



agriculture, forestry & fisheries

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Dear Colleague

MANAGEMENT RESPONSE ON CASP IMPACT EVALUATION

Attached please find the DAFF management response on the CASP (Comprehensive Agricultural Support Programme) impact evaluation. The improvement plan has not been produced yet, but DAFF will make inputs on the draft Cabinet Memorandum so that it can be tabled at the October Economic Cluster meeting.

Kind regards

KCM MANNYA
ACTING DIRECTOR GENERAL

Date: 10/10/2015

ANNEX A Management Response

Table 1: Recommendations and management response

RECOMMENDATION FROM THE Comprehensive Agricultural Support Programme	RECORD OF AGREEMENT OR DISAGREEMENT	REASONS FOR DISAGREEMENT
<ul style="list-style-type: none"> We wish to preface the recommendations for strengthening CASP by stating that the most effective and efficient way to support farmers in South Africa is to overhaul and redesign all farmer support programmes and do away with existing silos of farmer support. This should entail the establishment of a single programme of farmer support to replace the numerous programmes which currently exist in the country. We consider this a logical and lasting solution. Hence, the following recommendations are meant to strengthen CASP until a lasting solution is found. 	<p>We agree with the recommendation.</p> <ul style="list-style-type: none"> The process of developing the Development Finance Policy Framework established that there is about R17 billion in grants funding annually for agriculture in South Africa delivered by a number of departments in an un-coordinated fashion i.e. DAFF, DRDLR, DPW, DSD, DOH, etc. 	
<ul style="list-style-type: none"> DAFF should retain and strengthen CASP. 	<p>We agree with the recommendation.</p>	
<ul style="list-style-type: none"> The various pillars of CASP should be retained. However, their implementation should be entrenched within the various directorates responsible for such services within the provincial departments of agriculture. 	<p>We agree with the recommendation.</p>	
<ul style="list-style-type: none"> DAFF should maintain a proper and complete database of all projects assisted through CASP. This will not only facilitate efficient and effective management of the programme but also ensure proper monitoring and evaluation. 	<p>We agree with the recommendation.</p>	
<ul style="list-style-type: none"> CASP should be institutionalised or mainstreamed within DAFF as well as in the provincial departments of agriculture. The mainstreaming or institutionalisation of the programme should be carefully implemented to avoid any possible bureaucracy that may further limit the effectiveness of the programme. 	<p>We agree with the recommendation.</p>	

RECOMMENDATION FROM THE Comprehensive Agricultural Support Programme	RECORD OF AGREEMENT OR DISAGREEMENT	REASONS FOR DISAGREEMENT
<ul style="list-style-type: none"> DAFF should retain the overall coordination and facilitation of CASP implementation. The actual implementation of the programme should continue to be the responsibility of provincial departments of agriculture. 	<p>We agree with the recommendation.</p> <ul style="list-style-type: none"> This is guided by the Constitution where provinces have a concurrent function in agriculture. 	
<ul style="list-style-type: none"> The organisational structure of DAFF as well as that of the provincial departments of agriculture should be reviewed to ensure alignment with the institutionalisation of the programme. 	<p>We agree with the recommendation.</p>	
<ul style="list-style-type: none"> The funding of the infrastructure pillar should clearly differentiate between on- and off-farm activities. 	<p>We disagree with the recommendation.</p>	<ul style="list-style-type: none"> The Standard Operating Procedure clearly outlines what on and off farm infrastructure activities are. The report went further to say CASP was used for production infrastructure and not for social infrastructure for all beneficiaries who were sampled.

RECOMMENDATION FROM THE Comprehensive Agricultural Support Programme	RECORD OF AGREEMENT OR DISAGREEMENT	REASONS FOR DISAGREEMENT
<ul style="list-style-type: none"> CASP grant funding should be limited to off-farm infrastructure and related activities, except in the case of farms leased from the state where DAFF should continue to fund on-farm immovable assets. 	<p>Disagree with the recommendation.</p>	<ul style="list-style-type: none"> The ideal will be that on-farm infrastructure is financed through loans. The reality is that no bank is willing to finance these farmers (blacks who privately acquired their land) as production is not consistent or not happening and records are not in place. CASP is used as a development grant to provide on and off farm infrastructure to black producers to (i) bring the farm into production, in other instances to improve production methods and profitability and sustain jobs. (ii) Off farm infrastructure like dip tanks are equally important to ensure good animal husbandry of previously marginalised livestock farmers in communal areas. Although these activities add to the funds being thinly spread, they are important for a comprehensive approach to farmer support.

RECOMMENDATION FROM THE Comprehensive Agricultural Support Programme	RECORD OF AGREEMENT OR DISAGREEMENT	REASONS FOR DISAGREEMENT
<ul style="list-style-type: none"> The current CASP funding approach of a wholesale grant for on-farm infrastructure should be discontinued. The approach not only encourages a dependency syndrome but also promotes an entitlement mentality and limited commitment on the part of beneficiaries. Rather, the funding of all on-farm infrastructure and operation-related activities (farm asset book items) should be through a "soft" loan facility, such as that catered for through MAFISA. This will ensure commitment on the part of the beneficiaries and long-term sustainability of CASP. 	<p>We <u>partly agree</u> with the recommendation.</p>	<ul style="list-style-type: none"> The selection of beneficiaries of the programme is important to ensure that those benefiting were already involved in agriculture and needed support to improve their operations and enter the mainstream of the agricultural economy because no bank will finance them. Training must supersede any kind of support to increase levels of understanding of CASP and improve skills, ownership and determination. Government has a challenge in bringing unproductive, high value agricultural land back to production. At present MAFISA has no funds, and Wholesale Finance Facility of Land Bank (REM – Retail Emerging Market) was designed by both Land Bank and DAFF as an 'improved MAFISA scheme' but at present, because of regulation (the Credit Act) excludes a number of black farmers in need of these supports due to returned debits (RD's) among others. And given, when these farmers experience small challenges like drought, and loose income, their debit orders will bounce as they have no reserves.

RECOMMENDATION FROM THE Comprehensive Agricultural Support Programme	RECORD OF AGREEMENT OR DISAGREEMENT	REASONS FOR DISAGREEMENT
<ul style="list-style-type: none"> CASP spending should be according to the approved business plans and any deviation from such business plans should be sanctioned by the approving authority. 	We agree with the recommendation.	
<ul style="list-style-type: none"> DAFF should ensure that the disbursement of CASP funds for production purposes is efficient, timely and takes account of production calendars and specificities of the various provinces. 	We agree with the recommendation.	
<ul style="list-style-type: none"> CASP should focus more on actions driving performance towards achieving outcomes, such as increasing employment and incomes. This will require integration of strategic programmes within DAFF and those of other actors within the agricultural sector. 	We agree with the recommendation.	
<ul style="list-style-type: none"> DAFF should ensure that CASP gives priority to supporting projects/farms with potential to create employment. This will ensure that the programme contributes to the country's challenges of high unemployment and poverty. 	We agree with the recommendation.	

RECOMMENDATION FROM THE Comprehensive Agricultural Support Programme	RECORD OF AGREEMENT OR DISAGREEMENT	REASONS FOR DISAGREEMENT
<ul style="list-style-type: none"> CASP support should be extended to role players other than farmers within the agricultural value chain (e.g. local agro-processing). This will not only enhance the effectiveness of the programme in supporting farmers but also contribute to employment creation and improving market access. 	<p>We disagree with the recommendation.</p>	<ul style="list-style-type: none"> It is interesting to observe that CASP should not support on-farm infrastructure of black producers who have privately acquired land and are struggling to access loans, but CASP should be extended to other role-players other than farmers within the agricultural value chain. The space of agriculture is a value chain from production including nurseries to food being on the table. There should be other role-players throughout this value chain to support <i>other</i> players in this space. The agro-processing supported by CASP is limited to ensuring that beneficiaries' income is improved and more jobs are created, e.g. pack house on a farm with enough production volumes to create more jobs or silo's in an area where a group of farmers are producers of maize and can store and process their maize to improve their income.

RECOMMENDATION FROM THE Comprehensive Agricultural Support Programme	RECORD OF AGREEMENT OR DISAGREEMENT	REASONS FOR DISAGREEMENT
<ul style="list-style-type: none"> DAFF should develop implementation guidelines and relevant operational manuals for CASP to ensure effective and coordinated implementation throughout the provinces. 	<p>We disagree with the recommendation.</p>	<ul style="list-style-type: none"> This would work better if agriculture was not a concurrent function and CASP was not a schedule 4 grant. Currently there is the Standard Operating Procedure (SOP) on CASP and the grant framework which is gazetted through DORA. The fact that there is no uniform approach in implementing CASP by provinces is due to each province's unique characteristics. However, all implementation is in line with the grant framework. Provinces are expected to develop operational manuals aligned to the SOP and the grant framework, and these are in place.
<ul style="list-style-type: none"> DAFF should limit the scope and coverage of CASP to increase its effectiveness, with special emphasis on the commercialisation of small-scale agriculture. 	<p>We agree with the recommendation.</p>	
<ul style="list-style-type: none"> DAFF should ensure that on-farm investments are based on the needs and demands of the beneficiaries and on the viability of projects in the context of the whole enterprise. 	<p>We agree with the recommendation.</p>	
<ul style="list-style-type: none"> DAFF should ensure that CASP beneficiaries play a greater role in decision making regarding investments on their farms, including the selection of service providers. 	<p>We <u>partly</u> agree with the recommendation.</p>	<ul style="list-style-type: none"> We agree that beneficiaries must play a greater role in decision-making regarding investments on their farms. Choosing service providers, we agree if these are mentors, but appointment of contractors for infrastructure development is guided by the PFMA.

RECOMMENDATION FROM THE Comprehensive Agricultural Support Programme	RECORD OF AGREEMENT OR DISAGREEMENT	REASONS FOR DISAGREEMENT
<ul style="list-style-type: none"> • DAFF should ensure that off-farm investments are based on a needs analysis of the entire farming population in a specific agricultural region. This should take account of existing infrastructure and economic viability of such investments. 	We agree with the recommendation.	
<ul style="list-style-type: none"> • DAFF and provincial departments of agriculture should increase their efforts to promote market access. This should include the provision of support to components of the agricultural value chain beyond production (e.g. agro-processing) and collaboration/partnerships with the private sector. 	We agree with the recommendation.	
<ul style="list-style-type: none"> • DAFF and provincial departments of agriculture should ensure that provision of extension services and training of farmers place greater emphasis on equipping farmers with marketing skills and knowledge. 	We agree with the recommendation.	
<ul style="list-style-type: none"> • DAFF should endeavour to improve the involvement of youth, women and people with disabilities in CASP-supported projects, particularly in project management. 	We agree with the recommendation.	
<ul style="list-style-type: none"> • The provincial departments of agriculture should be resourced with properly skilled professionals to enhance the capacity to achieve the objectives of the various pillars of the programme, particularly capacity building related pillars such as marketing, training and extension. 	We agree with the recommendation.	
<ul style="list-style-type: none"> • CASP coordinating units within DAFF as well as in the provincial departments of agriculture should be strengthened with adequately skilled personnel to manage the programme. 	We agree with the recommendation.	

RECOMMENDATION FROM THE Comprehensive Agricultural Support Programme	RECORD OF AGREEMENT OR DISAGREEMENT	REASONS FOR DISAGREEMENT
<ul style="list-style-type: none"> DAFF should ensure that the monitoring and evaluation system for CASP is efficient, effective and that monitoring and evaluation occurs on a more regular basis. This will help to identify problems early and to take remedial steps before they result in the collapse of projects. 	We agree with the recommendation.	
<ul style="list-style-type: none"> DAFF should ensure a common understanding of CASP by all stakeholders, including those within and outside the national and provincial departments of agriculture and beneficiaries. 	We agree with the recommendation.	
<ul style="list-style-type: none"> DAFF should align CASP with other farmer support programmes within the department. 	We agree with the recommendation.	
<ul style="list-style-type: none"> National Treasury should facilitate the planning, alignment, coordination and integration of farmer support programmes between DAFF and other government departments, such as the Department of Rural Development and Land Reform to avoid duplication and/or wastage of public resources. 	We agree with the recommendation.	
<ul style="list-style-type: none"> DAFF should encourage provincial departments of agriculture to exchange lessons on their experiences in implementing CASP. This can involve good performing provinces extending support to poor performing ones through farmer-to-farmer exchange visits and exchange of management or business models. 	We agree with the recommendation.	