



**DROUGHT RELIEF**

## Understanding Gordhan's silence

Minister of Finance Pravin Gordhan did not discuss agriculture extensively in his 2016 budget speech, but this was understandable, as the full extent of the drought, and the impact thereof, had not yet been established. This was according to Dr John Purchase, the CEO of Agbiz.

This had prevented Gordhan from announcing more comprehensive drought relief measures than those already announced.

Gordhan announced drought relief measures of R1 billion. This included, among others, R502 million

earmarked for the provision of boreholes and water tankers; R318 million from the national, as well as the provincial agricultural departments, for the movement of livestock to state-owned farms; and the transportation of drinking water. The 2016 budget also provided for R187 million to be transferred from the rural development department for the provision of animal feed and fodder.

These relief interventions had been announced before, and were mostly aimed at the emerging farming sector, Purchase said.

Agbiz did not fully understand the criteria used to determine the distribution of these funds.

"We would have liked to see drought relief measures based on the national drought task team's recommendations. [However], the announcements in the budget speech do not mean that the door has been closed on commercial farmers, and we remain in discussion with Treasury in this regard," he said.

Annette Steyn, DA MP and party spokesperson for agriculture, said the

budget for agriculture, forestry and fisheries did not reflect spending plans in accordance with the challenges posed by the current drought. Most of the R205 million budgeted to be used for drilling boreholes, moving cattle herds and transporting water would be utilised from the state's Comprehensive Agriculture Support Programme.

Steyn said that although Treasury had made R15 billion available to the Land Bank to assist more drought-stricken farmers with discretionary loans, more information

was needed on this initiative.

Henk Vermeulen, Free State Agri CEO, agreed that the budget fell short of what was expected. He previously told *Farmer's Weekly* that SA's agricultural industry needed R12 billion for drought relief.

"A major concern is that the drought relief funds are apparently going to be distributed via provincial budgets. We find that disconcerting, because it has happened in the past that the support did not reach the people it was meant for," Vermeulen said.

— Amelie Coleman