**NATIONAL ASSEMBLY**

**WRITTEN REPLY**

**QUESTION 2174**

**INTERNAL QUESTION PAPER [No 21-2023 SIXTH PARLIAMENT]
DATE OF PUBLICATION: 02 JUNE 2023**

**2174. Mr N P Masipa (DA) to ask the Minister of Agriculture, Land Reform and Rural Development:**

(1) With reference to the announcement made by the President of the Republic, Mr M C Ramaphosa, in the State of the Nation Address on 20 June 2019, that the Government allocated R3,9 billion to the Land Bank in the 2019-22 medium-term budget, what (a) amount was disbursed in each financial year to date and (b) amount was allocated for (i) land reform projects and farms, (ii) the commercialisation of black farmers and (iii) small holding farmers in each financial year in the medium-term budget;

(2) what amount has been spent for each designated programme to date for the budget allocation for the 2023-24 financial year;

(3) what performance measures are in place to monitor the (a) implementation and (b) success of each programme that receives a budget allocation;

(4) (a) what number of farmers does her department intend to support on an annual basis with the budget allocations to the Land Bank of South Africa and (b) by what date will the first briefing in this regard be submitted to the President, Mr M C Ramaphosa? **NW2470E**

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

(1) The Land Bank is under the administration of National Treasury and any recapitalization of the Land Bank is the responsibility of National Treasury. The Department of Agriculture, Land Reform and Rural Development (DALRRD) had no plans to provide R3,9 billion to the Land Bank in the 2019-22 financial years.

 (a),(b),(i)-(iii) Falls away . However, it should be noted that in 2020, the Land Bank experienced liquidity challenges and DALRRD has remained supportive of the Bank’s efforts to resume lending activities whilst the process to finalise the debt restructure solution with the Bank’s lenders is still in process. Among the programmes that the DALRRD is implementing is the Blended Finance Scheme, which is a collaboration between the DALRRD and financing institutions where DALRRD contributes the grant and the financing institution approves the loan.

(2) The DALRRD has signed a ten-year agreement with Land Bank and for the period 2022/23 – 2024/25, DALRRD and the Land Bank have collectively committed R1,95 billion of blended funds to support smallholder, medium and larger commercial black producers. The blended finance scheme was launched in October 2022 and statistics below are from inception to date and for the 2023/2024 financial year.

Inception to date

|  |
| --- |
| **November 2022 to date** |
| **Total Client Approvals** | **Total Approvals****(Loan + Grant)** | **Total Disbursements****(Loan + Grant)** | **Total Loan Commitments** | **Total Grant****(Blending + Insurance)** |
| 47 | R352 113 806 | R31 648 890 | R165 279 924 | R186 833 882 |

2024 Financial Year

|  |
| --- |
| **April 2023 to date** |
| **Total Client Approvals** | **Total Approvals****(Loan + Grant)** | **Total Disbursements** | **Total Loan Commitments** | **Total Grant****(Blending + Insurance)** |
| 17 | R96 686 340 | R24 751 528 | R43 571 030 | R53 115 310 |

(3)(a),(b) The performance measures in place include the following:

* 50% Female, 40% youth and 6% people with disabilities supported i.e. owners of enterprises supported;
* jobs created;
* hectares supported or capacity of production supported; and
* reach per province.

(4) (a) The programme is demand driven and the caps are already set per category of farmer; the following estimations are made:

* If all beneficiaries are smallholder producers with a grant cap of R15 million per transaction, the Land Bank can support a minimum of 22 transactions per annum. However, because the programme is demand driven, at the end of 2022/23, the Land Bank recorded a total of 30 producers supported.
* If all beneficiaries supported are medium scale producers with a grant cap of R30 million per transaction, the Land Bank can support a minimum of 11 transactions per annum. However, because the programme is demand driven, at the end of 2022/23 Land Bank recorded a total of 30 producers supported.
* If all beneficiaries supported are large scale commercial farmers, with a grant cap of R40 million or R50 million, depending if the support is an acquisition or production expansion, the Land Bank can support a total of 9 transactions. However, because the programme is demand driven, at the end of 2022/23, the Land Bank recorded a total of 30 producers supported.

 (b) The Minister of DALRRD has a performance agreement with the President. Progress on performance is submitted periodically not only on the Blended Finance Scheme but other programmes as well. No date is set to brief the President.