**6. Report of the Portfolio Committee on Agriculture, Land Reform and Rural Development on the 2019/20 Annual Performance Plan and the Budget of the Department of Agriculture, Forestry and Fisheries (Vote 24) and its Entities, dated 10 July 2019.**

The Portfolio Committee on Agriculture, Land Reform and Rural Development (hereinafter referred to as the Committee) examined Budget Vote 24: Agriculture, Forestry and Fisheries including the Annual Performance Plan of the Department of Agriculture, Forestry and Fisheries (hereinafter referred to as DAFF or the Department) for the 2019/20 financial year and budget projections for the Medium Term Expenditure Framework (MTEF) period ending in 2021/22.

During the process, the Portfolio Committee also examined the 2019/20 Annual Performance Plans (APPs) and Budgets for the MTEF period, of the following DAFF Public Entities:

* Agricultural Research Council (ARC)
* Onderstepoort Biological Products (OBP)
* National Agricultural Marketing Council (NAMC)

Having considered the APPs and Budget Vote 24, which includes the Department and the above-mentioned entities amongst others, the Committee reports as follows:

**1. Introduction and Background**

The Report provides an account of the engagements that were held by the Portfolio Committee on Agriculture, Land Reform and Rural Development (hereinafter referred to as the Committee) in considering Budget Vote 24 along with the Annual Performance Plans (APPs) of the Department of Agriculture, Forestry and Fisheries (DAFF) and abovementioned public entities. The APPs and Budgets of DAFF and its Entities were tabled in Parliament as required in terms of the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999), on 01 July 2019. The APPs are expected to outline the Department’s annual plans in line with its Strategic Plan and the allocated budget that has been tabled by the Minister of Finance in February. The budget of the Department is entailed in Vote 24: Agriculture, Forestry and Fisheries of the 2019 Estimates of National Expenditure (ENE) as tabled by the Minister of Finance. Vote 24 includes the following public entities of the Department, Agricultural Research Council (ARC), Onderstepoort Biological Products (OBP), National Agricultural Marketing Council (NAMC), Perishable Products Export Control Board (PPECB) and the Marine Living Resources Fund (MLRF).

Through the reconfiguration of the National Executive that was announced by the President on 29 May 2019, the Forestry and Fisheries functions were transferred to the former Department of Environmental Affairs, which has been renamed, the Department of Environment, Forestry and Fisheries. The Department of Agriculture (excluding Forestry and Fisheries) will amalgamate with the former Department of Rural Development and Land Reform to form a new Department of Agriculture, Land Reform and Rural Development.

The APP of the Marine Living Resources Fund (MLRF) is considered with that of the Department as part of Programme 6. The MLRF is a sub-programme of Programme 6 (Fisheries Management) and essentially outlines annual targets for Programme 6; and is responsible for funding operational activities of the Programme. However, as the function is going to be transferred along with Forestry, to Environmental Affairs, the Committee did not discuss Programme 6 but noted the allocation through the Vote including the planned activities including responses to pronouncements from the 2019 State of the Nation Addresses.

In performing its constitutional mandate, the Committee held briefings with DAFF and three of its entities (ARC, OBP and NAMC) to consider the 2019/20 APPs on 03 July 2019, taking into account the alignment of the APPs with the 2019 State-of-the-Nation Addresses (SONAs) (February & June), the objectives of the National Development Plan (NDP), the Medium Term Strategic Framework (MTSF) and other key policy priorities as well as resource allocation (budget) for the planned targets. The Committee considered the Department and its Entities’ 2019/20 APPs and Budget Vote by further assessing whether the funds that are allocated to the Department and its Entities through different programmes, will translate to actual service delivery, particularly in rural and underserviced areas. In this regard, the Money Bills Amendment Procedure and Related Matters Act, 2009 (Act No. 9 of 2009), grants Parliament the power to reject, recommend or amend budgets of departments and entities.

**2. The National Policy Mandates**

DAFF’s strategic goals and associated objectives were revised in the previous medium term in response to the objectives and targets of the National Development Plan, the New Growth Path and the Medium Term Strategic Framework (MTSF) 2014-2019; and are also informed by the Department’s own Agriculture, Forestry and Fisheries Strategic Framework and the Agricultural Policy Action Plan (APAP)/Revitalisation of the Agricultural and Agroprocessing Value Chain (RAAVC).

**2.1 The National Development Plan (NDP)**

The NDP’s overarching aim is to eliminate poverty and reduce inequality by 2030. The Plan recognises that South Africa needs an inclusive economy that is more dynamic and in which the fruits of growth are shared equitably amongst its citizens. Agriculture is identified in the NDP as one of the key sectors through which increased employment and poverty alleviation can be achieved. In this regard, approximately 1 million new jobs and a trade surplus are expected to be created from agriculture, agroprocessing and related sectors by 2030. The NDP’s focus is on smallholder farmers and it is expected that the 1 million new jobs target can be achieved by expanding irrigated agriculture. The Makhathini Flats and Umzimvubu River Basin have been specifically identified for the development of irrigation infrastructure. The NDP further expects that a third (33%) of the food surplus should be produced by smallholder farmers by 2030.

**2.2 Medium Term Strategic Framework 2014 – 2019 (MTSF)**

The MTSF is the Government’s strategic plan for the 2014 to 2019 period. It is a five-year implementation phase of the NDP that is outcomes-based, and also takes into account the New Growth Path (NGP), the Industrial Policy Action Plan (IPAP) and other Government policy foci. The two over-arching strategic themes of the MTSF are **radical economic transformation** and **improving service delivery**.

The MTSF’s aim is to ensure policy coherence, alignment and coordination across Government Plans, as well as alignment with budgeting processes. For each Government Priority Outcome, the MTSF set out specific targets for various sectors and government Ministries that should be achieved by 2019. The MTSF set out the following service delivery targets inter alia, which are linked to the Ministry of Agriculture, Forestry and Fisheries:

**Outcome 4: Decent employment through inclusive economic growth**

* All APAP sector and crosscutting interventions to be implemented by 2019. Department to report annually on implementation including review and extension of plans.
* 95% implementation of an Agricultural, Forestry and Fisheries Trade and Marketing Strategy by 2019. Annually, the Department needs to report on the implementation of the Strategy.
* 95% implementation of the Comprehensive Africa Agriculture Development Programme (CAADP) by 2019. Annually, the Department needs to report on the implementation of the investment plans.
* 300 000 smallholder producers producing for markets by 2019.

**Outcome 7: Vibrant, equitable and sustainable rural communities contributing towards food security for all**.

* + 1.6 million households benefitting from Food and Nutrition Security initiatives by March 2019, i.e. 4.3 million people of the 13.8 million that were food insecure in 2014.
* 1 million hectares of underutilised land in communal areas developed and under production by March 2019.
* Policies promoting the development and support of smallholder producers implemented by March 2019.
* An additional 1 250 hectares of land under irrigation for smallholder production by March 2019.
* An additional 80 000 smallholder producers receiving support for production efficiencies by March 2019.
* By March 2013, 4 million hectares of transferred land (4 860 farms) was underutilised, therefore, approximately 3 million hectares of land transferred through land reform should be utilised by March 2019.
* Hundred per cent development and implementation of the Agricultural Policy Action Plan (APAP) by March 2019.
* Develop, resource and implement Agricultural Value Chain interventions (SIP 11) by 2019.

**Outcome 10: Protect and enhance environmental assets and natural resources.**

* 152 500 hectares of forestry areas should be under rehabilitation and/or restoration by March 2019.
* Status reports on resource status for abalone (31% above pre-fished stock by 2019), West Coast rock lobster (26% above the 2006 level by 2019) and deep-water hake (30% of pre-fished biomass by 2019).
* Climate change adaptation plans for the 5 sectors developed by 2019.
* Climate change response to reduce risks and vulnerability in the 3 sectors by 2019.

The Department presented a summary of achievements for the 2014-19 MTSF. The report did not include some of the targets that are specific to DAFF e.g. breakdown of smallholder support according to market access (Outcome 4) and production efficiencies (Outcome 7), APAP interventions, 3 million hectares of land transferred through land reform should be utilised. It should be noted that the latter target is over and above the 1 million hectares lying fallow in communal areas that was put into productive use. In addition, the Department did not report on the targets that it has not achieved, however, some of these form part of the APP e.g. the PDAL Bill. Furthermore, the Department did not report on MTSF targets relating to the Comprehensive Africa Agriculture Development Programme (CAADP), which is also an MTSF target.

CAADP is a Pan-African Framework for accelerating long term agricultural development and growth among African countries and focuses on improving food security, nutrition and increasing incomes in Africa's largely farming based economies. The Department has been unable to implement targets relating to CAADP citing budgetary constraints. Despite the reported MTSF achievements, support to smallholder producers, job losses in the agricultural sector and food insecurity as indicated by Statistics SA through its General Household Surveys, remain major challenges.

**2.3 The New Growth Path (NGP) and the Industrial Policy Action Plan (IPAP)**

The NGP is a national framework for economic policy and the driver of the country’s job strategy. Its aim is to target the country’s limited capital and capacity at activities that maximise the creation of decent work opportunities through macro and micro economic policies in order to create a favourable overall environment and to support more labour-absorbing activities. The main indicators of success will be jobs (the number and quality of jobs created), growth (the rate, labour intensity and composition of economic growth), equity (lower income inequality and poverty) and environmental outcomes.

The NGP identified agriculture as one of the key job drivers with the potential to create 145 000 jobs in agroprocessing and to place 300 000 households in agricultural smallholder schemes by 2020. Jobs are expected through smallholder schemes in industrial products and forestry; fruit and wine exports; and extension services for the smallholder sector. The NGP also recognises that the sector has the potential to improve the living conditions of the approximately 660 000 farm workers through upgrading of employment in commercial farms by 2020.

The IPAP is informed by the NDP’s country vision and is framed by and constitutes a key pillar of the NGP. The overriding goal of the IPAP is to prevent industrial decline and support the growth and diversification of South Africa’s manufacturing sector. The IPAP emphasises the development and expansion of agroprocessing for the entire value chain in all three sectors (i.e. agriculture, forestry and fisheries). The focus for agriculture is food processing; for forestry it is paper, sawmills, timber and furniture making; and for fisheries it is aquaculture development and processing.

**2.4 The Agriculture, Forestry and Fisheries Strategic Framework and the Agricultural Policy Action Plan (APAP)**

The Agriculture, Forestry and Fisheries Strategic (AFFS) Framework, formerly called the Integrated Growth and Development Plan (IGDP) was developed in response to the Government Priority Outcomes that relate to job creation, rural development and food security, to which DAFF contributes. Its primary purpose is to achieve the transformation and restructuring of the agriculture, forestry and fisheries sectors that are currently dominated by a small number of large companies, and to ensure that constraints experienced in the areas of input supply, production and marketing are addressed cost-effectively and in a timely manner.

The Agricultural Policy Action Plan (APAP) was developed in 2013 and finalised in 2014 to serve as an implementation arm of the AFFS Framework. The APAP is planned over a five-year period and will be updated on an annual basis. Its encompassing objectives are to promote labour absorption and broaden market participation; implement strategic interventions that are aimed at increasing value-chain efficiencies and competitiveness focusing on selected subsectors and/or value chains. Following the President’s pronouncement during the 2015 State of the Nation Address (SONA) on the Revitalisation of the Agricultural and Agroprocessing Value Chain (RAAVC) as part of the Nine-Point Plan, the Department reported that the APAP now forms an integral part of RAAVC. APAP interventions are one of the MTSF targets that were not achieved as the Department has been unable to report on the implementation of APAP sector and crosscutting interventions.

**3. Consideration of the 2019/20 Annual Performance Plans (APP) and Budget of the Department of Agriculture, Forestry and Fisheries**

**3.1 The Department of Agriculture, Forestry and Fisheries (DAFF) and its Core Functions**

The aim of the Department of Agriculture, Forestry and Fisheries (hereinafter referred to as DAFF or the Department) is to lead, support and promote agricultural, forestry and fisheries resources growth and management through policies, strategies and programmes that contribute to and embrace economic growth and development; job creation; sustainable use of natural resources; food security and rural development. The Department’s legislative mandate is derived from Section 27(1)(b), as well as Section 24(b)(iii) of the Constitution of the Republic of South Africa. The Department also contributes directly to three of the national Government priority outcomes as outlined in the 2014-19 Medium Term Strategic Framework (MTSF), namely, Outcome 4 (job creation), Outcome 7 (rural development and food security) and Outcome 10 (natural resources management).

The Department’s activities are guided by the following four strategic goals and associated objectives to address priorities that are identified in the National Development Plan (NDP): Vison 2030:

|  |  |
| --- | --- |
| **Strategic Goal**  | **Strategic Objectives**  |
| **1:** Effective and efficient strategic leadership, governance and administration  | **1.1** Ensure compliance with statutory requirements and good governance practice.**1.2** Strengthen support, guidance and interaction with stakeholders in the sector.**1.3** Strengthen institutional mechanisms for integrated policy, planning, monitoring and evaluation in the sector. |
| **2:** Enhanced production, employment and economic growth in the sector | **2.1** Ensure increased production and productivity in prioritised areas as well as value chains.**2.2** Effective management of biosecurity and sector related risks.**2.3** Ensure support for market access and processing of agriculture, forestry and fisheries products. |
| **3:** Enabling environment for food security and sector transformation | **3.1** Lead and coordinate government food security initiatives**3.2** Enhance capacity for efficient delivery in the sector**3.3** Strengthen planning, implementation, monitoring and oversight of comprehensive support programmes. |
| **4:** Sustainable use of natural resources in the sector | **4.1** Ensure the conservation, protection, rehabilitation and recovery of depleted and degraded natural resources.**4.2** Ensure adaptation and mitigation to climate change through the implementation of effective prescribed frameworks |

The Department carries out its mandate through six programmes, namely:

* Programme 1: Administration;
* Programme 2: Agricultural Production, Health and Food Safety;
* Programme 3: Food Security and Agrarian Reform;
* Programme 4: Trade Promotion and Market Access;
* Programme 5: Forestry and Natural Resources Management; and
* Programme 6: Fisheries Management.

To contribute to the realisation of the goal of the NDP of eliminating poverty and reduce inequality by 2030, DAFF identified priority areas and developed short to medium and long term policies and strategies. These include the Agricultural Policy Action Plan (APAP) that encompasses the Nine Point Plan’s Revitalisation of Agriculture and Agroprocessing Value Chain (RAAVC); the Operation Phakisa for Agriculture, Land Reform and Rural Development and finalisation and implementation of key policies and programmes for smallholder development. The 2019/20 APP of DAFF outlined actions, indicators and targets that will be pursued over the medium term to accelerate service delivery within the agricultural sector to ensure creation of decent jobs, sustainable growth of the country’s economy and contribution to the Gross Domestic Product (GDP).

The key legislation, policies and other interventions that form part of the Department’s implementation activities for the 2019/20 APP, to which the Committee will focus its oversight activities include inter alia:

* The *Preservation and Development of Agricultural Land (PDAL) Bill* – it is one of the targets of the 2014-19 MTSF and was supposed to have been implemented as an Act by March 2019. Its finalisation is very crucial to protect and preserve agricultural land in light of the continuing loss of agricultural land to mining and urban sprawl.
* *National Policy on Extension and Advisory Services* – the policy was developed to address challenges with provision of extension services support to farmers and land reform beneficiaries. However, despite its implementation, technical support and capacity building of farmers and land reform beneficiaries remain a major challenge.
* Finalisation for implementation of the *National Policy on Comprehensive Producer Development Support –* the policy is meant to coordinate support and comprehensively address challenges associated with provision of appropriate support to producers and land reform beneficiaries.
* Deployment of veterinarians in rural areas through the *Compulsory Community Service (CCS)* programme for veterinarians.
* *Commercialisation of Black Producers Programme* and the utilisation of the *Blended Finance Model* that will be used a funding instrument for farmers selected for commercialisation. The Department reported that the programme was temporarily suspended in the past financial year on the realisation that it was benefiting officials responsible for its implementation or people linked to them. The Committee should get a further briefing on this.
* *Climate Change Adaptation and Mitigation Plan* for the sector and the *Climate Smart Agriculture (CSA) Strategic Framework* – focus on the quarterly activities or action plans that will give effect to the implementation of the Plan as climate change has an adverse impact on the development and growth of the agricultural sector.
* The *AgriBEE Sector Code* government undertakings to enforce transformation in the agricultural sector. Progress in this regard has been viewed as slow.

The Committee raised a concern with the protracted period it takes the Department to develop and eventually implement policies and legislation that are crucial for addressing sectoral challenges while promoting sector growth. There is uncertainty about the Department’s capacity and commitment to legislation and policy development. The *National Policy on Extension and Advisory Services* has been under development since 2012 but was only approved by Cabinet in October 2016 and eventually implemented in 2017. The Draft *National Policy on Comprehensive Producer Development Support* has been under development since 2015 and was supposed to be tabled in Cabinet in 2018/19, a target that has since been rolled over to 2019/20.

In 2015, the Department invited public inputs on a draft PDAL Bill, which was then called PDALF Bill as per the MTSF, and since then its submission has been a moving target. After three years, in 2018, the Department reported that it had appointed a private consultant (legal firm) to redraft the Bill. The PDAL Bill is now expected to be submitted to Cabinet during 2019/20. The processing of the Bill within the Department was previously a target under Programme 5: Forestry and Natural Resources Management but for the year under review, it is under Programme 1: Administration.

**4. Overview of the 2019/20 Budget Allocation and the Medium Term Expenditure Framework (MTEF) Estimates of the Department**

The budget allocation of the Department (Budget Vote 24) for the 2019/20 financial year is R7.665 billion, a slight decrease from the 2018/19 financial year’s revised budget estimate of R7.732 (Table 1). The budget allocation in Table 1 is in nominal terms (not adjusted for inflation) as it is presented in the National Treasury’s Estimates of National Expenditure (ENE), hence it is showing a slight exponential increase over the medium term expenditure framework (MTEF) period. However, when the budget for the medium term (2019/20 – 2021/22) is adjusted for *inflation* (i.e. an increase in the overall price level of goods and services in an economy over a specific period of time), it is decreasing in real terms as compared to the rest of the economy.

In real terms, the Department’s budget allocation has been stagnant since 2015/16 with a slight increase during 2018/19. This is a concern when considering the role that agriculture has to play in job creation and ensuring that the country is food secure. The budget has been allocated according to the six programmes of the Department as outlined in subsection 3.1. For Programme 6: Fisheries Management, operational activities are funded through the Marine Living Resources Fund.

In alignment with its stated priority foci for the MTEF period, which are, increasing food security, developing and supporting smallholder farmers, creating jobs, sustainable resource management and improving the contribution of agriculture to the GDP, approximately 77 per cent of the Department’s budget is allocated to three core Programmes, namely, Programmes 2, 3 and 5 (see Table 1 below), where Programme 2 accounts for approximately 34% of the total vote expenditure.

 **Table 1. Budget Allocation per Programme for the MTEF Period (2019/20 – 2021/22)**

|  |  |  |  |
| --- | --- | --- | --- |
| **Programme** | **2018/19** **Revised Estimate**  |  **MTEF Period Estimates**  | **Proportion of Total Vote for 2019/20**  |
| **2019/20**  | **2020/21**  | **2021/22**  |
| **R Million** |  |  |  |  |  |
| **1.** Administration  | R 951.7 | R 935.7 | R 942.4 | R1 001.1 | 12.1 % |
| **2.** Agricultural Production, Health & Food Safety | R2 364.5 | R2 642.5 | R2 741.2 | R2 885.2 | 33.5% |
| **3.** Food Security & Agrarian Reform | R2 037.8 | R2 237.0 | R2 331.7 | R2 515.7 | 28.7% |
| **4.** Trade Promotion & Market Access | R 273.9 | R 290.9 | R 309.1 | R 327.4 | 3.8% |
| **5.** Forestry & Natural Resources Management  | R1 617.1 | R1 039.1 | R1 045.6 | R1 109.9 | 15.2% |
| **6.** Fisheries Management | R 487.8 | R 519.7  | R 553.2 | R 586.3 | 6.8% |
| **Total**  | **R7 732.8** | **R7 664.8** | **R7 923.2** | **R8 425.6** | **100%** |

 Adapted from National Treasury (Estimates of National Expenditure, 2019)

Of the total budget of R7.66 billion that has been appropriated to the Vote for the year under review (2019/20), budget allocation is as follows:

* *Current payments* is R3.25 billion (42% of the total vote) – R2.35 billion, which is 72% of current payments (and 31% of the total vote) will be spent on compensation of employees. This is a 3% increase from the previous year, where compensation of employees accounted for 69% of current payments (and 29% of the total vote). Goods and services are appropriated an amount of R898 million (12% of current payments) for 2019/20; and R205 million (24%) of this amount is for property payments and R107 million (10%) is for agencies and outsourced services.
* *Transfers and subsidies* is R4.28 billion (56% of the total vote) – almost R2.2 billion (51%) will be spent mainly on the conditional grants to provinces (i.e. Comprehensive Agriculture Support Programme (CASP), Ilima/Letsema and LandCare). CASP alone accounts for 67% of the conditional grants and 34.5% of the total transfers and subsidies. A further allocation of R1.55 billion (36%) will be spent mainly on the transfers to departmental entities (i.e. Agricultural Research Council (ARC), National Agricultural Marketing Council (NAMC) and Marine Living Resources Fund (MLRF). Other transfers include R21.6 million to the National Student Financial Aid Scheme (NSFAS) for bursaries through Programme 3 and R1.3 million to the Primary Agriculture Sector Education and Training (AgriSETA) for training.
* *Payments for capital assets* is R130.6 million (2% of the total vote) – mainly for buildings and other fixed structures as well as equipment and machinery.

**4.1 An Overview of the 2019/20 Budget Allocations and Performance Plans for the Department’s Programmes**

**Programme 1: Administration**

The Programme’s purpose is to provide strategic leadership, management and support

services to the Department. It comprises of the following sub-programmes: Ministry, Department Management, Financial Administration, Internal Audit, Corporate Services, Stakeholder Relations, Communications and Legal Services, and Policy, Planning and Monitoring and Evaluation.

The Financial Administration sub-programme accounts for approximately 24% (R221.8 million) of the total appropriation to Administration, followed by Corporate Services and Office Accommodation sub-programmes (each allocated R202 million, which is 22% of the Programme’s planned expenditure). Compensation of employees accounts for 54% of the Programme’s total budget for 2019/20. The key planned targets under Programme 1 include the submission of 2 pieces of legislation to the Minister, namely, the Marketing of Agricultural Products Amendment Bill and the Preservation and Development of Agricultural Land Bill; 80% of invoices paid within 30 days; implementation of the Risk Management Strategy and report on Sector Economic and Statistical Outlook.

As previously indicated, the Department is viewed as having a challenge with the review of old and outdated legislation including development of new legislation, for example, the review of the Marketing of Agricultural Products Amendment Bill has been in the pipeline for most of the entire Fifth Parliament. The same is true for the Perishable Products Export Control Amendment Bill and the Agricultural Products Standard Amendment Bill that both mandates and guide the activities of the Perishable Products Export Control Board (PPECB). The two Bills, including the Agricultural Produce Agents Amendment Bill, the Fertilisers Bill and the Feeds and Pet Food Bill have been in the Department’s past Strategic Plans for submission to Minister and have eventually disappeared from the Department’s Annual Plans without introduction in Parliament.

In April 2018, DAFF signed a memorandum of understanding with Statistics South Africa (StatsSA) to conduct an Agricultural Census, which was last done in 2007; and to develop a Farmer Register to create a valid database of smallholder and subsistence farmers. An amount of R241 million was allocated for the Census (R90 million in 2018/19; R100 million in 2019/20 and R51 million in 2020/21) and DAFF was to oversee the implementation process. This is not included in the Department’s APP although 2019/20 is the second implementation year of the Census.

**Programme 2: Agricultural Production, Health and Food Safety**

The purpose of the Programme is to promote agricultural production through the management of risks associated with animal diseases, plant pests, genetically modified organisms (GMOs) and registration of products used in agriculture. Its aim is to promote food safety and create an enabling environment for increased and sustainable agricultural production. It comprises four sub-programmes, namely, Management, Plant Production and Health, Animal Production and Health as well as Inspection and Quarantine/Laboratory Services.

Programme 2 receives the highest budget allocation from the total Vote (33.5%). Approximately 68% of the Programme’s budget is for transfers and subsidies, which mainly constitutes transfers to the Agricultural Research Council (ARC) and Ilima/Letsema grant for household food production.

The transfer of R1.2 billion to the ARC accounts for 46% of the Programme’s budget for 2019/20. Approximately 26% of the total budget of the Programme will go to compensation of employees. The key annual targets for Programme 2 include inter alia the implementation of the Kaonafatso ya Dikgomo (red meat value chain) and the poultry schemes (poultry value chain); risk surveillance for foot-and-mouth disease (FMD) and *Peste des Petits Ruminants* (PPR – highly contagious sheep and goat plague); exotic fruit fly surveillance; deployment of 189 veterinary graduates through the Compulsory Community Service (CCS) programme and implementation of 27 export protocols for phytosanitary requirements. The Committee appreciated the deployment of veterinarians through the CCS programme but lamented lack of access to veterinary services by most rural communities and smallholder farmers including shortage of veterinarians in most districts.

**Programme 3: Food Security and Agrarian Reform**

Its purpose is to facilitate and promote food security and agrarian reform programmes. It comprises of Management, Food Security, Sector Capacity Development and National Extension Support Services.

As provinces and other agencies are responsible for implementation of most activities under this Programme, transfers and subsidies account for 86% of its total budget, which is spread out across its 3 core sub-programmes (except Management). This necessitates strengthened monitoring and evaluation systems within the Programme to ensure efficient utilisation and management of such funds including policy implementation.

Approximately 8% of the Programme’s budget is for compensation of employees. Of the R1.9 billion for transfers and subsidies under Programme 3, approximately R1.5 billion goes to CASP (i.e. 77% of transfers and subsidies under Programme 3). The rest (R417.7 million for R2019/20 and R1 billion for the MTEF period) is transferred to the Land and Agricultural Development Bank of South Africa (Land Bank) for the commercialisation of black producers. CASP transfers, which constitute 66% of the total budget of Programme 3 are mainly for infrastructure development (R1 billion), Extension Recovery Programme (ERP – R368.6 million) and upgrading of Provincial Agricultural Colleges (R76.6 million). In line with the NDP mandate to develop infrastructure, 71% of the CASP grant allocation under Programme 3 is for infrastructure development. The R21.6 million that DAFF transfers to NSFAS is also transferred through Programme 3.

For the 2019/20 financial year, the Department plans to finalise and table to Cabinet, the National Policy on Comprehensive Producer Development Support; develop quarterly reports on food and nutrition security interventions; annual report on the deployment of Extension Practitioners to commodity organisations for skills development (20 practitioners per year); monitoring the placement of unemployed graduates for capacity building (1 000 bi-annually); number of hectares planted (target: 109 534 ha for 2019/20) and number of households (target; 86 256 HHs for 2019/20) supported by provinces for food production initiatives; number of smallholder producers (target: 26 200 for 2019/20) supported and an annual progress report on the commercialisation of black producers (100 farmers per year for 2019/20). The Committee questioned the basis for the placement of only 20 extension practitioners for skills development given the extent of the challenges associated with provision of quality technical support to producers and lack of it thereof. The Committee further raised a concern with the use of reports as targets and absence of a monitoring and evaluation framework given that 86% of the Programme’s budget is transferred to provinces and/or other entities. In 2015, the Department retained R60 million of CASP fund at national level for the 3-year term starting from 2015/16 – 2017/18 to strengthen the monitoring and evaluation of the utilisation and spending of CASP funds. Instead of monitoring CASP, the Department utilised the ring-fenced budget for other matters such as training.

**Programme 4: Trade Promotion and Market Access**

The Programme’s purpose is to promote economic development, trade and market access for agriculture, forestry and fisheries products and to foster international relations for the sector. The Programme comprises of four sub-programmes, namely, Management, International Relations and Trade, Agroprocessing and Marketing as well as Cooperatives and Rural Enterprise Development.

Approximately 47% of Programme 4’s budget is allocated to the International Relations and Trade sub-programme. Through this sub-programme, the Department facilitates and coordinates trade negotiations and also makes transfers to foreign governments (diplomatic missions) and international organisations, the most significant being a R25.5 million to the Food and Agriculture Organisation of the United Nations (FAO) for 2019/20. The transfer to the National Agricultural Marketing Council is done through Programme 4 and the Department also makes transfers to the Land Bank (R43.8 million in 2019/20) to support smallholder farmers through Programme 4. Compensation of employees accounts for approximately 41% of Programme 4’s total budget.

For 2019/20, the Department plans to implement the following annual targets through Programme 4, annual report on the implementation of South Africa-Good Agricultural Practice (SA-GAP) Certification Programme for producers of fresh produce for markets; training of 60 agroprocessing entrepreneurs on norms and standards; reports on the implementation of AgriBEE Enforcement Guidelines and Sector Code government undertakings; 144 cooperatives supported with training; status report on compliance to the African Union (AU) and South African Development Community (SADC) obligations and report on facilitating the implementation of BRICS (Brazil, Russia, India, China, South Africa). The Committee raised a concern with the Department’s targets that constitute mainly of reports and training activities without specific details and measurable impact. As an example, how will training of agroprocessing entrepreneurs contribute to the creation of 145 000 or 1 million jobs that that are expected from the sector through agroprocessing by the NGP and the NDP, respectively. In addition, no mention is made of the specific AU and SADC obligations that the country has to comply to.

**Programme 5: Forestry and Natural Resources Management**

This Programme’s purpose is to develop and facilitate the implementation of policies and targeted programmes to ensure proper management of forests and the sustainable use and protection of land and water and to manage agricultural risks and disasters. It comprises of Management, Forestry Operations, Forestry Oversight and Regulation as well as Natural Resources Management.

Approximately 60% of the Forestry and Natural Resources Management Programme is allocated to compensation of employees for 2019/20, which is the highest personnel expenditure per Programme. The Forestry Operations and the Natural Resources Management sub-programmes respectively, accounted for 52% (R536.5 million) and 41% (R429.8 million) of the Programme’s budget for 2019/20. The Forestry Operations sub-programme is responsible for management of state forests and nurseries while the Natural Resources Management sub-programme is responsible for among others, infrastructure development (e.g. irrigation schemes), rehabilitation of degraded areas, sustainable resource use, climate change mitigation and adaptation, climate risk and disaster management. Transfers to provinces through this Programme for 2019/20 include an amount of R82.2 million for the LandCare Poverty Relief Programme (Expanded Public Works Programme) and a further R60.3 million from CASP for flood-damaged infrastructure. Both these transfers are administered through the Natural Resources Management sub-programme.

Some of the planned targets for 2019/20 under Programme 5 include rehabilitation of 27 957 hectares (ha) of agricultural land and 300 ha of indigenous forests; implementation of the Agroforestry Strategic Framework by piloting project plans in two provinces; annual reports on the implementation of the Climate Change Adaptation and Mitigation Plan for Agriculture, Forestry and Fisheries and the Climate Smart Agriculture (CSA) Strategic Framework; and planting of 945 ha in temporary unplanted areas (TUPs). The Committee highlighted the importance of baselines against which the Department derives the number of hectares for example, that will be planted or rehabilitated per year and/or over the MTEF period. Additionally, in terms of contribution to job creation, the Department needs to differentiate between actual jobs and full-time equivalents (FTEs). The FTEs are used for most of the poverty relief projects that are implemented by the Department (e.g. LandCare) and such jobs are not permanent and in some cases, do not pay the minimum wage.

**Programme 6: Fisheries Management**

The purpose of this Programme is to promote the development, management, and monitoring and sustainable use of marine living resources and development of the fisheries sector. The Programme comprises of six sub-programmes, namely, Management, Aquaculture, Fisheries Research and Development, Marine Resources Management, Monitoring, Control and Surveillance and the Marine Living Resources Fund (MLRF). Budgetary allocations in this Programme are in respect of personnel costs and allocations to the Marine Living Resources Fund (MLRF), which is responsible for the operational activities of the Fisheries Management Programme. For 2019/10, the MLRF accounted for 53% (R274.3 million) of the Programme’s budget and compensation of employees accounted for 47%. The allocation to the MLRF supplements revenue that the MLRF generates from levies on fish and fish products, permits, licences and application fees as well as proceeds from sale of confiscated fish and fish products.

The Department’s medium term focus under this Programme is aquaculture development through Operation Phakisa: Oceans Economy activities. For the 2019/20 financial year, the Department planned amongst others, to support four Operation Phakisa aquaculture projects; revise policies and application forms for 12 commercial fishing sectors whose rights expire in 2020; conduct 5 500 inspections (compliance and enforcement) in six prioritised fisheries sectors (hake, abalone, rock lobster, line fish, squid and pelagic); allocate rights to smallscale fisheries cooperatives in Eastern Cape, KwaZulu-Natal and Western Cape; and to develop an Implementation Plan for the Aquaculture Development Act.

The Department’s annual planning is found wanting in this regard as there is no Aquaculture Development Act yet as the Aquaculture Development Bill was introduced in Parliament towards the end of the Fifth Parliament and could not be processed. The Bill will have to be re-introduced in Parliament by the new Minister for Fisheries. There is no certainty on when will that be and how long it will take Parliament to process and finalise it before it is signed into law by the President. An acceptable target in this regard, and in light of the transfer of the Fisheries function to Environment, should have been the introduction of the Aquaculture Development Bill in Parliament.

**5. Consideration of the 2019/20 Annual Performance Plans (APPs) of the Entities of the Department of Agriculture, Forestry and Fisheries**

 **Table 2. Budget Allocation to Entities for the MTEF Period**

|  |  |  |
| --- | --- | --- |
| **Entity** | **2018/19** **Appropriation**  | **MTEF Period Estimates**  |
| **2019/20**  | **2020/21**  | **2021/22**  |
| **R Million** |  |  |  |  |
| **1.** Agricultural Research Council  | R1 031.1 | R1 223.8  | R1 293.9 | R1 347.6  |
| **2.** Onderstepoort Biological Products | - | - | - | - |
| **3.** Marine Living Resources Fund | R259.7 |  R274.3 | R289.3 | R305. 3 |
| **4.** National Agricultural Marketing Council | R43.2 |  R45.2 | R47.7 | R50.3 |
| **5.** Perishable Products Export Control Board  | R0.6 | R0.585 | R0.584 | R0.6 |
| **Total**  | **R1 334.6** | **R1 543.9**  | **R1 631.5** | **R1 703.8** |

 Adapted from National Treasury (Estimates of National Expenditure, 2019)

**5.1 The Agricultural Research Council (ARC)**

The ARC was established in terms of Section 2 of the Agricultural Research Act, 1990 (Act No. 86 of 1990) and is listed under Schedule 3A (national public entity) of the Public Finance Management Act (PFMA). The ARC is the principal agricultural research institution in the county. It provides agricultural research and development, technology transfer and support to the agricultural community. In addition, the ARC is the custodian of the country's national collections of insects. The ARC’s outcome-oriented Strategic Goals over the medium term are to:

* Generate knowledge and technologies that will enhance the efficiencies in crop-based agriculture.
* Generate knowledge and technologies that will enhance the efficiencies in livestock, wildlife and aquaculture-based agriculture.
* Generate knowledge and technologies for the conservation and utilisation of natural resources.
* Generate knowledge, solutions and technologies for food safety, quality and improved efficiencies in the agriculture value chain.
* Generate and disseminate knowledge and technologies for decision making and transformation of the agricultural sector.
* Apply best resource management practices, towards a high performing and visible organisation.

The ARC is appropriated an amount of R1.2 billion through the Department’s Programme 2 (Parliamentary Grant) for the 2019/20 financial year. The transfer constitutes baseline allocation for operational and capital expenditure; and additional allocations for provision of national services such as climate monitoring, crop forecasting, INTERGIS (a national electronic data handling system for beef and dairy cattle), diagnostic services, management of Ncera Service Centre as well as the Foot-and-Mouth Disease (FMD) Facility. For the construction and establishment of the FMD Facility, the ARC was allocated R400 million for the medium term period (R130 million for the 2019/20 financial year). The ARC also receives funding for the maintenance of national assets from DAFF and the Department of Science and Technology (gene banks, databanks, inventories, national collections, surveys and information systems). The baseline allocation (Parliamentary Grant) accounts for 70% of the ARC’s total income, while 25% of its income is from external sources and 5% from other sources such as provision of national services and maintenance of national assets. The ARC acknowledged that it is in an adverse financial position as it does not have sufficient current assets to absorb current liabilities. The entity is facing liquidity and going concern challenges.

The ARC highlighted, among its other challenges, the declining Parliamentary Grant (PG), which impact’s the entity’s ability to generate external funding due to co-funding arrangements. With commodity industries for which they do most research, for example, they have 50:50 arrangements in terms of research funding allocation. As a research institution, personnel costs constitute 60% of its total income and consume more than 90% of the PG. The budget cuts also impact the ARC’s ability to fill core (research) vacancies. The entity’s financial plan for the medium term shows a deficit but the ARC reported that with the implementation of cost-cutting initiatives and the Financial Turnaround Plan it is confident of an improved financial status during the 2020/21 financial year. One of its cost-cutting measures is to reduce personnel costs annually by R325 million to 60% of the PG instead of more than 90% over the medium term.

The Committee was gravely concerned about the ARC’s financial status including its inability to effectively address repeat findings by the Auditor-General of South Africa on its annual financial statements, which resulted in the entity receiving qualified audit opinions on its financial statements for two consecutive financial years (i.e. 2016/17 and 2017/18). In this regard, whilst the Committee was uncertain about the ARC’s ability to turn around its financial status, it was equally concerned about the impact of declining funding on agricultural research and innovation, which are essential in addressing emerging challenges and ensuring that the sector remains competitive. As National Treasury highlighted Government’s limitations regarding provision of additional funding due to the constrained fiscal outlook, the ARC was encouraged to find innovative ways to attract external funding through competitive research and innovation, which understandably, requires funding.

**5.2 The Onderstepoort Biological Products (OBP)**

The OBP was established in terms of the Onderstepoort Biological Products Incorporation Act, 1999 (Act No.19 of 1999). It is listed under Schedule 3B of the PFMA, i.e. national Government business enterprise. It is a state-owned bio-technical company that manufactures livestock vaccines and related products for the global animal health care industry. The OBP does not get a financial transfer from the Department but funds all its operations from its self-generated revenue (mostly from sale of vaccines). The OBP’s performance indicators and annual targets are informed by four Strategic Goals:

* To ensure financial sustainability.
* To ensure a globally competitive product and service portfolio.
* To ensure business excellence within the organisation.
* To contribute to socio-economic development as per government priorities.

To give effect to the socio-economic development goal, the OBP plans to increase the number of new distribution points for its products in rural areas. The Committee raised a concern about the effectiveness of the OBP’s marketing strategy and highlighted that it should ensure that provinces and other government institutions source vaccines from the OBP. The President in the June 2019 SONA also highlighted the importance of, and advocated for buying local products, an issue which should be promoted.

**5.3 The National Agricultural Marketing Council (NAMC)**

The NAMC was established in terms of Section 3 and 4 of the Marketing of Agricultural Products (MAP) Act, 1996 (Act No. 47 of 1996) as amended by Act No. 52 of 2001. It is listed under Schedule 3A of the PFMA. The core mandate of the NAMC is to investigate and advise the Minister of Agriculture, Forestry and Fisheries on agricultural marketing policies and their application, and to coordinate agricultural marketing policy in relation to national economic, social and development policies and international trends and developments. The NAMC’s Strategic Goals over the medium term, which are aligned to the MAP Act are to:

* Ensure increased market access for all market participants.
* Promote efficiency in the marketing of agricultural products.
* Optimise export earnings from agricultural products.
* Enhance the viability of the agricultural sector.

The NAMC receives a Parliamentary Grant through the Department’s Programme 4; and for the 2019/20 financial year, an amount of R45.2 million is appropriated to the NAMC. Approximately 71% of the entity’s total allocation goes to compensation of employees. The NAMC’s activities and interventions are centred on realising the four strategic goals. Its spending focus over the medium term will be on Market Access (targeting smallholder farmers) through continued implementation of the National Red Meat Development Programme (NRMDP) that is funded by the Department of Rural Development and Land Reform (DRDLR) in partnership with relevant provincial departments and municipalities. The programme has been implemented in the Eastern Cape, KwaZulu-Natal, North West and Northern Cape; and the entity is currently targeting Limpopo. The programme has great potential to contribute to sector transformation and has made an impact on job creation. However, the reality is that the provinces with the highest number of livestock do not have the infrastructure and processing facilities for farmers to be able to realise great returns from their animals.

The NAMC will promote Market Efficiency by undertaking research on agro-food chains; provide agribusiness training with other industry partners including the AgriSETA; and coordinate implementation of statutory measures as outlined in the MAP Act (i.e. levies, records and returns, registration and control of export products) for 22 agricultural industries. To ensure optimisation of Export Earnings, the NAMC undertakes trade research to identify export opportunities for South African agricultural products; allocate funding through statutory levies for quality control and to promote exports; and also facilitates technical support and certification for smallholder farmers for them to produce exportable products and access local and international markets.

To enhance Sector Viability, the NAMC will continue monitoring the spending of Agricultural Industry Trusts for transformation activities and in this regard, the entity has established an independent Transformation Review Committee; it developed an Agriculture Branding Initiative to promote a single unified brand for South African Agriculture; and it coordinates the Presidential Infrastructure Coordinating Committee (PICC)’s Strategic Integrated Projects (SIP 11 – focus on agricultural logistics and rural infrastructure) on behalf of DAFF to support increased investment in infrastructure as mandated in the NDP. The NAMC highlighted that funding for infrastructure remains a challenge as SIP 11 was never funded, but some work has been done with limited funding. These include inter alia storage facilities, irrigation schemes, fencing and expansion of agricultural colleges.

**6. Summary of Key Conclusions drawn from the Committee Deliberations on the 2019/20 APPs and MTEF Budget of the Department (DAFF) and its Entities**

The Committee took note of the implications of the Cabinet reconfiguration and welcomed the amalgamation of the Department with the Department of Rural Development and Land Reform including their restructuring as it was highlighted by the Minister. It was of the view that the amalgamation of the two Departments is necessary for better coordination and improved efficiencies regarding policy and programme implementation and resource utilisation. Having deliberated the findings and observations on the APPs and budget allocations of the Department and Entities, the Committee drew the following conclusions:

**The Department of Agriculture, Forestry and Fisheries**

* 1. The Department did not make enough effort in setting specific, measurable and reliable targets that are aligned with service delivery and financial resources. Some performance indicators remain vague e.g. Programme 1: *Sector Research Agenda monitored*, which is both an indicator and an annual target throughout the medium term; Programme 4: International Relations Strategy implemented where annual target is *status report on compliance to AU and SADC obligations*. Resource allocation was not linked to performance targets in the APP (but to Programmes and sub-programmes) so that when a number of targets are not achieved during the previous financial year and are deferred to the following year, the Department should be able to account for the budget that has been allocated for those targets during that year, e.g. development and implementation of specific policies and legislation.
	2. Uncertainty regarding the Department’s capacity to develop essential legislation and policies to address sectoral challenges in light of the prolonged period it took to finalise and/or implement policies and legislation, e.g. National Policy on Extension and Advisory Services, Draft National Policy on Comprehensive Producer Development Support, Preservation and Development of Agricultural Land (PDAL) Bill and the Marketing of Agricultural Products Amendment Bill.
	3. Conditional grants are narrowly focused on certain primary agricultural activities while more employment opportunities may be generated in complementary sectors that are outside the grant requirements such as agroprocessing, which is identified as a key job driver; and agri-tourism. This is notwithstanding training for agroprocessing entrepreneurs that will be provided through Programme 4.
	4. Absence of a monitoring and evaluation (M & E) framework as part of the Department’s annual plans may impact accountability on performance and service delivery considering that 56% of the total Vote allocation goes to transfers and subsidies. Transfers and subsidies mainly constitute transfers to Departmental and other entities, as well as conditional grants, which are transferred to provinces for implementation of Departmental interventions and service delivery programmes. In the absence of effective M & E, provinces may sometimes redirect the funds to other activities. This is especially true of CASP, which accounts for 67% of the conditional grants and about 35% of the total transfers and subsidies; and seems to be a funding instrument for everything and anything that is not funded in the Department.
	5. There is a need for further engagements on the Commercialisation of Black Producers and the Blended Finance Model, as well as the utilisation of the AgriBEE Fund and Mafisa, which are administered by the Land Bank. During the current financial year (2019/20), the Land Bank will be allocated R461.5 million through Programmes 3 and 4 for the Commercialisation of Black Producers Programme and smallholder farmer support.
	6. Lack of intergovernmental collaboration and clear alignment of activities between the Department and its Entities, as well as between DAFF and DRDLR remains a concern that impacts optimal use of limited financial resources and delivery of services, e.g. training programmes for market access through the Department’s Programme 4 and the NAMC; involvement of the Department and the ARC in the NAMC’s National Red Meat Development Programme that is funded by DRDLR. The Committee hope that this will be addressed by the merger of the two Departments including the Operation Phakisa for Agriculture, Land Reform and Rural Development in which the two Departments and Entities are participating. Operation Phakisa was developed to address inter alia some of the challenges associated with poor coordination and collaboration.

**Agricultural Research Council (ARC)**

* 1. The additional allocation of R400 million to the ARC in the medium term, for the construction and establishment of the FMD Facility is welcome. The completion of the Facility is expected to enhance the country’s vaccine research capacity and ensure there is a secure local supply of the FMD vaccine, which the country currently imports from Botswana.
	2. The ARC’s deteriorating financial status and history of poor audit findings put the sustainability of the entity at risk and threatens agricultural research capacity and innovation.

**Onderstepoort Biological Products (OBP)**

* 1. The need for the OBP to improve its marketing plan/strategy to promote visibility in provinces as its products are not widely available or utilised in provinces.

**National Agricultural Marketing Council (NAMC)**

* 1. The NAMC’s National Red Meat Development Programme was not sufficiently marketed in provinces as it can play a crucial role in securing market access for smallholder livestock owners.
	2. Lack of alignment of activities between the NAMC and the Department with respect to farmer training for market access and market efficiencies. There is a need for better coordination to avoid duplication of activities.

**7. Committee Recommendations**

After discussions and deliberations on the Department and the Entities’ 2019/20 Annual Performance Plans (APPs) and Budget Vote 24, the Portfolio Committee on Agriculture, Land Reform and Rural Development makes the following recommendations to the National Assembly (NA) for the attention of the Minister of Agriculture, Land Reform and Rural Development regarding Budget Vote 24:

* 1. Notwithstanding the reconfiguration that is in process to amalgamate the two Departments, ensure that vacancies at senior management service (SMS) level of the Department are filled; and with people with the requisite skills required to carry out the Department’s mandate. In this regard, particular attention should be given to the policy, planning, monitoring and evaluation; legal services; as well as financial administration functions of the Department to address weaknesses in drafting APPs, policies and legislation; and to effectively address repeat audit findings on financial statements.
	2. Through the reconfiguration process, fast track the finalisation of the National Policy on Comprehensive Producer Development Support; and further consider redefining the mandate of the Departments’ conditional grants and other funding instruments; and consolidate them into one ‘Comprehensive Producer Support Fund’ that will be administered by the Department or suitable entity to minimise administrative costs, to improve spending efficiency, gain maximum value for money and better management and accountability for the funds. These include but not limited to CASP, Mafisa, Blended Finance Model, AgriBEE Fund, Recapitalisation and Development Programme (RECAP). The process should also be accompanied by a Policy Implementation Plan and a Monitoring and Evaluation (M&E) Plan to ensure efficient utilisation of the funds.
	3. Engage with the Minister of Finance to discuss the Department’s funding needs and reprioritisation of funding particularly for unfunded mandates such as Strategic Integrated Projects (SIP 11) as infrastructure development is essential for the implementation of the APAP and revitalisation of the agricultural and agroprocessing value chains (RAAVC).
	4. Fast-track the establishment of baseline information and databases for the smallholder sector including the facilitation of a full Agricultural Census and an import and export system. The databases are essential in order to effectively guide and manage interventions for the development and transformation of the sector; and to measure impact of Government interventions. In this regard, a progress report on the Agricultural Census including the development of the national Farmer Register for which R241 million was budgeted for a 3-year period from 2018, should be submitted in Parliament.
	5. Facilitate and strengthen intergovernmental relations through the alignment of services between the Department, entities, provinces and other departments such as the Departments of Trade and Industry (the dti), Small Business Development (DSBD) and the Water and Sanitation (DWS) as this can assist the Department with cost containment measures in light of budget cuts, avoiding duplication of activities, to maximise service delivery and resource allocation to joint programmes such as Operation Phakisa for Agriculture, Land Reform and Rural Development, which is expected to play a significant role in ensuring the Revitalisation of the Agricultural and Agroprocessing Value Chain (RAAVC).
	6. Ensure that funds that are transferred by both Departments to the Land Bank for agricultural development (e.g. commercialisation of black farmers) and transformation (AgriBEE Fund) are ring-fenced for that purpose and the Land Bank should report on their utilisation bi-annually.
	7. In light of the possibility of the Land and Agricultural Development Bank of South Africa moving back to the Ministry of Agriculture, Land Reform and Rural Development in line with the Cabinet reconfiguration, consider a review of the mandate and funding model of the Bank to ensure that it addresses challenges of the agricultural sector including its dual nature while promoting the development of previously disadvantaged farmers.
	8. Develop an Action Plan with timeframes for submission to Parliament, to fast-track policy development and legislative review.
	9. Submit to Parliament comprehensive progress reports on the Commercialisation of Black Producers, revitalisation of irrigation schemes and Agricultural Colleges.
	10. Ensure that the Agricultural Research Council submit to Parliament its Financial Turnaround Plan and an Audit Improvement Plan and present progress on these in Parliament during quarterly briefings.
	11. In light of the constrained fiscal framework, review the mandates of the Department’s Public Entities to strengthen alignment (amongst entities and between entities and the Department); and further coordinate and align agricultural research activities between the different spheres of Government (e.g. the Department, Public Entities and provincial research stations). Where there are duplicated roles among entities, merging should be considered.
	12. Engage with the Minister of Higher Education, Science and Technology to address the shortage of critical skills in the agricultural sector and to strengthen research capacity in light of technological developments that have implications for the sector such as the Fourth Industrial Revolution (4IR). This should include a national skills assessment across sectoral disciplines.
	13. Strengthen the Department’s contribution to the implementation of the National Policy on Food and Nutrition Security by streamlining food security initiatives within the Department to maximise food availability and stability. Submit quarterly progress reports in Parliament that quantify primary production activities (yields) for both crop and livestock production systems, funding instruments and resource allocation for each activity.
	14. Submit quarterly progress reports on the implementation of the Climate Change Adaptation and Mitigation Plan for Agriculture and Climate Smart Agriculture (CSA) projects. The reports should also include financial resources that are allocated to the implementation of the Plan and CSA projects as climate change-induced disasters have an adverse impact on the development and growth of the agricultural sector.

*The Committee further recommends that within three months after the adoption of this report by the National Assembly, the Minister should submit responses and progress on the implementation of the above recommendations****.***

*Report to be considered.*