised by strong rural-urban linkages, investment in agro-processing, trade development and access to markets and financial services— resulting in rural job creation

Role of DAFF, Outcome 7 MTSF 2014 – 2019

Sub-outcome 4: Improved food security

Actions	Indicators	Targets
Implement the comprehensive food security and nutrition strategy	Number of people benefiting from food security initiatives	6 mil ha (of 12 mil) vulnerable people benefiting by March 2019
Develop under-utilised land in communal areas and land reform projects for production	Number of hectares in under-utilised communal areas cultivated for production	1 million hectares by March 2019



Role of DAFF, Outcome 7 MTSF 2014 – 2019

Sub-outcome 5: Smallholder producers' development and support (technical, financial, infrastructure) for agrarian transformation

Actions	Indicators	Targets
Develop and implement policies promoting the development and support of smallholder producers	Policies promoting the development and support to smallholder producers in place and implemented	Smallholder producers policies implemented by March 2019
Expand land under irrigation	Number of hectares under irrigation	1250 hectares under irrigation by March 2019
Provide support to smallholder producers in order to ensure production efficiencies	Number of smallholder producers receiving support	300 000 smallholder producers by March 2019
Develop and implement the Agricultural Policy Action Plan (IAPAP)	<ul style="list-style-type: none"> a. Improved trade b. Increased market access and linkages c. Increased investment in the agricultural sector 	Agricultural trade improved by March 2019 Increased market access and investment by March 2019
Develop, resource and implement the Agricultural Value Chain interventions (SIP 11)	Agricultural Value Chain (SIP 11) resourced and implemented	Agricultural Value Chain (SIP 11) resourced and implemented by March 2019

Concluding comments

- The disappointing growth of the sector and loss of jobs in the sector can be attributed in part to the global economic decline but DAFF has not been successful in addressing constraints to investment in the sector
- Though the department has embarked on some strategies (such as mechanization) aimed at stimulating production by smallholders, the following concerns remain, and these are
 - 1) DAFF's programmes are not having significant impact on key indicators :
 - a. Transforming the sector through new entrants becoming successful commercial farmers. Some support packages offered by government tend to cause dependency.
 - b. Growth of the industry both in terms of contribution to GDP and employment
 - c. Household food security, and underutilisation of agricultural
 - 2) Causes of the problem appear to include weak relationships between government and the industry, and high senior management vacancy levels
 - 3) The Department is not working sufficiently closely together with DRDLR



Concluding comments

- A proper census on agriculture could assist with identifying the underlying causes of the relatively poor performance of the sector, but the department has terminated the agricultural census

- The department should consider additional interventions as follows:
 - Strengthen collaboration with the established commercial farming sector to develop black commercial farmers
 - Use government procurement more to create opportunities for black commercial farmers
 - Review and accelerate initiatives to strengthen agricultural support to black commercial farmers

- Hunger and extended periods of malnutrition not only devastate families and communities in the short term, but leave a legacy with future generations which impairs livelihoods and undermines human development





REMEMBER M&E INFORMATION IS USEFUL
ONLY IF IT IS USED!

Thank you

Go to <http://www.thepresidency.gov.za/dpme.asp> for PME documents including narrative guide to outcomes approach, outcomes documents and delivery agreement guide

