Delivery Agreement for Outcomes 7 and 10

"A collective commitment by participants of the Delivery Forum"
DELIVERY AGREEMENT FOR OUTCOMES 7 AND 10

"A collective commitment by participants of the Delivery Forum"

The Minister of Agriculture, Forestry and Fisheries, Ms Tina Joemat-Pettersson, MP, has signed a Performance Agreement with the President for the period 2010 to 2014. The Performance Agreement relates to the 12 Key Outcomes identified by government as a priority for this term of office, and Outcomes are highlighted as the primary responsibility of the Minister of Agriculture, Forestry and Fisheries.
Outcome 7 is a commitment to establish “Vibrant, equitable and sustainable rural communities, with food security for all.”

The associated outputs are:

- Sustainable agrarian reform
- Improved access to affordable and diverse food
- Improved rural services to support livelihoods
- Rural job creation, skills training and promoting economic livelihoods.

Outcome 10 “Environmental Assets and Natural Resources that are valued, protected and continually enhanced”

The associated outputs are:

- Reduced greenhouse gas emissions, climate change
- Sustainable environmental management
- Protected biodiversity
A Delivery Agreement for Outcome 7 has been prepared by the Department of Rural Development and Land Reform and for Outcome 10 by the Department of Environmental Affairs. This was distributed at the first meeting of the Delivery Forum. In support of this, the Minister of Agriculture, Forestry and Fisheries has established a Delivery Forum for Agriculture, Forestry and Fisheries, which will focus on the specific relevant outputs under Outcomes 7 and 10.

The Delivery Forum for Agriculture, Forestry and Fisheries is led by the Department and includes all stakeholders and interested parties involved in these sectors. This includes other government departments and spheres of government, statutory bodies, agricultural and trade unions, and commodity and producer organisations. The purpose of this Forum is to invite participation in the activities which will contribute to achieving the identified Outputs.

Parties to the Forum are invited to indicate below their commitment to achieving the identified outputs, to indicate what they will contribute, and when. These documents will be used to ensure a collective accountability for the achievement of the identified outputs.
Targets and measures are identified for each of the above outputs, as follows:

<table>
<thead>
<tr>
<th>OUTCOME</th>
<th>OUTPUT</th>
<th>CONTRIBUTION</th>
<th>2014 TARGETS</th>
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</table>
| Outcome 7 | Output 1 | • Exploiting the opportunities of 3 million hectares of under-utilised land in former homelands  
• Focus on districts with concentrations of black farmers and/or land reform beneficiaries (7 out of 46 districts)  
• Special focus on Vhembe (Limpopo); Umkhanyakude (KZN); Alfred Nzo (EC) and OR Tambo (EC) | • Employment on commercial farms should increase from 780 000 to 800 000  
• Number of smallholder farmers increased from 200 000 to 250 000  
• Use of water for irrigation reduced from 85% to 75% |
|         | Output 2 | • Households producing part of their own food  
• Local storage, preservation and processing of food  
• Food prices stable and affordable  
• Policy and systems integrating support for food security for early warning information | • 80 000  
• 11 |
|         | Output 3 | • Developing appropriate service models for rural services | • Improved support mechanisms for food production at subsistence and smallholder levels  
• Increased production through extension services and appropriate technologies  
• Provision of production support packages, inputs, mechanisation and markets facilitation in identified areas within specific district municipalities |
Output 4
Rural job creation, skills training and promoting economic livelihoods

- Build a dynamic agricultural sector
- Unemployment in poverty nodes falls from 73.4% to 60%
- 2 million EPWP and CWP jobs including fire, forestry, fisheries, landcare, fencing projects
- Proportion of smallholder farmers producing for sale increases from 4% to 10%

Targets and measures are identified for each of the above outputs, as follows:

<table>
<thead>
<tr>
<th>OUTCOME</th>
<th>OUTPUT</th>
<th>CONTRIBUTION</th>
<th>2014 TARGETS</th>
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</thead>
<tbody>
<tr>
<td>Outcome 10</td>
<td>Output 2</td>
<td>Reduced greenhouse gas emissions, climate change and improved atmospheric quality</td>
<td>Identify climate change and adaptation framework</td>
</tr>
<tr>
<td>Environmental Assets and Natural Resources that are valued, protected and continually enhanced</td>
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<tr>
<td>Output 3</td>
<td>Sustainable environmental management</td>
<td>Rehabilitation and restore degraded ecosystems</td>
<td>Percentage of land affected by soil degradation to decrease from 70% to 55%.</td>
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<tr>
<td></td>
<td></td>
<td>Deforest and improve forest management</td>
<td>Net deforestation to be maintained at below 5% till 2020.</td>
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<td></td>
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<td>Protection of indigenous forests transferred to conservation/ relevant agencies by 2014.</td>
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<tr>
<td>Output 4</td>
<td>Protected bio-diversity</td>
<td>Support healthy, well-functioning ecosystems and species populations</td>
<td>Percentage of coastline prohibiting fishing/harvesting/extraction maintained at 9%.</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Percentage of off-shore EEZ in which fishing harvesting/extraction</td>
</tr>
<tr>
<td>Organisation:</td>
<td>South African Veterinary Council</td>
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<tr>
<td>Name of Representative:</td>
<td>Dr. R. Moerane</td>
<td></td>
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<tr>
<td>Contact details:</td>
<td>012-5298464 or 0833047859</td>
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<tr>
<td>Email:</td>
<td><a href="mailto:rebone.moerane@up.ac.za">rebone.moerane@up.ac.za</a></td>
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</table>

**Contribution (specify what, when and where):**

1. Promoting access to services (Veterinary) throughout the County — Immediate — through identifying relevant stakeholders & authorisation for services.

2. Manned by training of required expertise & facilitation training of farmers throughout the County. Mobilising private practices to partner State on...
Providing services at local level and advice minister on relevant veterinary production matters.

Signature: [Signature]
President: SAVC

Date: 04 June 2012

More information to be tabled within 2 weeks.
Presentation Outline

- Introduction
- Linkages with stakeholders
- Classification of industries
- Suggested Forum institutional arrangements
- Outputs for the Service Delivery Forum
INTRODUCTION

- In pursuance to improve the government service delivery, the outcomes strategic approach was adopted and implemented by the Parliament.
- One of the measurements for monitoring this strategic process was that all Ministers should enter into a Performance Agreement with the President (A copy has been circulated)
- In search for a more accountable, integrated and focused approach in delivering the agreed outputs, the Minister has initiated a Forum that includes all stakeholders who have interest in strategic areas.
- The previous meeting, which was seen as a launch, allowed the stakeholders to brainstorm the idea and come up with suggestions on how this Forum should move forward in a productive way.
- Today’s meeting is intended to conclude on the standard agenda, endorsement or improvement of the Minister’s Agreement and information sharing and updates.
Linkages with stakeholders

- Integrated Growth and Development Plan (IGDP) is the available document that has a common agenda with the stakeholders of the Department of Agriculture, Forestry and Fisheries (DAFF)
- This document has been presented to the Economic and Social Clusters and comments from these Clusters have been included in the document.
- The key inspirational areas coming from the document are as follows:
  - Irrigation
  - Climate change
  - Export and Import issues
  - Empowerment of smallholder farmers and rural communities
  - Role of workforce in different industries
  - Investment opportunities
  - Contribution to environment and tourism
  - International compliance issues
Classification of Industries

- The Industry classification acknowledge the following industries:
  - Crop Industry (Grain, Deciduous, Vegetable, Flowers, Citrus, Exotics, etc)
  - Livestock industry
  - Food industry (Agro-processors, manufactures)
  - Fishery industry
  - Forestry industry
  - Services industry

- The Forum is expected to have committees that to guide the Forum on policy advocacy, assessment and impact analysis.
- The major output for discussion is how these industries can contribute towards employment opportunities and strategies thereof.
- The discussion on how the industries could contribute towards increasing the number of small-commercial farmers is equally important.
Suggested Forum Institutional arrangement

- Funding model
- Commodity Strategy
- Support Service Plan
- Investment plan
- District Commodity groupings
- District Municipality Industry committees
- Provincial Industry Committees
- National Industry committees
- Delivery forum
- DAFF National Branches
- DAFF Commodity and Provincial
Outputs for the Service Delivery Forum

- Agreed funding model
- Commitment on commodity strategies
- Allocation of responsibilities at provincial level
- Human and Resources Development plan for the industries
- Implementation of the IGDP
- Monitoring and Evaluation of Ministerial Performance Agreement
DELIBERATION FORUM MEETING NOTES
ST. GEORGE HOTEL: 16 MARCH 2012
Chairperson: Mr Sipho Ntombela

Attendees:

1. DAFF Minister: Ms Tina Joemat-Pettersson
2. DAFF Deputy Minister: Dr Pieter Mulder
3. Representatives of the Parliamentary Portfolio Committee on Agriculture
4. Provincial Members of Executive Committees (MECs)
5. DAFF Director-General: Mr Langa Zita
6. Provincial Heads of Departments of Agriculture
7. DAFF and PDA Senior Management
8. Outcome 7 Facilitator: Dr Tsakani Ngomane
9. CEOs of State-Owned Entities
10. Representatives of Commodity Associations
11. Representatives of Producer Organisations
12. Private Sector
13. Organised Agriculture
14. Agricultural Unions
15. Media

A comprehensive list of all attendees is available through the Directorate: Communication Services.
OVERVIEW

The Department of Agriculture, Forestry and Fisheries (DAFF) held a Delivery Forum Launch Meeting on 16 March 2012, to bring together the sector stakeholders to discuss and agree on how each stakeholder will actively participate in the achievement of the Outcomes 4, 7 and 10, which forms the basis of the Minister’s Performance Agreement. The Presidency has set the platform with regard to the Outcomes of Government in terms of the establishment of the Delivery Forums and it is DAFF’s intention to meet its mandate to achieve the Outcomes relevant to the sector through including all stakeholders in this collective achievement. The Minister and Deputy Minister sought unity within the sector in order to improve DAFF’s efforts on the delivery of the relevant Outcomes. The Department, which was supported by the Presidency, explained the purpose of the Outcomes and the institutional mechanisms for implementation as well as the Minister’s Performance Agreement and the progress made to date in achieving the Outcomes. All sector stakeholders were given a fair opportunity to comment, raise concerns and propose solutions to issues affecting the sector.
OPENING AND WELCOME REMARKS BY THE DEPUTY
MINISTER – DR P MULDER

In his opening remarks the Deputy Minister welcomed all attendees and stated that the intention of the Delivery Forum was to bring the private and public sector, and civil society together. The aim was to share with the sector on how best the collective could articulate the Outcomes relevant to DAFF and participate in achieving these desired Outcomes, namely Outcomes 4, 7 and 10.

Among other issues, the Deputy Minister highlighted the following for discussion in the Delivery Forum meeting:

- Clarification of roles and responsibilities of all stakeholders.
- Government’s role to create an enabling environment for enhanced delivery of services.
- The private sector’s desired role of creation of job opportunities.
- Transparent participation by all stakeholders.
- Leadership of government and organised agriculture.

KEYNOTE ADDRESS BY THE MINISTER: MS TINA
JOEMAT-PETTERSSON

The Minister remarked that policy debates within the sector are ongoing and that several issues remain unresolved and are therefore pending. Some of the unresolved issues that require collective deliberations are:

- How we implement different policies and decisions.
- Land reform.
Landownership.

The Minister further commented that through the Delivery Forum, the views of all role-players will be welcomed in implementing best outcomes and policies and that the Forum will seek to form and cement lasting partnerships. She further stated that the Forum should send a message of unity to the sector and serve as a foundation for negotiations and consensus within the sector. The Minister remarked that there can never be a deadlock that cannot be resolved within the sector.

Further issues the Minister touched on include:

- The desired focus of the sector on tangible projects in order to show tangible results and ensure sustainable investment in jobs.
- The misconstrued perception of the sector’s decline – the sector has actually shown an increase in job creation in the last financial year, especially in the 3rd quarter of 2011.
- Creation of jobs resulting from sustainable investment in the sector.
- The signing of Delivery Agreements with all sector stakeholders at the next Delivery Forum meeting.
- The strategic overview of sector interventions has to be evaluated by the Delivery Forum on a quarterly basis.
- The need to prioritise sector projects for delivery in each financial year.
- The need to recognise the favourable conditions for agriculture for all levels of farmers.
- Definition of smallholder farmers/producers needed.

The Minister stipulated key sector priorities for the current term. These include:

- **Infrastructure**: Presidential Infrastructure Coordinating Committee (PICC).
- **Irrigation Schemes & Railways**: Resuscitation and revitalisation of irrigation schemes in former homelands and the revival of railway lines.
• **Water:** Water was identified as a key natural resource needed to improve agriculture.

• **Markets:** Markets are critical for the growth of this sector. ARC and NAMC have to provide support to the sector. Trade balance with the East favours South Africa.

• **Commodity Intervention:**
  - Commodity per municipality.
  - DAFF has a vested interest in maize.
  - Need to challenge retailers and stakeholders to negotiate the price of maize. (Meeting took place on 26 March 2012).
  - Encourage the retail sector to increase the procurement of maize from SA producers.
  - Maize sector is important for food security.
  - Government intends to procure 20 000 hectares of maize farms for small-holder farmers (Umtata area). Sign contracts with commercial farmers to support small-scale farmers. These contracts should also form a tool for monitoring purposes.

• **Integration:**
  - Weak implementation capacity cannot be used as an excuse for non-delivery of services.
  - The best doers to assist the Department and should be invited to the next Delivery Forum meeting.
  - The best doers will assist the Department, especially through R&D.

• **Investing in R&D:**
  - Investment in R&D through ARC, OBP is still not enough.
  - Department of Science and Technology to be involved in R&D.
  - Investment in agricultural colleges.

• **Zero Hunger Programme:** Smallholder farmers should have access to markets as well as reasonable funding. Response of government to Fisheries should be part of the Zero Hunger Programme.

• **Access to finance:** Reasonable funding for small-scale Fisheries has become important.
• **Rural Safety:** This issue is not effectively managed yet.
  o Border fences to protect borders, animals and farmers.
  o New fund for border fences and safety on farms.
  o Curb the spread of diseases (fencing project).

• **Project management approach:** Pilot Integration.

• **Skills:**
  o There is a challenge of a shortage of technical skills.
  o This Forum seeks to bring the best technical skills together in the sector.
  o Misplaced skills in the system are being evaluated.
  o Focus on veterinary services will not be underestimated.

• **Coordinated plans:** New Growth Path, IPAP 2, National Development Plan, IGDP and sector Strategic Plans should talk to each other in ensuring service delivery. The Delivery Forum should show what is good enough to be implemented.

• **Spending:**
  o There is a challenge of underspending, which is a serious challenge and is worse than overspending.
  o Fiscal dumping tends to take place in the last quarter of the financial year.

The Delivery Forum should not be used to protect turf, but rather to work together as partners who will sign Performance Agreements and deliver on them.

**PRESENTATION BY DR TSAKANI NGOMANE**
(PRESIDENCY)

Presentation: Overview of the Outcomes and Institutional Mechanisms for Implementation: Agriculture and Rural Development
The objective of this presentation was to clarify the function of the Performance Monitoring & Evaluation Unit in the Presidency, to give a background on the Outcomes and highlight progress made in achieving the Outcomes. She further highlighted the importance of having an integrated Implementation Forum. The presentation is available through the Directorate: Communication Services.

PERFORMANCE AGREEMENT AND PROGRESS REPORT
BY THE DIRECTOR-GENERAL: MR LANGA ZITA

Presentation: DAFF Delivery Forum Meeting (16 March 2012)

The Director-General made a presentation of DAFF performance for the first three quarters of the 2011/12 financial year.

The presentation highlighted the following:
- Performance Agreement.
- Progress made with regard to the outcomes.
- Employment trends.
- Constraints.

The presentation is available through the Directorate: Communication Services.

COMMENTS, QUESTIONS AND RESPONSES
Tobacco Institute of South Africa

- Partnerships and value chain challenges.
- Non-consultation by government on the agenda of tobacco (Dept. of Health)
- Suggestions: Full engagement of government with the tobacco industry with DAFF playing a key role.

Response:

- Refuse to take health approach. Useful to have a work programme around tobacco, tighter relationship (DG)

Fresh Produce Exporters Forum

- Tariffs on exports are too high.
- Question: With the focus on new markets, will there be any assistance provided for existing markets?

Response:

- New markets in the East and Latin America should not be seen as DAFF ignoring historical relationships. Dismiss that impression. Efficacy on relationships could be addressed.

Agri SA

- Is there a shift from technical services to social services and social objectives, resulting in a loss of focus on the technical side? Overview DG made on employment creation: No reference to investment and increasing profitability.
- Technical side: Losses in terms of research, new technical innovations and development, extension services, e.g. extension used to have short technical courses – this is no longer the case.

Response:
• 10 agreements have been signed with the ARC. (No loss in research).
• In the process of finalizing the agro-processing strategy.
• Global best practices on institutional support to farmers. Evaluating capacity and determining to what extent DAFF can improve its support to farmers.
• Zero Hunger Programme, not focused on social services. Aim is to promote smallholder farming.
• Challenge: Extension Suite Online: Attempt to upgrade technical skills, use ICT systems to improve service delivery.
• Have-walk-in rights in the sector. Open-door policy to discuss issues.

National Wool Growers Association
• Support commodity association approach. Consider partnership agreements in line with the MTSF.
• Question: What is the role of PDAs in this process? Are they currently only working with DAFF?

Independent Development Trust
• Need clarity on the traffic light system used in reports.
• Presidential interventions: How does it relate to the work of the Ministry, how does it relate to the Outcomes?
• Implementation clusters: Pay attention to cross-cutting issues influencing the successful implementation of Outputs.
• Comment on the way forward:
  o How do we reverse job losses? Spatial specific reasons for job losses?
  o FDI into the sector, broader look: Bring resources into the sector. Silence on rural women and youth in the presentation.

Response:
• Traffic Light Reports: Good response at Cabinet level. Intention is to focus on blockages. Identify corrective measures the stakeholders can take. Policy interventions.
• Presidential interventions: Site visits provide opportunity for Government system to focus on issues in an area and to respond to them. Better stakeholder involvement.
• Outcomes and Outputs: Outcomes (Impacts – Long term responses); Outputs (Drivers that will enable the achievement of outcomes).

Horticulture Growers
• The industry is experiencing droughts and floods and this hits the smaller growers harder. Propose the need to have partnerships to deal with the current unresolved problems in the industry.

SA Sugar Association
• The Association supports the development of commodity approaches. The commodities should also be given an opportunity to respond to the Outcomes, they would like the report by the DG to reflect a joint effort (industry and DAFF).

AFASA
• AFASA challenges: In rural areas there is too much money for agro-processing and exporting, whereas there is a shortage or little for primary production.
• Requests:
  o Resourcing of commodity association in order for them to fulfil their mandate.
  o Seasonal funding.

Questions:
  o Are we trying to create a dependency society?
  o Food security: How do we know when we have achieved food security?
Competency: Government programmes are not addressing issues speedily enough. Suggest the creation of a steering committee that can deal with competency and skills, comprised of those who are directly affected.

**Grain SA**

Results would look better if DAFF used information from the private sector. Grain SA offers its services, can add the private sector results. Take joint responsibility for public and private sector partnerships. Benchmarking is crucial.

Response:

- **Acknowledgement of recommendations is welcomed.** In December 2010, DAFF approached producer organisations and commodity associations for information relating to job creation, but it was not effective. Going forward DAFF welcomes the recommendation of sharing information with producer organisations and commodity associations.

**General Reponses:**

- **Minister’s Comments:**
  - Food security for all: Subsistence/smallholder/commercial farmers.
  - Road to rail transport: Government to assist commercial farmers to do business better.
  - What impacts on attracting investment into the sector? Delivery Forum should assist in this regard.
  - Without the resolution of land reform – agricultural production cannot be optimized. Land reform also impacts heavily on commercial agriculture.
  - Zero Hunger is not a social intervention, but an intervention to ensure that land reform projects succeed. It also provides access to markets.
  - Implementation of R&D budget: Department of Science and Technology has a ring-fenced dedicated budget.
  - R1bn available for agro-processing with IDC per annum.
R1bn ring-fenced for agricultural infrastructure.
- Getting smallholder producers into agro-processing is a challenge.
- Noted that rural Black women are to a large extent food insecure.
- Black Business Chamber: Organising the black businesses in agriculture, bringing them into value chain.
- Technical Implementation Forum will have to report quarterly to the Delivery Forum.
- Agreement: Do not work in silos. Need to break the silo approach. Sector needs to work together to ensure the success.
- Roles and responsibilities of the various delivery partners to be clearly defined.
- Revisions to the Delivery Agreement will be linked to the budget process. Reallocation of funds after consultation.
- Ensure sustainable agrarian reform (Cross-cutting institutional support).
- 40% of the population does not have access to affordable and diverse food. Food security assurance – get people to produce food for themselves. Family farms are an economic tool for people not having access to affordable food.
- Expanding market access for especially smallholder producers.
- Need to report on a continuous basis.
- Solutions may involve sacrifices, e.g. Greenhouse gases, mitigation and adaptation strategies, etc.

Panel Closing Remarks

Presidency

- Propose a process for the finalisation/review the Delivery Agreement; to be finalised by the end of March. Request more time for inclusive sector revision of the Delivery Agreement. Observed the issue of benchmarking. Performance
cannot be measured without baseline information. Need for a comprehensive database.

- How do we know when food security has been achieved?

- There are norms and standards for measuring food security. Acknowledge that there are high levels of food insecurity in South Africa; the Delivery agreement should address this issue.

- National Development Plan provides insights into future scenario's.

**Director-General: Themes going forward**

- Work closely with the Tobacco Institute of South Africa.
- Need for commodity forums – research remains a major challenge.
- Rebuild the old extension methods regarding the transfer of especially technical skills.
- Programme for infrastructure development that will benefit everyone in the sector.
- Household food security: Zero Hunger Programme. There is the issue of having national food security, but people are still going hungry. The country is exporting maize, but people are still food insecure. (Surplus maize)
- Sugar industry: Commodity groups must commit themselves on what contribution will be made towards the Minister's Performance Agreement.
- Recommendation: Trusts at local level (AFASA).
- Recommendation: Improve support systems for seasonal workers.
- Recommendation: CASP must create framework for institutional participation by smallholder producers.
• Input costs: Targeted negotiations with stakeholders. For example, agro-logistics – PICC.

Minister’s Closing Comments and Way Forward

• Minutes to be tabled at an Oversight meeting.
• Work with organised agriculture to report and meet quarterly.
• Acknowledgement of weaknesses and challenges.
• Implementation Forum to be established, which meets monthly. It will comprise of the following two committees:
  o Technical Committee (or Steering Committee): To be chaired by the Director-General and includes HODs, which meets monthly.
  o Monitoring Committee: To be chaired by the Minister and includes MECs, which meets monthly.
• The Implementation Forum will report to the Delivery Forum on a quarterly basis.
• One of the main objectives is to bring commercial farmers together with smallholder producers.
• Developmental society – move away from dependence society.
• Regulatory frameworks (tobacco, commodity groups). Commodity forums to discuss bottlenecks.
• Economic Development Department and the DTI have a considerable budget for agriculture. IDC and the Land Bank as well.
• Climate change: Need for unity in the sector. Need to use our resources differently. Reduce dependency on electricity.
• Next meeting needs to include: Banks, Universities, Retailers, NGOs.
• Minister’s Performance Agreement: Addressing unemployment, inequality and poverty.
• Next Delivery Forum meeting will be within a quarter.
• Dates for the rest of the year will be sent to all participants.
DRAFT

TERMS OF REFERENCE

FOR THE DELIVERY FORUM

February 2012
1. **Background**

1.1 Delivery forum is established by the Department of Agriculture Forestry and Fisheries (DAFF) together with sector stakeholders with a view of creating a platform for monitoring the performance of the Minister of DAFF that has been signed with the President.

1.2 The agreement signed with the President includes outcome 4, 7 and 10 which are part of 12 outcomes adopted by the government as means of improving the performance of various. DAFF has a co-leadership in outcome 7 with Department of Rural Land Reform and is expected to contribute towards the implementation of Outcome 9 and 10.

1.3 The Minister noted that the delivery on the outcomes cannot be fully functional if the sector stakeholders including NGOs are not included as the impact areas for the outcomes form part of the outreach areas for sector stakeholders.

1.4 The coordination and integration of activities are also seen as critical challenges for the service delivery and the inclusion of sector stakeholders will contribute in improving service delivery.

1.5 The forum will therefore be seen as and important component for undertaking monitoring at executive level and also an opportunity for discussing governance issues in relation to macro economic policy issues of the sector.
2. **Purpose and scope of the Delivery Forum**

2.1 The delivery forum will create an environment to promote integrated approach in monitoring the performance of the Minister and opportunity for the sector stakeholders to contribute towards the refinement of government delivery services.

2.2 The delivery forum will monitor the performance of governance and also measure the contribution by the sector towards achieving the objectives of the outcomes.

2.3 The delivery forum will ensure that the institutional structure that will be responsible for quality assurance of all the report submitted to the forum.

3 **Objectives**

The objectives of the delivery forum are:

3.1 To meet and discuss and agree on the outputs and outcomes that should be included in the Minister delivery agreement.

3.2 To ensure that the outputs and aligned with the objectives of Integrated Growth Development Plan that has been developed together with industries.

3.3 To guide the process of project designs and agree on implementation approach for the delivery agreement.

3.4 To undertake the assessment of the outputs of the outcomes as part of assisting the Minister in ensuring good governance

4 **The delivery forum will adopt the following values**

4.1 Transparency
4.2 Commitment

4.3 Trust

4.4 Sustainability

5 **Roles and responsibilities**

5.1 The Minister will chair the delivery forum

5.2 The Department of Agriculture, Forestry and Fisheries will organise a meeting and provide secretariat

5.3 The Director-General of DAFF will facilitate the follow-ups of the decisions and actions agreed on the forum

5.4 The CEOs of the industry will report back to their constituencies

5.5 The stakeholders would provide specialised services when needed

6. **Constitution of the Delivery Forum**

The Delivery Forum will consist of the following permanent members:

6.1 The Minister of Agriculture, Forestry and Fisheries (Chairperson).

6.2 MECs of Agriculture.

6.3 Director-General of DAFF.

6.4 HoDs of Agriculture.

6.5 Organised Agriculture

6.6 Organised Labour

7. **Frequency of the meeting**

7.1 The delivery forum will meet on a quarterly basis

7.2 The scheduling of the meeting will be planned and agreed by the forum
DAFF
2011/12 QUARTER 4 ORGANISATIONAL PERFORMANCE REPORT HIGHLIGHTS PRESENTATION

DIRECTOR – GENERAL
Mr Langa Zita
04 JUNE 2012

PRESENTATION OUTLINE

- OVERVIEW
- ECONOMIC CONTEXT
- SUBSISTENCE PRODUCERS
- SMALLHOLDER PRODUCERS
- COMMERCIAL PRODUCERS
- PRODUCTION, HEALTH AND FOOD SAFETY
- CHALLENGES
- WAY FORWARD
OVERVIEW

The Department presents its key achievements for Quarter 4 of the 2011/12 financial year.

- This presentation focuses attention on achievements mainly for 3 categories of our clients, namely subsistence, smallholder and commercial producers.

- The Department identified the following five areas as core for focused service delivery during the financial year:
  1) Reducing the cost of basic foodstuffs as well as the cost of living;
  2) Employment creation and increase the number of participants in the DAFF sectors through support for smallholders and processors;
  3) Improving the income and conditions of farm workers, foresters and fishers;
  4) Enhancing exports; and
  5) Ensuring the sustainable use of natural resources.

ECONOMIC CONTEXT

- Employment
  - Strengthening employment in primary AFF since second half of 2011
  - Especially strong recovery in formal sector
  - Employment in ‘informal sector’ AFF has stabilised, following period of decline
  - Employment in agro-processing is static
  - Note: primary AFF statistics appear not to capture fisheries and forestry workers, so apparent under-counting

- Farm incomes and AFF’s contribution to the economy
  - Significant year-on-year increases in gross farm income for field crops and animal products
  - Gradual upward trend (adjusting for inflation), but obscured by normal volatility

- Input and output prices
  - Input prices continue to rise; output prices differ by sub-sector
ECONOMIC CONTEXT (…continued)

- International trade in AFF
  - Highly volatile, especially unprocessed commodities (as one would expect)
  - 4 consecutive quarters of trade deficit in AFF, ie Q1 of 2011 through Q4 of 2011; driven especially by primary agric – reasons unclear, but probably not to do with production trends
  - Also, different data sources inconsistent

- International developments
  - Rand has been increasingly volatile over past 12 months
  - Since late last year, international prices of livestock categories have been in decline, owing to drought-induced sales in North America, and over-production in Australia
  - Export parity price of maize has been flat, but expected to rise

Employment in primary AFF by quarter, 2008-2012
Employment in primary and secondary AFF, formal and informal, 2008-2012

Employment in primary formal sector AFF by sub-sector, 2008-2012
Employment in primary informal sector AFF by sub-sector, 2008-2012

Gross income from major products at current prices – by main commodity groups
Gross income from major products at current prices - detail

<table>
<thead>
<tr>
<th>Field crops (R thousand)</th>
<th>January to March 2011</th>
<th>January to March 2013</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maize</td>
<td>340 953</td>
<td>733 923</td>
<td>+119.3</td>
</tr>
<tr>
<td>Wheat</td>
<td>435 663</td>
<td>530 277</td>
<td>+21.7</td>
</tr>
<tr>
<td>Sugar cane</td>
<td>114 647</td>
<td>273 368</td>
<td>+138.4</td>
</tr>
<tr>
<td>Sunflower seed</td>
<td>227 926</td>
<td>74 627</td>
<td>-67.1</td>
</tr>
<tr>
<td>Tobacco</td>
<td>124 584</td>
<td>122 103</td>
<td>-1.9</td>
</tr>
<tr>
<td>All field crops</td>
<td>1791 479</td>
<td>2405 070</td>
<td>+30.9</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Horticulture (R thousand)</th>
<th>January to March 2011</th>
<th>January to March 2013</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vegetables (incl. potatoes)</td>
<td>2950 348</td>
<td>3208 000</td>
<td>+11.6</td>
</tr>
<tr>
<td>Dicots and other fruit</td>
<td>4296 657</td>
<td>4540 591</td>
<td>+5.2</td>
</tr>
<tr>
<td>Citrus fruit</td>
<td>190 714</td>
<td>122 642</td>
<td>-37.0</td>
</tr>
<tr>
<td>Subtropical fruit</td>
<td>859 146</td>
<td>566 214</td>
<td>+51.3</td>
</tr>
<tr>
<td>All horticultural products</td>
<td>8748 042</td>
<td>9101 187</td>
<td>+3.6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Animal products (R thousand)</th>
<th>January to March 2011</th>
<th>January to March 2013</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poultry meat</td>
<td>6441 326</td>
<td>7130 159</td>
<td>+10.7</td>
</tr>
<tr>
<td>Cattle &amp; calves slaughtered</td>
<td>3832 752</td>
<td>4031 844</td>
<td>+5.2</td>
</tr>
<tr>
<td>Milk</td>
<td>2194 636</td>
<td>2529 500</td>
<td>+15.3</td>
</tr>
<tr>
<td>Eggs</td>
<td>1704 087</td>
<td>1854 371</td>
<td>+8.6</td>
</tr>
<tr>
<td>Sheep slaughtered</td>
<td>774 399</td>
<td>832 974</td>
<td>+7.5</td>
</tr>
<tr>
<td>All animal products</td>
<td>17236 455</td>
<td>19152 750</td>
<td>+11.1</td>
</tr>
</tbody>
</table>

Input and output prices

Indices of prices paid and received by farmers
2nd quarter 2010 to 1st quarter 2012
Seasonally adjusted & annualised quarterly GDP for AFF, constant 2005 prices

Exports by quarter, 2005-2011 (not adjusted for inflation)
Imports by quarter, 2005-2011 (not adjusted for inflation)

Nominal effective exchange rate against the most important currencies (Index: 2000=100)
SUBSISTENCE/RESOURCE POOR PRODUCERS

A CATEGORY OF PRODUCERS THAT, DUE TO RESOURCE CONSTRAINTS, AND USING LIMITED TECHNOLOGY, PRODUCE FOOD TO SUPPLEMENT THEIR HOUSEHOLD FOOD NEEDS, WITH LITTLE OR NO SELLING OF PRODUCE TO THE MARKET

SUBSISTENCE PRODUCERS

➢ 27,557 subsistence producers were supported through Ilima/Letsema during Q4.
➢ Purpose of Ilima/Letsema is to enhance food security by ensuring that vulnerable groups and farming communities have access to inputs and skills to undertake agricultural production or achieve an increase in agricultural production.
➢ 6,806 subsistence producers were supported through the Comprehensive Agricultural Support Programme (CASP) during Q4.
➢ Purpose of CASP is to provide post-settlement support to targeted beneficiaries of land redistribution and reform and other producers who have acquired land through private means and are for example, engaged in value-adding enterprises domestically, or involved in exports.
SUBSISTENCE PRODUCERS

➢ Draft Food Security Policy was approved by the DG's and Minister's Clusters.
➢ Draft Zero Hunger Strategy was approved by the DG's and Minister's Clusters.
➢ 1,376 subsistence beef cattle farmers participated in Kaonafatso ya Dikgomo Animal Recording and Improvement Scheme.
➢ 38 dairies participated in the Milk Recording and Improvement Scheme.

SMALLHOLDER PRODUCERS

SMALLHOLDER PRODUCERS PRODUCE FOOD FOR HOME CONSUMPTION, AS WELL AS SELL SURPLUS PRODUCE TO THE MARKET. DUE TO THE ERRATIC NATURE OF THEIR PRODUCTION, LESS SUCCESSFUL SMALLHOLDERS WILL SOMETIMES REGRESS INTO THE RESOURCE-POOR/SUBSISTENCE CATEGORY. HOWEVER, THE MORE SUCCESSFUL ONES WILL GRADUATE INTO THE COMMERCIAL CATEGORY. THIS CATEGORY IS THEREFORE INTERMEDIATE BETWEEN SUBSISTENCE AND COMMERCIAL.
SMALLHOLDER PRODUCERS

➢ 31,520 smallholder producers were supported through Llama/Letsema during Q4.
➢ 15,289 smallholder producers were supported through the Comprehensive Agricultural Support Programme during Q4.
➢ A further 9,018 potential smallholder producers were identified for support in all provinces during this quarter. The needs analysis of these potential producers will be thoroughly analysed and linked to support programmes in and outside the Department.
➢ A total number of 13,014 farmers were reported to have accessed markets.
➢ A total of 18 small businesses have been supported through the Agribusiness Assessment Tool as a Skills Development Programme by the Department.
➢ 45 cooperatives have been trained on the Farm Together Agricultural Cooperative Programme.

SMALLHOLDER PRODUCERS

➢ An Export Awareness Workshop for 150 farmers, extension officers and traders was held in February 2012.
➢ 15 Commodity Associations for farmers in provincial structures have been identified and organized.
➢ 28 Cooperatives registered across the country.
➢ A total of 15,254 trees were planted nationally, which includes schools, communities, etc. Foresters from the Department demonstrated to the small growers how to plant trees and explained to them the importance of trees.
➢ 1,562 small growers were supported on technical advice on forestry activities and potential funding linkages.
➢ The Department and other stakeholders finalised the business plan for the support of charcoal production in Umzimkulu in KwaZulu-Natal.
➢ 150ha has been revitalized in Makhathini Irrigation Scheme and 115ha has been revitalized at the Taung Irrigation Scheme.
SMALLHOLDER PRODUCERS

➢ Marine Finfish Farmers Association established and notice gazetted; Camdeboo Women’s Trust (CWT) established in partnership with Camdeboo Bream.

➢ Hamburg Aquaculture Project and Camdeboo Satellite Aquaculture Project established. Social and economic indicators of small-scale fishers have been designed and information has been captured for 2012 fishing season.

➢ Small-scale fisheries draft policy was presented to the NEDLAC task team and finalized. Draft policy was tabled at the Economic Sectors and Employment Minister’s Cluster and was supported. Obtained supportive legal opinion from the Chief State Law Advisor and forwarded the draft policy to the Cabinet for approval.

➢ As at the end of Q4, a total of 2 962 extension officers were trained in crop, livestock and business related areas; 97 of these extension officers were trained in Extension Suite Online.

➢ Implementation of the Flood Assistance Scheme is underway and monitoring and evaluation of the scheme was conducted by the Directorate: Climate Change and Disaster Management in February 2012.

COMMERCIAL PRODUCERS

THIS CATEGORY OF FARMERS PRODUCES PRIMARILY FOR THE MARKET AND MAKES CONSIDERABLE LIVING FROM FARMING. IN PRACTICAL TERMS, IN ORDER TO BE CLASSIFIED AS COMMERCIAL, FARM INCOME MUST EXCEED A MINIMUM ECONOMIC SIZE. DUE TO THE EXPENSIVE NATURE OF CAPITAL FORMATION AND IMPLEMENTATION OF TECHNOLOGICAL PROCESSES, THE LANDOWNERS OF SUCH FARMS ARE OFTEN LARGE IN SCALE TO COUNTERACT THE LOW RETURNS ON INVESTMENT OF THE SECTOR.
COMMERCIAL PRODUCERS

- The following publications were compiled to assist producers and investors to plan properly and DAFF to monitor issues that are impacting positively or negatively to the health of the sector and react accordingly:
  - Quarterly economic review, price watch reports, 3 crop estimate reports,
  - Livestock statistics, Crops and Markets publication, Agricultural Abstract,
  - Food security bulletins.
- 414 commercial producers were supported through the Comprehensive Agricultural Support Programme during Q4.
- The edited version of the COP17 report was finalised.
- Three advisories on climate change, including the summarised versions, were issued to the sector.
- Forestry Development in Mpumalanga assisted commercial forestry in a process towards stopping illegal planting at Injaka Plantation.

COMMERCIAL PRODUCERS

- Two aquaculture farm projects were implemented. A total of ten Working For Fisheries Programmes (WFFPs) were implemented during the quarter under review. 1 273 jobs were created through WFFPs during the quarter.
- The draft National Programme of Action (NPOA) for sharks was submitted for the Minister’s approval before being published in the Government Gazette for public comment.
- Relevant and necessary scientific research has been conducted regarding the inshore fishery sectors. The Revised Framework for Aquaculture Research Management (FARM) was approved by DEXCO on 15 March 2012.
- The inspections of five key fisheries (hake, abalone, squid, line fish and rock lobster) for the number of vessel landings and sea-based vessels as well as investigations on number of rights holders, were also conducted.
COMMERCIAL PRODUCERS

➢ The Coordination Centre for Research and Agricultural Development of Southern Africa (CCARDESA) Charter was signed. The first step of the implementation for the Comprehensive African Agricultural Development Programme (CAADP) Compact was completed.

➢ The AgriBEE section 9 Sector Code was approved by the Minister of Trade and Industry and published as a Notice in the Government Gazette for a 60 days period for inviting public comments.

➢ Negotiations with Senegal to conclude a trade MOU were concluded during Q4. The draft MOU is with the State lawyers for certification.

➢ Participated in an IBSA Workshop organised by India to enhance the implementation of the IBSA Agriculture Cooperation Tripartite Agreement.

COMMERCIAL PRODUCERS

➢ Agro-processing Strategy was approved by Departmental Executive Committee.

➢ Grain value chain network document was approved by Departmental Executive Committee.
PRODUCTION, HEALTH AND FOOD SAFETY

- 153 427 inspections were conducted at ports of entry. A further 2 386 applications for new registrations, amendments, transfers, agricultural remedies, stock remedies, farm feeds, fertilizer and pest control operators were finalised.

- The 7th round of surveillance inside the Avian Influenza Control Area was completed in mid-December 2011. 192 farms, 178 of which were sampled, and 14 were found to have no ostriches that could be sampled on the premises.

- The 8th and final round of surveillance inside the Avian Influenza Controlled Area was concluded at the end of February and over 180 farms were visited and sampled. A single farm tested positive for H5N2, and on further investigation the virus was typed as a low pathogenic AI.

PRODUCTION, HEALTH AND FOOD SAFETY CONT..

- During February 2012 there was limited FMD surveillance instituted of the impala population along the inside of the south western boundary, opposite the Sphelenyane/Luphisi cattle outbreak. No clinical cases were found.

- Prevalence Surveillance for FMD in the protection area of KZN was concluded at the end of February. The results of this are being analyzed.

- Mpumalanga reported an outbreak of FMD at one dip tank in their controlled area. A number of dip tanks were found to have been affected. Movement control measures were tightened and these dip tanks were put under quarantine.

- Five Immediate Reports, and, 31 follow up reports (weekly reports) were submitted to the OIE on diseases like African Horse Sickness, Rift Valley Fever, Highly Pathogenic Avian Influenza, Foot and Mouth Disease, Contagious Equine Metritis, and Epizootic Ulcerative Syndrome (Red-spot Disease).
PRODUCTION, HEALTH AND FOOD SAFETY CONT...

- Confirmation of an outbreak of African Swine Fever was received in January for samples submitted by an abattoir in Gauteng.

- The animals had originated from a farm in Mpumalanga. This was followed up and subsequently 14 farms were identified to have had contact, six in Gauteng and eight in Mpumalanga.

- A total of 210 pigs were reported to have died. All pig auctions in Gauteng and western Mpumalanga were stopped. On further follow up, 84 farms in Mpumalanga and 48 farms in Gauteng were placed under quarantine.

- No new infections have been reported by both Provinces since February 2012.

CHALLENGES

- Systems for proper verification of the provided figures of achievements still need to be strengthened.

- Except for the number of jobs created info provided, there are no systems to monitor the economic impact of projects e.g. food security = total harvest = total income earned.

- No tool to continue monitoring to measure the sustainability of projects after intervention.
WAY FORWARD

• Strengthening monitoring through an intensive SMS District Municipalities deployment by including the oversight in all SMS Performance Agreements.

• Will conclude an agreement with SARS to install an electronic system to enhance monitoring and evaluation of the impact of projects.

• Fast-tracking the expansion and the utilization of the smart-pen across all the nine provinces by extension officers for data collection and for easy verification.

• Strengthening monitoring and planning through the M&E Forum, which is made up of national and provincial planning and M&E officials.

• Support the functioning of Working Groups between National and Provincial Departments.