

## Agriculture dept targets creating 60,000 jobs

The Department of Agriculture, Forestry, and Fisheries plans to spend over R1.7bn and create 60,000 jobs, according to Finance Minister Pravin Gordhan's Budget Speech.



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The department is set to spend more than R1.7bn on the Ilima/Letsema projects grant, which is transferred to provinces for food production initiatives. The project seeks to support the production of commodities such as red meat, poultry, fruit, vegetables, wine, and wheat.

It is also expected to contribute to the creation of 60,000 job opportunities over the medium term as well as better food security.

According to the Absa Agricultural Outlook for 2017, the rand weakened as much as 29.4% during the first quarter of 2015 and the second quarter of 2016. This went together with price increases for staple products such as maize as well as low production volumes. It also helped contribute to the greater demand for vegetables, according to the study.

Previously, Fin24 reported there may be a sharp fall in food prices during 2017. However, according to the agricultural report, the price of beef may be higher in 2017 as farmers rebuild herds following the drought.

Mutton prices are not expected to change but if weather conditions deteriorate, forcing producers to reduce stock, they

may come under pressure.

Poultry prices are also expected to remain bearish in the face of abundant supply in the meat market.

During his speech, Gordhan said the impact of the nationwide drought had a devastating effect on the agriculture sector and its value chain.

The finance department - in collaboration with the private sector - is working on initiatives to ensure higher agricultural production, efficient water licensing, the facilitation of agricultural exports, and increased efficiency to increase agriculture's contribution to gross domestic product.

*Fin24*

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