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REPORT OF THE PORTFOLIO COMMITTEE ON AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT ON THE 2023/24 ANNUAL PERFORMANCE PLANS AND THE BUDGET OF THE DEPARTMENT OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT AND ITS ENTITIES: VOTE 29, DATED 05 MAY 2023.

The Portfolio Committee on Agriculture, Land Reform and Rural Development (hereinafter referred to as the Portfolio Committee) examined the 2023/24 Vote 29: Agriculture, Land Reform and Rural Development budget and budget projections for the Medium Term Expenditure Framework (MTEF) period ending in the 2025/26 financial year. The process entailed scrutiny of the 2023/24 Annual Performance Plans (APPs) and Budgets of the Department of Agriculture, Land Reform and Rural Development (hereinafter referred to as the Department) and the relevant National Public Entities during briefings held on 18 and 19 April and 02 May 2023. Therefore, the Portfolio Committee reports as follows:

1. Introduction

This report accounts for the process embarked upon by the Portfolio Committee on Agriculture, Land Reform and Rural Development to consider Vote 29: Agriculture, Land Reform and Rural Development as tabled by the Minister of Finance, and the Five-Year Strategic Plans and Annual Performance Plans of the Department of Agriculture, Land Reform and Rural Development (hereinafter referred to as the Department), and relevant public entities as listed in Table 1. The Committee process followed the tabling of Strategic Plans, APPs and budget allocations by the Department and its national public entities in Parliament as required in terms of the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999). The APPs outline the annual plans in line with Strategic Plans and the allocated budget as per the Estimates of National Expenditure (ENE) tabled by the Minister of Finance. These planning documents were tabled in March and April 2023; and presented at briefing sessions on 18 and 19 April and 02 May 2023 as shown in Table 1 of this report.

Table 1: Briefing Sessions by the Department and its Public Entities

Department and Public Entities under Vote 29	Date of briefing
Department of Agriculture, Land Reform and Rural Development	18 April 2023
Commission on Restitution of Land Rights	18 April 2023
Agricultural Research Council	18 April 2023
Onderstepoort Biological Product	18 April 2023
National Agricultural Marketing Council	18 April 2023
Perishable Products Export Control Board	19 April 2023
Office of the Valuer-General	19 April 2023
KwaZulu-Natal Ingonyama Trust Board	02 May 2023

During the scrutiny of the APPs, the Portfolio Committee assessed whether the plans of the Department and Entities were aligned to the State-of-the-Nation Address (SONA) of February 2023, the National Development Plan (NDP) policy priorities and targets, the 2020-2024 Medium Term Strategic Framework (MTSF) and other key government policy priorities.

3. Overview of the Strategic Focus of the Department of Agriculture, Land Reform and Rural Development, 2023/24 Annual Performance Plan and Budget Allocation

3.1 The Department of Agriculture, Land Reform and Rural Development and its Core Functions

The main aim of the Department of Agriculture, Land Reform and Rural Development is to provide equitable access to land, integrated rural development, sustainable agriculture and food security for all. The Department's legislative mandate is derived from Sections 24(b)(iii), 25, and 27(1) of the Constitution of the Republic of South Africa (1996) that deal with environment and natural resources clause; property rights and land reform clause; and health care, food, water and social security clause - a framework for comprehensive rural development. The strategic focus of the Department in the current five-year strategic framework period is to accelerate land reform, catalyse rural development and improve agricultural production to stimulate economic development and food security. The seven Strategic Outcomes for the current MTSF period are aligned to MTSF priorities as shown in Table 2 below.

Table 2: Alignment of Department Outcomes and the 2020-2024 MTSF Priorities

Department Outcome (OC)	MTSF Priority (P)
1. Improved governance and service excellence	P1: A capable, ethical and developmental state
2. Spatial transformation and effective land administration	P5: Spatial integration, human settlements & local government
3. Redress and equitable access to land and producer support	P2: Economic transformation & job creation and P5
4. Increased production in the agricultural sector	P2 and P3: Education, skills and health
5. Increased market access and maintenance of existing markets	P2 and P7. A better Africa & world
6. Integrated and inclusive rural economy	P2 and P5
7. Enhanced biosecurity and effective disaster risk reduction	P5

2023 State of the Nation Address (SONA 2023)

The Department's plans for the 2023/24 financial year are further informed by the following key issues that have been highlighted by the President in the 2023 State of the Nation Address (SONA):

- **Loadshedding** – a Task Team has been established by the Minister of Agriculture, Land Reform and Rural Development to deal with loadshedding issues affecting the Agricultural Sector. The Task Team will do an industry analysis and engage with Eskom to stabilise and resolve energy supply challenges for the sector.
- **Presidential Employment Stimulus (PES)** – the Department will continue to support smallscale farmers to buy seeds, fertiliser and equipment through vouchers to boost food security and agricultural reform. Approximately 68% of the supported farmers will be women.
- **Cannabis Master Plan** – the DALRRD and the Department of Health will address existing conditions for the cultivation of Cannabis to allow outdoor cultivation and collection of harvests from traditional farmers. DALRRD will develop the "Hemp Seed Certification

Scheme" in 2023/24 for implementation in the outer years of 2024/25 onwards. DALRRD is waiting for the South African Health Products Regulatory Authority (SAHPRA) to determine the Tetrahydrocannabinol level and for the Department of Justice including the South African Police Service to agree and legislate.

- **Agriculture and Agroprocessing Master Plan (AAMP)** – during 2023/24 financial year, DALRRD will drive agrarian reform through bringing communal land back into production through the implementation of farmer support programmes (e.g. PES and Ilima/Letsema), in partnership with traditional leaders and communities.
- **Sugar Master Plan** – DALRRD has emphasised the importance to sustain the local market consumption and to obtain and sustain preferential market access and diversification.
- **Poultry Master Plan** – DALRRD is supporting the Poultry Master Plan by providing Sanitary and Phytosanitary Standards support to the industry to ensure access to markets. In addition, DALRRD will expand and improve poultry production to meet increased demand and to support exports which will result in 3 600 jobs. It will also pursue export agreements with various countries, including veterinary requirements.

3.2 Overview of the 2023/24 Budget Allocation and the Medium Term Expenditure Framework Estimates of the Department

The Department has been appropriated R17.25 billion for the 2023/24 financial year, which is slightly less than the 2022/23 adjusted appropriation of R17.5 billion. However, over the medium term expenditure framework (MTEF) period, the total budget will see an average growth rate of 2.5 per cent. The decline in budget over the current MTEF period is a result of decreases in allocations for Programme 1 (Administration) and Programme 2 (Agricultural Production, Biosecurity and Natural Resources Management), see Table 3. Meanwhile, Programme 4 (Rural Development) and Programme 5 (Economic Development, Trade and Marketing) will receive significant budgetary increases over the MTEF period. As the Department constitutes both national competencies and concurrent functions, approximately 54 per cent (R9.3 billion) of the total Vote appropriation goes to transfers and subsidies, which include transfers to some of the Department's entities, land reform grants and transfers to provinces as conditional grants.

Table 3: Medium-Term Expenditure Framework including 2022/23 Adjusted Appropriation

Programme/Branch	2022/23 R'000	2023/24 R'000	2024/25 R'000	2025/26 R'000
1. Administration	**3 427 228**	**2 962 852**	**2 969 356**	**3 114 468**
Ministry	*44 605*	*46 144*	*57 937*	*60 248*
Department Management	*114 517*	*125 820*	*144 230*	*150 448*
Internal Audit	*58 570*	*51 219*	*65 168*	*68 989*
Financial Management	*328 104*	*262 428*	*283 577*	*299 279*
Corporate Services	*906 837*	*781 651*	*826 046*	*864 158*
Provincial Operations	*1 154 643*	*497 131*	*543 144*	*574 014*
Office Accommodation	*819 952*	*1 198 459*	*1 049 254*	*1 097 332*
2. Agricultural Production, Biosecurity & Natural Resources Management	**3 247 144**	**2 335 874**	**2 437 550**	**2 544 067**
Inspection and Quarantine Services	*525 868*	*321 179*	*338 389*	*350 290*
Plant Production and Health	*171 326*	*205 006*	*212 753*	*224 122*
Animal Production and Health	*919 132*	*312 356*	*336 272*	*349 407*
Natural Resources and Disaster Management	*437 456*	*301 120*	*300 250*	*314 574*
Biosecurity	*4 042*	*4 657*	*4 818*	*4 827*
Agricultural Research Council	*1 189 320*	*1 191 556*	*1 245 068*	*1 300 847*
3. Food Security, Land Reform & Restitution	**8 881 304**	**9 425 048**	**10 031 887**	**10 444 347**
Food Security & Agrarian Reform	*2 141 177*	*2 158 245*	*2 357 205*	*2 430 604*
Land Redistribution and Tenure Reform	*764 705*	*918 220*	*973 200*	*1 013 446*
Nat. Ext. Services & Sector Capacity Development	*835 745*	*598 740*	*628 818*	*657 443*
Land Dev & Post Settlement Support	*626 292*	*620 478*	*664 818*	*695 172*
Commission on Restitution of Land Rights	*11 611*	*18 307*	*17 881*	*18 675*
Restitution	*3 773 452*	*3 947 064*	*4 173 697*	*4 358 250*
Agricultural Land Holdings Account	*596 760*	*984 942*	*1 029 175*	*1 075 282*
Ingonyama Trust Board	*24 391*	*23 781*	*24 849*	*25 962*
Office of the Valuer-General	*107 171*	*155 271*	*162 244*	*169 513*
4. Rural Development	**632 656**	**957 470**	**1 003 104**	**1 048 060**
National Rural Youth Service Corps (NARYSEC)	*135 863*	*161 852*	*185 579*	*193 427*
Rural Infrastructure Development	*474 893*	*763 868*	*784 240*	*820 284*
Technology Research and Development	*21 900*	*31 750*	*33 285*	*34 349*
5. Economic Development, Trade & Marketing	**678 726**	**864 756**	**915 807**	**953 139**
International Relations and Trade	*155 872*	*157 225*	*168 136*	*173 940*
Cooperatives Development	*85 304*	*86 271*	*90 847*	*93 903*
Agroprocessing, Marketing & Rural Industrial Dev	*389 015*	*571 489*	*604 818*	*630 960*
National Agricultural Marketing Council	*48 535*	*49 771*	*52 006*	*54 336*
6. Land Administration	**666 585**	**708 348**	**748 522**	**780 621**
National Geomatics Management Services	*545 589*	*502 946*	*521 390*	*545 838*
Spatial Planning and Land Use Management	*111 245*	*190 508*	*211 722*	*218 835*
Deeds Registration	*1*	*1*	*1*	*1*
South African Council of Planners	*4 263*	*8 335*	*8 530*	*8 733*
South African Geomatics Council	*4 000*	*4 055*	*4 264*	*4 482*
Integrated Land Administration	*1 487*	*2 503*	*2 615*	*2 732*
Total	**17 533 643**	**17 254 348**	**18 106 226**	**18 884 702**

Source: DALRRD – Annual Performance Plan 2023 - 2024

3.3 Overview of the 2023/24 Budget Allocations and Programme Performance Plans

3.3.1 Programme 1: Administration

The Administration Programme provides strategic leadership, management and support services to the Department. It received an allocation of R2.96 billion for the 2023/24 financial year, which is approximately 17 per cent of the Department's total budget and the second largest allocation of the Department's total vote appropriation for 2023/24 (see Table 3). Approximately 40 per cent (R1.2 billion) of the Administration's budget will go to the Office Accommodation sub-programme, followed by Corporate Services sub-programme, which accounts for 26 per cent of the Programme's total budget. In terms of economic classification, approximately 47 per cent (R1.4 billion) of the total Administration budget will be for goods and services and 39 per cent (R1.15 billion) for compensation of employees.

There were no changes or review of the Programme's annual performance targets despite the Committee's previous concerns regarding misalignment between annual targets with the financial resources allocated. The Programme receives the second largest appropriation from the Vote, approximately 41 per cent of the Department's personnel are located in the Administration Programme and in the previous Annual Report for 2021/22 financial year, both targets were not achieved. The Administration Programme's annual targets remain as:

- Attaining an unqualified audit opinion on the 2022/23 annual financial statements.
- 100% of valid invoices paid within 30 days upon receipt by the Department.

3.3.2 Programme 2: Agricultural Production, Biosecurity and Natural Resources Management

The purpose of this Programme is to oversee livestock production, game farming, animal and plant health, natural resources and disaster management. Programme 2 received the third largest allocation of approximately R2.3 billion (Table 3), which is R1 billion less than the previous financial year's allocation and constitutes 14 per cent of the total Vote appropriation for 2023/24. Despite its important role in promoting agricultural production, managing biosecurity and sector related risks, plant and animal diseases and pests including disasters, Programme 2's budget allocation has been stagnant and will continue to decline by an average of 8 per cent over the MTEF period. The decline in the Programme allocation will also impact budget allocations to some of the key sub-programmes over the MTEF period. The allocations for the Animal Production and Health, Inspection and Quarantine Services as well as Natural Resources and Disaster Management sub-programmes will decline by an average of 27.6 per cent, 12.7 per cent and 10.4 per cent, respectively. Approximately 51 per cent of Programme 2's budget is the Parliamentary Grant transfer to the Agricultural Research Council (ARC) while the rest is allocated to the five sub-programmes through which the Programme's functions are implemented (see Table 3).

The small budget allocation of R4.7 million (0.2 per cent of Programme 2's total allocation) for the Biosecurity sub-programme remained a concern considering the continuing disease outbreaks particularly the foot-and-mouth disease (FMD) and Avian influenza, which are costing the livestock industry significant losses in export revenue. The Committee further highlighted the challenges they witnessed in the control and management of FMD during an oversight visit to Mpumalanga Province, particularly fencing that is required to prevent local livestock from coming into contact with buffaloes that carry the FMD virus. In light of the frequency of climate change related natural disasters, the MTEF decline (see Table 3) in the budget allocation for the Natural Resources and Disaster Management sub-programme, which plays a central role in the implementation of policies and frameworks to mitigate disasters in rural and agricultural areas was also flagged as a concern. The latter sub-programme received R301 million for 2023/24 compared to R437 million in the 2022/23 financial year.

The following are the annual performance targets for the 2023/24 financial year:

- Hemp Seed Certification Scheme submitted to Minister for approval.
- 3 provinces, namely, Mpumalanga, KwaZulu-Natal (KZN) and Gauteng with delineated grazing protected agricultural areas (PAAs).
- 3 plant pest risk surveillances conducted i.e. Exotic fruit fly; Citrus greening survey; and Banana bunchy top virus.
- 3 animal disease risk surveillances conducted i.e. Contagious Bovine Pleuropneumonia

- (CBPP), Peste des Petits Ruminants (PPR) and Foot-and-mouth Disease (FMD).
- 13 subsistence producers supported with integrated bioenergy (biogas) technology.

3.3.3 Programme 3: Food Security, Land Reform and Restitution

Programme 3, is responsible for acquisition and redistribution of land, as well as promotion of food security and agrarian reform, thus playing an important role in contributing to economic transformation and job creation (Priority 2 of the MTSF). As it has been the case in previous financial years, more than half of the Department's total appropriation will be allocated to Programme 3, which receives R9.4 billion (54.6 per cent) for 2023/24. Approximately R7.8 billion of Programme 3's total appropriation, which is equivalent to 83 per cent of the Programme's total budget, is for transfers to provinces, entities and households. Of the transferred R7.8 billion, approximately R3.9 billion is for households, which covers grant funding for land acquisition and farmer development support; R2.3 billion will go to other provincial and municipal transfers; R1.2 billion to Departmental agencies and accounts while R407 million will go to the Land Bank.

The Food Security and Agrarian Reform sub-programme received R2.2 billion (23 per cent), which is the second largest allocation after Restitution for 2023/24. The allocation to the sub-programme will see a 4 per cent average growth over the MTEF period. A concern that was raised by the Committee was the lack of a framework or a clearly defined indicator to measure food security besides the Department's reliance on quantitative targets that are implemented by provinces in the form of producer support programmes (conditional grants) without measuring the actual impact of such programmes on food insecurity especially at the household level. Conditional grants will receive a combined allocation of approximately R2.2 billion (R1.6 billion for Comprehensive Agricultural Support Programme (CASP) and R620.5 million for Ilima/Letsema).

The budget allocation for the National Extension Support Services and Sector Capacity Development sub-programme will see an average decline of 8 per cent over the MTEF period. For the 2023/24 financial year, the subprogramme is allocated R598.7 million compared to the previous year's R835.7 million. The budget decline is despite concerns that were raised by the Committee about the capacity and visibility of Extension personnel in some parts of the country, particularly in rural areas. As already indicated, the APP does not have specific and clear indicators and annual targets for Food Security and Agrarian Reform including Extension Support Services as these functions are implemented through provinces. In terms of Sector Capacity Development, the Department has an annual target to enroll 800 new students at Agricultural Training Institutes.

Accelerating land reform and finalising land restitution claims

Over the MTEF period, the Department intends acquiring 115 467 hectares of land at an estimated cost of R2.9 billion. A further R676 million has been allocated for acquisition of 17 965 hectares for farm dwellers and labour tenants. In terms of restitution, the Department together with the CRLR has set a target to settle 1 263 land claims over the MTEF period at a projected cost of R12.5 billion. In terms of budget allocation, Restitution sub-programme takes 41.9 per cent of the total budget of Programme 3 as Table 3 of the report demonstrates. The Committee noted and welcomed increases in the allocations for the Commission on Restitution of Land Rights (CRLR) sub-programme (57.8 per cent); Agricultural Land Holding sub-programme (65 per cent) and Office of the Valuer-General (OVG) sub programme (44.9 per cent). The details of budgets and plans for the CRLR and the OVG, as autonomous entities, are discussed in detail under subsections 4.1 and 4.3 respectively. This section considers the plans for land redistribution and tenure reform as key components of the programme of land reform.

In relation to land reform targets, the Committee noted the following:

- A shift in support provided to CPAs, from a focus on training of CPAs to training of Executive Committee Members. A total of 715 Executive Committees members will be trained in governance. Assuming that executive committees have five members, this suggest there might be less CPAs being supported.
- The Committee welcomed plans to acquire 42 456 hectares of strategically allocated land through PLAS which is an increase compared to 34 043 hectares targeted or acquisition in 2022/23. The Committee commended the Department for prioritisation of women, youth, and people with disabilities in line with the Beneficiary Selection Policy.

- Farm development support under the Land Development Support Programme (LDSP) decreases from 83 farms in 2022/23 to 66 2023/24, further decreasing over the medium term to 33. The trend is worrisome because it goes against the practise of provision of complementary post-settlement support to beneficiaries. It is thus likely to set up land reform (including restitution and labour tenants) beneficiaries to fail.
- The Committee noted, and expressed concerns over, some omissions in the APP. For example, there were no targets for the settlement of labour tenants' applications as a distinct programme just like restitution despite the Court Order compelling settlement of all labour tenants' applications and the supervision by the Special Master for Labour Tenants at the Land Claims Court. Similarly, a target for implementation of the Transformation of Certain Rural Areas Act, (No. 94 of 1998) not been included.

Trading Entity: Agricultural Land Holding Account

The purpose of the Agricultural Land Holding Account (ALHA), established in terms of the Provision of Land and Assistance Act, (No.126 of 1993), is to acquire, hold and lease land to beneficiaries. As indicated above, it plans to acquire 115 467 hectares of strategically located land over the medium term and 36 638 ha will be acquired in 2023. The Committee noted a significant increase in the transfers from the Department. Transfers from the Department account for 85.1 per cent of the total revenue received in 2023/24 and has increased by 65 per cent in nominal terms compared to 2022/23. The Committee in acknowledging this increase, expressed its support for increase in the budget so that more land could be acquired as well as provision of land development or post-settlement support.

The Committee responded to the plans under the ALHA as follows:

- There is a disconnect between the amount of land to be acquired and the amount of post-settlement support to be provided to farmers
- Beneficiary selection policy, though targeting women, youth and persons with disabilities, must also consider emerging farmers that have already proven themselves as smallholder farmers or subsistence producers that needs land for production.

3.3.4 Programme 4: Rural Development

Rural Development programme contributes to MTSF Priority Outcome 6: Integrated and Inclusive Rural Economy which, in line with the NDP, should contribute to integrated and inclusive rural economies with quality basic services such as education, health care and public transport particularly. The Committee noted targets set for 2023/24 with the following observations:

- Training 4500 young people through the National Rural Youth Service Corps (NARYSEC) equates to an increase of 3 801 compared to the target of 699 trainees 2022/23. The fact that the targets would decrease over the medium-term to 1500 in 2025/26 was amongst the major concerns, especially when considering the high rate of youth unemployment.
- A total of 485 young people are to be linked to job opportunities through NARYSEC in 2023/24, increasing to 580 in 2025/26. Whilst this intervention is commendable, the Committee was concerned that the number represented 10.8% of the intake. It thus raises concerns relating to what happens to the rest of the trainees. NARYSEC training on business development, from 304 trainees in 2023/24 to 370 in 2025/26, was also welcome.
- The Department plans to complete 83 infrastructure projects in 2023/24 to support rural economic transformation.

The budget for Rural Development Programme increased from the adjusted appropriation of R632,7 million in 2022/23 to R957,6 million in 2023/24. The largest share of the budget for the 2023/24 is allocated to the Rural Infrastructure Development sub-programme, which accounts for 79.8 per cent of the total budget under this Programme signifying priority accorded to infrastructure development in rural areas in support of farmers and improved service delivery.

3.3.5 Programme 5: Economic Development, Trade and Marketing

The purpose of this Programme is to promote economic development, trade and market access for agricultural products; and foster international relations for the sector. The budget allocation for Programme 5 increased from R678.7 million in the 2022/23 financial year to R864.8 million for

2023/24 financial year. The Programme's budgetary increase was largely driven by the increased allocation to the Agroprocessing, Marketing and Rural Industrial Development sub-programme, which received R571.5 million in 2023/24 (66 per cent) compared to R389 million in the previous year. Although 66 per cent of Programme 5's budget will go to the Agroprocessing, Marketing and Rural Industrial Development sub-programme, there are no specific targets that directly speaks to the Programme's objective in respect of agroprocessing. This is notwithstanding the finalisation of the Agriculture and Agroprocessing Master Plan and the NDP expectation for the agricultural sector to create 1 million jobs by 2030 through agroprocessing.

For the 2023/24 financial year, the Department has the following annual targets for the Programme:

- Train 108 cooperatives.
- 100% assessment of AgriBEE Fund applications.
- Support 41 Farmer Production Support Units (FPSUs) to be functional.
- Support 87 agricultural enterprises.
- Support 18 non-agricultural enterprises.
- 35 smallholder producers accessing Mafisa loan.
- Capacitating 300 smallholder farmers in agricultural marketing.
- Implementation of 6 trade agreements; negotiation of 5 trade agreements and implementation of 6 multi-lateral commitments.
- Implementation of bilateral agreements (South-South and North-South; and bilateral agreements in Africa).

3.3.6 Programme 6: Land Administration

Land Administration programme provides and maintains an inclusive, effective and comprehensive system of planning, geospatial information, cadastral surveys, legally secure tenure, and land administration that promotes social, economic and environmental sustainability. Its main objective is to ensure spatial transformation and efficient land administration over the medium term by rolling out and implementing the electronic deeds registration system and reducing the time taken to process general plans, sectional plans and diagrams to 14 working days.

It also targets to develop the National Spatial Development Framework (NSDF) implementation report. The budget allocation for Land Administration increased from an adjusted appropriation of R666.6 million in 2022/23 to R708.3 million in 2023/24. The National Geomatics Management Services sub-programme (NGMS) accounts for 71% of the budget 2023/24 and together with Spatial Planning and Land Use sub-programmes, they account for 97.9% of the total allocation to the Programme. The following points summarises responses of the Committee to the plans under this programme:

- It noted that the National Spatial Development Framework (NSDF) implementation report was planned for in 2022/23.
- The Electronic Deeds Registration System (e-DRS) is not reflected in the plans, yet it has been a priority project over the last few years and has not been concluded. There is also a need to complete an empowering legislation so that e-DRS can become a success.
- Phase two of e-DRS was reported to be ready for roll out on the 1st of April 2023 and phases 3 and 4 would be completed by March 2025. The fact that the plans were silent about these issues was of great concern to the Committee as it meant that there were no instruments with which the Committee could hold the Department to account on e-DRS.

Trading Entity: Deeds Registration Trading Account

The aim of the Deeds Registration Account is to provide a high quality deed registration system, improve land administration and spatial planning. The Account registers rights in land and maintains public registers of land. It generates revenue by selling information and levying fees in accordance with the schedules of fees prescribed in the Regulations. Over the medium term, the Entity will implement an electronic deeds registration system that will help improve the property registration process and ensure acceleration of the registration of title deeds.

Expenditure and revenue are expected to increase at an average annual rate of 2.4 per cent, from R1 billion in 2022/23 to R1.1 billion in 2025/26. Compensation of employees accounts for an estimated 68.6 per cent (R2.2 billion) of expenditure over the medium term because the entity's work is labour intensive. There are no transfers to the Entity over the medium-term, as it generates its revenue by selling deeds information and registering properties.

4. Overview of the Strategic Focus of the Public Entities of the Department, their 2023/24 Annual Performance Plans and Budget Allocation

The Department oversees the operations of a number of national public entities. Table 4 below illustrates budget allocation for each entity for the medium term.

Table 4. Budget Allocation to Entities for the MTEF Period 2023/24 – 2025/26

Entity R'000	2022/23 Adj. Approp.	MTEF Period Estimates		
		2023/24	2024/25	2025/26
1. Commission on Restitution of Land Rights	11 611	18 307	17 881	18 675
2. Ingonyama Trust Board	24 391	23 781	24 849	25 962
3. Office of the Valuer-General	107 171	155 271	162 244	169 513
4. Agricultural Land Holdings Account	596 760	984 942	1 029 175	1 075 282
5. Agricultural Research Council	1 189 320	1 191 556	1 245 066	1 300 847
6. Onderstepoort Biological Products	-	-	-	-
7. National Agricultural Marketing Council	48 535	49 771	52 006	54 336
8. Perishable Products Export Control Board	-	-	-	-
Total	**1 977 788**	**2 423 628**	**2 531 221**	**2 644 615**

Source: DALRRD – Annual Performance Plan 2023 - 2024

4.1 The Commission on Restitution of Land Rights (CRLR or the Commission)

The Commission on the Restitution of Land Rights (CRLR), established in terms of the Restitution of Land Rights Act (No. 22 of 1994), investigates and recommends land claims for settlement by the Minister or refers them to the Land Claims Court. By 31st December 1998 about 80 000 land claims had been lodged, and currently there are about 6 853 outstanding claims (commonly referred as old order claims). The 2014 amendments to the Restitution of Land Rights Act, although nullified by the Constitutional Court, resulted in about 140 000 land claims which have been put in abeyance until such time that all the old order claims are settled.

The CRLR has set itself the following targets for the medium term and the 2023/24 financial year:

- To settle 1 194 land claims over the medium term, 349 of which will be settled in 2023/24. However, the Committee is concerned that the pace of settlement and budget allocation means that to settle all the outstanding land claims, at the rate planned, would take close to 20 years unless substantial amount of resources are injected into restitution. If the CRLR was to finalise all outstanding claims over the next five years, it will need to finalise at least 1 337 claims annually.
- To finalise 1 183 land claims over the medium term and 406 of these are planned for finalisation in 2023/24.

The Committee welcomed all the initiatives in progress to assist in the acceleration of restitution; for example, Project Kuyasa and a Comprehensive Backlog Reduction Strategy. The key strategic goal of the Project is to eliminate and/or deal with all outstanding claims over the 5 years. One of the key issues was to establish the Commission as an autonomous organisation. Whilst the business case has been developed and completed, analysing and determining the Commission's eligibility to be a Schedule 3A entity, the process to finalise implementation of the roadmap to autonomy has been slow. Placing restitution under Programme 3 of the Department continues to minimise its significance and does not permit it to detail its plans such as setting targets for implementation of the backlog strategy, improved business processes and systems, turnaround times for research, settlement and finalisation of land claims.

With regards to budget allocation, the 2023/24 operational budget of the Commission is R18 million (a nominal increase of 57.8 per cent when compared to the allocation of R11.6 million in 2022/23). Budget for Restitution sub-programme in 2023/24 is R3.9 billion (4.6 per cent nominal increase when compared to the allocation of R3.7 billion in 2022/23). The total allocation for Restitution is R4 billion, a marginal increase of 4.8 per cent in nominal terms. As stated earlier, budget allocation for households (budget for settlement and finalisation of claims, and development grants) is R3.3 billion in 2023/24, which is a nominal increase of 36 per cent compared to the allocation of R2.4 billion in 2022/23.

Given the pressure to settle and finalise old order land claims, the current allocation of R3.3 billion for Restitution is insufficient. As discussed earlier, it is meant to settle 349 and finalise 406 claims targeted for 2023/24. The independent financial forecasting conducted under project Kuyasa estimated that the Commission would require about R65 billion (excluding operational funding) to settle all outstanding old order claims while an estimated R129 billion or more is needed to settle and finalise all outstanding old order claims.

The Committee identified some key issues that require attention by the Chief Land Claims Commissioner; those issues can be summarised as follows:

- Ensure that the CRLR finalise its organisational structure in preparation for the finalisation of the settlement of land claims.
- Prioritising filling all the 769 funded posts, meaning that the 81 are vacancies must be filled without delay. In similar veins, the vacancy for the Deputy Chief Land Claims Commissioner should be filled without delay.
- Given that 46 per cent of outstanding land claims are at research stage, it is important that there should be research capacity built within the CRLR. The Committee will be focusing oversight on the reported mainstreaming regional specialisation in the research function; especially the establishment of the provincial research units in KwaZulu-Natal, Mpumalanga and Limpopo provinces.

4.2 KwaZulu-Natal Ingonyama Trust Board (ITB)

The KwaZulu-Natal Ingonyama Trust Act (1994) makes provision for the 2.8 million hectares of land spread across KwaZulu-Natal to be held in trust and managed by the Ingonyama Trust Board (ITB) for the benefit of communities on the Trust land. The ITB, as an accounting authority for the Trust, outlined four strategic outcomes; namely, improved corporate governance and service excellence; improved stakeholder relations; improved security of land tenure and improved coordination of human settlement on communal land. For 2023/24, the ITB operations are organised into two Programmes; namely, Administration (including corporate services and financial administration sub-programmes) and the Land and Tenure Management. The key outcome under Administration is improved corporate governance and service excellence with a focus on implementation of management action plan for both internal and external audits. The ultimate goal is to ensure that the ITB and the Trust attain unqualified external audit opinions on their financial statements. On the land administration front, key outcomes are improved security of tenure and orderly land allocation and human settlement.

Administration (Programme 1) provides administrative support to the ITB. Whilst the Committee welcomed the targets to achieve 100 per cent of audit management plans, it noted that already in 2022/23, during the 1st quarter, these targets were not achieved because the ITB had no internal audit unit/service provider as planned. The Committee strongly has misgivings about the capacity administrative arm of the ITB to implement plans, hence questions related to staff capacity and plans to ensure that all vacancies are filled without delay.

Land and Tenure Management (Programme 2) provides property management, land tenure administration and valuation services to the Board. The primary focus is the development of functional effective Traditional Councils (TCs) that will be able to utilise land for the benefit of traditional communities living on the Trust land.

The Committee noted that, for 2023/24, two targets have been prioritised; firstly, approval and confirmation of 800 land tenure rights by the Board. It should be noted that this is a process that follows allocation of land by traditional councils. The Committee was concerned that over the last three financial years, the target was never met; secondly, the ITB aims to ensure that eight (8) human settlements are approved. Similarly, there has been underperformance on this target since 2021/22 to date because there was no policy to guide the ITB. In view of the APP priorities and key performance indicators as well as targets, the Committee expressed its concern with regard to the omissions which, in its view, related to the core mandate of the IT. For example, it noted that the ITB dropped performance indicator on updates of the immovable asset register and capacity building of traditional councils.

Other issues were as follows:

- The question on the accountability of the Ingonyama Trust and the Ingonyama Trust Board remains an unresolved issue. At the moment, the ITB took a decision not to plan and report on other funds or revenue generated by the Trust but to account on the funds transferred by the Department. The Committee was concerned that the approach does not allow the Committee to perform its oversight function over the Executive and the Ingonyama Trust. It further hindered the Committee to assess if the Trust funds and affairs were managed in line with the founding legislation and the purpose for which it was established.
- The Committee welcomed the appointment of the Chairperson of the Ingonyama Trust Board. Whilst the Committee expressed concerns over what appears to be contestations about the appointment, the Committee agreed to limit its views to the official position presented before the Committee by the Minister, which is the appointment of Inkosi Mzimela.
- The Committee, in acknowledging that the Board was new and has not had opportunity to meet for the handover, could not engage on critical issues related to the ITB. The Committee highlighted some of the issues that the new Board must address as follows:
  - (i) The status of the Ingonyama Holdings (Pty) Ltd, its governance and accountability. Further, the ITB to consider requesting financial reports of the Ingonyama Holdings;
  - (ii) The budget and expenditure split in terms of 10 per cent for administration and 90 per cent for community development must be attended to by the New Board. This should be transparent for everyone to see if the resources collected are being used for the benefit of the communities on Ingonyama Trust land.
  - (iii) Stability of the Ingonyama Trust and the Ingonyama Trust Board; by ensuring that there is adequate capacity within the Administration to implement all the programmes set out in the APP.
  - (iv) The matter of the litigation in relation to the conversion of PTOs to leases and the court order direction in relation to protection of the rights of the people living on the Ingonyama Trust land as well as

In terms of budget allocation, the ITB and the Ingonyama Trust are respectively funded through grant funding from the DALRRD and revenue collected from its trading (leases, contractual royalties and compensation from servitudes) and investment activities. Transfer payment is mainly used to cover operating costs of the ITB. In terms of the ITB's disbursement policy, 90 per cent of the income earned by the Trust is to be used for the benefit of communities and 10 per cent must be used for the ITB's operating expenses. The Committee noted that budget allocations were not linked to specific programmes, thus impeding oversight and/or assessment on the adequacy of financial capacity to deliver on the set targets. It further noted that the ITB was of the view that funding was inadequate and would be requesting the Executive Authority to consider increasing the budget. However, as will be shown, the Trust has a surplus of R27.6 million in 2023/24 and has not made any allocation to the administration of the ITB.

The income and expenditure of the ITB and the Ingonyama Trust can be summarised as follows:

- The 2023/24 income of the Board is R23.8 million and its estimated expenditure is R23.3 million, resulting in a surplus of R695 191. Key drivers of expenditure is salaries (R13.8 million or 59.7 per cent of the ITB's allocation). The Committee noted that despite a requirement for allocation of 10 per cent of the Ingonyama Trust's total revenue to the ITB, there are no transfers received from the Trust over the medium-term. This is a departure from previous arrangements where R5 million was transferred in 2022/23.
- The income for the Ingonyama Trust is R55 million and R27.4 million of the total income is allocated for expenses, leaving a surplus of R27.6 million.

4.3 Office of the Valuer-General (OVG)

The Office of the Valuer-General (OVG) is a Schedule 3A public entity established in terms of the Property Valuation Act, No.17 of 2014. It is responsible for the valuation of properties identified for land reform purposes or in response to a request from government for valuation services to be rendered for purposes of acquiring or disposing of property. It is also responsible for developing criteria and procedures for the valuation of a property that has been identified for land reform purposes and monitoring the proper, efficient and effective valuation of such properties based on set criteria and procedures.

Under Programme 1 (Administration), the focus is provision of governance services for the optimal operational performance of the OVG. Expenditure under this programme is divided into two sub-programmes, namely, Governance, Risk and Compliance; and Internal Audit. The OVG aims to implement 30 per cent of the corruption and fraud prevention mechanisms in 2023/24, 60 per cent in 2024/25 and 100 per cent by 2025/26. The Committee expressed concerns with regard to the extensive delays in the appointment of the Valuer-General and the Chief Operations Officer.

Programme 2 (Valuations) focuses on determining credible valuations in line with the PVA. The OVG plans to take an average of 50 days to issue a valuation certificate. The Committee commended the OVG for improvement in this area because in 2019/20 it was taking 167 days to issue a valuation certificate, which it reduced to 53 days in 2020/21 and to 34 days in 2021/22. The Committee further emphasised a need to ensure completion of all valuations requested by clients within the specified times; and in light of the previous years' track record, the target is achievable. Nonetheless, there were still concerns in relation to delays in the finalisation of valuations as demonstrated by the third quarter report for the 2022/23 financial year.

Programme 3 (Operations) provides business function services to the entire organisation. It hosts Project Management Office (PMO), Human Capital Services, Strategy and ICT Services; Financial Management Services; and Supply Chain Management.

Key set targets relates to retaining 70 per cent of critical skills in order to improve the challenge of capacity in the valuation; filling 85 funded posts in 2023/24 in line with the interim structure. Given that the OVG managed to fill 64 funded posts in 2021/22 and was expected to fill 70 in 2022/23, the Committee welcomed the initiatives to ensure human resource capacity is being brought into the organisation. The capacity will enable the OVG to ensure that all valuation queries are resolved within ten days. With regard to building a sound institutional capacity, the idea to implement 30 per cent of digital maturity roadmap in 2023/24 was welcome although the OVG's operation under an interim structure remained a concern. Equally important was the still outstanding outcome of the MAP PVA, which was expected to inform the role and mandate of the OVG.

With regards to **Budget Allocation,** the OVG received transfers from the Department (through Programme 3) to cover the cost of land reform valuations that have to be executed in accordance with the service level agreements. The OVG, highlighted that the available funding will limit the number of valuations that can be performed during the budget period. There is also an anticipated risk of mismatch between budget and agreed outputs. Therefore, proper upfront planning and estimation of costs should mitigate the risk of significant under-performance due to insufficient funding to cover the cost of the planned valuations.

The OVG has been allocated R155.3 million in 2023/24, representing a nominal increase of 45 per cent compared to the allocation of R107.1 million in 2022/23. All programmes have received an increase in allocations. Valuations received a significant nominal increase of 86.9 per cent in 2023/24 compared to 2022/23. Goods and Services account for much of the increase in budget allocation. Of the R155.3 million transferred to the OVG in 2023/24, R13.6 million (8.7 per cent) is for the Administration Programme, R80.5 million (51.8 per cent) is for Valuations and R61.2 million (39.4 per cent) is for operations, which means that Valuations and Operations programmes take the bulk of the budget of the OVG in line with its strategic priorities for the year. In terms of economic classification, compensation of employees accounts for an estimated 43 per cent (R190.8 million) of total expenditure over the MTEF period, increasing at an average annual rate of 4.3 per cent, from R58.6 million in 2022/23 to R66.5 million in 2025/26.

4.4 Agricultural Research Council (ARC)

The ARC has been appropriated an amount of R1.19 billion (Table 4) for the 2023/24 financial year through the Department’s Programme 2. The transfer constitutes baseline allocation for operational expenditure and capital expenditure. The Parliamentary Grant (PG) to the ARC remains stagnant and has been declining over the years. The ARC’s total budget for 2023/24 is R1.39 billion comprising of the PG, R249 million external income and R83 million from other income. Personnel costs at 65 per cent of total expenditure, remain the highest cost driver and the entity remains under pressure due to the continuously rising inflation and interest rates. The entity’s operational costs continue to surpass the operational revenue and the ARC plans to address the challenge by enhancing external income and reducing the cost of doing business. Increasing progress in the FMD Facility project will also see an increase in expenditure.

Aggressive marketing and support from the Department (DALRRD) is expected to yield an increase in the generation of external revenue by the ARC. The ARC highlighted its involvement in the development of the Agriculture and Agroprocessing Master Plan (AAMP) including collaborations with the National Agricultural Marketing Council (NAMC) in its implementation. It however, reported that it is not represented in the AAMP's Executive Oversight Committee, Natural Resource Cluster and the Horticulture and Agroprocessing Cluster despite having given inputs during the Master Plan's development and having the capacity to add value in its implementation.

The ARC's drivers for research and innovation in the medium term are:

- **Crop sciences** through increased focus on sustainable food systems for increased resilience and increased focus on scaling up of technologies for impact.
- **Animal sciences** – the key focus is vaccine development, which is centred around the construction of the FMD Vaccine Production Facility to restore the country's capabilities of producing and supplying the much needed FMD vaccine. Some progress has been made in the FMD Vaccine Facility with the design and process development phases of the Project producing remarkable outputs, with doses of the FMD vaccine being made available to the Department for use in the field.
- **Impact and Partnerships** – fostering internal collaborations and external partnerships (national and international) to scale up the ARC's research and development (R&D) outputs.
- **The Fourth Industrial Revolution (4IR)** – the pilot implementation of the Council for Scientific and Industrial Research (CSIR)-ARC-Department of Science and Innovation (DSI)'s Precision Farming; the ARC's mobile application (App) that deploys artificial intelligence (AI)'s computer vision capabilities to allow users to capture pictures for animal disease diagnosis through the App without human intervention; and other Apps that enhance the productivity of smallholder producers such as Maize Information Guide, Rain 4 Africa and Fall Army Worm.
- **Solar Technology for ARC campuses** – a few pilot solar projects have been implemented in the Cape Town and Nelspruit ARC campuses. In 2022, the ARC was granted approval for capital expenditure (Capex) investment for the next 7 years to rollout Solar Technology in the ARC and the project is expected to be concluded in 2029.

Some of the key activities that will be undertaken under the entity's 9 Programmes that are located within its different Business Divisions include:

- Developing new cultivars/varieties with improved desired characteristics, namely high yield, improved quality and improved nutritional quality, resistance/tolerance to biotic and abiotic stresses and adaptation to different environments and growing conditions; considering the needs of producers, processors and consumers.
- Biosecurity – development of risk management and mitigation methods for crop production that includes the plant health research and services, climate mitigation research and services, genetic purity testing and services.
- Post-harvest management and product development for decreased food waste and longer shelf life; and agroprocessing of fruit, vegetables, medicinal plants, herbs, teas into various products.
- Genomic selection and genomic assisted breeding in crop and livestock improvement.
- Provide much-needed analytical services to national, provincial and local government and clients in the food and feed industry through its South African National Accreditation System (SANAS) accredited laboratories. The services include product, chemical, microbiological and physical tests on feed and food samples.

The Committee appreciated the work of the Board including the appointment of the Chief Financial Officer (CFO) but remained concerned with the still vacant executive management positions for Human Capital Management as well as Impact and Partnerships. The prioritisation and reported progress on the construction of the FMD Facility was appreciated as the frequency and ongoing FMD outbreaks is threatening the exports of cloven-hoofed livestock and its products.

4.5 The Onderstepoort Biological Products (OBP)

The OBP does not get a financial transfer from the Department but funds all its operations from self-generated revenue, mostly from sale of vaccines. Challenges with aged equipment breakages meant that the OBP continued to suffer revenue losses as it could not timeously produce some of the required vaccines. The entity's total budget for the 2023/24 financial year is R257.95 million, which is more than the previous financial year's R166 million as OBP is more focused on finalising work on the modernisation of the vaccine manufacturing plant i.e. the Good Manufacturing Practice (GMP) Facility and replacing aged equipment to ensure a steady supply of vaccines. As it has been the case in the previous financial year, a significant proportion of the OBP's budget will go towards production operations and revenue generation with approximately 59 per cent of the budget allocated to Programme 2 (i.e. Continuous Improvement of Business Processes) and 20 per cent to the Financial Stability Programme. The OBP also highlighted collaborative activities with the ARC and universities including discussions with the Department to facilitate the process of manufacturing some of the priority vaccines including the African Horse Sickness (AHS) vaccine through a service provider while work on the GMP Facility continues.

The OBP's main annual targets for the 2023/24 financial year across its four Programmes are as follows:

- Increased revenue from vaccine sales to R280 million (from R205 million target of the prior year).
- Submission of 4 new products dossiers to the Registrar of Act No. 36 of 1947.
- Submission of 8 products dossiers to new potential international markets.
- Improved production efficiency by 83%.
- Implementation of Phase 2 of the ICT Enterprise Architecture Plan
- Achievement of 35% GMP Roadmap and work on GMP Facility as per the plan.
- 85% output of top 20 products.
- Validation by Quality Assurance and approval of the Vector-proof Facility by DALRRD.
- 80% of customer complaints resolved and 80% of top 20 customers retained.
- Establishment of 6 new distribution channels and 10 new distribution points.
- Training of 1 800 farmers.
- Staff turnover maintained at less than 5%.
- 100% implementation of the recommendations from the Culture Survey Report.

To address some of the challenges that have been identified by the Board and through the entity's Risk Analysis, the following new indicators and targets are planned for 2023/24:

- Review and approval of 20 Standard Operating Procedures (SOPs).

- Training 50% of the relevant personnel on approved operations SOPs.
- 50% effectiveness of assessments carried out on approved operations SOPs.
- 60% completion of the Maintenance and Site Infrastructure Upgrade Plan.
- 100% annual review of corporate policies.
- Development and approval of a Leadership Development Programme and a Governance and Ethics Framework.

The interventions that have been introduced by the Board to address the numerous challenges within OBP were acknowledged. However, the slow progress in the finalisation of the modernisation of the vaccine manufacturing plant (GMP project) as well as vaccine shortages remained great concerns.

4.6 The National Agricultural Marketing Council (NAMC)

The NAMC has a total budget of R52.5 million for the 2023/24 financial year. The total amount comprises the Parliamentary Grant of R49.8 million (Table 4) that is transferred through the Department's Programme 5 and the entity's non-tax revenue of R2.8 million (bank interest and project management fees). As the NAMC's core mandate is to provide advisory services including investigations on agricultural marketing policies for the Minister of Agriculture, Land Reform and Rural Development, most of its budget goes to compensation of employees.

For the 2023/24 financial year, 70 per cent of its total budget will be for compensation of employees, 28 percent for goods and services and 2 per cent depreciation. In order to streamline activities and strengthen its legislative mandate, the entity has finalised the review of its organisational structure and working on a Resource Mobilisation Strategy to ensure its financial stability. The NAMC will continue to be involved in the monitoring and evaluation (M&E) of the implementation of the AAMP, whose pillars are aligned with the entity's strategy.

The NAMC's annual targets for the 2023/24 financial year include:

- An unqualified audit report.
- 100% budget expenditure.

- Production of Quarterly Reports on Human Capital, Corporate Communications, ICT, Trade Advisory Briefs, Food Price Monitoring and Farm to Retail Spread; AgriPreneur and Smallholder Market Access Tracker (SMAT);
- Production of an annual Report on the Status of Statutory Measures.
- Production of monthly Reports on Market Intelligence, Grain Supply and Demand, Food Basket Price and Smallholder Market Estimates.
- Linking 80 smallholder farmers to market opportunities.
- Designing 2 production schemes/transformation initiatives.

4.7 Perishable Products Export Control Board (PPECB)

The PPECB does not receive a Parliamentary Grant but generates its own revenue through fees and levies charged for inspections done on perishable products that are due for export and issuance of export certificates. As a result, 99 per cent of its revenue is derived from sale of goods and services and 1 per cent from interest and transfers received. The entity highlighted the considerations and challenges that impact its operations such as the energy crisis, challenges in ports and railways, global trade barriers, data security and the need to invest in technology.

The PPECB's total budget for the 2023/24 financial year is R666.9 million, with an estimated average growth rate of 9 per cent for the medium term. Approximately 62 per cent of the total budget in 2023/24 will be allocated to the Statutory Operations Programme, 17 per cent to Corporate Services, 14 per cent to ICT, while Food Safety and Development Programme will receive 5 per cent and 2 per cent of the total budget, respectively.
Due to the nature of the PPECB's operations, in terms of economic classification, approximately 68 per cent of the total budget is for compensation of employees. As part of its Development Programme, the PPECB will continue to implement its additional strategic projects, which focus on Women in Leadership, People with Disabilities and a digital programme called Intellex (to assist producers with identifying potential export destinations).

The PPECB's 2023/24 annual targets are as follows:

- 80% procurement spent on B-BBEE suppliers.

- 95% information accuracy in First Week of Report.
- 80% organisational customers' satisfaction index.
- 10 manual processes converted to electronic or digitised.
- 99% samples inspected on a 2% sampling basis.
- 90% of main products inspected on TITAN 2.0®.
- 1 000 activity points on TITAN 2.0®.
- 18 500 laboratory tests performed on samples using accredited methods.
- 1 000 food safety audits conducted.
- 48 students graduating from the Agri-Export Technologist Programme (AETP).
- 250 smallholder farmers trained in Good Agricultural Practice (GAP).
- 60 smallholder farmers certified for exports.
- Identification and training on 12 new required skills.
- 92% of Inspectors and Assessors evaluated as being technically competent.

The Committee welcomed the PPECB's new Board and commended the entity for its clear and well-articulated Annual Plan and the important role that it plays in the export of perishable products from South Africa despite the challenges.

5. Summary of Key Conclusions drawn from the Committee Deliberations on the 2023/24 APPs and MTEF Budget of the Department (DALRRD) and its Entities

The Committee, having deliberated the findings and observations on the 2023/24 APPs and budget allocations of the Department and Entities, drew the following conclusions:

5.1 The Department of Agriculture, Land Reform and Rural Development

5.1.1 In light of the challenges that are faced by the agricultural sector including loadshedding and notwithstanding the country's fiscal constraints, the stagnant growth in the Department's overall budget allocation over the MTEF period and particularly the subsequent budget reduction in the Agricultural Production, Biosecurity and Natural Resources Management (Programme 2) could potentially undermine service delivery in respect of the Department's NDP mandate and MTSF priorities. The establishment of the Task Team to deal with loadshedding and its impact on the sector was appreciated.

5.1.2 As biosecurity remains a sectoral challenge and has also been recognised by the Department as such, the Biosecurity sub-programme in Programme 2 requires a significant budgetary allocation to strengthen control and management measures particularly for the ongoing FMD challenge as well as Avian influenza. Both diseases have a negative impact on the livestock industry's export revenue, sector employment and sustainability.

5.1.3 Lack of specific and measurable plans to capacitate subsistence and smallholder producers to fully participate and benefit from the implementation of the Master Plans i.e. Agriculture and Agroprocessing, Poultry, Sugar and Cannabis Master Plans, which have been cited in the previous and current SONA as central to the development of rural economies through enhanced production capacity, ensuring food security and creating employment.

5.1.4 It has been three years since the Poultry Master Plan was adopted, yet Parliament has not received a comprehensive report on how the Master Plan has increased participation of smallholder poultry producers in particular and boosted local poultry production. The Poultry Master Plan is expected to increase industry jobs and curb dumping and illegal trade, yet, poultry remains one of the country's top imported products.

5.1.5 As South Africa exports mostly raw agricultural products while importing processed products, the finalisation of the Agriculture and Agroprocessing Master Plan (AAMP) is welcomed and is expected to play a central role in the development and promotion of agroprocessing for smallholder producers, not just bringing communal land into production as highlighted in the response to SONA 2023.

5.1.6 The APP was silent on the impact of outdated legislation on sector operations, trade and development including measures to address weaknesses and challenges associated with the implementation of outdated legislation.

5.1.7 The pace of land redistribution is not equally matched by post-settlement support as evidenced by the number of farms/hectares to be acquired and the number of farms to be supported under LDS Programme. In the absence of sufficient post-settlement or land development support, there is a huge risk of failure of land reform beneficiaries as farmers.

5.1.8 Whilst there are no clear targets in the APP about settlement of labour tenant claims, most labour tenants continue to live under extremely precarious conditions with insecure tenure, poor living conditions, and threats on their lives due to, in some cases, a mere fact that they have lodge a claim on the land they reside on.

5.1.9 Lack of clarity in relation to when the crucial policies and legislation are going to be concluded; for example, the Communal Land Tenure Bill, remains a critical challenge. It actually makes Parliament to be in contravention of Section 25(6) of the Constitution, which mandates Parliament to pass a tenure legislation. IPILRA remains weak to grant comprehensive protection of unregistered land tenure rights. Similarly, failure to implement TRANCRAA has further entrenched tenure insecurity in the TRANCRAA areas.

5.2 Public Entities of the Department

Commission (CRLR)

5.2.1 The CRLR is weakened by inadequate capacity to research, negotiate and settle land claims within a reasonable short space of time. Further, the fact that there are no clear turnaround times for research, settlement and finalisation of land claims means that claimants wait for too long for their claims to be settled. Similarly, those that lodged claims in 2014 continue to wait for the finalisation of the old order claims before their claims are attended to.

5.2.2 Whilst there are programmes and plans towards ensuring that the CRLR is an autonomous entity, the slow pace with which the project was moving has resulted in failure to attain the autonomy of the Commission to date. Further, the CRLR continue to operate as a programme of the DALRRD.

5.2.3 Budget allocation for restitution, and the current pace of settlement of land claims, will not enable the CRLR to settle the land claims within five years so that it could start with the new order claims.

ITB

5.2.4 Attempts to separate the ITB from the Ingonyama Trust and the Ingonyama Holdings from the Ingonyama Trust have not assisted to advance accountability and transparency of the entity. Decision to also account on the funds transferred by the Department and not the revenue generated by the Ingonyama Trust does not advance oversight and accountability ideals espoused in the Constitution of the Republic of South Africa.

5.2.5 The matter of the litigation in relation to the conversion of PTO to leases and the court order direction in relation to protection of the rights of the people living on the Ingonyama Trust land is a long standing one has exposed a need for a comprehensive communal land tenure policy and legislation of general application across South Africa.

OVG

5.2.6 The vacancy of Valuer-General and Chief Operations Officers, as senior officials in the OVG, does not help in advancing and deepening the significance and the stature of the OVG. It is vitally important the two senior positions are filled as a matter of urgency.

5.2.7 The review of the PVA, as proposed at the time of the setting up of the MAP-PVA, has not yet started. Yet there continues to be tensions between land redistribution and/or restitution and OVG as valuation outcomes from the OVG are taken for review by the property owners, thus delaying the pace with which government acquires land for land reform purposes. Further, the notion of 'just and equitable' compensation has not been entrenched, hence various rejection of property values in favour of market value.

ARC

5.2.8 The reduction in the Department's overall budget during the MTEF period continues to negatively impact transfers to entities such as the ARC, which plays an essential role in ensuring up to date agricultural research and innovation to address imminent sectoral challenges such as climate change and its associated disasters; as well as impact of global trade competition to the agricultural sector. The continued discussions by the Department and the ARC with the National Treasury in this regard, were welcomed.

5.2.9 The appointment of the CFO was welcomed but other critical vacancies at executive management level such as the positions of the Group Executive (GE) for Human Capital Management and GE for Impact and Partnerships, which have been vacant for the past 3 years, remained a concern.

5.2.10 The progress that is being made on the construction of the FMD Vaccine Production Facility was appreciated but the need to fast-track the Facility was highlighted in light of ongoing FMD outbreaks and frequency of the outbreaks.

OBP

5.2.11 The Committee appreciated the interventions by the Board of the OBP to address some of the entity's numerous challenges including the discussions with the Department to involve the private sector in the production of some vaccines where OBP experiences production challenges. However, slow progress in addressing personnel challenges including the appointment of the CEO and filling of other critical management positions remains a concern as it impacts the entity's capacity to fulfil its mandate.

5.2.12 Fast tracking the replacement of aged equipment particularly the freeze dryer, to ensure uninterrupted and timeous supply of vaccines and fast-tracking the finalisation of the vaccine manufacturing facility (GMP project) to ensure that the OBP is GMP-compliant and able to be a globally competitive supplier and distributor of vaccines and other biological products were flagged for urgent attention.

6. Committee Recommendations

After discussions and deliberations on the 2023/24 Annual Performance Plans (APPs) and Budget of the Department and the Public Entities (Budget Vote 29), 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 29. The Minister should -

Department of Agriculture, Land Reform and Rural Development

6.1 Submit quarterly updates to Parliament on the work of the Task Team that deals with the impact of loadshedding on the agricultural sector.

6.2 During budget discussions with the Minister of Finance, advocate for increased funding for the Biosecurity sub-programme as management of disease outbreaks is costly to the country and the sector, poor biosecurity poses a threat to food safety and a reputational risk to the country's agricultural exports. Additionally, continue to advocate for an increased Parliamentary Grant to the ARC to sustain and enhance its research and innovation capacity.

6.3 Submit to Parliament Implementation Plans and quarterly progress reports on the implementation of the Agriculture and Agroprocessing Master Plan (AAMP), the Poultry and Sugar Master Plans and further develop Action Plans for submission to Parliament with resource allocations for the inclusion and capacity building of subsistence and smallholder producers to fully participate in the implementation of the three Master Plans. The Implementation Plan and budget of the AAMP should be submitted no later than 31 August 2023.

6.4 Submit quarterly updates to Parliament on the Department's Hemp Seed Certification Scheme, the finalisation of the Cannabis Master Plan including roles and responsibilities of other sector departments as well as an Action Plan for the inclusion and capacity building of subsistence and smallholder producers to fully participate in the implementation of the Cannabis Master Plan.

6.5 Ensure the Department develops an Action Plan to review and streamline the Department's existing support programmes and conditional grants into an integrated Producer Support Programme/Scheme that was envisaged when the National Policy on Comprehensive Producer Development Support was developed to avoid duplication and resource wastage. The Action Plan should illustrate the alignment to the Department's new mandate and the Farmer Production Support Units (FPSUs) that are expected to be central to the implementation of the AAMP.

6.6 Submit to Parliament Legislation and Policy Review Programmes with clear time lines and resources for processing and finalisation during the current financial year. In the case of legislation, submit timeframes for planned introduction to Parliament.

6.7 Review criteria for prioritisation of properties to be supported under LDS Programme to include labour tenants, farm dwellers, and beneficiaries of restitution claims. Further, ensure that every farm that is allocated to beneficiaries of land reform receives complementary comprehensive post-settlement support; including but not limited to extension support, capital inputs, production and marketing assistance.

6.8 Submit an addendum that indicates clear APP targets settlement of labour tenant claims and TRANCRA Act areas together with forms of post-settlement and development support that will be provided to the beneficiaries.

Public Entities

6.9 Ensure that the ARC prioritises the filling of the two vacant executive management positions that have been vacant for the past three years.

6.10 Ensure that the ARC fast-tracks the construction of the FMD Vaccine Facility and submit to Parliament a detailed Action Plan with timeframes on the process and planned completion of the FMD Facility.

6.11 Ensure that the OBP fast-tracks the appointment of the CEO and the filling of other critical vacancies to avoid further instability at the entity.

6.12 As the OBP does not receive a Government Grant except for the once-off allocation of R492 million for the GMP Project that it received in 2013, ensure that the OBP submits an Action Plan with timeframes and funding needs for the completion of the GMP Project. Further, it should provide quarterly updates on the repair and procurement of broken equipment particularly the freeze dryer; as well as on availability of vaccines.

6.13 Ensure that the OBP conducts investigations on the modernisation work and procurement processes relating to the GMP Project dating back as far as 2015, and provides quarterly updates on the investigations including other ongoing investigations.

6.14 Submit a comprehensive report on the annual training of cooperatives from 2019/20 to date; and for each year include the cost of training, the training service provider, categories of cooperatives supported, location and commodities; as well as the methods of assessment of the training.

6.15 Ensure that the Department promotes and support organic farming as an alternative to conventional farming to address the challenges emanating from shortages and high prices of fertilisers as a result of the war between Russia and Ukraine; and to also mitigate the impact of climate change. Report to Parliament on the Department’s organic farming initiatives and measures to include specific targets on organic farming on its annual plans.

6.16 Conduct an investigation into the Ingonyama Holdings, including financial state of the company, revenue generated to date, profit and loss, as well as expenditure if any. Further, ensure that the Ingonyama Holdings, as a subsidiary company of the Ingonyama Trust, is accountable to the Ingonyama Trust Board, which administers all the affairs of the Trust.

6.17 Report to the Committee about implementation of the court order on the Council for the Advancement of the South African Constitution (CASAC) matter in relation to specific directives given to the Minister of Agriculture, Land Reform and Rural Development as well as the Ingonyama Trust Board.

6.18 Engage with the Minister of Finance together with the National Treasury to secure ring-fenced funding for the settlement of all land claims backlog in line with the Comprehensive Backlog Reduction Strategy. Further, ensure that there is adequate allocation for the CRLR to achieve full autonomy and to realise the objectives of Project Kuyasa.

The Committee further recommends that, unless otherwise indicated, within three months after the adoption of this report by the National Assembly, the Minister should submit to Parliament, responses to the above recommendations.

Report to be considered.