

REPORT OF THE PORTFOLIO COMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT, LAND AND ENVIRONMENTAL AFFAIRS

TAKING LEGISLATURE TO THE PEOPLE IN THE BUSHBUCKRIDGE LOCAL MUNICIPALITY, EHLANZENI DISTRICT, 25 – 29 JUNE 2018

1. INTRODUCTION

The Mpumalanga Provincial Legislature (the Legislature) has a responsibility in terms of Section 118 of the Constitution of the Republic of South Africa, Act 108 of 1996, (the Constitution) to facilitate public involvement in its legislative and other processes. Sections 114 and 133 of the Constitution, read with Rule 190(4) and Rule 131 of the Rules and Orders of the Mpumalanga Provincial Legislature (the Rules) directs the Legislature to hold the Executive accountable for the exercising of powers and performance of their functions. Therefore, the Portfolio Committee on Agriculture, Rural Development, Land and Environmental Affairs (the Committee) regularly conducts public hearings and oversight visits to projects of the Department of Agriculture, Rural Development, Land and Environmental Affairs (the department) and other projects; in the various municipalities of the Province.

In terms of Rule 190(4) and Rule 131 of the Rules and Orders of the Mpumalanga Provincial Legislature (the Rules) the Committee has a constitutional mandate to oversee the performance of the department and to hold the Executive Authority accountable for the delivery of core mandated services.

One of the instruments that enable the Committee to execute its mandate is to undertake oversight-visits to various projects in the Province.

2. PURPOSE OF THE “TAKING LEGISLATURE TO THE PEOPLE” PROJECT (TLP)

The purpose of the TLP is to reach out to the communities and to enable the people to have access to the Legislature, especially people who are living in deep rural areas. The Legislature seeks to hear the voice of the people and to ascertain whether provincial government delivers services effectively and efficiently within the respective municipalities.

3. OBJECTIVES OF THE VISITS

The following objectives shaped the oversight visits to the projects of the Department of Agriculture, Rural Development, Land and Environmental Affairs:

- a. To evaluate the progress made on projects reflected in the Annual Performance Plan (APP) implemented by the department. The Legislature seeks to ascertain whether provincial government delivers services effectively and efficiently within the respective municipalities.
- b. To determine the extent to which public funds are efficiently, economically and effectively used by the department in the implementation of its projects;
- c. To interact with project beneficiaries in order to hear their concerns.
- d. To fast track service delivery of core services to the communities within the municipality in which the department has funded projects.
- e. To engage with the farming and agricultural sector to hear how they contribute to the economy of the local municipality.

The purpose of the public hearing, which was actually a joint hearing of the Economic and Social Transformation Clusters, was to allow the MECs a platform to report back to the community and the Committee on the range of service delivery concerns. The public hearing thus provided Members of the Legislature with an opportunity to engage the public on a range of service delivery issues.

3. METHOD OF WORK

In preparation for the TLP, the research section conducted pre-site visits to the municipality in early May 2018. Comprehensive research reports were compiled that informed the Committee's programme. The Committee conducted oversight visits to Allendale Fortune-40 and Mkhuhlu Agri-hub on Tuesday and Wednesday. A stakeholder Engagement with the farming and agriculture sector was conducted in the municipality on Tuesday, 26 June 2018. The Committee participated during the joint public hearing of the Economic and Social Clusters of the Legislature, which was conducted on Thursday, 28 June 2018.

4. STAKEHOLDER ENGAGEMENT

The Committee conducted a Stakeholder Engagement with the Agriculture and Farming Sector. The following stakeholders were invited to be part of the stakeholder engagement:

- African Farmers Association of South Africa (AFASA);
- LIMA Rural Development Foundation;
- National Development Agency (NDA);
- Mpumalanga Economic Growth Agency (MEGA);
- Department of Rural Development and Land Reform (Mpumalanga Office) and
- Department of Agriculture, Rural Development, Land and Environmental Affairs

4.1. The following issues were raised during the stakeholder engagement:

- a. Farmers requested that government should make provision for the Animal branding office to be located closer to the people, rather than being in Pretoria.
- b. Farmers requested that the services offered by the veterinary clinic be free of charge.
- c. A concern was raised on the scarcity of water in the local municipality. The department was requested to provide dams in order to address this challenge.
- d. Land invasion was reported to be a challenge as farmers struggle to get grazing land for their livestock.
- e. Farmers complained that the Government Nutrition Programme from MEGA is not assisting farmers in the municipality to access market for their produce.
- f. A concern on the scarcity of land was raised.
- g. A concern was raised that the department was not providing seeds on time.
- h. Farmers requested the department to ensure that tractors are provided free of charge when requested and on time.
- i. Farmers requested to be provided with the poultry abattoir that they were initially promised by government.
- j. The department was requested to ensure that there is a market for the farmers in the local municipality.
- k. A concern was raised that the Masibuyele Esibayeni Programme of the department was not functioning as farmers have to wait too long to be assisted.
- l. Farmers in Mkhuhlu requested to be provided with dip tanks.

After the engagement with the farmers, the MEC, Department of Rural Development and Land Reform and the MEGA were given an opportunity to respond to questions that were raised.

4.2. Recommendations emanating from the stakeholders engagement

In light of the above mentioned issues raised in the Stakeholder Engagement, the Committee recommends that:

- a. The department must construct and or repair the dams in the local municipality to ensure that the water challenge in the municipality is addressed.
- b. The department must encourage more young people and women to be involved in agricultural activities as the sector seems to be male dominated.
- c. The department must play a role in coordinating all stakeholders involved in farming and agriculture activities for the benefit of the farmers in the local municipality.
- d. The department must address all the challenges raised by stakeholders as reflected in 4.1. above.

5. OVERSIGHT ON GOVERNMENT FUNDED PROJECTS

5.1. ALLANDALE FORTUNE-40 PROJECT

5.1.1. Project background

The farm was established in 1957, under the former Gazakulu Government and was later transferred to Limpopo Government. People were evicted when the farm was developed for agricultural purposes. The farm was managed by Mr. Coetzee from Hall and Sons Company and it was very productive as it used to produce enough fruits for domestic and export markets. In 1994, the farmer left and the Limpopo Government had to take over the farm. The farm gradually became unproductive and abandoned.

The department developed the farm through the Fortune-40 programme after it has been left unattended for some time. The department's interventions on the project started in the 2015/16 financial year where the department managed to establish the cooperative, identify land and developed project specifications. The project was visited by the Committee in November 2016 and at that time, there was not much work done on site as the project beneficiaries were still busy with site clearing and debushing. At the end of 2017/18 financial year, the department reported that the erection of a 10km boundary fence has been completed; 10 hectare irrigation system has been installed and farm offices have been renovated. The 2018/19 financial year's Annual Performance Plan indicates that the

project is budgeted **R1 500 000.00** for installation of cold storage facility, packaging room and facility equipment, and renovation of dormitories.

5.1.2. Project Profile

The department provided the following information in terms of the project profile:

Location/ Ward	Allandale/ Ward 36
Local Municipality	Bushbuckridge North
District	Bohlabela District
Coordinates	S 24 ^o 43.104 E 031 ^o 15.182
Commodity	Mangoes, Citrus and Vegetable
Number of beneficiaries	12

5.1.3. Production

- a. The farm has 8 hectares of mango trees which were harvested when green and sold to the market.
- b. The farm produces cabbages, spinach, onions and tomatoes on half a hectare.
- c. The farm has not yet reached its production capacity. Only half a hectare is utilized. The other portion of the farm is not utilized due to water challenges.

5.1.4. Market.

- a. The produce is sold at the local market and to the Mpumalanga Economic Growth Agency (MEGA) through the Government Nutrition Programme.
- b. The challenge is that invoices are not honoured on time by MEGA.

5.1.5. Achievements by the farmers.

- a. The project generated **R104 000.00** from sales of mangoes and vegetables. The money is kept in the bank and used to buy only small items that are below **R500.00** required in the farm when necessary.
- b. Project beneficiaries have been able to maintain a good working relationship between themselves and the mentor.

5.1.6. Challenges.

- a. The farm still needs revitalization (irrigation system and residential houses).
- b. Water is a challenge affecting production. There is a need for the main canal to be repaired and the dam wall at Edunburg to be fixed.
- c. To date, the project beneficiaries only received practical trainings. They have not yet received any formal certificate from an accredited institution, despite the programme being in its fourth year of implementation.

5.1.7. Deliberations during the TLP Oversight visit

- a. The local councillor raised a concern that the farm was not adequately utilised due to the shortage of water in the municipality.
- b. The department reported that a budget of **R5 500 000.00** has been set aside to assist with the water challenge in the project.
- c. Regarding the borehole, the department reported that the borehole is working. However, the water is not suitable for irrigation purposes.
- d. Concerning the accredited training, the department reported that a service provider has been appointed to do training on crop production. The training will be accredited at Level 1.
- e. The Committee raised a concern that invoices submitted to MEGA for payment were not paid on time.
- f. The Committee requested the department to submit a report on what the 2017/18 financial year's budget has been used on in the project.

5.1.8. Findings

The Committee made the following findings:

- a. The project is not yet fully commercialized, it still lacks basic farming resources such as water.
- b. The department has not yet provided accredited training to the project beneficiaries.
- c. The project beneficiaries are not sure of the department's exit strategy and what will happen as their contracts ends in June 2018.

- d. The farm has not yet reached its production capacity.

5.1.9. Recommendations

The Committee recommends that:

- a. The department must repair the main canal and the dam wall at Edinburg to ensure that the project is supplied with water.
- b. The department must ensure that accredited training is provided to the project beneficiaries before they end of their contract.
- c. The department must brief the Committee on the exit strategy and how the beneficiaries will be supported going forward until they are self-sustainable.
- d. Develop the underutilized land to ensure that the project reaches its production capacity.

5.2. MKHUHLU AGRI-HUB

5.2.1. Project Background

Mkhuhlu Agri-hub is an agricultural infrastructure project linked to the Mpumalanga International Fresh Produce Market (MIFPM). The project is aimed at constructing an agricultural market where farmers can sell and pack their produce for distribution to the MIFPM. The department finally obtained land for the construction of the infrastructure, as it took long for the site to be secured. The project is situated at Mkhuhlu Agriculture offices, R536 main road to Skukuza in Bushbuckridge South. In 2017, the department appointed a contractor to erect a 7.5km fence on site. A contractor responsible for the construction of the Agri-hub has been appointed and work is in progress.

The main contractor for the project is Mpfumelelo Business Enterprise. The appointment date is 29 September 2017 and the expected completion date is October 2018.

5.2.2. Financial Information

- a. The total budgeted amount for the project is **R37 000 000.00**.
- b. For the 2017/18, the project was budgeted an amount of **R4 900 000.00** and the expenditure was at **R5 729 137.00**.

- c. For the 2018/19 financial year, the project is budgeted **R15 000 000.00** and the expenditure amounted to **R13 506 653.00** as at the time of the Committee visit.
- d. The department reported that the actual budget shortfall based on the dynamics of practical implementation in line with the revised project plan is being reviewed.

5.2.3. Activities once project is completed

- Delivery of raw produce and washing (fruits and vegetables).
- Ripening area.
- Selection and channelling
- Grading, sorting and packing
- Cutting, sizing and tying (vegetables)
- Waxing, grading and sizing (fruits)
- Bulk packaging and labelling.

5.2.4. Market

The targeted market once the project is complete includes retailers and the Government Nutrition Programme. The farmers will access the MIFPM once they meet the South Africa Good Agricultural Practices (SAGAP) requirements.

5.2.5. Deliberations during the TLP visit

- a. The Committee requested the department to ensure that the project is completed by the end of October 2018 for the benefit of the people of the municipality.
- b. A concern was raised that the department overspent on the budget that was allocated for the 2017/18 financial year. The Committee enquired how the department generated the difference. The department reported that **R10 000 000.00** was shifted from the budget for Compensation for Employees, which was under spending.
- c. The Committee requested the department to submit the maintenance plan for the Agri-hub.
- d. The Committee enquired how the local community benefitted from the project. The Committee also wanted to know where the machines that will be used in the project are going to be sourced.

5.2.6. Findings

The Committee made the following findings:

- a. The project completion date is scheduled for October 2018.
- b. The department spent **R19 233 366.41** from the initial budget allocation of **R4 900 000.00**.

5.2.7. Recommendations

The Committee therefore recommends that:

- a. The department must complete the project by 31 October 2018.
- b. The department must ensure proper planning of projects. Furthermore, the department must ensure that projects are completed within the allocated budget.

5.3. PUBLIC HEARING

The following issues relating to the department were raised during the public hearing:

- a. The scarcity of water in the local municipality was raised as a serious concern.
- b. The road to the Champaign Abattoir was reportedly not in a good condition.
- c. The department was requested to provide irrigation systems in the two projects in Ginkrikane for the projects to function properly.
- d. A concern was raised that the department was taking long to repair canals.

6. CROSS-CUTTING RECOMMENDATIONS


- a. The department must submit a detailed plan on how the water challenges faced by the Fortune-40 projects are to be addressed as the farms require urgent intervention in order to continue with production.
- b. The department must ensure that the Fortune-40 projects reach their production capacity.
- c. The department must brief the Committee on the exit strategy for the Fortune-40 projects as the students have not yet received formal qualifications on the programme, whilst they have reached their third year in the programme.

- d. The department must submit a report detailing the reasons why the expenditure in some projects has exceeded the budgeted amounts, e.g. Mkhuhlu Agrihub.

6. CONCLUSION

The Chairperson of the Portfolio Committee, Hon BD DUBE, extends his appreciation to Members of the Committee, the MEC and departmental officials, all stakeholders and the support staff of the Legislature for their participation during this oversight visit to the community of the Bushbuckridge Local Municipality, in enhancing the oversight role of the Legislature. The Portfolio Committee tables this report to the House for adoption with its recommendations.

Unless otherwise stated, the department should provide progress reports on all issues raised to the relevant Portfolio Committee by **31 August 2018** and thereafter on quarterly basis.



 HON. VV WINDVOEL (MPL)

01/08/2018

 DATE

**ACTING CHAIRPERSON: PORTFOLIO COMMITTEE ON
 AGRICULTURE, RURAL DEVELOPMENT, LAND
 AND ENVIRONMENTAL AFFAIRS**

Appointed in terms of Rule 114 of the Rules and Orders of the Mpumalanga Provincial Legislature.