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| ***ISSUES FROM THE JOINT OVERSIGHT PORTFOLIO COMMITTEES OVERSIGHT VISIT TO MPUMALANGA PROVINCE FOR THE RESPONSE OF THE DEPARTMENT OF AGRICULTURE, FORESTRY AND FISHERIES AND THE MPUMALANGA DEPARTMENT OF AGRICULTURE, RURAL DEVELOPMENT, LAND AND ENVIRONMENTAL AFFAIRS*** | |
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# List of Acronyms

APAP : Agriculture Policy Action Plan

BBR : Bushbuckridge

CASP : Comprehensive Agricultural Support Programme

CPA : Community Property Association

DAFF : Department of Agriculture, Forestry and Fisheries

DARDLEA : Department of Agriculture, Rural Development, Land and Environmental Affairs

DRDLR : Department of Rural Development and Land Reform

DPSA : Department of Public Service and Administration

MEGA : Mpumalanga Economic Growth Agency

MESP : Masibuyele Esibayeni Programme

M&E : Monitoring and Evaluation

MP : Mpumalanga

PC : Portfolio Committee

PLAS : Proactive Land Acquisition Strategy

RAAVC : Revitalisation of the Agriculture and Agro-processing Value Chains

RECAP : Recapitalisation and Development

SHDN : Sabie, Hoxane, Dingleydale and New Forest Cooperative

UMP : University of Mpumalanga

Vet : Veterinarian

# Crosscutting Issues

For most of the projects that were visited, the delegation (Parliamentary Committee Members) found that information that was presented on site, was contradictory and in some cases, in contrast to what was in the Project Profiles that were sent to Parliament.

* 1. **In this regard, in addition to the operational information that is generally included in Project Profiles, the following specific information is requested for all projects that were visited:**
* Name and exact location of project.
* Number and gender of beneficiaries.
* Commodity or type of farming.
* Detailed Project activities.
* Duration of project – when did the project start and when is it expected to be finalised.
* Total investment or funding support that has been given to the project.
* Source(s) of funding (e.g. DAFF, DRDLR, Provincial Department or other) and conditions of funding. Where more than 1 Department provided funding, indicate how much was received from each, when and what it was for.

DRDLR

* Where funding is received from DAFF’s conditional grants, indicate whether it was from CASP, Ilima/Letsema or both, and where relevant, how much was received from each grant.
* Any other support (non-financial) and who provided it.
* Market access.
* Employment creation and number of employees (besides beneficiaries) where relevant.
* Progress on implementation; current status and exit strategy for each project.
* Identified challenges and how these will be addressed (remedial actions or improvement plan).

**Response**

The responses to the above questions are detailed in Table 1 below.

**Table 1**

| **Name and location** | **Number of beneficiaries and gender** | **Commodity** | **Project Activities** | **Duration (Start & completion)** | **Total investment to date (R’000)** | **Funding Source** | **Market** | **Jobs** | **Progress Implementation** | **Current Status** | **Exit Strategy** | **Challenges** | **Remedial** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Allandale Fortune 40 | 19 (5 females and 14 males) | Mango & Vegetables | Establishment of 10 hectare drip irrigation system, Fencing, Tractor and Admin Block | January 2016 - May 2017 | R2 031 | CASP | Government Nutrition Programme | 15 | 10 hectares fenced, Dam scooped, borehole drilled and awaiting equipping, renovation of admin block completed, 0,5 hectares tomato planted | Service Provider on site | Training for 3 year and assist the incubates to get own farms | None | None |
| Champaign Citrus  (Chochocho) | 302 (175 females & 127 males) | Citrus, Mango & Vegetables | Repair and maintenance of irrigation system, Replanting of 60 hectare citrus Lining of dam, mechanisation, establishment of 11 hectare vegetable, Fencing, Packhouse, | 2009 - 2013 | R17 403 | CASP & Recap | "Veggies Government Nutrition Programme.  Mangos Middle East  Citrus | 104 | Completed | Operational | Farm Manager was appointed by the Department for a period of 2 years in order to transfer skills to the beneficiaries | Beneficiaries leased the farm to an individual farmer for a period of 9 years on 70%/:30% basis to the leasee and the beneficiaries respectively | The two parties have been engaged and the proposal is that the leasee will get 49% and beneficiaries 51% |
| Huttington Packhouse (Mkhuhlu) | 21 (7 Females & 14 males) | Vegetables | Packhouse, Guard House, Ablution Facility, Borehole with elevated water tank, Septic tank, Boundary Fencing | March 2016 – May 2017 | R 9 000 | DRDLR | Government Nutrition Programme | 30 | 99 % Completed with snags in pack rooms being completed | In a usable stable with a few snags that will be completed by 31 May 2017. | The cooperative has been advised to make saving from the lease for future operational costs | The facility was built to benefit only selected cooperative | The facility is leased to MEGA and will pack for all farmers around BBR South |
| Nkomazi West Maize Mill  (Magogeni) | 500 (288 Females & 212 males) | Maize milling | Fencing 2 Ha of project, guard room, install weigh bridge, Jojo tank, borehole, construction of maize mill structure, flooring and roofing | 2011 - 2017 | R 741 | CASP | Lethabo Maize milling | 16 | Fencing 2 Ha of project, guard room, install weigh bridge, Jojo tank, borehole, construction of maize mill structure, flooring and roofing completed | Phase 3 for installation of the milling plant and silos is to start from July 2017 and completed in October 2017 | The Department has secured a strategic partner for sustainability of the business | Business acumen of the beneficiaries | Strategic partner has been secured |
| Vlakplaas Fortune 40 (Vlakplats) | 10 (5 females & 5 males) | Livestock & fodder | Animal Handling Facilities, Park homes, borehole and water reticulation | June 2016 – October 2016 | R1 660 | CASP | Karaan Beef and Auction in Ermelo | 13 | Completed | Training | Training for 3 year and assist the incubates to get own farms | None | None |
| Marapyane College (Marapyane) | Farmers | N/A | Upgrading and Maintenance of the College (Classrooms, Admin Block, Kitchen, Library)  Construction of Vet Clinic, Feedlot, Poultry houses, tunnels |  | R25 000 | CASP  DAFF  Equitable Share | Local youth |  | All activities completed. Need continuous maintenance | College closed | N/A | Currently the Department cannot use all the available facilities; almost 50% of the facilities remain underutilised hence prone to dilapidation due to transfer of students and staff to the UMP. | The centre has been sufficiently budgeted for 2017/18 under goods and services for re-opening. |
| Valksfontein (Siyabuswa) | Dr JS Moroka Community | Livestock and Domestic | Mobile Clinic Donated by DAFF | - | - | - | - | 14 officials | - | The mobile clinic is servicing farmers | N/A | The clinic is not well equipped | The Department has made an allocation of 250 from CASP to equip the clinic |
| Maquabi (Kalkbank, Amarsfoort) | 6 (3 females & 3 males) | Livestock and grains | Rural Development - 97 cows, 5 bulls, 15 Merino rams, 450 Merino Ewes, a tractor, a planter, a baler and drinking & feeding troughs  Agriculture - Purchase of Cattle and Sheep, Medication and feed, 5km fencing, Mechanisation and production inputs | 2012 - 2016 | R5 970 | CASP  MESP  RECAP | Auction in Ermelo SAFEX | 28 | Purchase of Cattle and Sheep, Medication, feed, production inputs, 5km fencing, Planter, tractors, Baler, feeding and drinking troughs completed and Mechanisation support provided. | Far Operational | N/A | The Recap policy that requires appointment of mentor prior to the release of funds  Monopolised markets and Market transaction Cost | Requires policy review  Establishment of fresh produce market by MP government and Selling in groups and large quantities |
| VukuZenzele (Bankies, Standerton) | 7 (4 females & 3 males) | Livestock and grains | 31 Nguni cattle and mechanisation support | 2013 – 2013 | R 380 | MESP | Auction & SAFEX | 7 | N/A | Operational with challenges | N/A | Lease Expired  Poor Infrastructure  Inadequate Capacity | Matter referred to DRDLR  Farmers applied for Recap  Will be considered in the mentorship programme of the Department |

* 1. **In the case of the Proactive Land Acquisition Strategy (PLAS) farms, indicate:**
* the extent of the farm (total hectares), purchase price and the year of purchase;
* whether the farm was purchased with all the on-farm infrastructure or not;
* when the farm was transferred to beneficiaries and when did they took occupation or start operations;
* status of lease;
* Whether recapitalisation and development (recap) funding was given to beneficiaries. If recap was given, how much and what was it used for; and if recap was not given, provide reasons;
* whether the beneficiaries or the project had a ‘strategic partner’ and who identified the strategic partner; and
* if there was a strategic partner, who was the strategic partner, how long was their contract (i.e. for how long were they with the project), what were the conditions of their contract, how much was the strategic partner paid per month/year and who paid them.

**Response**

From the projects that were visited by the National Portfolio Committee, only two are Proactive Land Acquisition Strategy (PLAS) farms, the required details are as broken down in the below table:

**Table 2:** Projects visited by the National Portfolio Committee

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Maquabi Project** | | | | | | | | | | |
| **Extent of farm (ha)** | **Purchase price** | | **Year of Purchase** | **Occupation Year** | **Infrastructure Available on purchase** | **Status of Lease** | **Recap Received** | **Strategic Partner appointed** | **Amount paid to strategic partner** | **Who employed Strategic partner** |
| 1700 | 5120 | | 2008 | 2008 | Yes | Expired | Yes | Yes by DRDLR named Mr Johannes Hendrick, year 2012- 2013 | R5000 monthly | DRDLR |
| **VUkuZenzele Project** | | | | | | | | | | |
| **Extent of farm (ha)** | | **Purchase price** | **Year of Purchase** | **Occupation Year** | **Infrastructure Available on purchase** | **Status of Lease** | **Recap Received** | **Strategic Partner appointed** | **Amount paid to strategic partner** | **Who employed Strategic partner** |
| 947 | | 8200 | 2008 | 2009 | No | Expired | No | N/A | N/A | N/A |

* 1. **In the case of Fortune 40 Projects, indicate:**

1. **Accreditation status of the training that is offered to the incubatees (youth trainees) including linkage with institutions of Higher Learning;**

**Response**

The training offered is AgriSeta accredited with unit standards of 3-4. These are learnership programmes in Management and Precision Agriculture. The Department validates the content and give approval to the training provider through the incubator before any training is offered.

1. **Exit strategy for the youth after the training period;**

**Response**

Youth will be assessed at the end of 3 years and will exit to independently owned farms. The Department with the incubator will play a vital role in ensuring that the youth gets assisted with resources for their farm, either from government or private sector.

1. **Recruitment (how are they identified and by whom) and employment status of Incubators (contract period);**

**Response**

Regarding the recruitment of incubates: the Department work with community structures to identify unemployed youth with passion in agriculture. Once selected, the youth with common interest are assisted to register a cooperative through which they will be incubated on and off farm on how to handle faming business and business transaction.

The recruitment of incubator is an open competitive bidding process which is advertised on the official government tender bulletin. The bids are evaluated by a Bid Adjudication Committee that recommends for approval by the Accounting Officer. The incubators are contracted for a period of 3 years.

1. **How much are they paid and by whom;**

**Response**

The incubators are paid an hourly rate of R480 per hour per cooperative and are allocated 160 hours per month. This rate is market related as determined by the DPSA on consultants’ rates guidelines.

1. **What are the conditions of their employment;**

**Response**

The Incubator must display knowledge and experience in agriculture. Must have been a farmer himself/ herself and or at least have worked in a farming environment.

**vi) Is their work evaluated, if so, by whom and when;**

**Response**

Each project is monitored by a District Coordinator and issues of concern are discussed in the Steering Committee Meeting that monitors the implementation, look at policy and strategic issues of the programme. There is also oversight by the Portfolio Committee for Agriculture within the Province.

1. **Lastly, how are they different from the ‘strategic partners’ that the DRDLR used in PLAS projects and Community Property Associations (CPAs).**

**Response**

The DRDLR strategic partners, operate on shareholding and profit sharing while the incubation for Fortune 40 have no shares in the project and they don’t share profit with the young farmers rather they are paid on hourly rate for working with the youths.

# OTHER ISSUES AND SPECIFIC PROJECTS

* 1. **Both DAFF and Provincial Department (Mpumalanga Department of Agriculture, Rural Development, Land and Environmental Affairs (DARDLEA) should ensure that their responses are specific and deliverables have time-frames.**

**Response**

The department notes the recommendation by the Committee and has ensured that the provided responses are specific and the deliverables have set timeframes.

* 1. **During the briefing meeting, the Provincial Department repeatedly indicated to the Portfolio Committees (PCs) that ‘a study’ was in the process of being undertaken in order to indicate which commodities and areas should the Provincial Department focus on. This is understood by the PCs to already be in place through the APAP and RAAVC plans that DAFF has presented on several occasions to the PC. In this regard, the Province should indicate how their plans are aligned with National priorities and plans to avoid** **duplications in the light of scarce financial resources.**

**Response**

As an alignment to National Priorities, the Department is focusing on all value chain commodities that have competitive advantage in the Province. The Department has a turnaround strategy which has been developed along APAP and in each district is focusing on commodities that APAP indicated those district has competitive advantage on. Those commodities include:

* Red Meat Value Chains : Gert Sibande
* Poultry Integrated Value Chains : Nkagala and Gert Sibande
* Vegetable Value Chain : Ehlanzeni
* Forestry : Gert Sibande
* Aquaculture : Ehlanzeni
* Soya Beans : Gert Sibande
* Maize Integrated Value Chain : Gert Sibande and Nkangala

The turnaround strategy also assist to ensure that there are no duplication and plan projects along total value chain of each commodity as per RAAVC.

1. DAFF should clearly outline the definitions of smallholder, subsistence and commercial farmer that have been adopted in relation to the type of support that farmers receive. Additionally, **the Provincial Department should indicate the provincial statistics on the different categories of farmers in the Province**.

**Response**

1. **Definition of farmers guiding CASP and Ilima/Letsema programmes (Annexure A provides details on the classification).**
2. **Subsistence**

A subsistence farmer is a resource-poor farmer producing mainly for household consumption and according to their household food requirements rather than producing surpluses for the market.

1. **Smallholder**

A smallholder farmer produces for household consumption and markets, thus farming is consciously undertaken in order to derive a source of income. Farming is not always the main source of income; diverse non-farm sources of income exist to sustain the household.

1. **Commercial**

Commercial farming is defined as the established farming venture undertaken by an individual or business entity for the purposes of the production and sale of agricultural products to make a profit.

1. The provincial statistics of farmers in the province within different categories is as indicated in the table below:

**Table 3:** Statistics of farmers in the Province

|  |  |
| --- | --- |
| **Categories** | **Provincial Number of farmers** |
| Smallholder | 197 |
| Subsistence | 15 735 |
| Commercial | 8 797 |
| **Total** | 1. **729** |

1. DAFF should report on its CASP monitoring and evaluation (M & E) in the MP Province, as previously, DAFF had reported that the M & E Unit has been strengthened, as of 2016/17, with an annual budget of R20 million from CASP, solely for monitoring the expenditure and implementation of CASP funded projects in provinces.

**Response:**

The guiding framework on monitoring CASP projects states that DAFF will monitor 50% of CASP funded projects per province. Below is a table of the selected 50% projects monitored in Mpumalanga in 2016/17.

**Table 4:** Selected projects monitored in Mpumalanga (2016/17)

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **No.** | **Project / Programme Name** | **District** | **Local Municipality** | **Commodity Group** | **CASP Budget R'000** | **No. of beneficiaries** | **Project Activity** | **Comment** |
| 1 | Mbuzini Maize Mill | Enhlazeni South | Nkomazi | Maize | 3 000 | 374 | Renovation of the mill and establishment of water supply for Mbuzini Mill | planned activities not executed at the time of the visit. |
| 2 | Nkomazi West Mill | Ehlanzeni South | Nkomazi | Maize | 3 000 | 373 | Renovation of the mill | all planned activities carried out. Visited by portfolio committee |
| 3 | Fruits Anchor Projects | Gert Sibande | Chief Albert Luthuli, Pixley & Msukaligwa | Fruits | 6 700 | 20 | Revitalization of seven apple projects | challenges with water stopped the projects |
| 4 | Nompumelelo Mushroom | Gert Sibande | Dipaliseng | Vegetables | 1 800 | 5 | Refurbishment of mushroom facilities (spray mist, ablution blocks), installation of palisade fence, kitchen & drainage system | still at planning stage - multi-year project |
| 5 | GAP Certification for 9 pre-audited projects | Ehlanzeni North & South | Mbombela/ BBR | Vegetables | 3 300 | 55 | Infrastructure to meet GAP certification requirements | planned activities not executed at the time of the visit. |
| 6 | Red Meat Abattoir, Poultry Abattoir and Piggery : (Amashangani Tribal Authority) | Ehlanzeni North | BBR | Red meat | 500 | 88 | Feasibility studies for the red and white meat abattoirs as well as piggery in the North | study conducted. Land identifed for the project. |
| 7 | Live Stock Development (Utta, Seville) | Ehlanzeni North | BBR South, BBR North, ThabaChweu | Livestock | 1 500 | 178 | Construction of two animal handling facilities (Pole works, spray race, neck & body clamps, loading ramp, stock watering) | multiyear project, construction started. |
| 8 | Bankfontein/Rondebosch Farm | Ngangala | STLM | Vegetables | 7 577 | 15 | Establishment of livestock handling and irrigation | multiyear project, construction started. |
| 9 | Pardekraal poultry (Fortune 40) | Gert Sibande | Dr Pixley Ka Isaka Seme | Poultry | 3 000 | 20 | Construction of 2 x 25000 broiler house | Red(Problems with SP). |
| 10 | Siyaphambili (Fortune 40) | Gert Sibande | Mkhondo | Poultry | 3 500 | 20 | Renovating of existing broler house and completion of 2 x 25000 broiler houses | multiyear project, construction started. |
| 11 | Allandale (Fortune 40) | Ehlanzeni South | Bushbuckridge | Vegetables | 3 922 | 20 | Development of 5 ha drip irrigation, pump station, fencing, and administration block | activities undertaken as planned, multiyear |
| **No.** | **Project / Programme Name** | **District** | **Local Municipality** | **Commodity Group** | **CASP Budget R'000** | **No. of beneficiaries** | **Project Activity** | **Comment** |
| 12 | Zoeknong (Fortune 40) | Ehlanzeni South | Bushbuckridge | Vegetables | 3 404 | 20 | Development of 5 ha drip irrigation, fittings and pump station, fencing, tractor shes and administration block | Multiyear project, construction started. |
| 13 | Motlomobe (Fortune 40) | Ehlanzeni South | Bushbuckridge | Vegetables | 5 212 | 20 | Development of 5 ha drip irrigation, earthworks and site clearance, pump station, storage facilities and administration block | All planned activities carried out, multiyear project. |
| 14 | Vlaakplats (Fortune 40) | Gert Sibande | Pixley Isa ka Seme | Vegetables | 1 350 | 20 | Construction of animal handling facility (Pole works, spray race, neck & body clamps, loading ramp, stock watering), Fencing, dividing of farm into 4 camps and purchase of Calves | Multiyear project, construction and production started. Visited by portfolio committee |
| 15 | Intamakuphila Youth Cooperative  (Fortune 40) | Enhlazeni North | Nkomazi | Vegetables | 3 445 | 20 | Construction of 4 tunnels , water storage tank, , pipelines, fencing and storage facilities | Multiyear project, hydroponic tunnels and fencing complete. |
| 16 | Barberton EC (Fortune 40) | Enhlazeni North | Mjindi | Vegetables | 2 650 | 20 | Development of 5 hectare drip irrigation, fencing, water supply and administration block | Multiyear project, construction and production started.. |
| 17 | Zwartfontein (Fortune 40) | Ehlanzeni South | Mbombela | Vegetables | 3 600 | 20 | Development of 5 hectare drip irrigation, fencing, water supply and administration block | Multiyear project, construction started. |
|  | **TOTAL** |  |  |  | **57 460** | **1 288** |  |  |

NB: A total of 24 youth cooperatives in 13 projects (farms) were supported under the Fortune 40 programme in the 2016/17 financial year with the total budget - R69, 518 million (56% of total project allocation).

1. DAFF should appraise the PC on the progress made regarding the Mechanisation Policy and its implementation in provinces. The PC noted that there has been a long-standing issue on the allocation and availability of tractors to be utilised by farmers. There was a specific concern on tractors that were lying unutilised and unaccounted for. **The Provincial Department should brief the PC on the number of tractors that were made available by DAFF, and give progress on the provincial operational plan regarding such tractors and how this relates to the national (and provincial) targets on Fetsa Tlala Food Production Initiative.**

**Response**

1. The draft Mechanisation Policy document has been completed and was shared with Provinces and the Department of Rural Development on the 12th August 2014. The draft Policy has been presented to the DAFF Quarterly Review Meeting held on the 1st of June 2017. The Policy is proposing two models:
   * + **Delivery Model 1** – Utilization of local SMMEs Contractors through the credit led facility – need to support Fetsa Tlala and will promote entrepreneurs, employment opportunities and local beneficiation; Revolving Credit Facility (RCF) R2.5m payment over 5 years.
     + **Delivery Model 2 -** Government operated mechanization services Utilising Ilima/Letsema funds to support the vulnerable **–** use of implementing agencies and providing services to the poor, synchronise mechanisation services with the delivery of inputs.
     + Annexure B shows progress made with regard to Fetsa Tlala in the 2016/17 financial year.
2. The Provincial Department received 85 Landini tractors with 365 implements from DAFF in 2010 (the report on the tractors has been attached as **Annexure C: page 38 -39 of the report - Table 5 & 6**)
3. **Operational plan**

The department planned the following targets with the tractors that were received from DAFF supplemented by the ones procured by the Provincial Department through the Fetsa Tlala Food Production initiative:

**Table 5:** Planned targets in Mpumalanga

|  |  |
| --- | --- |
| **Financial Year** | **Targets (ha)** |
| 2011/12 | 100 000 |
| 2012/13 | 107 920 |
| 2013/14 | 113 200 |
| 2014/15 | 35 000 |
| 2015/16 | 40 800 |
| 2016/17 | 15 500 |
| 2017/18 | 14 000 |
| Total | 1. 0 |

# SPECIFIC PROJECTS

* 1. **DAFF and Mpumalanga DARDLEA should provide a comprehensive report including status and revival plans for the two Champagne projects (the Citrus Estate and the Broiler Development Abattoir) that the delegation could not visit on Monday, 27 March 2017.**

**Response**

1. **Champaign Citrus Estate**

The Citrus Estate is operational and the extent of the farm is 400ha. The project specializes with the production of numerous Citrus varieties; Tomago, Navel and Valencia oranges; as well as vegetables. The farm was restituted to 302 beneficiaries (127 males and 175 females). When the CPA realised that they could not successfully run the farm, they leased the farm on a 70:30% scale to Mr Sanel and the Estate beneficiaries respectively. When this came to the attention of DARDLEA and DRDLR, engagements were held with the two parties in order to safe guard the interest of the farmers. The new proposal being discussed is to change the scale to 40% and 60% to Mr Sanel and the Estate beneficiaries respectively. The contract has been drafted by the Department and is waiting for sign-off by both parties.

1. **Champaign Broiler Development Abattoir**

The Abattoir is currently not operational due to; among other factors, inadequate supply of broilers from the local suppliers. The inadequate supply was due to high cost of production inputs (mainly feed) which led to most producers operating below capacity. For the abattoir to operate successfully, the Department needs to ensure there is sustainable supply base from the local farmers. The Department through the District office is therefore mobilising all operating and non-operating poultry producers in Bushbuckridge (BBR) area to check the available stock and potential of the District. A thorough investigation will be conducted to establish how much it will cost government to bring these farmers to operation. This is expected to be completed by August 2017.

The Department is also exploring options of locally producing the yellow maize (through Phezukomkhono programme), process and mix it in the local Maize Mill, since high input (feed) costs is one of the major challenges faced by the poultry producers. This proposal has been highly welcomed by both the maize producers and the poultry producers. Feasibility for establishment of chicken feed is underway and is planned to be completed by December 2017.

**DAFF and Mpumalanga DARDLEA should also provide comprehensive feedback on the following specific projects that were visited, in addition to the updated Profile information required on Section 1:**

* 1. **Agricultural Produce Packhouse at Huttington: Progress made on consultation with the different agricultural cooperatives and other stakeholders in Bushbuckridge regarding the utilisation of the Packhouse.**

**Response**

The Sabie, Dingleydale, Hoxane and New forest coop (SHDN) is a secondary cooperaive located in BBR South and it consists of 21 farmers. The Department is in a process of resuscitating Government Nutrition Programme for all farmers in the Province. Through this programme, farmers will be supplying Mega with fruits and vegetables for further delivery to the Market Depatments (Department of Health, Department of Education and Department of Social development) from 01 June 2017.

For inclunsive use of the facility by all farmers in the BBR South, Mega and DARDLEA have engaged the SHDN to lease the facililty to Mega. Mega will collect the produce from designated collection points all around BBR South and deliver to the packhouse for further distribution to Market Departments. Farmers in the North will use Thulamahashe and Champaign packhouse.

* 1. **Nkomazi West Maize Mill: Factual information on total investment made to the project operational entity (how much has been used, how much more is needed to complete project and by when). Conditions of partnership with the identified strategic partner from Free State, Lethabo Milling.**

**Response**

**Total Investment**

**Table 6:** Total investment

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Phase** | **Financial Year** | **Activities** | **Amount Spent (R‘000)** | **Source** | **Duration** |
| Phase 1 | 2011/12 | Steel structure, borehole, Guard house, palisade fence, weighbrige, storage tank, Access Road | R1,701 | CASP | 4 months |
| Phase 2 | 2016/17 | Milling structure, reticulation | R0,741 | CASP | 4 months |
| **Total Invested to date** | | | **R2,442** |  |  |
| Phase 3 | 2017/18 | Milling plant and Silos | R6 000 (required and budgeted) | CASP | 4 months (July-Oct 2017) |
| **Estimated Total Project Cost** | | | **8, 442** |  |  |

**Conditions of Partnerships**

The Strategic Partner (Lethabo Milling) and the beneficiaries will create an operational entity. The beneficiaries will get majority share holding of the business of more than 50%.

The Entity will lease the structure from the beneficiaries. Beneficiaries will then sell maize directly to the operating entity. Maize price paid to them will be market related prices. Because the project is food security in nature, the cooperative members will also be permitted to store their produce and mill as per their requirements.

On agreed period, the operating entity will pay dividents to the beneficiaries. Maintenance of the facility will be done by the operating entity. In an event where loans are required, the facility will not be used as a collateral.

* 1. **Pixley Family Cooperative: A factual and detailed project profile (which should also include the information indicated on Section 1) as the Project Manager was unsure of certain project details.**

**Response**

The department has attached the Project Profile as required by the Committee as **Annexure D**.The summary of the project is also stated in section one of the report.

* + 1. **Vukuzenzele NPO: Progress on assisting the beneficiaries with the expired lease and access to recap funding.**

**Response**

The Department has made the following progress in addressing the matters raised above:

* On the expired Lease - the matter of the expired lease has been transferred to the Department concerned (DRDLR) and DARDLEA is awaiting report.
* Regarding the RECAP Funding - DRDLR is awaiting the finalisation of the function shift of RECAP to Agricultural Sector nationally; currently DRDLR is not in a position to attend to issues of transfers or applications.
  1. **Siyabuswa/ Valschfontein Veterinary Clinic: DARDLEA should indicate to Parliament the composition of the staff complement of the Veterinary Clinic and the vacancies that exist, as well as the entire staff compliment (organogram and vacancies) of the Provincial State Veterinary Offices**

**Response**

**Staff complement for the Siyabuswa/ Valschfontein clinic**

* State veterinarian: Clinical Services (filled)
* Veterinary nurse (filled)
* Veterinary assistant (vacant)

**The below table summarises the staff complement for the entire province**

**Table 7: Staff complement for Mpumalanga**

|  | **State**  **Veterinarians** | | **Administrative**  **Staff**  **(Clerks)** | | **Technical**  **Staff (Technologists, AHTs, Vet nurses, VPH practitioners )** | | **Auxiliary Personnel** | | **Total** | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Posts**  **Filled** | **Posts**  **Vacant** | **Posts**  **Filled** | **Posts**  **Vacant** | **Posts**  **Filled** | **Posts**  **Vacant** | **Posts**  **Filled** | **Posts**  **Vacant** | **Filled** | **Vacant** |
| **Animal Health** | **12** | **11** | **18** | **14** | **95** | **62** | **86** | **143** | **211** | **230** |
| **Laboratory Services and Quality Assurance** | **3** | **2** | **1** | **4** | **10** | **7** | **4** | **6** | **18** | **19** |
| **Veterinary Public Health** | **5** | **1** | **1** | **4** | **9** | **4** |  |  | **15** | **9** |
| **Export Control** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| **Veterinary Clinical Services** | **4** | **21** | **4** | **2** | **16** | **15** | **4** | **32** | **28** | **70** |
| **Veterinary specialists** | **1** | **2** | **0** | **1** | **0** | **1** | **0** | **0** | **1** | **4** |
| **GRAND TOTAL** | **25** | **37** | **24** | **25** | **130** | **89** | **94** | **181** | **273** | **332** |

# Additional Notes

State veterinarians include Deputy Directors. The province has imposed moratorium on vacant posts, as a result the post of Chief Director: Veterinary Services (Head of Veterinary Services) has been vacant for more than 5 years as a result of moratorium imposed on vacant posts. Two other management posts of Animal Health and Veterinary Public could also not be filled

* 1. **In addition, DARDLEA needs to report to the Parliament on the availability and use of mobile clinics, including the availability of functional equipment and medicines. This should highlight the necessary resource allocation and constraints thereto.**

**Response**

There are 9 Iveco size mobile clinics (donated by DAFF) and three mobile hospitals (trucks) procured by the province. Equipping of these clinics and mobile clinics with veterinary equipment, furniture and veterinary medicines and supplies is an on-going process. Equipping of Marapyane clinic is in the 2017/18 financial year plans. The mobile clinics are used to reach remote areas where there are limited veterinary services. The clinics however need further Veterinarians, Veterinary Nurses and 10 additional drivers. (The critical vacancies have been highlighted above).

DAFF should indicate how the proposed revolution of state veterinary services addresses the gaps that were identified as far back as 2012 by the World Animal Health Organisation (OIE) regarding animal disease management risks faced by South Africa.

* 1. **Marapyane College: Interpretation of the Proclamation regarding incorporation of Lowveld Agricultural College, and by extension, Marapyane College, into the University of Mpumalanga. The Provincial Department should indicate if legal advice was sought on the matter and what opinion was given to them by the State Law Advisors, if advice was sought.**

**Response**

No legal advice was sought from the State Law Advisers as the proclamation was without major complications. The department did pick up the anomaly of the exclusion of Marapyane campus. The interim Council of the University was engaged but although there were initial promises that the campus could be included as a special exemption, such was never the case at the end of the incorporation process.

* 1. **The Provincial Department reported that the Marapyane College has been budgeted for in the 2017/18 financial year. In this regard, it should provide a comprehensive report that includes the budget breakdown in terms of the activities that will be taking place at the College from 2017. Lastly, it should indicate progress made on Programme Accreditation and how they plan to move forward with the utilisation of the College.**

**Response**

The first phase of the campus resuscitation programme includes the appointment of the Director: Structure Agricultural Training (Principal), which according to the provincial processes, will be effected after Cabinet approval. The position remained vacant after the incorporation of the Lowveld College of Agriculture into the University of Mpumalanga. Through the filling of this position, the province will be able to fast track the processes of programme accreditation for farmer training programmes. Accreditation of the Diploma programme will not be effected by the province since this is now in the competence of the Department of Higher Education and Training. The programme development work has also started within the department for some of the training modules.

For the 2017/18 financial year, the department (DARDLEA) set aside an amount of R5 million for the maintenance of accommodation facilities, water infrastructure and the maintenance of grounds. Prior to the incorporation of the College into the UMP in line with the Government Gazette, the College received a special allocation under CASP (R5,049 million/annum) for the maintenance and expansion of the facility as well as the College Revitalisation Grant (R4 million/annum). Both of these funding sources ceased to exist post incorporation of the College, making the task of the upkeep of the facility steep for the province. The condition of the College after occupation by the University was also not conducive to continued use and required backlog maintenance.

The province is in advanced stages of the elevation of its farmer training function and through the programme that is currently under evaluation by the Provincial Cabinet; the Department aims to strengthen Marapyane as a facility for training farmers in grains, dry land farming and livestock. Elijah Mango College in Kabokweni will focus on the Lowveld areas of the province. The plan requires massive funding, hence the cabinet engagement on the matter.