**NATIONAL ASSEMBLY**

**WRITTEN REPLY**

**QUESTION 2093**

**INTERNAL QUESTION PAPER [No 21-2021 SIXTH PARLIAMENT]
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**2093. Mr N P Masipa (DA) to ask the Minister of Agriculture, Land Reform and Rural Development:**

1. Whether she will provide the relevant details of contracted agents and/or middlemen with regard to a R1,2 billion intervention package; if not, why not; if so, what are the relevant details;

(2) whether she is aware of inflated prices and that middlemen are charging 25% commission on the vouchers; if not, by what date will she institute an audit into the middlemen; if so, what steps has she taken in this regard?  **NW2375E**

**THE MINISTER OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT:**

1. Yes. The Department of Agriculture, Land Reform and Rural Development (DALRRD) had contracted two hundred and fifty-eight (258) suppliers with regards to intervention package through the Presidential Employment Stimulus Initiative (PESI) project. Farmers were also assisted in a form of vouchers up to a maximum of R 50 000.
2. No. DALRRD decided to put benchmark prices on all items that were in the list of agricultural production inputs approved to be part of the support of the beneficiaries. Prices for each item in the list, per particular unit of size, were checked in the form of a quotation from all major existing agro-dealers per Province, around the country. An average price per item was then calculated for each Province. Since the time of the implementation of the project, DALRRD had sourced the services of the services providers and there was an agreement to determine a percentage benchmark of 27% which was going to determine a ceiling price above which these service providers could not charge their mark-up for each item. This was done to prevent middlemen from charging any amount that they want, an advice that had been given to us by the auditors when they were auditing the COVID-19 relief fund for smallholder producers.