

MINISTER

AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT REPUBLIC OF SOUTH AFRICA

**NATIONAL ASSEMBLY**

**WRITTEN REPLY**

**QUESTION 245 / NW1204E**

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

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

**QUESTION:**

(1) (a) Why was her department’s blended finance programme suspended, (b) what number of applications were funded through the programme since its inception, (c) what was the average Rand value of grant support and loan provided to each client and (d) what was the average turnaround time from application to the disbursement of any loans and/or grants;

(2) whether she has found that the suspension of her department’s blended finance programme has had a negative impact on the commercialisation of black emerging farmers and producers; if not, what is the position in this regard; if so, what are the relevant details;

(3) (a) why could the review process not be conducted while continuing with the programme, (b) on what date did the review process start, (c) how long is it anticipated to take to finalise it and (d) when would the farmers start submitting applications going forward;

(4) what are the full relevant details of the committee and/or panel constituted to perform the review? **NW1204E**

**REPLY:**

**1.(a) Why was her department’s blended finance programme suspended?**

The Department noticed the need to address certain gaps that were identified during the implementation of the programme, hence the temporary suspension.

**(b) What number of applications were funded through the programme since its inception:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Approval Date** | **Producer name** | **Approved BF amount by Funding Forum** | **Amount drawn** | **Undrawn amount** |
| 20/02/2019 | Tete Somahasti Trading Enterprise CC | R 7 000 000.00 | R7 000 000.00 | R                           - |
| 20/02/2019 | FH Benade | R  4 000 000.00 | R4 000 000.00 | R                           - |
| 20/02/2019 | Ditaung Agricultural Cooperative | R   35 500 000.00 |  | R  35 500 000.00 |
| 20/02/2019 | Mway Trading Enterprise | R   12 057 500.00 |  | R   12 057 500.00 |
| 20/02/2019 | ADK Poultry | R   4 710 310.00 | R  2 358 202.05 | R  2 352 107.95 |
| 20/02/2019 | Moatswi Trust | R   2 713 933.00 | R   209 360.75 | R  2 504 572.25 |
| 01/03/2019 | Sign Farming | R    22 750 000.00 |  | R    22 750 000.00 |
|  |  | **R    88 731 743.00** | **R  13 567 562.80** | **R    75 164 180.20** |

**NB: Those highlighted have been paid.**

**(c) What was the average Rand value of grant support and loan provided to each client and?**

**For these 4 transactions the:**

Average project value – R10.054 mil

Average grant value – R4.606 mil

Average loan value - R5.449 mil

**(d) What was the average turnaround time from application to the disbursement of any loans and/or grants;**

Average turnaround time is 9 weeks

**2. Whether she has found that the suspension of her department’s blended finance programme has had a negative impact on the commercialization of black emerging farmers and producers; if not, what is the position in this regard; if so, what are the relevant details?**

The aspirant beneficiaries of the programme are farmers/producers that are currently farming and could not have stopped their operations as the funding model’s intention is to support expansion of their operations towards commercialization, so the suspension would not adversely affect them negatively.

**3.(a) Why could the review process not be conducted while continuing with the programme?**

The review could not be conducted while continuing with the programme because there were policy and approval processes gaps that would have negatively affected further implementation should the programme had proceeded in its current form. In addition to that, the Department did not want to continue processing applications through a system that has gaps.

**(b) On what date did the review process start?**

The first meeting of the Task Team to review the funding model took place on 11 December 2018.

**(c) How long is it anticipated to take to finalize it and?**

The Task Team completed the assessment of gaps and the proposed revised model at the end of May 2019. However due to the merging of DAFF and DRDLR, the then DAFF’s Task Team work was extended to include members of the DRDLR to integrate the two processes and develop the policy and proposed funding model. The due date for the finalization of this task team work has been extended to the end of July 2019 and present to the Minister and thereafter Cabinet.

**(d) When would the farmers start submitting applications going forward;**

Once the Cabinet has approved the policy that guides this funding model. The revised model will specify clearly the date when the farmers may start sending applications through.

**4. What are the full relevant details of the committee and/or panel constituted to perform the review?**

4.1. Chief Director: Policy Development and Planning: Ms. B. Bopape - Chairperson

4.2. Chief Director: Cooperatives and Rural Enterprises: Ms Kwena Komape

4.3. CASP-Coordinator: Ms. E Mtshiza

4.4. Chief Director Development Finance: Mr N. Ramashia

4.5. Chief Director: Food Security: Dr J. Moeng

4.6. Director Plant Production: Mr T. Ramashala

4.7. Director: Programme Development Support: Ms R. Joemat

4.8. Director Small Scale Forestry: Mr T. Mathiane

4.9. Scientist Manager Animal Production: Dr N.B. Nengovhela

4.10. Director: Agro-processing: Mr. Victor Thindisa

4.11. Chief Director: Forestry Development and Regulations: Ms P. Nkhwashu.

4.12. Chief Director: Plant Production and Health: Dr. J. Japhta

4.13. Chief Director: Forestry Operations: Ms. M. Leseke

4.14. Chief Director: Financial Management: Ms Z. Lufele

4.15. Chief Director: National Extension Support Services: Mr B. Msomi

4.16. Chief Director Sector Capacity Development: Ms L. Botsheleng

4.17Chief Director Aquaculture and Economic Development: Mr B. Semoli

Secretariat – Deputy Director Development Finance – Ms. Vivian Pila.