

# STRATEGIC PLAN

2020/21-2024/25





## **Our Vision**

Enabling a Skilled and Prosperous Agricultural Sector

## **Our Mission**

To increase access to relevant skills that is impact driven through strategic partnerships and credible research leading to inclusive economic growth

## **Our Values**

**Transparent:** See through us

**Responsible:** I own it

**Unity:** In diversity

**Service delivery:** We are here to serve

**Team work:** Together we do more

***"TRUST"***

## Executive authority statement

This is the AgriSETA Strategic Plan for the 2020/21-2024/25 period. It is important to note that the AgriSETA Strategic Objectives changed and were fully aligned to the NSDP 2030; the SETA is focusing on eight Strategic Objectives that is highlighted in the NSDP. The main aim of this exercise is therefore to align the Strategic Plan to the National Treasury Framework for Strategic Plans and Annual Performance Plans, and include imperatives identified through various strategic planning processes to ensure that the strategic plans of AgriSETA are in alignment with the dynamic nature of the AgriSETA landscape and policy imperatives set by government.

The agricultural sector has not grown as fast as other sectors over the past few decades, but remains a critical sector for employment and food security among the country's rural poor in particular, and is thus a sector in which development opportunities should be vigorously pursued and not overlooked. The sector is highly dualistic with a small yet strong commercial sector (approximately 70 000 commercial farmers). These are some of the most resilient farmers in the world who adapt well to challenges of the environment (climate), politics (laws) and economic realities (e.g. fluctuating currencies). On the other side of the spectrum is a large, poorly defined developing sector estimated to be at least 10 times larger than the commercial sector (if the measurement of number of farmers is applied). This developing sector is referred to as emerging, subsistence, small-scale or as new farmers. At AgriSETA, this sector is generally referred to as the under-resourced sector.

Some of the main characteristics of the agricultural sector that influence our thinking as facilitators of skills development in the sector are:

- Agriculture and rural development needs more focused attention;
- The land restitution process;
- The youth do not participate as expected in agricultural development;
- The need to make agriculture more accessible to women;
- The supply of skills to meet the ever increasing demand must be increased;
- Agricultural colleges are not producing enough graduates with the skills and knowledge required by the labour market;
- Many other tertiary agricultural qualifications are not aligned to occupations and the needs of the agricultural economy;
- Agriculture relies heavily on unskilled and semi-skilled workers;
- Under-resourced farmers struggle to enter the formal market;
- Green industries in support of sustainable farming must be revitalised to respond to the changing agriculture climate and environment, this to respond to the change in customer behaviour; and
- The announced minimum wage is expected to have a significant impact on the medium to long term.

The above factors are discussed in detail in the Sector Skills Plan, which is attached as Annexure A hereto.

This strategic plan is focused on addressing these unique challenges in agriculture but at the same time capacitating potentially excellent resources which are available (such as agricultural TVET colleges). The allocation of funds entrusted to the AgriSETA, which is limited when considering the vast and dire needs of the sector, has been planned carefully in order to achieve the following:

- A balanced impact on both the under-resourced and commercial sectors.

- Playing a leading role in rural development which includes impacting on cooperatives and land reform projects.
- Systematic and continuous development of our provider sector (private and public), with specific reference to agricultural TVET colleges and a few TVET colleges.
- Enticing sector participation in skills development and in that manner promoting increased investment in skills development, to ensure an increasing percentage of payrolls invested in human capital development.

This strategic plan (and its supporting planning documents) is aligned with the National Skills Development Plan, the New Growth Path as well other sector-specific strategic frameworks. Support towards Operation Phakisa will be prioritised to ensure that various implementation challenges experienced with the National Development Plan is unblocked. Moreover, it sufficiently addresses the peculiar needs of the agricultural sector.



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**Mr. C. van der Rhee**  
Chairperson: AgriSETA Accounting Authority

### **Accounting Officer statement**

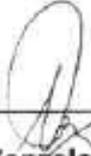
AgriSETA, is a section 3(a) entity and was established in terms of the Skills Development Act of 1997 Chapter 3, Section 9. The mandate of the organisation is to be a catalyst for the Agricultural sector to ensure that the South African economy grows as a whole, and to ensure that food security is enhanced.

AgriSETA's five-year strategic plan has been mapped in accordance with the organisation's balanced scorecard imperatives, which followed a process of putting in place proper governance structures, systems and controls, risk management and marketing of the SETA. We also insourced key functions and aligned our processes to better meet our stakeholder demands.

To ensure that the vision and the mission of the organisation is fully met, the right managers have been recruited, as well as providing training and development to the entire skills set of the organisation.

AgriSETA's strategic focus for the next five (5) years will be on the eradication of poverty through job creation programmes that will benefit the South African youth, specifically within rural areas of South Africa, and to complement other strategic agricultural imperatives that is associated with research, development and the fourth industrial revolution (4IR).

AgriSETA, is geared towards the full implementation of this strategy within the next 5 years, and the required commitment and institutional knowledge exists for the plan to be fully implemented.



**Mr. Zenzele Myeza**  
**Chief Executive Officer**

2019 - 11 - 29

**Date**

## Official sign-off

It is hereby certified that this Strategic Plan:

- was developed by the management of the AgriSETA under the guidance of the AgriSETA Accounting Authority;
- takes into account all the relevant policies, legislation and other mandates for which the AgriSETA is responsible; and
- accurately reflects the strategic outcome orientated goals and objectives which the AgriSETA will endeavour to achieve over the period 2020-2025



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**Mr F. Fouche**  
Executive Manager Skills Planning



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**Ms R.M. Sebela**  
Chief Financial Officer



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**Mr Z. Myeza**  
CEO: AgriSETA



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**Mr C van der Rheede**  
Chairperson: AgriSETA Accounting Authority

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## Acronyms and abbreviations

4IR	Fourth Industrial Revolution
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CEO	Chief Executive Officer
CET	Community Education and Training
CIO	Chief Information Officer
CRO	Chief Risk Officer
DFI	Development Finance Institution
ETQA	Education and Training Quality Assurance
HR	Human Resources
IT	Information Technology
MOU	Memorandum of Understanding
NSDP	National Skills Development Plan
PESTEL	Political, Economic, Social, Technological, Environment, Legal
PFMA	Public Finance Management Act No. 1 of 1999
QA	Quality Assurance
QCTO	Quality Council for Trades and Occupations
RPL	Recognition of Prior Learning
SA	South Africa
SETA	Sector Training and Education Authority
SWOT	Strengths, Weaknesses, Opportunities, Threats
TVET	Technical and Vocational Education and Training

## **Part A: Our Mandate**

### **1. Constitutional mandate**

The Constitution of the Republic of South Africa, 1996, Chapter 2: Bill of Rights section 29 states that:

Everyone has the right

- a. to a basic education, including adult basic education; and
- b. to further education, which the state, through reasonable measures, must make progressively available and accessible.

Everyone has the right to receive education in the official language or languages of their choice in public educational institutions where that education is reasonably practicable. In order to ensure the effective access to, and implementation of, this right, the state must consider all reasonable educational alternatives, including single medium institutions, taking into account

- a) Equity;
- b) Practicability; and
- c) The need to redress the results of past racially discriminatory laws and practices.

Everyone has the right to establish and maintain, at their own expense, independent educational institutions that

- a) Do not discriminate on the basis of race;
- b) Are registered with the state; and
- c) Maintain standards that are not inferior to standards at comparable public educational institutions.

Subsection (3) does not preclude state subsidies for independent educational institutions.

## **2. Legislative mandates**

AgriSETA is listed under Schedule 3 Part A of the PFMA as a public entity. The entity was enacted through the Skills Development Act 97 of 1998 Chapter 3, Section 9.

Legislation that is applicable in the business operations of the SETA, includes the following:

- 1) Higher Education Act, 1997 (Act No. 101 of 1997) (HE Act)
- 2) National Student Financial Aid Scheme Act, 1999 (Act No. 56 of 1999) (NSFAS Act)
- 3) National Qualifications Framework Act, 2008 (Act No. 67 of 2008) (NQF Act)
- 4) Skills Development Levies Act, 1999 (Act No.9 of 1999) (SDL Act)
- 5) Public Finance Management Act, 1999 (Act No.1 of 1999)(PFMA)
- 6) All related regulations of this Act
- 7) National Treasury Regulations
- 8) National Treasury Frameworks for Strategic Plans (SP) and Annual Performance Plans (APP)

## **3. Institutional policy and strategies**

- **Institutional policies**

Name of Policy	
<b>Finance Policies and Procedures</b>	
1.	Finance policy
<b>Supply Chain Management Policies &amp; Procedures</b>	
1.	Supply Chain Management
<b>Marketing and communication</b>	
1	Language Policy
<b>Research Policy</b>	
1.	Research Policy
<b>ETQA Policies and Procedures</b>	
1.	Provider Accreditation
2.	Appeals
3.	Research Policy
4.	Management of Assessment
5.	Quality Assurance and Monitoring
6.	Institute of sectorial or occupational excellence
7.	Recognition of Prior Learning
<b>Discretionary Grant Funding Policy</b>	
1.	Discretionary Grant Funding Policy
2.	Succession plan policy and procedure
<b>Mandatory Grant Disbursement Policy</b>	
1.	Mandatory Grant Disbursement
<b>Human Resources Policies and Procedures</b>	
1.	Human Resources Policies and Procedures
<b>IT Policies and Procedures</b>	
1	ICT user access policy and procedure
2.	Change Processes And Procedures
3.	ICT security policy
<b>Delegation of Authority Policy</b>	
1.	Delegation of Authority
1.	Risk Management Policy
2.	Board Remuneration Policy

All existing current policies of the business are reviewed annually so as to address any changes or new service delivery requirements.

### **3.1. Alignment with sector specific and national strategic frameworks**

The Sector Skills Plan (SSP) from which this strategic plan is drawn, has been guided by the national imperatives as outlined in different national strategic frameworks, such as the National Skills Development Plan, New Growth Path , Industrial Policy Action Plan (IPAP) and the White Paper on Post-School Education and Training, in addition to sector-specific strategic documents, such as the Integrated Growth and Development Plan (IGDP) for Agriculture, Forestry and Fisheries for the period 2011 – 2031.

Currently, the SETA landscape is being reviewed strategically and a proposed SETA landscape has been formulated. The business operations policies are guided and informed by the frameworks and national policies of government listed below.

### **3.2. The National Skills Development Plan**

The Skills Development Act (SDA) Act (1997) as amended, section 10(1)(a) requires that each Sectoral Education and Training Authority (SETA) develop a Sector Skills Plan (SSP). In accordance to the act, AgriSETA developed its Sector Skills Plan to respond to the National Skills Development Plan. The broader purpose of the NSDP is to ensure that South Africa has adequate, appropriate and high quality skills that will contribute towards economic growth, employment creation and social development.

The NSDP is derived from the National Development Plan (NDP) that identified various challenges including critical shortages of skills, a complex intergovernmental system, high levels of corruption, weak lines of accountability, inadequate legislative oversight and a long history of blurring the lines between party and state.

The NSDP outlines eight (8) outcomes, each with its sub-outcomes and key performance areas. These outcomes are listed as:

- **Identify and increase production of occupations in high demand**

The primary aim of determining occupations in high demand is to improve the responsiveness of the post-school education and training system to the needs of the economy and to the broader developmental objectives of the country. The national list of occupations in high demand will be compiled and reviewed for every two years, to support planning processes in the post-school education and training sector, particularly in relation to enrolment planning, decision making on the prioritisation of resource allocation, qualification development, and career information and advice.

The NSDP starts with understanding and determining the demand of the labour market and national priorities that can be interpreted into interventions from education and training institutions through their planning processes on the supply side.

- **Linking education and the workplace**

Improving the relationship between education, training and work is a key policy goal of the WP-PSET. This recognises the importance of workplace-based learning in achieving the policy objectives of the post-school education and training system. The WP-PSET is unequivocal that the main purpose of TVET is to prepare students for the world of work, a position that is in line with international practice.

Workplace-based learning is explicitly supported and promoted in various policies and strategies including, but not limited to, the Skills Development Act (SDA), the NSDS III, the NDP, the NGP, the SETA Workplace-based Learning Programme Agreements Regulations, the National Skills Accord, the Youth Employment Accord, the Strategic Infrastructure Projects (SIPs), the National Youth Policy 2014 – 2019, the draft Turning the Public Sector into Training Space Strategy, the Public Service Human Resource Development Strategic Framework:

Vision 2015, and the draft Higher Education Science and Technology Workplace-Based Learning Policy.

The alignment of planning and funding cycles of skills levy institutions will allow for much greater coherence between workplaces and education and training institutions in offering workplace learning opportunities to students in PSET, and industry experience for lecturing staff, particularly in public institutions. The role of SETAs as intermediary bodies is posited as a key factor in linking the world of work and education.

The linkage to the workplace and labour market is critical so as to realise the placements of graduates in the labour market to address occupations in high demand and priority occupations. The SETAs can facilitate and broker the linkages between the labour market, employers and sectors with the education and training institutional supply.

- **Improving the level of skills in the South African workforce**

South Africa is challenged by low productivity in the workplace, as well as slow transformation of the labour market and a lack of mobility of the workforce, largely as a result of inadequate, quality assured training for those already in the labour market.

The Skills Supply and Demand in South Africa Report (2016), indicates that it is universally recognised that higher levels of educational attainment are associated with better health and wellbeing, higher employment rates, better labour opportunities, and higher earnings. The Report further notes that the education level of the employed population is increasing.

The NGP calls for increased workplace training of workers already in employment in order to improve productivity and the overall growth and development of our economy. To address this challenge, the Mandatory Grant, Discretionary Grant and Administration budgets of the SETAs will be reviewed as SETAs are required to support employed workers. SETAs must support the training of employed workers and encourage employers to expand such training in order to improve the overall productivity of the economy, achieve transformation and address skills imbalances in our workforce in particular and the labour market in general.

- **Increase access to occupationally directed programmes**

South Africa's intermediate skills base is too low to support the country's socio-economic development goals. The workforce is also not keeping pace with the skills required to remain competitive in an increasingly knowledge-based economy.

To address this, new occupational qualifications were developed by the Quality Council for Trades and Occupations. These qualifications require significant work experience for certification. Although there might be some flexibility in the design of different qualifications, there is no doubt that the system requires better and more systemic arrangements for workplace-based learning in order for the programmes to inspire confidence among employers and to improve employment outcomes for students. Skills levy institutions, through their funding, will play an important role in supporting the increased production of occupationally directed programmes.

- ***Support the growth of the public college institutional type as a key provider of skills required for socio-economic development***
- ***Technical and Vocational Education and Training Colleges***

The WP-PSET describes TVET colleges as the cornerstone of the post-school education and training system for South Africa and proposes an expansion of this institutional type to absorb the largest enrolment growth in the post-school system. The NDP also situates TVET colleges as critical pillars of the emerging post-school system and vital for social and economic development. The growth of stronger TVET colleges will expand the provision of mid-level technical and occupational qualifications. These will articulate directly into the world of work for the growing numbers of young people leaving the schooling system. A significantly expanded TVET institutional type will also relieve the higher education institutional type which is already under strain from high demand driven by student aspirations for post-school education and a lack of alternative and attractive opportunities elsewhere in the PSET system. TVET is a high priority for government.

The focus on this institutional type since the recapitalisation of the public TVET colleges, and a range of intervention programmes since the creation of the department, including the Turnaround Strategy, have led to some positive changes. The TVET colleges are starting to show results, but the system has been asked to do too much, too fast, with too little support. This institutional type must build upon its existing strengths, but growth must be realistic. TVET colleges cannot be expected to improve capacity and quality without adequate planning, support, and resourcing. Expansion has to be built on improved capacity and performance, both of which require significant new investment in a chronically underfunded area.

Countries with strong TVET colleges have good relationships between industry and the TVET colleges. In these systems, TVET colleges play a particularly important role in directly linking intermediate technical education to the labour market.

This means that the South African system will benefit from a better understanding of skills needs for South African society and industry, and the ability of TVET colleges to respond to social and economic needs, in particular those at the intermediate level in the labour market. Some labour market analyses show that job prospects for a TVET college graduate are comparable to those for a matriculant at 50%, but much higher for qualified artisans where a study showed a placement rate of 79%. This means that TVET colleges do not always add substantial value to the opportunities for prospective labour market entrants.

Centres of Specialisation will be advocated to be the mode of delivery of identified occupational programmes, where this is practically possible. This mode of delivery will be encouraged, promoted and expanded in the TVET institutional type as it places the role of the employer at the centre with other stakeholders, such as SETAs. The role of the social partners remains central to the success of this methodology.

- **Community Education and Training Colleges**

The NSDP acknowledges the role to be played by the Community Education and Training (CET) institutional type in expanding skills development in the country. The CET colleges will cater for the knowledge and skills needs of the large numbers of adults and youth requiring education and training opportunities, unemployed people, and those employed but in low or semi-skilled occupations. The aim, therefore, is to create a differentiated institutional type that caters to the varied needs of communities, individuals and society. Programmes that are responsive to the needs of communities and that enable individuals to find work, start businesses, and develop sustainable livelihoods and progress into other education institutions, will be offered in CET colleges. They will also seek to assist community organisations, institutions, local government, individuals and local businesses to work together to develop their communities by building on existing knowledge and skills.

The NDP mandates the PSET system to expand the college system with a focus on improving quality. The NDP further proposes that CET colleges should reach an additional million learners by 2030. The National Skills Fund (NSF) will play a significant role in this institutional type as directed by the NSDP, targeting especially the unemployed and strengthening the capacity of this institutional type to deliver skills for socio-economic development.

- ***Skills development support for entrepreneurship and cooperative development***

The inability of the youth to engage in economic activity and find employment suggests that young people may not be receiving the necessary skills and work experience to drive the economy forward. This situation cannot be allowed to persist. The challenge of inculcating a culture and spirit of entrepreneurship and self-employment lies not only in making funding available, but also in developing the skills and competencies of the youth and potential entrepreneurs in general. It is recognised that entrepreneurship and cooperative development is less about obtaining formal occupational qualifications and more about applied, peer and mentored learning and support. Research suggests a demand for short, modular, competency-based training which reduces time and, hence, the opportunity cost of training; that skills needs are similar at each stage of a business life cycle; and that bespoke support produces better results than programmes with set curriculum and timeframes for later stage businesses.

Support for the cooperatives can play an important role, not just in the margins, but in the mainstream of the South African economy. There is compelling evidence of the success of cooperative models, particularly internationally. Successful cooperatives operate more as a consortium of established small businesses providing complementary skills and specialist services. Cooperatives are intended to provide economic benefit through collaboration and economies of scale thereby reducing input, operational and distribution costs. Entrepreneurs that form and or join cooperatives, have similar needs to other businesses in terms of access

to information, markets and finance. Skills levy institutions will actively support skills development needs of entrepreneurs and cooperatives within their sectors, with particular focus on the unemployed, youth, women and people with disabilities.

- **Encourage and support worker initiated training**

Trade unions and their education programmes, as well as other worker-initiated training programmes, play an important role in the skilling of workers in broader sectoral policy and capacity to effectively engage in the workplace and broader economy. Trade unions and worker education and training initiatives are able to use the critical networks of their organisations (e.g. shop stewards and union officials) to educate their members and other workers to suit their needs in a manner that is also beneficial to the economy as a whole.

South Africa has a long history of worker education and training that needs to be supported and expanded. Worker-initiated education and training can contribute to a workforce that is better able to understand the challenges facing the economic sectors in which they operate. Skills levy institutions will play a crucial role in supporting and encouraging worker training initiatives. This will benefit the workplace, our economy, as well as the developmental objectives of our country.

- **Support career development services**

SETAs must seek to build career guidance initiatives in their sectors and generally as a key component of the NDSP. The preamble to South Africa's Constitution notes the importance of 'freeing the potential of each person' whilst the NDP talks about the need for every individual to 'embrace their potential'. This embracing and freeing up of potential is critical to the nations' socio-economic development. Career development services, therefore, do not just aim to provide quality career and study related information and counselling services, but also to contribute to the larger goal of assisting our people to 'embrace' and 'fulfil their potential'. One of the most important milestones in someone's life is to make a career choice. The decision someone makes will have a significant impact on the rest of his or her personal and professional life. There has been limited emphasis, particularly at a school level, on career and vocational guidance for our youth. The result is that young people may opt for a programme because it is marketed well or there is financial aid. There is a lack of guidance to direct young people to programmes for which they have an aptitude, and which will provide training in areas needed in the economy.

### **3.3. White Paper for Post-School Education and Training**

The White paper on post-school education and training provides a framework that brings together in a coherent and articulated manner three major components of post-school E&T: education and training, skills development and employment. The following key implications for skills development can be deduced:

- Development of occupationally directed programmes that address real skills needs.

- Emphasis on skills development within government departments including Department of Agriculture, Land Reform and Rural Development (DALRRD), Department of Environment, Forestry and Fisheries (DEFF), Department of Trade, Industry and Competition (DTIC) and DRDLR. Inter-departmental skills programmes are ideal. *[Note: departments were merged and renamed in June 2019 and these are their new names]*
- Expansion of the role of public colleges and universities in the provision of occupational skills to the sector.

### 3.4. NDP 2030

The plan sets out six interlinked priorities:

- Uniting all South Africans around a common programme to achieve prosperity and equity.
- Promoting active citizenry to strengthen development, democracy and accountability.
- Bringing about faster economic growth, higher investment and greater labour absorption.
- Focusing on key capabilities of people and the state.
- Building a capable and developmental state.
- Encouraging strong leadership throughout society to work together to solve problems.

### 3.5. Operation Phakisa

- Aquaculture

Aquaculture contributes to almost half of the global fish supply but it contributes less than 1% of South Africa's fish supply. The sector offers significant potential for rural development, especially for marginalised coastal communities. This work stream has identified eight initiatives that will focus on the following:

- The growth of the aquaculture sector's revenue from about half a billion rand today, to almost R1.4 billion in 2019;
- The creation of an enabling regulatory environment;
- Increasing funding support, increasing the skills pool, awareness and improving access to markets.

- Agriculture

This programme is led by Department of Agriculture, Land Reform and Rural Development (DALRRD) and the Department of Environment, Forestry and Fisheries (DEFF), and is supported by the DPME.

This programme is driving two broad objectives:

- To stimulate growth, foster job creation and instil transformation along the agriculture and rural development value chain.
- To contribute towards inclusive growth, as prescribed by the NDP and the Revitalisation of the Agriculture and Agro-Processing Value Chain (RAAVC), amongst others.

As enabling milestones, specific objectives have been identified:

- Devise interventions for economic growth of priority commodities;

- Determine markets and improve access for commercial and emerging farmers' infrastructure;
- Address fragmented and low impact of financial and non-financial support provided to producers;
- Improve productivity by balancing mechanisation and job creation;
- Stimulate development of rural economies;
- Reduce the environmental impact of agricultural production;
- Devise improvements in water management in agriculture and rural areas.

### **3.6. New Growth Path and the National Skills Accord**

The New Growth Path: Accord 1 (National Skills Accord) lists eight commitments, with the aim of mobilising the private sector, organised labour, communities and government to form strong partnerships to expand skills in the country as a platform for creating jobs. The commitments are:

- To expand the level of training using existing facilities more fully.
- To make internship and placement opportunities available within the workplace.
- To set guidelines of ratios for trainees to artisans as well as across the technical vocations in order to improve the level of training.
- To improve funding of training and the use of funds available for training and incentives on companies to train.
- To set annual targets for training in state owned enterprises.
- To improve SETA governance and financial management as well as stakeholder involvement.
- To align training to the New Growth Path and improve Sector Skills Plans.
- To improve the role and performance of TVET colleges.

### **3.7. Industrial policy action plan**

The 2018/19 - 2020/21 Industrial Policy Action Plan (IPAP) identifies six structural challenges that exist in the South African economy. These challenges are:

- Lack of policy coherence and programme alignment, industrial policy implementation is not progressing as planned due to lack of policy certainty, and alignment and integration across government;
- Concentration of ownership and control: a small number of large firms dominating most sectors, remains one of the country's greatest economic challenges;
- High private sector input costs, remains a continuing constraint on the competitiveness of SA manufacturing;
- Water supply and availability recurrent interruption of water supply, especially in smaller municipalities and to small and medium companies;
- Transport and logistics constraints; high logistic costs and economic infrastructure blockages limit the country's economic development and competitiveness;

- The challenge of skills deficits and mismatches - hinder industrial and technological development, as the economy is not producing the skills required by the manufacturing sector.

### **3.8. Integrated Growth and Development Plan for Agriculture, Forestry and Fisheries**

The IGDP as defined by the National Department of Agriculture, Land Reform and Rural Development aims at creating an enabling environment wherein all stakeholders can work towards a set of goals which, when achieved, will result in increased equity, growth and sustainability. The IGDP sets out four overarching strategic objectives, which AgriSETA understands as “sector objectives”. These are:

***Equity and Transformation:*** This looks broadly on equity and transformation in employment, management, skills development; preferential procurement; enterprise development and socio-economic development. It also seeks to address the aspect of access to markets and information; financial support, extension services and equipment. There is a specific focus on the beneficiaries of land reform. Equity is understood to include attention to:

- *Class* (addressing the unequal nature of society and the economy, and deliberately setting out to empower poor and unemployed people through skills development);
- *Race* (broad-based black economic empowerment as a critical strategy to support with skills development);
- *Gender* (women are vulnerable and not able to access some of the most prestigious and rewarding occupations, and must be empowered to change this);
- *Youth aged 15-35 years* (far too many young people leave school with few prospects of finding decent work. Skills development, including induction to work, is a vital bridge from youth into productive and satisfying adulthood);
- *Older people* (who need to remain economically active if rural economies are to be built);
- *Disability* (removing barriers to persons with disabilities and enabling them to access meaningful work and income);
- *HIV and AIDS* (HIV/AIDS is eroding our efforts and it must be confronted, inter alia in skills development interventions).

***Growth and Competitiveness:*** This focuses on food security, increased production, support for smallholder and emerging farmers, opening internal markets as well as exploring export possibilities, reducing import dependencies, reducing input and transaction costs, and generally creating an enabling environment for the development and strengthening of viable and sustainable agricultural enterprises. Partnerships are envisaged between the public and private sectors, between large successful commercial farms and emerging farms, in areas of common interest such as extension services and mentoring.

***Environmental sustainability:*** This objective calls for a concerted approach to natural resource management, including protection of scarce resources such as water, soil and marine life, the management of ecosystems, and generally improved risk management. Climate change will be monitored and managed and early warning systems developed. Research and the promotion of alternative production methods are envisaged, as well as improved regulations and enforcement.

**Governance:** There will be specific focus on clarifying responsibilities and achieving improved accountability. Inter-departmental and cross-departmental processes will be put in place and a comprehensive monitoring and evaluation system developed. Knowledge and information management will be a new focus to support effective governance.

### **3.9. National Minimum Wage**

The national minimum wage came into effect on 1 January 2019 and no worker in South Africa may be paid below the national minimum wage. The coming into effect of the minimum wage is an achievement for a young democracy like South Africa which is striving to overcome a legacy of poverty and severe inequality. The minimum wage of R20 an hour translates to R3 500 a month. The design of the minimum wage took into consideration the context and difficulties that different types of business whether large or small face as well their ability to afford the minimum wage.

The national minimum wage will see the wages of 6.4 million of the most vulnerable workers and impoverished workers rising. The national minimum wage will only replace the minimum wage in the sector if that minimum wage is less than the national minimum wage.

### **3.10. Land expropriation without compensation**

The land debate sparked debate on this highly emotional matter into two distinct corners. The ruling African National Congress (ANC) has openly announced its support of Constitutional amendments to accelerate land reform as a means of practical socioeconomic redress. Socioeconomic uneasiness marked the land issue perhaps due to uncertainty regarding the implementation and the vulnerability of private property laws. It seems likely that land expropriation will be introduced into the legislature of South Africa.

A joint Constitutional Review Committee's (CRC) was established by the president, the final report, advocating for amendments to section 25 of the Constitution, following the support by parliament amendments to the Expropriation Bill were officially gazetted. The bill defines new protocols relating to land expropriation and outlines the legal basis for Constitutional amendments.

## **4. Relevant court rulings**

On 16 October 2019, the Labour Appeal Court ruled in favour of Business Unity South Africa (BUSA) and set aside Regulation 4(4) as promulgated in the Government Notice 23 of 2016 that was published in the Government Gazette 39592 in terms of section 36 of the Skills Development Act 97 of 1998.

## **Part B: Our strategic focus**

### **5. Vision**

Enabling a Skilled and Prosperous Agricultural Sector

### **6. Mission**

To increase access to relevant skills that is impact driven through strategic partnerships and credible research leading to inclusive economic growth

### **7. Values**

- **Transparent: *See through us***
- **Responsible: *I own it***
- **Unity: *In diversity***
- **Service delivery: *We are here to serve***
- **Team work: *Together we do more***

**“TRUST”**

### **8. Situational analysis**

While the AgriSETA Sector Skills Plan (SSP) aims to address a wide range of issues in the agricultural sector, in essence it captures the following important realities which have a direct impact on the process of development of such skills in the sector<sup>1</sup>:

- South Africa has a dual agricultural economy spanning subsistence and commercial interests. AgriSETA is required to serve both these constituencies in a fair manner despite deriving the bulk of its income from a relative small group of top levy payers. The top levy payers' contributions justify their skills needs be catered for, but there is also an equal democratic imperative to support subsistence farmers and rural development for the sake of improved livelihoods and food security.
- These two constituencies have differing skills requirements. Commercial farmers require high level technical skill for managerial positions, and improved AET and RPL for their unskilled workforce. While co-operatives require partnerships (with big business, government departments, other SETAs and industry bodies) that are targeted at helping co-operatives develop into proper businesses with access to finance, corporate governance and business management skills. These should be provided in the form of mentorships which fall beyond traditional SETA learnerships.
- It appears that the skills mismatch in the agricultural sector is that neither of these constituents currently fully benefits from existing AgriSETA learnerships. There is a group of unskilled workers who are not eligible for lower level NQF AgriSETA learnerships because they do not have the requisite basic literacy and numeracy skills, or require RPL to be launched onto a career development path. This unskilled workforce spans commercial and subsistence farming. AgriSETA provides sufficient low to medium level NQF interventions, while agricultural colleges and higher education institutions provide medium to high level skills required by commercial enterprises.

## **8.1. External environmental analysis**

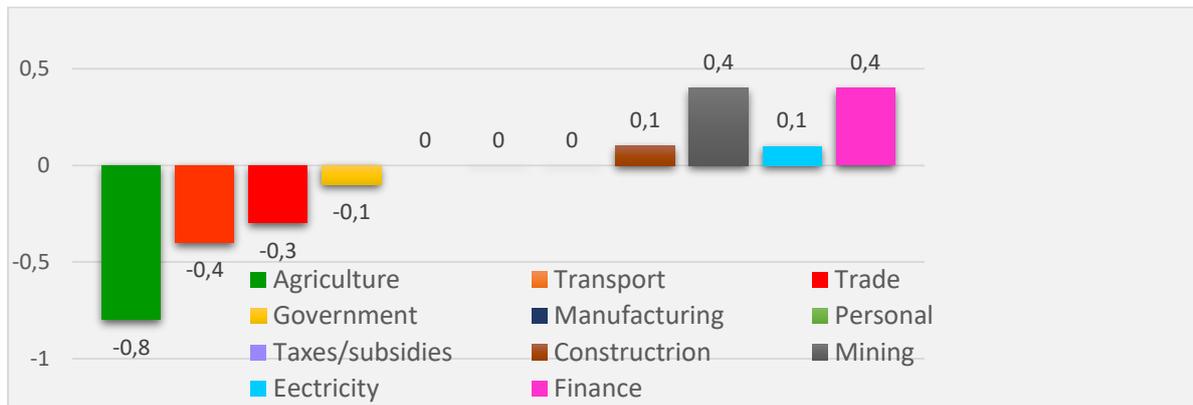
### **8.1.1. Economic setting**

The gross domestic product (GDP) forecast for South African's total, annual growth rate had an increase 1% from 2018 to 2019 (OECD, 2019). According to Statistics South Africa, agriculture, forestry and fishing industry has declined by 29,2%. Furthermore, the contribution by sector for the second quarter of 2018 is shown in Figure 2 which contributed -0,8 of a percentage point to GDP. The contraction was due to the drop in the production of field crops and horticultural products.

**FIGURE 1: CONTRIBUTION TO GDP BY SECTOR, Q2 2018**

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<sup>1</sup> A comprehensive situation analysis is available in the Sector Skills Plan attached as annexure A hereto.



Source: Stats SA, 2018, Gross Domestic Product

According to the South African National Census of 2011 Population Report, the total number of commercial farmers is close to 69 000 considering entities registered for VAT and non-VAT registered commercial farmers. There are just below 40 000 commercial farmers registered for VAT with SARS. Of this number, fewer than 2 500 reportedly produced more than half of the gross farm income (Kane-Berman, 2016). This means that most agricultural enterprises are small in size, with a few large players making up the lion's share of GDP contributions. Most commercial farms have an annual turnover of less than R1 million, which is borne out in the WSP data. The 2019 AgriSETA employer database comprised of 26 181 employers registered with AgriSETA; 24 953 are categorised as small, (1-49 employees), 772 as medium (50-149 employees) and 456 employers are categorised as large (more than 149 employees).

AFASA says a third of its 10 000 members, spread across livestock, field crops, and horticulture, are "farming for the market," but that only 2% of them are doing so successfully (Kane-Berman, 2016). Thus, many South African farms are hand-to-mouth operations, regardless of their categorisation as 'subsistence' or 'smallholder' and require significant support to become sustainable. Those farmers categorised as 'emerging' are attempting to graduate from small-scale farming to commercial, but require support in the form of development finance, managerial mentoring and enterprise development. The reported number of emerging farmers ranges from 50 000 to 120 000 (IRR, 2016), and some of the biggest numbers of emerging farmers are in timber and sugar. These facts point to the need for skills development in the agricultural sector, to bolster existing farming concerns, as well as to bring new skills into the industry. The effect of shifts in land reform for rural skills development will be taken up in Chapter 2.

The value of primary agriculture production in South Africa accounted for R273 million in 2016/17, compared to R243 million in the previous year – an increase of 12.5%. The increase can be attributed to an increase in the value of field crops and animal products. Overall, income from all agricultural products increased by 10.2% from R242 million in 2015/16 to R267 million in 2016/17. Similarly, the increase can be attributed to field crops which increased by 24.2% to R64 million for the year ended June 2017 (DAFF, 2017). Maize remains the most prominent field crop in South Africa. The maize industry contributes 0.4% to the national GDP and the industry is interlinked with many industries in the manufacturing sector.

The gross value of animal products increased by 24.2%, sugar cane was higher by 25.7%, cotton production increased by 29.3% and horticulture decreased by 0.7 % to the total value of gross value agricultural products. The red meat and poultry meat industry made the largest contribution. (DAFF,2016/17). One of the key factors underlying consumer trends has been the growth of disposable income in South Africa. This is reflected in the increase of red meat product consumption over the last couple of years. However, given the high unemployment levels since the 2008-09 recession (in excess of 27 percent in the second quarter of 2017), a weak rand and the worst drought in 23 years and weaker commodity prices have converged to decreased overall consumer spending. With that said, Business Monitor International (July, 2016) holds a mixed outlook for the South African agricultural market. This is due to the effects of the drought and El Niño on corn and wheat. The weak rand, weather volatility and decreasing farm incomes are forecast to exert downward pressure on the market. However, in the longer term it is predicted that revenue in the sector will be boosted by a growth of about 40% from food consumption due to the growth of the middle class and disposable incomes. BMI estimates that annual food consumption revenue will reach over R609 billion in 2018.

The agricultural sector contributed approximately 10% to South Africa's total export earnings in 2017/18 (Export.gov, 2018). South Africa imported \$10.3 billion in agricultural and food products between 2017 and 2018. The major agricultural products imported by the country included Grains (\$549 million), rice (\$429 million), wheat (\$323 million) and chicken cuts and offal (\$299 million). Due to the severe drought in the 2015/16 season, which decreased production by almost 50%, imports of more than three million tons of maize were needed to fulfil local demand (Export.gov, 2017).

The mohair industry is reported to be the largest in the world, accounting for 53% of total global production in 2016 (NDA, 2016). All mohair produced is exported. Similarly, the majority of the annual wool clip and cotton lint is also exported. South Africa also produces 20% of the total meat produced on the African continent, accounting for 1% of global meat production. South Africa is also by far the largest pet food manufacturer in the Middle East and Africa, accounting for more than half of the sales of the region (Global Pets, 2016). Euromonitor International forecast that value sales of pet food in South Africa will expand by 12% at 2015 prices, between 2015 and 2020. According to the Industrial Policy Action Plan (IPAP), South Africa also possesses a competitive advantage in a number of fruit and beverage sub-sectors.

Products from sub-sectors such as wines, indigenous Rooibos and Honeybush tea, and certain fruits are highly sought after in export markets. Similar to the consumer trends observed in the domestic consumption of red meat, exports of subtropical fruit and tree nuts are increasing at a rapid rate, as middle-income consumers in developed markets are demanding more variety. An analysis of the fruit and vegetable market also revealed that over a five-year period up to 2019, the highest expected growth for the fruit and vegetable market will take place in Asia Pacific, with 6.4% year-on-year growth, followed by Europe with 4.4% and the US with 2.2% (Farmers Weekly, 2016).

In the 2015/2016 financial year corn production was expected to decline by 38.8% and sugar production to decline by 20.2% due to the severe drought and El Niño. However, poultry production will increase by 1.2% and pork production will rise by 2.1%. Until two years ago,

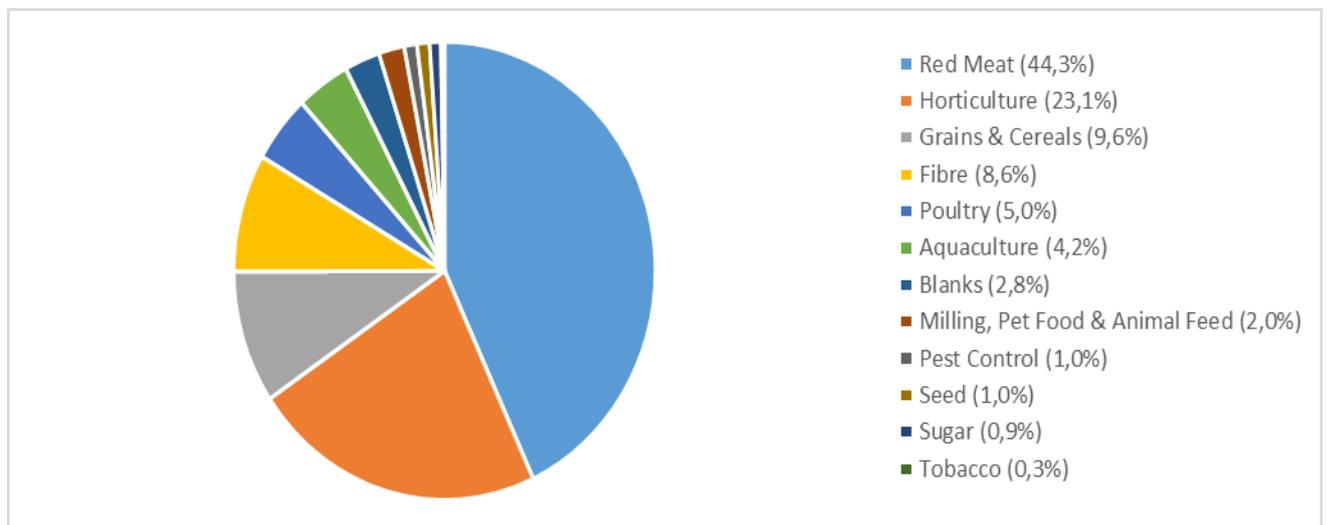
the poultry industry was one of the largest agricultural sectors in South Africa, with an estimated value of R51 billion a year (Willemse, 2017). The decline in the poultry in more recent years can be largely attributed to the enormous volumes of below-cost poultry being imported into the country (Willemse, 2017). The effect of the drought and climate change on skills development will be taken up in Chapter 2.

## 8.1.2. Sector environment

### 8.1.2.1. Labour

The AgriSETA Employer Data comprises all the sub-sector data for both levy and non-levy payers.

**FIGURE 2:** DISTRIBUTION OF AGRICULTURAL ENTITIES BY SUB-SECTOR



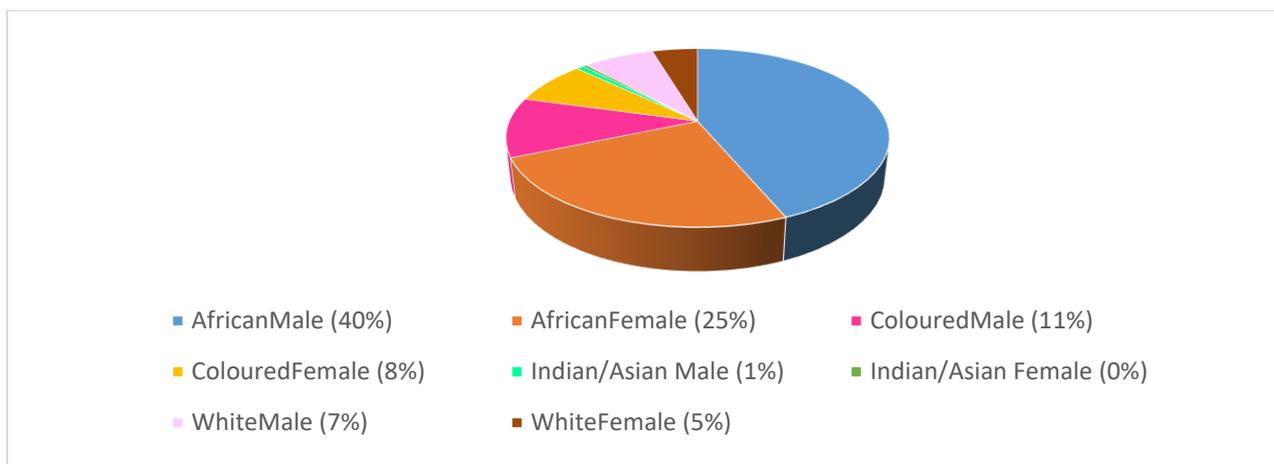
*Source: AgriSETA Employer Data, 2019/2020*

The total number of employers registered in the employer database for 2019/20 is 26 181. The Red Meat sector remains the highest on the AgriSETA employer data, followed by Horticulture, Grain and Cereal and Fibre respectively. The lowest percentages are found in Milling, Pet Food & Animal Feed, Pest control, Seed and Sugar. AgriSETA generates its revenue from skills development levies. Currently, only 27% of employers pay levy to AgriSETA, while there are reportedly close to 69 000 commercial farmers in the sector (South African National Census of 2011). This means that just below a third of farming units contribute towards skills development in the sector, placing a fair degree of strain on available resources. In order for skills development interventions to reach a broader base, multiple resources need to be channelled into skills development interventions.

### 8.1.2.2. Race

WSP data received for 2019 reveals that the sector currently has 18 739 permanent employees. The black Africans remain dominant, followed by coloured employees, while Asians are the least employed group in the sector.

**FIGURE 3: EMPLOYEES BY RACE**

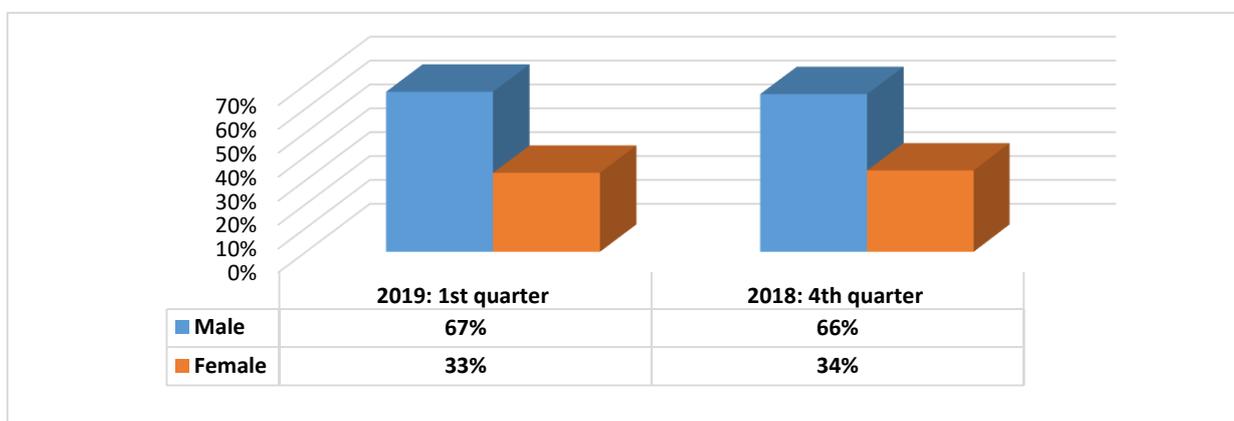


Source: AgriSETA WSP Submissions, 2019/20WSP

### 8.1.2.3. Gender

The figure below gives the breakdown of the agricultural sector by gender as reported in the first quarter of 2019 (Stats SA, QLFS, Q1: 2019). The males remain dominant in both quarters. This statistic is also supported by WSP data, 2019/20 where the permanent employees 62 % Males and 38% Females.

**FIGURE 4: GENDER DISTRIBUTION OF LABOUR IN THE AGRICULTURAL SECTOR**

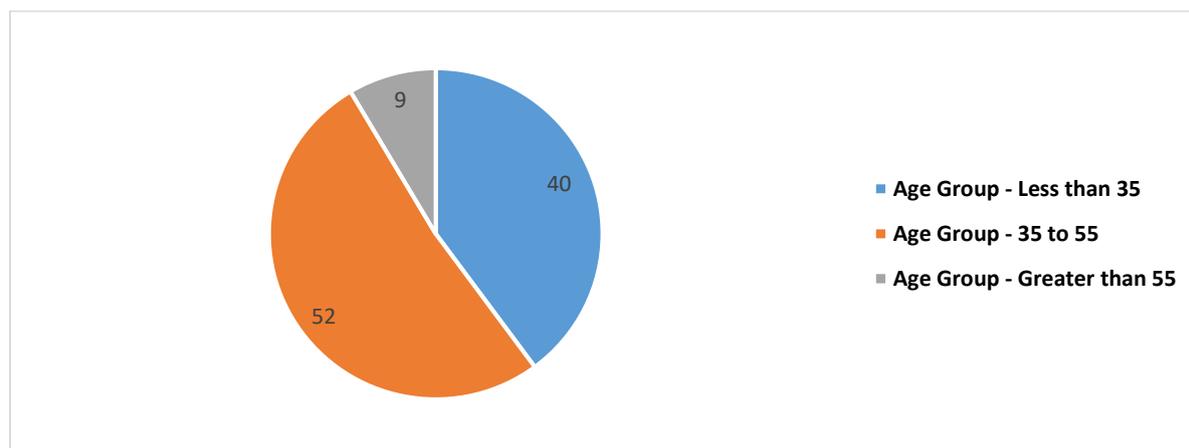


Source: Stats SA, Quarterly Labour Force Survey, 1st Quarter 2019

### 8.1.2.4. Age

According to the International Labour Organisation (ILO) the average working age group is between the age of 15 and 65. Half of the people employed in the agricultural sector by employers that submit WSPs, are between the ages of 35 and 55. Young people below the age of 35 constitute 40% of people employed whilst 9% are above the age of 55. In total, 92% of the workers are below the age of 55.

**Figure 5: AGE OF EMPLOYEES IN AGRICULTURAL SECTOR**



*Source: AgriSETA WSP Submissions, 2019/20*

These demographic realities were validated in interviews with stakeholders, who all commented on the need for skills transfer from those exiting the workforce to those coming up the ranks. The issue of unskilled youth presents a difficulty for skills transfer, because some base level qualification is needed to enter the skilled workforce in the first place. This presents challenges for skills development, because of the double hurdle of experienced employees exiting at a rate not able to be matched by the numerous youth demographic.

### **8.1.3. Performance environment**

The following change drivers were identified through a thematic synthesis of internal stakeholders' views, policy documents, existing research and stakeholder engagement, and pertinent current affairs issues reported in the media over time and will have an impact over the medium term:

- **Fourth Industrial Revolution: Technology and Mechanisation**

The Grains and Cereal, Sugar, and Tobacco sub-sectors specifically highlighted the rapid change in technology as a key change driver in these sectors. These sectors identified the ability to develop and research new innovation, technologies and analysis of large data sets as a key driver of skills. The ability to integrate and implement new technologies and innovation in workplaces were also identified as an important aspect to take these industries forward. The increased need to for all employees at all levels within the industry were further highlighted.

- **Green Economy**

Skills relating to sustainable farming practices were identified by various sub-sectors, these include Tobacco, Fibre, Aquaculture, Milling, Pet food and Animal Feed, Pest Control, Poultry & Seed sub-sectors. The proper utilisation of resources and efficient use of land through relevant green knowledge and skills. The conservation of resources through amongst others agro-processing and energy efficient farming methods to ensure sustainable agriculture practices. These sub-sectors highlighted the importance of continuous research and development to ensure that industries remain on par with technological changes in this area.

In order to respond appropriately to this driver, industries identified the need for environmental health officers, conservation officers and environmental and agricultural research scientists.

- **Climate change (production area is shifting eastwards, introduction of new production technologies)**

Due to climatic changes, the South African agricultural production area is moving eastwards resulting in a need for new or adapted production technologies. The Horticulture; Milling, Pet Food and Animal feed and Seed sub-sectors highlighted this change in the production area as a key skills driver in their sectors. To respond to this change, new skills sets are required to deal with the migration of workers and the incorporation of latest innovations and technologies to deal with natural disasters. Changing climates also requires research into the health of plants making the availability of agricultural scientists and advisors critical to deal with the dynamics in the sector.

- **The youth bulge and skills development**

Stats SA (2019) reported that youth aged 15–24 years are the most vulnerable in the South African labour market as the unemployment rate among this age group was 55,2% in the first quarter of 2019. Alarmingly, the unemployment rate was 31% among graduates in this age group during this period compared to 19,5% in the fourth quarter of 2018 – an increase of 11,4% quarter-on-quarter. Annually, youth unemployment rises in the first quarter of the year due to new entrants in the labour market. The cyclic rise in youth unemployment can be attributed to new entrants into the labour market. Youth unemployment accounts for 63,4% of the total number of unemployed persons in South Africa. Just under 30% of the youth in South Africa have jobs and about half of them (48,8%) participate in the labour market.

The Tobacco, Red Meat and Sugar sub-sectors reported that they required skills development aimed at younger age (high school level). It is notable that these industries also acknowledged that the workforce is becoming younger – this requires a new set of skills from the sector to manage a younger employee.

- **Brexit & EU trade agreements**

While the effects of Brexit on South African agribusiness are yet to become clear, what is clear is that South Africa would have to renegotiate its trade agreements with the UK. Senior agricultural economist in Agricultural Business Chamber, Mr Wandile Sihlobo, commented that, “Market access benefits that existed through the agreement would no longer apply” (Mchunu, 2016). The Poultry, Red Meat and Sugar sub-sectors have raised concern relating to the effects of Brexit.

Agricultural subsidies are one of the key issues related to Brexit. The UK is a critic of current European subsidies which have historically had an impact on African farmers’ export capacity (Sow & Sy, 2016). The outcome of renegotiated trade agreements will have to be monitored.

- **Poultry Imports**

The African Growth and Opportunity Act (AGOA) is a US Trade Act that enhances market access to the US for qualifying Sub-Saharan African countries based on certain conditions (AGOA, 2016). To gain access to these markets, South Africa is currently negotiating a large US poultry import deal which would lead to the import of over 65 000 tonnes of US poultry a year (BMI, 2016), putting the South African poultry industry under severe pressure. The outcomes of this deal are being monitored by agribusiness experts, but the knock-on effect of this type of deal could have implications for skills development in the sector.

- **Political and policy uncertainty, Weakening of the local currency**

Sub-sectors that are heavily dependent on exports and imports are severely affected by policy uncertainty. Political uncertainty will lead to farmers not investing or expanding on their farming activities. The Milling, Pet Food and Animal Feed; Seed; and Fibre sub-sectors highlighted the uncertainty in the sector as a key driver especially looking at the investor confidence in the sectors.

The South African currency has seen severe fluctuations impacting on exports and imports. The trade war between America and China resulted in investors withdrawing investment capital from emerging markets. The type of skills needed by the industry to respond to will have to focus on the creation of new markets.

- **Growth of small-scale farmers**

The Agricultural sector has seen an increase in small-scale farming with an expected further sharp increase given the current discourse on land distribution in South Africa. Small-scale farmers significantly contribute to the national production of produce especially within the poultry and fibre sub-sectors. The expectation is that various skills sets will be required from small-scale farmers to survive the current challenges faced by this sector; this includes skills to combat climatic change, consumer demands for quality products, business skills and primary farming skills to ensure that businesses remain sustainable. Further mentoring support in the form of mentoring and extension services to ensure that the correct cultivars is used to increase annual yields will be required.

#### 8.1.4. PESTEL

The table below summarises the factors influencing skills development in the sector.

**TABLE 1: PESTEL FOR SECTOR**

FACTOR	POSSIBLE IMPACT
<b>Political</b>	The agricultural sector is mainly guided by the standards set out by the Department of Agriculture, Land Reform and Rural Development. The department ensures ongoing development and maintenance of uniform standards for South African inspection and weighing procedures for grain. Grading regulations promote fair business practices and a competitive marketing environment for grain and

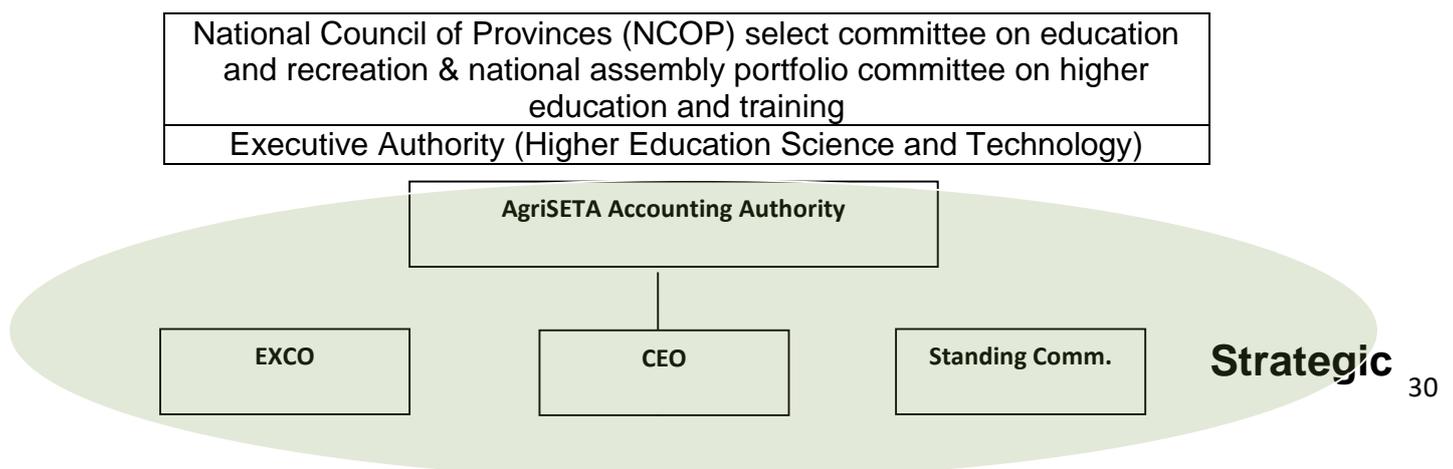
	<p>oilseeds. With the correct application of these grading regulation, the sector is able to promote fair and competitive trading practices for the overall benefit of consumers and agricultural industry. Land reform is one of the key issues facing the agribusiness. This could be harmful to the South African agricultural economy as food security can be affected and the agribusiness landscape of the country, due to the potential for mismanagement at the political and administrative level.</p> <p>The national minimum wage may impact negatively on employment in the sector.</p>
<b>Economic</b>	<p>World population growth and the resultant growth in demand for foods hold a positive implication for the agricultural sector.</p> <p>The sector is central to providing staple food and other food supply, however, the instability of the local currency has a negative effect on the ability to plan and manage imports and exports.</p> <p>If small-scale and communal farmers are to make a real contribution to production volumes, the yield of their production needs to be increased and the quality of their product improved.</p>
<b>Social</b>	<p>The results from SSP research reveal that the gender equity is not well balanced; the sector is dominated by male employees.</p> <p>The attractiveness of the sector needs to be addressed and the perception of the sector changed to make it an occupation of choice.</p>
<b>Technological</b>	<p>There is a need for research and development in the sector to facilitate changing nature of consumer demands and the growing South African population.</p> <p>The mechanisation of farming operations means that the unskilled labour force is being replaced by a significantly smaller skilled labour force. For instance, satellites, aircraft, and unmanned aerial vehicle (UAV) systems, commonly known as drones are the aerial technologies used in more recent years in the agricultural industry. These technologies allow for the use of remote sensing to identify certain production trends, taking out the human factor of decision-making in this regard (Farmers Weekly, 2016).</p> <p>This coupled with other technological advancements happening within the sub-sector across the globe indicates that the sub-sector needs to also invest and research and development initiatives, and mentoring and coaching youth into more technical positions within the sub-sector. The investment in research and development will further assist in finding innovative ways in dealing with climate change.</p>
<b>Environment</b>	<p>The 2015/16 drought is said to be the worst to hit the country since 1992, and has shifted the domestic maize market into a net important situation (BMI, 2016, Grain). South Africa is home to many environments ranging from dry to more temperate, the country is able to grow in an array of climates, and maize is one of the highest produced crops in South Africa. With that said, the rising temperatures and with rainfall becoming more irregular and unpredictable in some parts of the country, the production of agriculture in the country is expected to take a large hit. South Africa's water supply is already at a disadvantage, with rising temperatures means that groundwater and surface water will be increasingly evaporated, leaving the soil salty, limiting food production.</p>

	Disease outbreaks and upsurges can cause major losses to the country's agricultural output. The most recent outbreak to hit the country is the foot and mouth disease outbreak. The virus, which causes lameness and reluctance to eat in affected animals, was detected in Limpopo earlier this year, and in January, the World Organization of Animal Health (OIE) suspended South Africa's status as a foot-and-mouth disease free zone.
<b>Legal</b>	There are legal barriers which impact negatively on the industry – it is up to the industry to clearly identify, ring fence and engage with those barriers to enable legislative and regulation changes. Legislation that addresses the registration of products is a timeous process which delays entry into the market which invariably hinders innovation in the sector. Legislation and new laws for inspection of maize, soya, wheat, tobacco etc. brings additional cost to producers and eventually affects consumer prices. In addition, land tenure for small-scale farmers remains a challenge.

## 8.2. Internal environmental analysis

### 8.2.1. AgriSETA organisational environment

The AgriSETA structure is well balanced and is entrenched from accounting authority level to the operational structure. Stability and extensive institutional knowledge exist due to the low labour turnover rate and the fact that appropriately qualified staff members are employed.



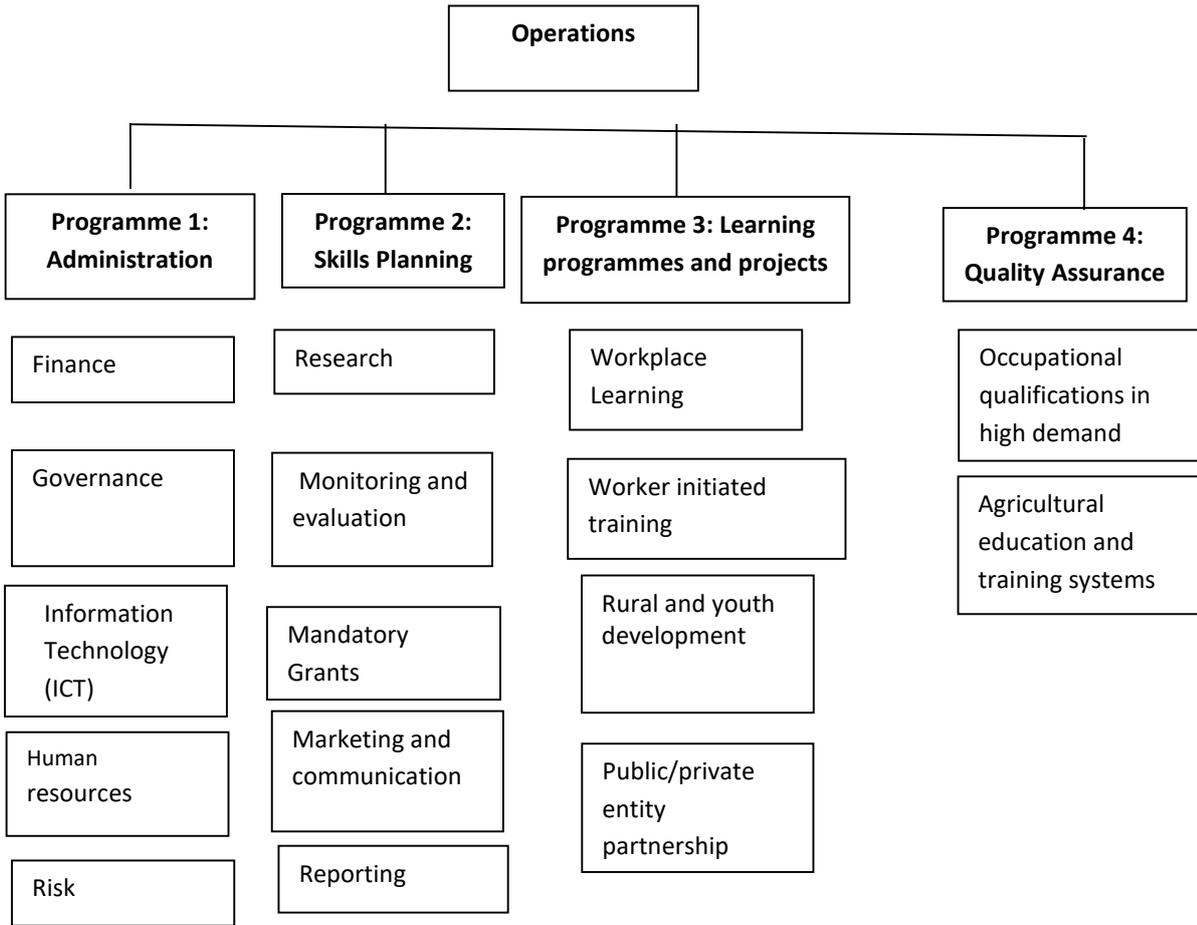


FIGURE 6: AGRISETA ORGANISATIONAL STRUCTURE

In terms of the organisational structure the following can be noted:

- AgriSETA restructured its operations in the 2018/19 financial year and managed to recruit employees with the required experience and knowledge base, the re-establishment of AgriSETA to 2030 improved the ability of the organisation to recruit the talent needed in critical positions;
- The AgriSETA has provincial representation in 4 provinces currently;
- The predominance of small sized employers in the sector and resulting lower levy base continues to place pressure on the availability of funding to deliver on the annual need for learning programmes.

AgriSETA is positioned within the Agricultural sector especially in terms of its provincial footprint to allow for increased access and delivery to a predominately-rural employer base, hence contributing to ensure food security and increased job creation. AgriSETA will continue to explore opportunities to expand its current footprint.

TABLE 2: INTEGRATED FACT BASED SWOT ANALYSES

<b>Strengths:</b>	<b>Opportunities:</b>
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<p>Supply Chain Management system that is in line with PFMA and Treasury Regulations</p> <p>Procurement of goods and services is conducted in a way that is fair, equitable, transparent, competitive and cost effective.</p> <p>Internal and External Strong Stakeholder relationship</p>	<p>Partnerships with Universities locally and internationally</p> <p>More efficient data capturing system: Implementation with an online capturing mechanism</p> <p>Integrated marketing programme with other entities</p> <p>Use of social media as a platform</p> <p>To forge linkages with other partners in other sectors to promote skills development.</p> <p>Capacitate youth to take agriculture as a career.</p> <p>Support from stakeholders to implement learning Programmes.</p>
<p><b>Weaknesses:</b></p>	<p><b>Threats:</b></p>
<p>PIVOTAL list not adequately considered on awarding grants</p> <p>One dimensional approach to career guidance with no or limited marketing of the AgriSETA brand/marketing and communication.</p> <p>Information systems not available to: Monitor implementation, analysis of data.</p>	<p>ICT contract (ending in 10 Months), expected development time 12-14 months</p> <p>Reporting and Research capacity</p> <p>Not focusing on demand-led programmes.</p> <p>Not meeting APP targets.</p> <p>Lack of project management principles.</p> <p>No effective stakeholder management.</p> <p>Out-sourced ICT support.</p>

- **Organisational systems**

The AgriSETA has a well-established Human resources and financial, system to enhance its capacity to deliver on its mandate

- **Organisational strategy**

AgriSETA is fully aligned to achieve the strategic goals set in the strategic planning documentation. The Strategic plan and Annual performance plans are shared with all employees so that the short and medium term goals are internalised and collectively achieved.

- **Leadership style**

All management levels within the SETA are implementing a democratic, participative management style. The oversight function of the board is effectively executed through functional board sub-committees that ensure that the board is well informed of the SETA progress in implementing its mandate.

- **Shared values**

AgriSETA management and staff is constantly striving to serve the interests of the sector as whole, actions are geared towards the interests of learners in terms of progression, furthermore AgriSETA prioritised its mandate in terms of discretionary and mandatory grants with a keen focus on rural development

- **SETA Landscape**

AgriSETA was re-established to 2030 this provides further stability to the organisational structure. The NSDP was officially launched in February 2019 for implementation on 1 April 2020.

AgriSETA will implement strategies to ensure that the national footprint of the organisation is expanded and the mandate of the organisation to link workplaces with learners is further strengthened.

- **Compliance to BBBEE Act.**

AgriSETA is in full compliance with the Broad Based Black economic legislation

- **Designated groups**

AgriSETA is prioritising marginalised groups and members from designated groups during recruitment and development activities

## **8.2.2. Description of the strategic planning process**

AgriSETA has taken a comprehensive and a holistic approach in developing the SSP 2020-2024, and subsequently this strategic plan. The SSP has been developed in a participatory manner and followed some stages of consultation of key partners, feedback and refining of the end product.

### **8.2.2.1. Consultation of key partners**

The stakeholder interviews and engagements leading to the preparation of the AgriSETA Strategic Plan (2020-2024) also endorsed the need for improved coordination within the sector, greater levels of trust and cooperation, alignment of skills development with strategic sector and sub-sector growth interventions and the achievement of more focused and effective human capital development.

Consultation and input from the different departments within AgriSETA were also sourced in order to identify the gaps and use the combined knowledge and experience of implementing on the ground to enrich this strategic plan. The Governance and Strategy Committee that comprises of Board members from the Employer, Union Representatives and Ministerial Appointees sides also interrogated the strategic plan at length. They gave their inputs and final recommendation to the Board.

### **8.2.2.2. Description of strategic planning process**

**Step 1:** In May, AgriSETA commences with the strategic planning process, undertakes an environmental scan and reviews strategic goals, objectives and key priorities through the drafting of the Sector Skills Plan.

**Step 2:** From the strategic review, management and the Accounting Authority identify high-level priorities to inform department-wide planning, through an intensive review process that includes external expertise.

**Step 3** AgriSETA now undertakes detailed planning through departments to ensure that the priorities outlined are unpacked. This process has to be completed by mid-August in preparation for submission of the first draft Strategic Plan and Annual Performance Plans.

**Step 4:** The final strategic plan is available on 30 October following approval by the accounting authority.

## **Part C: Measuring our performance**

### **9. Institutional performance information**

The Department of Higher Education Science and Technology has called on the SETAs to align their strategic plans to the NSDP and National Treasury framework. The current Board of the SETA has echoed the need for the SETA to focus on rural development, cooperatives, youth development, green industry as well strengthening the functioning of Agricultural Colleges.

To bring about synergy in addressing the skills needs in the agricultural sector, it is appropriate for AgriSETA to also align its work with the plans and strategies of the line government department, the Department of Agriculture, land reform and rural development. In that light, AgriSETA has modified its area of focus, strategic goals and specific objectives.

AgriSETA within its mandate and available resources, strive to focus on, and achieve eight broader strategic outcomes.

#### **9.1. Impact**

Impact Statement: A accessible, relevant and sustainable skills for the agricultural workforce.

Through the implementation of this strategy AgriSETA will empower the agricultural sector. This will be achieved through responding to sector needs for increased access to relevant skills. Thus positively impacting on the sustainability and employability of agricultural workers to become more productive participants in the South African economy.

This strategy will serve a dual economy in the agricultural sector focussing on the commercial and small scale farming enterprises. The intended service to such a wide constituent is further affected by AgriSETA's relative low income base and limited resources that need to be allocated accurately to achieve the intended impact. The capacity of the agricultural value chain will be strengthened through the implementation of various activities. Furthermore, this strategy aims to achieve the longer term goals over a 5-year period, however progress will be monitored annually to assess achievements.

To ensure that the set strategies are achieved AgriSETA will allocate resources which includes financial and human capital. Various outcomes and outcome indicators were developed and set to ensure that all the strategic documentation of the organisation is aligned to the strategic outcomes. Moreover, the management of AgriSETA ensured that an alignment exist between the sector skills plan, the annual performance plan and strategic plans, this approach ensures that all decisions are guided and informed by research.

The vast range of stakeholders within the agricultural environment requires the SETA to implement programmes in semi urban and deep rural settings. This will require all support functions within the organisation to assist in broadening the footprint of AgriSETA within South Africa.

The management and accounting authority of AgriSETA is confident that this strategy will deliver the required outcomes intended because all information contained in the strategic documentation was verified through constant stakeholder engagements.

## 9.2. Outcomes

Impact statement	Increased supply of occupations in high demand in the agricultural sector
Strategic outcome 1	Identify and increase the production of occupations in high demand
Outcome indicator	To establish and enhance a credible institutional mechanism for skills planning
MTSF priority	Outcome 5: A skilled and capable workforce to support an inclusive growth path
Baseline	This is a new indicator
5 year target	1 credible mechanism
Impact statement	A education system that is responsive to the workplace skills needs
Strategic outcome 2	Improved linkage between education and the workplace
Outcome indicator	Increased exposure of beneficiaries to workplaces through PIVOTAL initiatives
MTSF priority	Outcome 5: A skilled and capable workforce to support an inclusive growth path
Baseline	This is a new indicator
5 year target	10%
Impact statement	A capacitated Agricultural workforce
Strategic outcome 3	Improving the level of skills in the South African workforce

Outcome indicator	Increased workplace training of workers already in employment
MTSF priority	Outcome 5: A skilled and capable workforce to support an inclusive growth path
Baseline	This is a new indicator
5 year target	10%
<b>Impact statement</b>	<b>A agricultural sector that prioritise occupational learning</b>
<b>Strategic outcome 4</b>	<b>Increase access to occupationally directed programmes</b>
Outcome indicator	Access to occupationally directed programmes increased
MTSF priority	Outcome 5: A skilled and capable workforce to support an inclusive growth path
Baseline	This is a new indicator
5 year target	by 5% annually up to 2024.
<b>Impact statement</b>	<b>A responsive , capacitated agricultural college system</b>
<b>Strategic outcome 5</b>	<b>Increased growth of public colleges as a key provider of skills required for socio-economic development</b>
Outcome indicator	Increased enrolment of learners into the post-school system through the agricultural, TVET and CET colleges by 20%.
MTSF priority	Outcome 5: A skilled and capable workforce to support an inclusive growth path
Baseline	This is a new indicator
5 year target	20% by 2024.
<b>Impact statement</b>	<b>A capacitated cohort of agricultural cooperatives</b>
<b>Strategic outcome 6</b>	<b>Increased skills development support for entrepreneurship and cooperative expansion</b>
Outcome indicator	Increased access of unemployed, youth, women and people with disabilities to entrepreneurial and cooperative development by 20%
MTSF priority	Outcome 7: Comprehensive rural development and land reform
Baseline	This is a new indicator
5 year target	20% by 2024
<b>Impact statement</b>	<b>An inclusive sector that makes provision for worker lead training</b>
<b>Strategic outcome 7</b>	<b>Increased support for worker initiated training</b>
Outcome indicator	Increased worker training initiatives through trade unions and federations with 15%.
MTSF priority	Outcome 5: A skilled and capable workforce to support an inclusive growth path
Baseline	This is a new indicator
5 year target	15% by 2024
<b>Impact statement</b>	<b>Agriculture is promoted as a career of choice</b>
<b>Strategic outcome 8</b>	<b>Improved career development services</b>
Outcome indicator	Increased participation of Youth in Agriculture

MTSF priority	Outcome 5: A skilled and capable workforce to support an inclusive growth path Outcome 7: Comprehensive rural development and land reform
Baseline	This is a new indicator
5 year target	45% of AgriSETA beneficiaries are youth

### 9.3. Planned performance for the next 5-year period

The National Development Plan recognises the importance of agriculture to the economy and Food Security status of the country. The importance of skills development in the agricultural Sector is considered by the NDP as pivotal for both primary and secondary agriculture. Narrowing the gap between the demand for skilled labour and supply thereof, through sector interventions in building the artisan pool of skills.

The NSDP's aim is to: Ensure that the that South Africa has adequate, appropriate and high quality skills which will contribute towards Economic growth, Employment creation and social development. AgriSETA, towards fulfilling its mandate, has aligned its performance targets to NSDP with an aim of improving access to occupations in high demand and priority skills which is the NSDP mission

During the next 5 years AgriSETA will strive to strengthen all support functions within the organisation. A clear focus will be to achieve and maintain an unqualified audit opinion, this will require strong financial discipline especially in terms of SCM. The continuous development of governance structures will be prioritised to ensure that the board and board sub-committees implement sound governance principals aligned to accepted standards.

Internal and external information management will be critical in the next 5 years, AgriSETA will prioritise the maintenance of infrastructure and the continuous improvement of information systems, the focus will be on upgrading of IT infrastructure and the maintenance of IT systems. This function will be fully insourced in the period covered by this strategy.

AgriSETA strives to be a high performing organisation, talent management is crucial for a high performing organisation to maintain high levels of performance. A key priority will be the filling of vacancies and the management of new and existing talent. This will include a strengthened performance management system to ensure that all employees function and the required level of performance.

Over the next five years' research will be further strengthened to assist decision makers in the organisation. The mandatory grant function will be used as a vehicle to ensure that data collection increases in quality and quantity. The impact of programmes will continuously be monitored to ensure that resource allocation has the expected impact. Internal capacity will be further strengthened for the period under review to ensure that sub sector committees function optimally.

The establishment and strengthening of the monitoring and evaluation function will be prioritised in the next 5 years. The implementation of the monitoring and evaluation framework for the organisation and to creation of internal capacity will ensure that monitoring and evaluation of activities can be implemented organisation wide. AgriSETA considers the monitoring and evaluation function as a key element in measuring and understanding impact

AgriSETA serve a diverse stakeholder group that resides mainly in rural areas within South Africa. The implementation of the AgriSETA integrated marketing and communication strategy will ensure that the AgriSETA service provision is broadened especially through strategic partnerships.

The availability of occupations that are in high demand will be prioritised over the next 5 years, through learnerships, Bursaries and internships AgriSETA will provide opportunities for the development of skills in the Agricultural sector. Expenditure over the next 5 years will also be geared towards support of government initiatives like operation Phakisa to address critical implementation issues identified in the NDP. The development of numeracy and literacy skills will also be prioritised to improve these basic level skills for employees. The national skills development plan identified the need for worker initiated training, the implementation of projects through trade unions federations and commodity organisations will develop worker skills through learnerships, skills programmes, graduate and internship programmes.

AgriSETA will continue to focus on the strengthening and support to youth and co-operative structures to improve food security. Through learnerships and mentorship skills, capacity will be built to mentor new and up-coming farmers. This programme will again in this MTEF leverage on conditional grants to broaden the AgriSETA's impact in support to Rural structures.

The development of occupational qualifications and the support to assessment quality partners in the implementation of new qualifications will be further expanded of the next 5 years. Closer participation and strengthening relations with Sector Skills Committees will be utilised to identify new or emerging occupations. The support to Colleges of Agriculture will continue to ensure that the base for learning programme delivery is broadened. The public college system will be further strengthened and supported to improve the quality of the skills supply to the sector, expenditure will broadly focus on TVET, Agricultural and Community colleges.

#### 9.4. Key risks

Outcome	Top risks Identified	Planned Mitigation
Outcome 1-8	Poor financial management	<ul style="list-style-type: none"> <li>• Internal Audit will perform a 2019/20 AG findings follow up and provide a status report on all implemented controls by management. This will assist determine the effectiveness of existing controls.</li> <li>• Consider Combined Assurance Reports.</li> <li>• The controls are put in place to move AgriSETA to a clean audit, the status will be more visible after the AG interim audit results.</li> </ul>
Outcome 1-8	Lack of fraud prevention and risk management processes.	<ul style="list-style-type: none"> <li>• Review the Business Continuity Management Policy and conduct a Business Impact Analysis.</li> </ul>
Outcome 1-8	Poor performance management system	<ul style="list-style-type: none"> <li>• Review the current policy, eliminate gaps and establish a transparent, participative approach, and ensure KPI's and the revised and approved policy are communicated to all staff.</li> <li>• Training on:               <ol style="list-style-type: none"> <li>a) Continuous performance management by managers.</li> <li>b) Ensure transparent performance assessments.</li> <li>c) Implement performance improvement plans(PIP) for underperforming staff.</li> </ol> </li> </ul>
Outcome 1-8	Ineffective ICT governance.	<ul style="list-style-type: none"> <li>• Appointment of Lead Specialist: Business Analysis by March 2020 to ensure skills transfer from sole service provider to internal staff.</li> <li>• All ICT governance documents are in place.</li> </ul>
	Inadequate ICT security.	<ul style="list-style-type: none"> <li>• AgriSETA to upgrade ICT Infrastructure (Internal Firewall, Switches and replace current anti-virus software).</li> <li>• Implement Data Leak Prevention (DLP) to monitor and control access to sensitive information.</li> </ul>

Outcome 1-8	AgriSETA not meeting demand within the industry.	<ul style="list-style-type: none"> <li>• AgriSETA plans to develop an aggressive marketing strategy and plan that will enhance information sharing within the sector and the benefits thereof.</li> <li>• Road Shows will start in Q4.</li> </ul>
Outcome 1-8	AgriSETA may not effectively implement the vision to assist organisations to fill critical skills gaps within the sectors.	<ul style="list-style-type: none"> <li>• Develop implementation plan to increase the number of WSP and ATR submissions.</li> <li>• Conduct training to SDFs (Skills Development Facilitator) during mandatory grant road shows.</li> </ul>
Outcome 1-8	Potential loss of key clients who are high percentage employers.	<ul style="list-style-type: none"> <li>• Continuous monitoring of stakeholder relations</li> </ul>
Outcome 1-8	Inability by AgriSETA to meet industry demand.	<ul style="list-style-type: none"> <li>• AgriSETA to rigorously implement the partnership implementation plan and broaden the partnership scope.</li> <li>• AgriSETA will enhance partnerships through a partnership agenda to give direction and focus on relevant partnerships.</li> </ul>
Outcome 8	Limited visibility of AgriSETA intervention programmes.	<ul style="list-style-type: none"> <li>• Implement a Stakeholder Engagement and Communication Strategy.</li> <li>• Promote the AgriSETA mandate in rural areas. KZN completed with national and local partners.</li> </ul>
Outcome 3	Non implementation of AgriSETA planned intervention programmes by employers.	<ul style="list-style-type: none"> <li>• Effective planning, monitoring and evaluation of projects.</li> </ul>
Outcome 3	Funds provided to employers by AgriSETA not used for the intended purpose.	<ul style="list-style-type: none"> <li>• Improve monitoring and evaluation at implementation of project to confirm that approved learning programme is implemented as per two party contract.</li> </ul>

Outcome 1	Uncertainty in the Quality Training for Trade and Occupations (QCTO) landscape across SETA's.	<ul style="list-style-type: none"> <li>The SLA regarding the revoking of ETQA delegated functions will be finalised and signed on the 28 February 2020 by AgriSETA and QCTO.</li> </ul>
Outcome 1	Mismatch between occupations in high demand and industry needs.	<ul style="list-style-type: none"> <li>QA will engage the industries on continuous basis by using SSC platforms to influence the industry needs to align to occupations in high demand</li> </ul>

**Part D: Technical Indicator Descriptions**



**STRATEGIC PLAN**

**TECHNICAL INDICATOR DESCRIPTIONS**

**PERIOD: 2020/21 – 2024/25**

**January 2020**

Strategic Outcome 1: Identify and increase the production of occupations in high demand

<b>Indicator title</b>	Identify and increase the production of occupations in high demand
<b>Definition</b>	To establish and enhance a credible institutional mechanism for skills planning
<b>Source of data</b>	A developed SSP, SSC minutes
<b>Method of calculation or assessment</b>	The credibility of Information is assessed through meetings conducted with sector skills committees.
<b>Assumptions</b>	Research information is valid
<b>Disaggregation of beneficiaries (where applicable)</b>	Not applicable
<b>Spatial transformation</b>	Not applicable
<b>Desired Performance</b>	1 credible mechanism
<b>Indicator Responsibility</b>	Executive Skills Planning Manager

Strategic Outcome 2: Improved linkages between education and the workplace

<b>Indicator title</b>	Increased exposure of beneficiaries to workplaces through PIVOTAL initiatives
<b>Definition</b>	To increase exposure of beneficiaries to workplaces through PIVOTAL initiatives by 10% annually
<b>Source of data</b>	Number of beneficiaries exposed to predetermined objectives
<b>Method of calculation or assessment</b>	$\text{=\%increase} = (\# \text{ workers in current year} - \# \text{ workers in previous year}) / \# \text{ workers in previous year}$
<b>Assumptions</b>	Data is available
<b>Disaggregation of beneficiaries (where applicable)</b>	Not applicable
<b>Spatial transformation</b>	Not applicable
<b>Desired Performance</b>	Workers exposed to PIVOTAL initiatives increased by 10%
<b>Indicator Responsibility</b>	Executive Manager: Learning programmes and projects

Strategic Outcome 3: Improving the level of skills in the South African workforce

<b>Indicator title</b>	Increased workplace training of workers already in employment by 10% annually
<b>Definition</b>	To ensure that workers already in employment are exposed to learning opportunities
<b>Source of data</b>	Number of workers counted that was exposed to learning opportunities

<b>Method of calculation or assessment</b>	=%increase =(# workers in current year-#workers in previous year) / # workers in previous year
<b>Assumptions</b>	Data is available
<b>Disaggregation of beneficiaries (where applicable)</b>	Not applicable
<b>Spatial transformation</b>	Not applicable
<b>Desired Performance</b>	Yes
<b>Indicator Responsibility</b>	Workers exposed to workplace training increased by 10%
<b>Indicator title</b>	Executive Manager: Learning programmes and projects

## Strategic Outcome 4: Increase access to occupationally directed programmes

<b>Indicator title</b>	Access to occupationally directed programmes increased
<b>Definition</b>	The increase the access to programmes that will enhance intermediary skills levels of beneficiaries
<b>Source of data</b>	Annual performance reports
<b>Method of calculation or assessment</b>	=%increase =(# beneficiaries in current year-#beneficiaries in previous year) / # beneficiaries in previous year
<b>Assumptions</b>	Data is available
<b>Disaggregation of beneficiaries (where applicable)</b>	Not applicable
<b>Spatial transformation</b>	Not applicable
<b>Desired Performance</b>	5% increase annually up to 2024.
<b>Indicator Responsibility</b>	Executive Manager: Learning programmes and projects

## Strategic Outcome 5: Increased growth of public colleges as a key provider of skills required for socio-economic development

<b>Indicator title</b>	Increased enrolment of learners into the post-school system through the TVET and CET colleges by 20%.
<b>Definition</b>	To ensure that the public TVET system inclusive of CET is capacitated and that learners enrolling into these programmes be increased
<b>Source of data</b>	Annual performance information
<b>Method of calculation or assessment</b>	Counting the numbers of beneficiaries to CET, TVET and ATVET Colleges
<b>Assumptions</b>	Data is available

<b>Disaggregation of beneficiaries (where applicable)</b>	Not applicable
<b>Spatial transformation</b>	Not applicable
<b>Desired Performance</b>	No
<b>Indicator Responsibility</b>	Access to TVET, CET inclusive of ATVET be increased by 20% be 2024
<b>Indicator title</b>	Executive Manager ETQA

Strategic Outcome 6: Increased skills development support for entrepreneurship and cooperative development

<b>Indicator title</b>	Increased access of unemployed, youth, women and people with disabilities to entrepreneurial and cooperative development by 20%
<b>Definition</b>	Support agricultural related rural development initiatives (cooperatives, NGOs, CBOs and Land Reform) through skills development to improve the skills levels of unemployed, youth, women and people with disabilities.
<b>Source of data</b>	Annual performance report
<b>Method of calculation or assessment</b>	$\text{=\%increase} = (\# \text{ beneficiaries in 2024} - \# \text{ beneficiaries in 2020}) / \# \text{ beneficiaries in 2020} * 100$
<b>Assumptions</b>	Data is available
<b>Disaggregation of beneficiaries (where applicable)</b>	Not applicable
<b>Spatial transformation</b>	Not applicable
<b>Desired Performance</b>	20% increase by 2024
<b>Indicator Responsibility</b>	Executive Manager: Learning programmes and projects

Strategic Outcome 7: Increased support for worker initiated training

<b>Indicator title</b>	Increased worker training initiatives through trade unions and federations with 15%.
<b>Definition</b>	Increased support to trade unions and federations to implement worker initiated training
<b>Source of data</b>	Annual performance report
<b>Method of calculation or assessment</b>	$\text{=\%increase} = (\# \text{ beneficiaries in 2024} - \# \text{ beneficiaries in 2020}) / \# \text{ beneficiaries in 2020} * 100$
<b>Assumptions</b>	Data is available

<b>Disaggregation of beneficiaries (where applicable)</b>	Not applicable
<b>Spatial transformation</b>	Not applicable
<b>Desired Performance</b>	Annually
<b>Indicator Responsibility</b>	Executive Manager: Learning programmes and projects

### Strategic outcome 8: Improved career development services

<b>Indicator title</b>	Increased participation of Youth in Agriculture
<b>Definition</b>	Expose young people to opportunities in agriculture and rural development initiatives
<b>Source of data</b>	Annual performance report
<b>Method of calculation or assessment</b>	=% =(# positive respondents / # total number of respondents) *100
<b>Assumptions</b>	Completed surveys are available
<b>Disaggregation of beneficiaries (where applicable)</b>	Not applicable
<b>Spatial transformation</b>	Not applicable
<b>Desired Performance</b>	Annually
<b>Indicator Responsibility</b>	Executive Manager: Skills Planning and Research

