

Vote 25

Agriculture

	2005/06 To be appropriated			2006/07	2007/08
MTEF allocations of which:	R1 684 738 000			R1 931 852 000	R2 163 444 000
	<i>Current payments</i>	<i>Transfers</i>	<i>Capital payments</i>		
	R790 689 000	R864 993 000	R29 056 000		
Statutory amounts	-			-	-
Responsible minister	Minister of Agriculture and Land Affairs				
Administering department	Department of Agriculture				
Accounting officer	Director-General of Agriculture				

Aim

The Department of Agriculture aims to lead and support sustainable agriculture and promote rural development through: ensuring access to sufficient, safe and nutritious food; eliminating skewed participation and inequity in agriculture; maximising growth, employment and income in the sector; improving the sustainable management of natural agricultural resources and ecological systems; ensuring effective and efficient governance; and ensuring knowledge and information management.

Programme purpose and measurable objective

Programme 1: Administration

Purpose: Provide the department with political and strategic leadership and management.

Programme 2: Farmer Support and Development

Purpose: Promote stability, competitiveness, growth and transformation in the agriculture sector by developing policies for farmer settlement, food security, rural development, co-operative development and agricultural risk and disaster management.

Measurable objective: Improve emerging farmers' access to and sustained participation in agriculture through appropriate policies and targeted programmes that will ensure viable farm businesses.

Programme 3: Agricultural Trade and Business Development

Purpose: Develop policies on access to national and international markets, and promote broad-based BEE in the sector.

Measurable objective: Improve the development of agribusiness, competitive markets and the international trade environment through providing better opportunities and more equitable access in order to maximise growth, employment and equity in the sector.

Programme 4: Economic Research and Analysis

Purpose: Provide information for developing and monitoring the agricultural sector.

Measurable objective: Provide timely, accurate and pertinent agricultural economic and statistical information quarterly to inform decision-making on production by all participants in the agricultural sector.

Programme 5: Agricultural Production

Purpose: Promote agricultural research, productivity and sustainability, and monitor and control genetically modified organisms.

Measurable objective: Provide information and technology on agricultural production systems to increase agricultural productivity and profitability.

Programme 6: Sustainable Resources Management and Use

Purpose: Develop, implement and monitor policies on managing and using land and water resources in agriculture.

Measurable objective: Conserve natural agricultural resources through developing, implementing and monitoring policies and norms and standards aimed at promoting the sustainable use of agricultural resources.

Programme 7: National Regulatory Services

Purpose: Develop and monitor risk management policies for controlling animal and plant diseases and for food safety.

Measurable objective: Reduce the occurrence of animal and plant diseases through development, implementation and monitoring of policies that ensure proper maintenance of and improvement in management systems for animal and plant disease control.

Programme 8: Communication and Information Management

Purpose: Manage and co-ordinate communication, education and international relations.

Measurable objective: Provide for effective internal and external communication and information management through a communication strategy.

Programme 9: Programme Planning, Monitoring and Evaluation

Purpose: Consolidate and support strategic and operational management in the department.

Measurable objective: Improve organisational performance by supporting operational units to implement and monitor the department's strategic plan and by undertaking programme evaluation and impact assessments.

Strategic overview and key policy developments: 2001/02 – 2007/08

The most important challenge for the agriculture sector is to provide enough, affordable food. This is not only important in the international and regional context, but also at the household level. Agriculture is also important because of its contribution to the GDP, its forward and backward

linkages in the economy, its share of the labour force, and its contribution as an earner of foreign exchange.

Over the past ten years, agriculture has provided more and better opportunities for participants in the sector through increased access to foreign markets, smallholder participation in value chains (emerging farmers now have access to equity ownership in AgriBEE, enabling them to increase production), institutional change, and greater co-operation among the major role-players in the sector. The deregulation of local and international markets and preferential trade agreements with a number of countries and trading blocs have created significant trade opportunities for South African agriculture and farmers. Ensuring disease-free animal and plant products, thus improving public health, remains a priority for the department. This has a direct bearing on agriculture's ability to provide safe and nutritious food to the South African public as well as South Africa's ability to take advantage of trade opportunities.

Agriculture cannot provide for national and household food security without addressing land degradation: the most serious threat to agricultural biodiversity. Sustainable land-use practices will continue to be promoted in commercial and subsistence farming areas. Continued research and assessment are required to reverse land degradation. A spatial framework for sustainable development, as part of the agricultural geographic information system, will provide tools for identifying areas with similar production possibilities and will also indicate how sensitive the natural resource base is to degradation.

The Department of Agriculture has seen rapid growth in its commitments to and participation in international co-operation programmes. The driving force behind the department's strategy in Africa is NEPAD's comprehensive African agriculture development programme. The department interacts with African and international partners and stakeholders to create greater access to financial, technical and institutional support for the implementation of NEPAD. The department, on behalf of government, hosted the 23rd Food and Agriculture Organisation of the United Nations (FAO) Africa regional conference, which agreed on a set of actions within the context of the NEPAD agriculture development programme and reviewed the implementation of the programme.

One of the most important developments of the past three years was the release of the sector plan for South African agriculture in collaboration with AgriSA and the National African Farmers' Union (NAFU). The plan highlights the importance of strengthening intersectoral linkages to ensure effective co-operation and improved service delivery, as well as of creating PPPs for research and development. As a result of the social compact emanating from the sector plan, active partnerships with business have been established, in research and in technology development and transfer, through the consultative National Agricultural Research Forum.

Implementation of the sector plan is based on a commodity-industry-enterprise approach, with collaborative business partnerships responsible for developing integrated commodity-industry-enterprise-specific action plans and driving implementation. A number of commodity action plans have been or are in the process of being developed, like for cotton, grain, livestock, wine and fruit.

The sector plan has also given rise to the agricultural credit scheme, the comprehensive agriculture support programme and the agricultural BEE (AgriBEE) framework, initiatives aimed at addressing the key strategies of promoting equitable access to resources for agricultural development, enhancing global competitiveness and ensuring the sustainable use of South Africa's natural resources.

Agricultural credit scheme

The agricultural credit scheme is a government intervention to spread micro-credit and saving services to economically active, poor rural people and households, small farmers and agribusinesses. The scheme will contribute to: stimulating the extension of financial markets and economic growth; improving national household food security; increasing employment in the rural

areas (thus reducing migration to urban centres); and reducing poverty and inequalities in land and enterprise ownership (with a particular focus on women, youth and the disabled).

The Department of Agriculture will administer the scheme in collaboration with the Land Bank and the Postbank, which will provide technical, management, advisory and outreach support through their branches. The scheme will be aligned with other government programmes that offer support to farmers, such as the land redistribution for agricultural development (LRAD) programme, with a view to avoiding duplication.

The department will use the funds accumulated in the agricultural debt account to finance the scheme. These funds have been recovered from commercial farmers who were assisted through loans by the former Agricultural Credit Board, abolished in 1998.

Comprehensive agriculture support programme

Over the past number of years, considerable resources have been directed at providing access to land for agricultural production to previously disadvantaged individuals, but farmer support and advisory services have not kept pace with the disbursement of land grants. However, as expenditure on land restitution and redistribution declines after December 2005 (the target for finalising restitution), significant resources will be directed towards post-settlement agricultural support services.

The comprehensive agriculture support programme (CASP) is a central focus for the department, targeting the beneficiaries of land and agrarian reform. CASP is the response to the lack of an adequate provision for agricultural development. During 2004/05, infrastructure (on-farm and off-farm) was identified as one of CASP's key priorities, and financial resources were allocated for this, targeting poor areas. The type of infrastructure financed includes water infrastructure, fencing, dipping tanks and stock handling facilities. What remains is the phasing in of other basic services that form part of the programme, including research development and infrastructure, technical and advisory services, marketing information and development, national regulatory services and training and capacity-building. Spending on this second phase will include an allocation for: agricultural inputs, targeting household food producers and subsistence farmers in the poverty nodes and communal areas; the mechanisation programme; the agricultural starter packs; and marketing infrastructure.

Agricultural BEE framework

The AgriBEE framework is the department's response to improving equitable access to and participation in agricultural opportunities, deracialising land and enterprise ownership and unlocking the full entrepreneurial potential in the sector. The framework was developed in collaboration with agriculture stakeholders, and the process will culminate in an AgriBEE charter before the end of 2005.

NEPAD's comprehensive African agriculture development programme

The underlying principle for the department's engagement with Africa is that regional stability and the sustainable development of African economies is in the interests of the whole continent. The overwhelming number and scope of requests by individual African countries for technical agricultural assistance from South Africa has meant that these requests can no longer be managed through the usual bilateral arrangements. A dedicated technical assistance programme has thus been set up. This investment by South Africa is an important enabler for regional development, which has potential long-term benefits for South Africa.

International trade developments

In terms of its objective of expanding market access internationally, the department successfully developed negotiating positions, in consultation with stakeholders, for all bilateral and multilateral trade negotiations that South Africa is engaged in.

Expenditure estimates**Table 25.1: Agriculture**

Programme	Expenditure outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome			2005/06	2006/07	2007/08
R thousand	2001/02	2002/03	2003/04	2004/05				
1. Administration	114 585	136 732	157 438	171 528	167 021	170 480	181 082	190 490
2. Farmer Support and Development	100 998	122 678	282 007	361 272	359 364	476 791	581 315	750 359
3. Agricultural Trade and Business Development	18 822	14 500	22 537	38 919	37 825	95 783	147 380	149 758
4. Economic Research and Analysis	25 173	14 496	13 430	23 647	21 808	25 590	27 328	28 722
5. Agricultural Production	278 416	284 868	320 272	382 202	380 662	407 648	450 862	473 425
6. Sustainable Resources Management and Use	122 867	121 148	121 417	160 597	157 903	177 252	192 603	202 256
7. National Regulatory Services	150 035	147 267	177 100	216 602	234 901	230 513	245 420	257 523
8. Communication and Information Management	60 238	75 566	81 819	88 305	86 784	92 716	97 413	102 031
9. Programme Planning, Monitoring and Evaluation	–	18	1 270	6 319	3 123	7 965	8 449	8 880
Total	871 134	917 273	1 177 290	1 449 391	1 449 391	1 684 738	1 931 852	2 163 444
Change to 2004 Budget estimate				143 163	143 163	200 037	300 018	450 018

Economic classification

	426 698	459 941	510 137	645 356	649 379	790 689	862 013	904 804
Current payments								
Compensation of employees	220 115	248 823	276 596	354 969	319 161	420 098	444 809	469 426
Goods and services	205 723	210 720	232 564	290 387	329 365	370 591	417 204	435 378
<i>of which:</i>								
<i>Consultants and contractors</i>	77 067	87 742	78 994	114 461	114 461	121 580	129 362	135 261
<i>Travel and subsistence</i>	29 301	35 978	46 481	56 772	69 786	63 297	67 468	73 228
<i>Communication</i>	8 628	10 212	11 270	11 304	11 304	15 766	16 463	17 891
<i>Inventory</i>	28 808	32 907	34 613	43 655	43 655	45 016	49 297	50 623
<i>Computer services</i>	9 873	10 518	12 627	15 080	15 080	20 037	21 033	22 003
<i>Maintenance and repairs</i>	6 041	6 716	7 467	9 601	9 601	10 561	11 617	12 780
Financial transactions in assets and liabilities	860	398	977	–	853	–	–	–
Transfers and subsidies to:	425 263	417 466	633 245	756 959	756 959	864 993	1 038 980	1 226 504
Provinces and municipalities	29 050	24 762	67 220	345 881	345 881	291 583	346 186	463 499
Departmental agencies and accounts	288 032	281 784	319 122	353 606	353 606	373 970	404 667	424 610
Foreign governments and international organisations	21 623	23 490	15 294	15 909	15 909	14 700	14 950	15 200
Public corporations and private enterprises	1 558	1 630	16 637	2 767	2 767	152 422	202 576	252 708
Non-profit institutions	–	800	180	2 683	2 683	–	–	–
Households	85 000	85 000	214 792	36 113	36 113	32 318	70 601	70 487

	Expenditure outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome			2005/06	2006/07	2007/08
R thousand	2001/02	2002/03	2003/04	2004/05				
Payments for capital assets	19 173	39 866	33 908	47 076	43 053	29 056	30 859	32 136
Buildings and other fixed structures	5 171	24 195	20 238	28 278	24 255	17 236	18 270	19 183
Machinery and equipment	9 418	12 174	13 670	15 200	15 200	11 210	11 919	12 278
Cultivated assets	–	–	–	–	45	92	96	100
Software and other intangible assets	4 584	3 497	–	3 598	3 553	518	574	575
<i>of which: Capitalised compensation</i>	9 575	9 703	10 790	18 248	18 248	16 586	17 096	18 465
Total	871 134	917 273	1 177 290	1 449 391	1 449 391	1 684 738	1 931 852	2 163 444

Expenditure trends

Overall expenditure has increased rapidly over the last four years, rising from R871,1 million in 2001/02 to R1,4 billion in 2004/05, an annual average increase of 18,5 per cent. Expenditure is expected to continue to grow rapidly, rising to R2,2 billion in 2007/08, an annual average increase of 14,3 per cent. These increases have gone towards the new comprehensive agricultural support programme, agricultural disaster relief programmes following the floods of 1999/2000 and the current drought, the LandCare programme, and regulatory services to contain animal and plant disease outbreaks.

Transfers are a significant part of total expenditure, with a significant portion of these going to the Agricultural Research Council.

The 2005 Budget sets out additional allocations of R200 million for 2005/06, R300 million for 2006/07 and R350 million for 2007/08, for the implementation of the Agricultural Black Economic Empowerment programme and the agricultural credit scheme, MAFISA. R100 million in 2007/08 is added to the Comprehensive Agricultural Support Programme conditional grant.

Departmental receipts

The main sources of revenue are the sale of goods and services and the provision of statutory services such as: the registration of fertilisers, farm feeds, agricultural remedies and brands; the drilling of boreholes; soil analysis; issuing certificates and permits for the import and export of agricultural products; liquor control permits; and quarantine and inspection services. Another significant portion of revenue is also derived from interest payments.

The department also recovers debt from commercial farmers who were assisted through loans from the former Agriculture Credit Board. The funds collected are paid into the agricultural debt account as prescribed by the Agricultural Debt Management Act (2001). There is currently about R1 billion in the debt account.

Table 25.2: Departmental receipts

R thousand	Receipts outcome			Adjusted appropriation	Medium-term receipts estimate		
	Audited	Audited	Preliminary outcome		2005/06	2006/07	2007/08
	2001/02	2002/03	2003/04				
Sales of goods and services produced by department	45 256	50 071	54 547	49 681	55 799	59 930	56 231
Sales of scrap, waste and other used current goods	1 144	75	9	3	–	–	–
Transfers received	614	10	13	–	–	–	–
Fines, penalties and forfeits	1	21	1	4	3	3	3
Interest, dividends and rent on land	17 181	11 484	10 937	9 800	9 358	9 391	9 426
Sales of capital assets	–	–	9 003	11 859	271	325	380
Financial transactions in assets and liabilities	8 355	12 801	161 019	15 967	2 016	2 184	2 366
Total	72 551	74 462	235 529	87 314	67 447	71 833	68 406

Programme 1: Administration

Administration conducts the overall management of the department and provides strategic leadership and corporate services through the activities of the minister and senior management. It provides for: financial, procurement, legal and IT services; an internal audit function; human resources management; and secretariat services. The programme also deals with agricultural debt collection.

Expenditure estimates

Table 25.3: Administration

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2005/06	2006/07	2007/08
	2001/02	2002/03	2003/04				
R thousand							
Minister ¹	783	825	921	791	843	898	942
Deputy Minister ²	562	657	736	643	685	730	766
Management	22 637	25 798	27 381	34 991	37 164	39 524	41 735
Corporate Services	85 432	85 257	108 932	106 825	114 552	121 660	127 864
Capital Works	5 171	24 195	19 468	28 278	17 236	18 270	19 183
Total	114 585	136 732	157 438	171 528	170 480	181 082	190 490
Change to 2004 Budget estimate				13 730	3 695	4 344	4 915

¹ Payable as from 1 April 2004. Salary: R633 061. Car allowance: R158 265.

² Payable as from 1 April 2004. Salary: R514 537. Car allowance: R128 634.

Economic classification

	103 172	107 194	132 017	137 875	151 300	160 779	169 122
Current payments							
Compensation of employees	60 830	70 071	81 115	87 267	94 716	100 676	105 663
Goods and services	41 651	36 969	50 736	50 608	56 584	60 103	63 459
<i>of which:</i>							
<i>Consultants and contractors</i>	12 059	10 108	10 170	9 374	11 264	11 924	12 520
<i>Travel and subsistence</i>	6 181	6 946	8 502	7 864	8 750	9 307	9 755
<i>Communication</i>	4 406	5 485	5 767	3 399	3 289	3 486	3 660
<i>Inventory</i>	4 261	4 441	8 509	5 280	3 099	3 290	3 455
<i>Computer services</i>	7 303	7 881	9 927	14 311	18 492	19 480	20 442
<i>Maintenance and repairs</i>	1 327	1 474	1 638	2 362	2 598	2 858	3 144
Financial transactions in assets and liabilities	691	154	166	–	–	–	–

R thousand	Expenditure outcome				Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary	2004/05		2005/06	2006/07	2007/08
	2001/02	2002/03	outcome 2003/04					
Transfers and subsidies to:	236	270	331	457	823	836	906	
Provinces and municipalities	178	205	259	292	717	773	816	
Public corporations and private enterprises	58	65	72	124	45	49	54	
Households	–	–	–	41	61	14	36	
Payments for capital assets	11 177	29 268	25 090	33 196	18 357	19 467	20 462	
Buildings and other fixed structures	5 171	24 195	19 468	28 278	17 236	18 270	19 183	
Machinery and equipment	1 899	2 077	5 622	2 060	1 121	1 197	1 279	
Software and other intangible assets	4 107	2 996	–	2 858	–	–	–	
Total	114 585	136 732	157 438	171 528	170 480	181 082	190 490	

Expenditure trends

Expenditure increased steadily over the last four years, rising from R114,6 million in 2001/02 to R171,5 million in 2004/05, an annual average increase of 14,4 per cent. This increase included the movement of funds for capital building projects from the Department of Public Works. Expenditure is expected to increase to R190,5 million in 2007/08.

Programme 2: Farmer Support and Development

Apart from the *Management* subprogramme, *Farmer Support and Development* has five subprogrammes:

- *Farmer Settlement* provides emerging farmers with land through disposing of state-owned agricultural land, and facilitates providing agricultural support to ensure that their farms are commercially viability.
- *Agricultural Finance and Co-operative Development* develops policies for the development of farmer co-operatives and a sustainable agricultural financial services system.
- *Food Security and Rural Development* develops policies and norms and standards to ensure food security and maintains the national food security management system.
- *Agricultural Risk and Disaster Management* develops the policy framework for agricultural risk and disaster management, within which early warnings and post-disaster support are provided to agricultural enterprises.
- *Registrar of Co-operatives* registers all co-operatives in South Africa.

Expenditure estimates

Table 25.4: Farmer Support and Development

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2004/05	2005/06	2006/07
R thousand	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
Management	591	630	875	930	1 484	1 575	1 657
Farmer Settlement	5 209	10 221	11 064	228 618	297 346	350 083	467 530
Agricultural Finance and Co-operative Development	1 219	4 325	6 262	5 495	6 430	6 817	7 161
Food Security and Rural Development	7 878	11 956	14 923	18 235	11 477	12 179	12 807
Agricultural Risk and Disaster Management	85 418	93 450	246 769	104 201	5 668	6 014	6 324
Registrar of Co-operatives	683	2 096	2 114	3 793	4 386	4 647	4 880
Micro Agricultural Finance Scheme	–	–	–	–	150 000	200 000	250 000
Total	100 998	122 678	282 007	361 272	476 791	581 315	750 359
Change to 2004 Budget estimate				100 336	148 461	198 255	348 146
Economic classification							
Current payments	14 481	36 081	33 382	58 225	74 134	78 496	82 394
Compensation of employees	5 207	9 924	10 584	22 470	29 363	30 915	31 884
Goods and services	9 274	26 146	22 798	35 755	44 771	47 581	50 510
of which:							
Consultants and contractors	8 027	22 687	17 833	19 303	13 330	14 307	15 022
Travel and subsistence	233	1 376	2 489	8 167	10 260	10 920	11 470
Communication	131	145	161	336	962	1 027	1 078
Inventory	582	594	717	1 088	624	686	720
Maintenance and repairs	15	17	19	425	468	514	566
Financial transactions in assets and liabilities	–	11	–	–	–	–	–
Transfers and subsidies to:	86 517	86 597	246 791	302 547	402 457	502 607	667 742
Provinces and municipalities	17	32	30 034	300 109	250 080	300 080	415 088
Public corporations and private enterprises	1 500	1 565	1 965	2 289	152 377	202 527	252 654
Non-profit institutions	–	–	–	58	–	–	–
Households	85 000	85 000	214 792	91	–	–	–
Payments for capital assets	–	–	1 834	500	200	212	223
Machinery and equipment	–	–	1 834	500	200	212	223
Total	100 998	122 678	282 007	361 272	476 791	581 315	750 359
Details of transfers and subsidies:							
Provinces and municipalities							
Provinces							
Provincial revenue funds							
Current	–	–	30 000	300 000	250 000	300 000	415 000
Comprehensive Agricultural Support Programme Grant	–	–	–	200 000	250 000	300 000	415 000
Drought Relief	–	–	–	100 000	–	–	–
Disaster Management	–	–	30 000	–	–	–	–
Municipalities							
Municipal bank accounts							
Current	17	32	34	109	80	80	88
Regional Services Council levies	17	32	34	77	80	80	88
Vehicle licenses Municipalities	–	–	–	32	–	–	–
Total provinces and municipalities	17	32	30 034	300 109	250 080	300 080	415 088

R thousand	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary		2005/06	2006/07	2007/08
	2001/02	2002/03	outcome 2003/04				
Public corporations and private enterprises							
Public corporations							
Other transfers							
Current	1 500	1 565	1 585	2 259	152 377	202 527	252 654
Ncera Farms (Pty) Ltd	1 500	1 565	1 585	2 240	2 377	2 527	2 654
Kalahari East Water Board	-	-	-	19	-	-	-
Land and Agricultural Bank of SA	-	-	-	-	150 000	200 000	250 000
Private enterprises							
Other transfers							
Current	-	-	380	30	-	-	-
Agricultural Finance and Cooperative Development: Village banks	-	-	380	30	-	-	-
Total public corporations and private enterprises	1 500	1 565	1 965	2 289	152 377	202 527	252 654
Non-profit institutions							
Current	-	-	-	58	-	-	-
Mankwe Financial Services Co operative	-	-	-	30	-	-	-
Qudeni Financial Services Co operative	-	-	-	6	-	-	-
Nkandla Financial Services Co operative	-	-	-	12	-	-	-
Ngavuma Financial Services Co operative	-	-	-	10	-	-	-
Total non-profit institutions	-	-	-	58	-	-	-
Households							
Social benefits							
Current	-	-	-	91	-	-	-
Employer social benefit cash	-	-	-	91	-	-	-
Other transfers							
Current	85 000	85 000	214 792	-	-	-	-
Flood Relief Scheme	85 000	85 000	-	-	-	-	-
Agricultural Disaster Management	-	-	214 792	-	-	-	-
Total households	85 000	85 000	214 792	91	-	-	-

Expenditure trends

Expenditure on *Farmer Support and Development* increased rapidly between 2001/02 and 2004/05, rising from R101,0 million to R361,3 million. These increases were in part due to an annual allocation of R85 million for flood relief. In 2004/05, the comprehensive agriculture support programme was introduced, increasing expenditure further, and funds were also allocated to farmers who were affected by drought.

Over the next three years, expenditure is expected to increase further to R750,4 million in 2007/08, an annual average increase of 27,6 per cent. These increases will go towards CASP and an expansion in the provision of agricultural credit.

Service delivery objectives and indicators

Recent outputs

Transfer of agricultural land

To contribute to government's objective of transferring 30 per cent of all agricultural land to the previously disadvantaged by the year 2015, 387 475ha have been made available to 19 736 beneficiaries through the land redistribution for agricultural development (LRAD) programme.

Developing co-operatives

The department has recommended that the intergovernmental technical committee for agriculture endorse the draft strategy on developing co-operatives in the agricultural sector. The draft strategy will be released to stakeholders for comments in the first quarter of 2005/06.

Food security

A tender has been awarded to a consortium of six institutions to pilot a food insecurity and vulnerability information and mapping system, which will enable the profiling of food insecurity and serve as both a decision-making and impact monitoring tool.

A total of 37 000 households received agricultural starter packs.

The department drafted the Agricultural Risk Insurance Bill, which is being further discussed to align it with the Disaster Management Act (2002).

Selected medium-term output targets

Farmer Support and Development

Measurable objective: Improve emerging farmers' access to and sustained participation in agriculture through appropriate policies and targeted programmes that will ensure viable farm businesses.

Subprogramme	Output	Measure/Indicator	Target
Farmer Settlement	Viable farm businesses	Proportion of viable farm businesses	70% of beneficiaries of land reform have viable farm businesses by March 2006
Agricultural Finance and Co-operative Development	Agricultural co-operatives established	Number of co-operatives established	80 new co-operatives established by March 2006
Food Security and Rural Development	Food insecurity and vulnerability information monitoring system (FIVIMS)	Number of integrated sustainable rural development programme (ISRDP) development nodes reached with FIVIMS	12 ISRDP nodes reached by March 2006
Agricultural Risk and Disaster Management	Agricultural risk and disaster management measures	Increase in percentage of farmers reached	20% increase in farmers reached annually
Registrar of Co-operatives	Transfer of Registrar of Co-operatives to Department of Trade and Industry	Transfer finalised	By mid-2005/06

Programme 3: Agricultural Trade and Business Development

Agricultural Trade and Business Development enhances agribusiness development, competitive markets and the international trade environment through improved opportunities and more equitable access in order to maximise growth, employment and equity in the agricultural sector. It financially assists the National Agricultural Marketing Council.

Apart from a management component, the programme comprises the following subprogrammes:

- *Business and Entrepreneurial Development* provides strategic support for the development of viable and empowered businesses to stimulate growth and promote unity through partnerships.

- *Marketing* supports the development of a competitive agricultural marketing environment that serves the interests of all participants in the value chain.
- *International Trade* contributes to a favourable change in the global agricultural trade environment through trade negotiations with World Trade Organisation participants.
- *National Agricultural Marketing Council* makes a transfer to the council on the basis of approved strategic and business plans. The council advises the minister on the efficacy of the national food and agricultural marketing systems.

Expenditure estimates

Table 25.5: Agricultural Trade and Business Development

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2005/06	2006/07	2007/08
R thousand	2001/02	2002/03	2003/04	2004/05			
Management	628	805	1 037	1 031	1 403	1 487	1 561
Business and Entrepreneurial Development	6 170	1 890	2 638	10 935	60 827	111 460	112 029
Marketing	1 299	1 819	2 754	7 187	9 690	10 312	10 852
International Trade	3 790	4 774	5 999	9 165	10 765	11 411	11 996
National Agricultural Marketing Council	6 935	5 212	10 109	10 601	13 098	12 710	13 320
Total	18 822	14 500	22 537	38 919	95 783	147 380	149 758
Change to 2004 Budget estimate				(4 218)	49 831	98 838	98 789

Economic classification

Current payments	11 861	9 267	11 893	26 145	51 591	64 535	66 338
Compensation of employees	8 586	6 800	7 036	14 241	18 375	19 114	20 159
Goods and services	3 275	2 467	4 857	11 904	33 216	45 421	46 179
of which:							
Consultants and contractors	489	169	1 201	2 561	6 784	7 078	7 432
Travel and subsistence	1 616	633	2 300	5 156	6 798	7 845	8 937
Transfers and subsidies to:	6 961	5 233	10 310	12 774	44 147	82 845	83 376
Provinces and municipalities	26	21	21	43	49	53	56
Departmental agencies and accounts	6 935	5 212	10 109	10 601	13 098	12 710	13 320
Non-profit institutions	-	-	180	2 130	-	-	-
Households	-	-	-	-	31 000	70 082	70 000
Payments for capital assets	-	-	334	-	45	-	44
Machinery and equipment	-	-	334	-	35	-	30
Software and other intangible assets	-	-	-	-	10	-	14
Total	18 822	14 500	22 537	38 919	95 783	147 380	149 758

Details of transfers and subsidies:

Departmental agencies and accounts							
Current	6 935	5 212	10 109	10 601	13 098	12 710	13 320
National Agricultural Marketing Council	6 935	5 212	10 109	10 601	13 098	12 710	13 320
Total departmental agencies and accounts	6 935	5 212	10 109	10 601	13 098	12 710	13 320

R thousand	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
Non-profit institutions							
Current	-	-	180	2 130	-	-	-
National Red Meat Producers Organisation	-	-	-	185	-	-	-
Co-operative Development Initiative	-	-	180	-	-	-	-
Organisation Development	-	-	-	500	-	-	-
Grain Industry Project Management	-	-	-	300	-	-	-
Cotton Industry	-	-	-	645	-	-	-
Fruit Industry	-	-	-	250	-	-	-
Poultry Industry	-	-	-	250	-	-	-
Total non-profit institutions	-	-	180	2 130	-	-	-
Households							
Social benefits							
Current	-	-	-	-	-	82	-
Employer social benefit cash	-	-	-	-	-	82	-
Other transfers							
Current	-	-	-	-	31 000	70 000	70 000
Broad-based Black Economic Empowerment Programme for Agriculture (AgriBEE)	-	-	-	-	31 000	70 000	70 000
Total households	-	-	-	-	31 000	70 082	70 000

Expenditure trends

Expenditure has fluctuated over the last four years. Most of the expenditure is driven by activities focused on promoting a favourable trade environment, increasing domestic and international market access and agribusiness development, particularly for farmers who have been settled under the LRAD Programme.

Over the next three years significant growth in expenditure is expected, rising from R38,9 million in 2004/05 to R149,8 million in 2007/08. Much of this increase is due to a new allocation of R250 million for the next three years, set out in the 2005 Budget, for the implementation of AgriBEE.

Service delivery objectives and indicators

Recent outputs

Strengthening agriculture business partnerships

Cotton and grain commodity action plans have been concluded and the fruit plan is well under way, and expected to be finalised in 2005. Further, the minister released the AgriBEE framework in July 2004, which was developed in collaboration with agriculture stakeholders. A steering committee is driving a comprehensive public consultation process, with a view to achieving full endorsement of an AgriBEE charter in 2005.

Expanding access to international markets

The department developed negotiating positions in consultation with stakeholders for all bilateral and multilateral trade negotiations that South Africa is engaged in, namely with the World Trade Organisation, the United States, the European Free Trade Area, Mercosur, the South African Customs Union and SADC, and is involved in the development and promotion of South Africa's interests in the International Organisation for Wine and Vine.

The domestic market

The final report of the Food Pricing Monitoring Committee was accepted by Cabinet. The amended Agricultural Produce Agents Act (2003) became law early in 2004. The business requirements phase of a market information system has been concluded, and the development of the IT system is expected to begin soon.

Selected medium-term output targets**Agricultural Trade and Business Development**

Measurable objective: Improve the development of agribusiness, competitive markets and the international trade environment through providing better opportunities and more equitable access in order to maximise growth, employment and equity in the sector.

Subprogramme	Output	Measure/Indicator	Target
Business and Entrepreneurial Development	Agriculture business partnerships	Number of commodity action plans focusing on adding value concluded	4 commodity action plans by March 2006
Marketing	Marketing information	Farmers in rural development nodes reached by department's marketing information	The majority of LRAD farmers in 3 ISRDP nodes by 2006
International Trade	Negotiating positions and plans	Number of issue-based positions developed	10 position papers and reports on opportunities and constraints by March 2006

Programme 4: Economic Research and Analysis

Economic Research and Analysis supports the establishment and management of national agriculture databases and provides for the collection and analysis of agricultural statistics. The programme monitors and evaluates the economic state and performance of the sector, and produces quarterly reports on sector trends.

The programme consists of two subprogrammes apart from the management component:

- *Production and Resource Economics* interprets and provides timely production and resource economics information and advice to relevant stakeholders to improved decision-making.
- *Agricultural Statistics* collects and manages statistics on agriculture and food security.

Expenditure estimates**Table 25.6: Economic Research and Analysis**

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2005/06	2006/07	2007/08
R thousand	2001/02	2002/03	2003/04	2004/05			
Management	693	613	539	911	1 312	1 390	1 459
Production and Resource Economics	3 680	3 094	2 457	8 798	10 993	11 665	12 268
Agricultural Statistics	20 800	10 789	10 434	13 938	13 285	14 273	14 995
Total	25 173	14 496	13 430	23 647	25 590	27 328	28 722
Change to 2004 Budget estimate				1 161	1 164	1 254	1 344

R thousand	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2005/06	2006/07	2007/08
	2001/02	2002/03	2003/04	2004/05			
Economic classification							
Current payments	25 157	13 676	13 185	23 413	24 793	27 278	28 671
Compensation of employees	5 302	6 604	7 205	12 831	17 415	18 458	19 393
Goods and services	19 855	7 072	5 980	10 582	7 378	8 820	9 278
<i>of which:</i>							
Consultants and contractors	17 919	5 845	4 618	3 151	3 126	4 318	4 634
Travel and subsistence	276	190	434	2 302	2 807	2 871	2 915
Communication	179	190	223	261	196	207	217
Inventory	177	152	341	490	120	127	133
Computer services	575	137	–	–	100	107	115
Maintenance and repairs	146	162	180	423	465	512	563
Transfers and subsidies to:	16	820	22	172	797	50	51
Provinces and municipalities	16	20	22	41	47	50	51
Non-profit institutions	–	800	–	131	–	–	–
Households	–	–	–	–	750	–	–
Payments for capital assets	–	–	223	62	–	–	–
Machinery and equipment	–	–	223	62	–	–	–
Total	25 173	14 496	13 430	23 647	25 590	27 328	28 722

Details of transfers and subsidies:

Non-profit institutions							
Current	–	800	–	131	–	–	–
International Conference of Agricultural Economists	–	800	–	131	–	–	–
Total non-profit institutions	–	800	–	131	–	–	–
Households							
Social benefits							
Current	–	–	–	–	750	–	–
Employer social benefit cash	–	–	–	–	750	–	–
Total households	–	–	–	–	750	–	–

Expenditure trends

Expenditure fell in 2002/03 due to a one-off payment to Statistics South Africa in 2001/02 for a survey of farmers carried out on behalf of the department. Expenditure is expected to increase gradually over the next three years, rising from R23,6 million in 2004/05 to R28,7 million in 2007/08. These increases will go, in part, towards improving the accuracy of the crop forecasting system.

Service delivery objectives and indicators**Recent outputs**

The economic performance of the agricultural sector was monitored quarterly, and overviews of economic changes and their impact on the sector were produced regularly. Improvements to the crop forecasting system are being addressed to reduce the margin of error to within 5 per cent of the harvest.

Selected medium-term output targets

Economic Research and Analysis

Measurable objective: Provide timely, accurate and pertinent agricultural economic and statistical information quarterly to inform decision-making on production by all participants in the agricultural sector.

Subprogramme	Output	Measure/Indicator	Target
Production and Resource Economics	Reports on production and resource economics	Number of reports published on time	By March 2006: 9 economic reviews (7 quarterly and 2 annual) 15 topical reports 3 brochures
Agricultural Statistics	Statistical reports on economic performance and trends	Number of reports published on time	5 statistical reports published by March 2006

Programme 5: Agricultural Production

Agricultural Production develops policies to enhance the sustainable production of agricultural products.

Apart from the management component, the programme comprises the following subprogrammes:

- *Animal and Aqua Production* facilitates the development of policies and instruments to improve the production and management of: livestock from veld and forages; semi-intensive and intensive livestock; game farming; and inland fisheries.
- *Plant Production* supports a combination of traditional farming practices and agricultural sciences to promote productive and sustainable agricultural practices.
- *Scientific Research and Development* identifies research priorities for agriculture, and mobilises resources and directs public sector investment towards such priorities. This subprogramme also supports the National Agricultural Research Forum.
- *Genetic Resources* provides and regulates a national management system for the safe and sustainable use of genetically modified organisms.
- *Agricultural Research Council* provides for transfers to the council on the basis of approved strategic plans and business plans.

Expenditure estimates

Table 25.7: Agricultural Production

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2004/05	2005/06	2006/07
R thousand	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
Management	–	–	940	1 037	1 338	1 419	1 490
Animal and Aqua Production	–	1 738	2 504	3 825	14 981	20 454	21 482
Plant Production	–	2 504	3 709	10 748	16 304	21 615	22 701
Scientific Research and Development	–	737	671	18 553	13 113	13 942	14 658
Genetic Resources	7 170	4 837	3 435	5 895	6 760	7 220	7 573
Agricultural Research Council							
Science Vote	262 746	266 552	289 013	312 742	333 317	361 943	380 039
Pension Fund	5 500	–	–	–	–	–	–
Leave Gratuity	2 000	6 500	7 500	6 901	–	–	–
SA Stud Book	1 000	2 000	2 000	1 560	1 625	1 723	1 809
Crop Forecast	–	–	5 000	5 000	5 000	5 120	5 376
Diagnostic Services	–	–	5 500	7 000	7 210	7 426	7 797
Agricultural Research and Infrastructure	–	–	–	5 000	8 000	10 000	10 500
IRIS (INTERGIS)	–	–	–	3 941	–	–	–
Total	278 416	284 868	320 272	382 202	407 648	450 862	473 425
Change to 2004 Budget estimate				10 549	5 212	5 579	5 878

Economic classification

Current payments	7 170	9 806	10 866	39 793	52 446	64 593	67 845
Compensation of employees	5 273	6 266	6 452	15 459	20 373	23 933	26 387
Goods and services	1 897	3 540	4 404	24 334	32 073	40 660	41 458
of which:							
Consultants and contractors	–	32	1 003	19 732	18 171	20 491	21 496
Travel and subsistence	–	100	283	1 893	1 193	1 475	1 549
Transfers and subsidies to:	271 246	275 062	309 033	342 320	355 202	386 269	405 580
Provinces and municipalities	–	10	20	46	50	57	59
Departmental agencies and accounts	271 246	275 052	309 013	342 144	355 152	386 212	405 521
Public corporations and private enterprises	–	–	–	20	–	–	–
Households	–	–	–	110	–	–	–
Payments for capital assets	–	–	373	89	–	–	–
Machinery and equipment	–	–	373	89	–	–	–
Total	278 416	284 868	320 272	382 202	407 648	450 862	473 425

Details of transfers and subsidies:

Departmental agencies and accounts							
Current	254 246	258 052	281 966	293 187	302 264	329 080	345 533
Agricultural Research Council	254 246	258 052	281 966	293 187	302 264	329 080	345 533
Capital	17 000	17 000	27 047	48 957	52 888	57 132	59 988
Agricultural Research Council	17 000	17 000	27 047	48 957	52 888	57 132	59 988
Total departmental agencies and accounts	271 246	275 052	309 013	342 144	355 152	386 212	405 521

Expenditure trends

Expenditure increased steadily over the last four years, rising from R278,4 million in 2001/02 to R382,2 million in 2004/05, an annual average increase of 11,1 per cent. Over the next three years, expenditure is expected to rise further to reach R473,4 million in 2007/08, an annual average increase of 7,4 per cent. Part of this increase will go towards the transfer to the Agricultural Research Council, a major part of the programme's expenditure.

Service delivery objectives and indicators

Recent outputs

Policy and legislation foundation

The department focused on developing strategies, policies and legislation to establish a sound foundation for agricultural production.

The policy on agriculture for sustainable development was approved. It aims at a co-ordinated approach to agriculture, that is ecologically, socially, and economically sustainable. It ensures that the department contributes to and supports government's commitment to poverty alleviation, food security and economic development, through campaigns and through training on alternative technologies that reduce production costs.

The livestock development strategy has been approved by the integrated technical committee on agriculture, and is being implemented along with animal improvement schemes.

Consultation was concluded and a draft policy document compiled on a national aquaculture policy. The consultation process included the establishment of a national working group in July 2004. Similar working groups have been established for the ostrich and poultry industries, and the process is under way for the dairy industry.

Research

The debates on public spending on agricultural research required the development of a departmental policy on co-ordinating and managing research projects. This policy will allow for a consolidation of the research and development budget.

Biotechnology

The department was involved in developing an agricultural biotechnology strategy, which has been approved by Cabinet and is being implemented.

Selected medium-term output targets

Agricultural Production

Measurable objective: Provide information and technology on agricultural production systems to increase agricultural productivity and profitability.			
Subprogramme	Output	Measure/Indicator	Target
Animal and Aqua Production	Systems for improving animal and agricultural production	Functional milk recording scheme, goat milk production models and poultry programmes	By March 2006
Plant Production	Production guidelines, programmes and projects	Publication of product-specific production guidelines, programmes and projects	For grain, fruit and industrial crops by March 2006
Scientific Research and Development	Policy and programme on agricultural advisory services	Programme on agricultural advisory services in all provinces	By March 2006
Genetic Resources	Amendments to Genetically Modified Organisms Act (1997)	Cabinet's approval of Amended Genetically Modified Organisms Act (1997)	By September 2005

Programme 6: Sustainable Resources Management and Use

Sustainable Resources Management and Use develops policies and norms and standards on the management and use of land and water resources in agriculture.

Apart from *Management*, the programme is organised into two subprogrammes:

- *Water Use and Irrigation Development* provides access to water resources by providing borehole and irrigation infrastructure and institutional support to people previously excluded from commercial farming.
- *Land Use and Soil Management* develops and implements policy, legislation and projects to support sustainable agriculture, and provides for the community-based LandCare programme.

Expenditure estimates

Table 25.8: Sustainable Resources Management and Use

Subprogramme	Expenditure outcome				Medium-term expenditure estimate		
	Audited	Audited	Preliminary	Adjusted			
R thousand	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
Management	680	647	809	1 569	1 615	1 758	1 891
Water Use and Irrigation Development	48 456	47 108	45 135	45 710	66 803	74 840	78 565
Land Use and Soil Management	73 731	73 393	75 473	113 318	108 834	116 005	121 800
Total	122 867	121 148	121 417	160 597	177 252	192 603	202 256
Change to 2004 Budget estimate				(4 872)	(3 126)	(3 275)	(3 416)
Economic classification							
Current payments	90 533	91 335	83 520	111 146	134 017	144 433	152 030
Compensation of employees	39 660	40 751	42 684	48 579	52 870	55 471	58 761
Goods and services	50 758	50 538	40 786	62 567	81 147	88 962	93 269
of which:							
Consultants and contractors	9 854	12 321	8 228	28 203	33 670	33 896	34 091
Travel and subsistence	9 037	10 177	10 309	8 296	9 498	10 665	11 948
Financial transactions in assets and liabilities	115	46	50	–	–	–	–

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2005/06	2006/07	2007/08
R thousand	2001/02	2002/03	2003/04	2004/05			
Transfers and subsidies to:	28 499	24 126	36 531	45 373	40 393	44 884	47 016
Provinces and municipalities	28 499	24 126	36 531	44 308	40 137	44 643	46 874
Departmental agencies and accounts	–	–	–	500	–	–	–
Public corporations and private enterprises	–	–	–	255	–	–	–
Non-profit institutions	–	–	–	80	–	–	–
Households	–	–	–	230	256	241	142
Payments for capital assets	3 835	5 687	1 366	4 078	2 842	3 286	3 210
Machinery and equipment	3 358	5 186	1 366	3 748	2 366	2 746	2 685
Software and other intangible assets	477	501	–	330	476	540	525
<i>of which: Capitalised compensation</i>	9 575	9 703	10 790	18 248	16 586	17 096	18 465
Total	122 867	121 148	121 417	160 597	177 252	192 603	202 256

Details of transfers and subsidies:

Provinces and municipalities							
Provinces							
Provincial revenue funds							
Current	28 376	24 000	36 400	43 800	40 000	44 500	46 725
LandCare Programme Grant: Poverty Relief and Infrastructure Grant	28 376	24 000	36 400	43 800	40 000	44 500	46 725
Municipalities							
Municipal bank accounts							
Current	123	126	131	508	137	143	149
Regional Services Council levies	123	126	131	203	137	143	149
Vehicle licenses Municipalities	–	–	–	290	–	–	–
Municipal rates & taxes	–	–	–	15	–	–	–
Total provinces and municipalities	28 499	24 126	36 531	44 308	40 137	44 643	46 874
Departmental agencies and accounts							
Current	–	–	–	500	–	–	–
Water Research Commission	–	–	–	500	–	–	–
Total departmental agencies and accounts	–	–	–	500	–	–	–

Expenditure trends

Expenditure increased significantly in 2004/05, rising to R160,6 million. This went to the *Land Use and Soil Management* subprogramme, including an increased allocation for the LandCare programme, which rose from R40 million to R60 million. Expenditure is expected to increase further, rising to R202,3 million in 2007/08. These increases will go, in part, towards the maintenance of border fences.

The bulk of programme expenditure is on goods and services, which includes spending on activities such as the eradication of black-fly and quelea, as well as on projects aimed at conserving natural agricultural resources. Another significant portion of the programme's budget goes towards drilling boreholes.

Service delivery objectives and indicators

Recent outputs

Promoting the sustainable use of natural agricultural resources

The LandCare programme has been expanded into additional rural nodes. The department's new policy on the expanded LandCare programme will enable provincial departments of agriculture and other stakeholders to facilitate the sound management of agricultural resources through awareness campaigns and capacity-building.

Drought

As a direct response to persistent drought conditions, the department facilitated the drilling and rehabilitation of 427 boreholes in rural areas and has also built 268 structures to combat the effects of soil erosion. In collaboration with the Department of Water Affairs and Forestry, the department has drafted a drilling policy, which is being developed further to include water quality, particularly where underground water is used for human consumption and livestock.

Selected medium-term output targets

Sustainable Resources Management and Use

Measurable objective: Conserve natural agricultural resources through developing, implementing and monitoring policies and norms and standards aimed at promoting the sustainable use of agricultural resources.

Subprogramme	Output	Measure/Indicator	Target
Water Use and Irrigation Development	Ground water atlas	Fixed point monitoring in all 19 quaternary catchments	By March 2006
Land Use and Soil Management	Soil loss map	Fixed point monitoring in all provinces	2 000 sites by March 2006

Programme 7: National Regulatory Services

National Regulatory Services is responsible for managing the risks associated with animal and plant diseases and pests, and for ensuring food safety and bio-safety. It does this by developing policy and legislation and implementing compliance and operational support systems.

Apart from *Management*, the programme has four subprogrammes:

- *Food Safety and Quality Assurance* ensures that food control is co-ordinated and that products for human consumption are safe.
- *Plant Health* manages risks associated with plants and plant products.
- *Animal Health* manages risks associated with animals and animal products, and assists in the negotiation of protocols for importing and exporting animals and animal products.
- *South African Agricultural Food, Quarantine and Inspection Services* ensures that agricultural products for import and export do not transmit diseases, are safe for human consumption, and adhere to international protocols on sanitary and phytosanitary measures.

Expenditure estimates

Table 25.9: National Regulatory Services

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2005/06	2006/07	2007/08
R thousand	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
Management	760	932	1 115	1 049	1 388	1 472	1 395
Food Safety and Quality Assurance	25 729	26 891	27 927	32 228	34 081	36 158	37 982
Plant Health	8 228	6 366	7 493	9 602	11 646	12 355	12 884
Animal Health	43 652	51 142	72 424	90 739	73 682	79 188	83 205
South African Agricultural Food, Quarantine and Inspection Services	56 339	60 416	68 141	82 984	109 716	116 247	122 057
Onderstepoort Biological Products Ltd	9 851	1 520	–	–	–	–	–
Border Fencing	3 222	–	–	–	–	–	–
Upgrading Laboratories	2 254	–	–	–	–	–	–
Total	150 035	147 267	177 100	216 602	230 513	245 420	257 523
Change to 2004 Budget estimate				21 946	(10 785)	(10 556)	(11 252)
Economic classification							
Current payments	135 897	140 694	158 550	172 871	222 980	237 605	249 373
Compensation of employees	69 862	79 304	88 611	112 009	144 216	150 880	159 582
Goods and services	65 993	61 203	69 763	60 862	78 764	86 725	89 791
<i>of which:</i>							
Consultants and contractors	27 715	32 565	33 589	26 164	25 853	27 571	28 950
Travel and subsistence	10 218	11 598	16 031	14 836	14 975	15 096	16 201
Communication	2 095	2 325	2 613	3 011	3 945	4 044	5 146
Inventory	7 895	9 259	8 726	11 760	12 114	13 435	13 657
Maintenance and repairs	738	820	911	2 063	2 269	2 496	2 746
Financial transactions in assets and liabilities	42	187	176	–	–	–	–
Transfers and subsidies to:	10 086	1 777	14 838	36 292	592	624	688
Provinces and municipalities	235	257	238	339	367	387	407
Departmental agencies and accounts	9 851	1 520	–	–	–	–	–
Public corporations and private enterprises	–	–	14 600	79	–	–	–
Non-profit institutions	–	–	–	284	–	–	–
Households	–	–	–	35 590	225	237	281
Payments for capital assets	4 052	4 796	3 712	7 439	6 941	7 191	7 462
Buildings and other fixed structures	–	–	770	–	–	–	–
Machinery and equipment	4 052	4 796	2 942	7 439	6 941	7 191	7 462
Total	150 035	147 267	177 100	216 602	230 513	245 420	257 523
Details of transfers and subsidies:							
Departmental agencies and accounts							
Current	9 851	1 520	–	–	–	–	–
Onderstepoort Biological Products Ltd	9 851	1 520	–	–	–	–	–
Total departmental agencies and accounts	9 851	1 520	–	–	–	–	–

R thousand	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
Public corporations and private enterprises							
Public corporations							
Subsidies on production							
Current	-	-	14 600	-	-	-	-
Abakor	-	-	14 600	-	-	-	-
Other transfers							
Current	-	-	-	29	-	-	-
Eskom	-	-	-	29	-	-	-
Private enterprises							
Other transfers							
Current	-	-	-	50	-	-	-
Insurance premiums	-	-	-	50	-	-	-
Total public corporations and private enterprises	-	-	14 600	79	-	-	-
Non-profit institutions							
Current	-	-	-	284	-	-	-
SA Wine and Vine Association	-	-	-	284	-	-	-
Total non-profit institutions	-	-	-	284	-	-	-
Households							
Social benefits							
Current	-	-	-	590	225	237	281
Employer social benefit cash	-	-	-	590	225	237	281
Other transfers							
Current	-	-	-	35 000	-	-	-
Porcine respiratory and reproductive syndrome	-	-	-	2 000	-	-	-
Avian influenza	-	-	-	33 000	-	-	-
Total households	-	-	-	35 590	225	237	281

Expenditure trends

Expenditure fell slightly in 2002/03, but has increased steadily since then. This trend is expected to continue, with expenditure rising from R216,6 million in 2004/05 to R257,5 million in 2007/08, an annual average increase of 5,9 per cent.

The increases over the last three years were mainly due to increased efforts to manage the outbreak of animal diseases. This is expected to continue in order to maintain the country's disease free status. Given the regulatory nature of the activities within the programme, compensation of employees takes up a significant amount of expenditure.

The expenditure increase in 2004/05 was a result of a R38 million allocation in the adjustment budget to contain the outbreak of avian influenza in the Eastern Cape and foot and mouth disease in Limpopo.

Service delivery objectives and indicators

Recent outputs

Following an agreement between the department and the EU, a pesticide programme, funded by the EU, was launched. It aims to contribute to the safety of products from South Africa's horticultural sector by ensuring compliance with EU legislation, and thereby ensuring that South African products stay in the European market.

A total of 2 570 consignments were inspected, of which 7,6 per cent were intercepted for failing to comply with phytosanitary requirements.

Import control regulatory services were extended to the Kruger Mpumalanga International Airport in the first quarter of 2003/04. This brings the total number of international airports where agricultural regulatory services are provided to five (with Johannesburg, Cape Town, Durban and Lanseria).

Following training with the National Detector Dog Training Centre in the United States, trained handlers with sniffer dogs are now in operation at Johannesburg International Airport to detect the illegal importation or movement of plant and animal products.

Selected medium-term output targets

National Regulatory Services

Measurable objective: Reduce the occurrence of animal and plant deceases through development, implementation and monitoring of policies that ensure proper maintenance of and improvement in management systems for animal and plant decease control.			
Subprogramme	Output	Measure/Indicator	Target
Food Safety and Quality Assurance	Food control legislation	Approved draft Food Control Act	By March 2006
Plant Health	Plant pest risk management systems and legislation	Improved plant pest risk management system and revised legislation on norms	Updated system and legislation by March 2006
Animal Health	Co-ordinated animal health system	Improvement in animal disease reporting	By March 2006
South African Agricultural Food, Quarantine and Inspection Services	Effective and improved border control, national plant and plant product inspections services, and plant and animal quarantine	Improvement in level of service delivery	By the end of March 2006

Programme 8: Communication and Information Management

Communication and Information Management provides agricultural news and information, facilitates and manages international relations, and facilitates skills development and training for new and existing farmers.

Apart from *Management*, it consists of four subprogrammes:

- *Agricultural Information Services* provides agricultural news and information through publications and electronic media, and facilitates general communication with the public.
- *International Relations* facilitates, co-ordinates and supports bilateral and multilateral relations, manages membership fees to international organisations, and maintains offices in Brussels, Rome, Washington and Beijing.
- *Education and Training* facilitates skills development in the agricultural sector.
- *Grootfontein Agricultural Development Institute* provides for the training of land redistribution for agricultural development (LRAD) beneficiaries and other categories of farmers.

Expenditure estimates

Table 25.10: Communication and Information Management

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2005/06	2006/07	2007/08
R thousand	2001/02	2002/03	2003/04	2004/05			
Management	–	893	631	770	1 385	1 468	1 541
Agricultural Information Services	15 761	16 267	17 522	18 309	19 629	20 784	21 840
International Relations	21 950	32 954	32 758	27 236	30 671	32 048	33 652
Education and Training	2 752	4 969	9 967	18 684	17 360	18 007	18 631
Grootfontein Agricultural Development Institute	19 775	20 483	20 941	23 306	23 671	25 106	26 367
Total	60 238	75 566	81 819	88 305	92 716	97 413	102 031
Change to 2004 Budget estimate				5 508	5 858	5 862	5 902

Economic classification

Current payments	38 427	51 870	65 560	69 624	71 521	75 907	80 216
Compensation of employees	25 395	29 103	32 479	38 498	38 945	41 308	43 338
Goods and services	13 020	22 767	32 507	31 126	32 576	34 599	36 878
<i>of which:</i>							
<i>Consultants and contractors</i>	1 004	4 015	2 027	4 192	5 848	6 031	7 183
<i>Travel and subsistence</i>	1 740	4 958	6 046	7 698	8 992	9 264	10 427
<i>Communication</i>	608	696	845	3 036	2 762	2 928	2 768
<i>Inventory</i>	4 037	4 690	4 219	4 611	5 814	6 917	7 013
<i>Computer services</i>	–	–	–	–	945	996	1 046
<i>Maintenance and repairs</i>	192	213	237	1 367	1 504	1 654	1 819
Financial transactions in assets and liabilities	12	–	574	–	–	–	–
Transfers and subsidies to:	21 702	23 581	15 388	17 014	20 571	20 853	21 133
Provinces and municipalities	79	91	94	693	125	131	136
Departmental agencies and accounts	–	–	–	361	5 720	5 745	5 769
Foreign governments and international organisations	21 623	23 490	15 294	15 909	14 700	14 950	15 200
Households	–	–	–	51	26	27	28
Payments for capital assets	109	115	871	1 667	624	653	682
Machinery and equipment	109	115	871	1 257	500	523	546
Cultivated assets	–	–	–	–	92	96	100
Software and other intangible assets	–	–	–	410	32	34	36
Total	60 238	75 566	81 819	88 305	92 716	97 413	102 031

Details of transfers and subsidies:

Departmental agencies and accounts							
Current	–	–	–	361	5 720	5 745	5 769
Primary Agriculture Sector Education and Training Authority	–	–	–	361	420	445	469
National Student Financial Aid Scheme	–	–	–	–	5 300	5 300	5 300
Total departmental agencies and accounts	–	–	–	361	5 720	5 745	5 769

R thousand	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2005/06	2006/07	2007/08
	2001/02	2002/03	2003/04	2004/05			
Foreign governments and international organisations							
Current	21 623	23 490	15 294	15 909	14 700	14 950	15 200
Office International des Epizooties	318	620	1 079	510	512	513	515
International Seed Testing Association	21	36	–	53	55	56	58
Organisation for Economic Co-operation & Development	24	34	153	93	95	96	96
International Union for the protection of new varieties of Plants	416	336	278	280	282	283	284
International Grains Council	120	174	119	130	132	133	133
Office International de la Vigne et du Vin	350	439	93	380	382	383	385
Plant Genetic Resources Centre - SADC	165	282	–	405	407	408	409
Food & Agriculture Organisation of the United Nations	10 577	16 301	9 898	9 894	8 735	8 973	9 210
International Commission of Agricultural Engineering	19	25	–	50	52	53	55
Consultative Group on International Agricultural Research	5 656	4 278	3 310	3 310	3 208	3 209	3 210
CAB International	188	242	187	204	206	207	208
Regional Early Warning Unit for Food Security - SADC	3 769	459	–	330	382	383	384
Regional Food Security Training Programme - SADC	–	264	177	250	252	253	253
International Dairy Federation	–	–	–	20	–	–	–
Total foreign governments and international organisations	21 623	23 490	15 294	15 909	14 700	14 950	15 200

Expenditure trends

Expenditure is expected to continue to increase steadily, rising from R60,2 million in 2001/02 to R102,0 million in 2007/08.

Part of the increase is linked to the acceleration of LRAD programme, which has required an increase in capacity to provide training programmes for newly settled farmers.

Service delivery objectives and indicators

Recent outputs

A framework for dedicated technical assistance to other African countries has been developed and is ready for implementation.

In line with the national skills development strategy, 76 learners have benefited from the department's external bursary scheme for agricultural studies. Twenty-nine students received higher certificates and 26 received diplomas from the Grootfontein Agricultural Development Institute, which received full accreditation as a tertiary institution following its evaluation in October 2003.

Selected medium-term output targets

Communication and Information Management

Measurable objective: Provide for effective internal and external communication and information management through a communication strategy.			
Subprogramme	Output	Measure/Indicator	Target
Agricultural Information Services	Information in a range of mediums	Number of publications Frequency of website updates	12 issues of Agrinews 12 issues of agricultural information packs Monthly updates
International Relations	The African Agricultural Development Programme (AADP) Trust	AADP Trust established and all members appointed	By November 2005
Education and Training	Agricultural human resources development review	Report on review findings integrated into departmental programmes	By August 2005
Grootfontein Agricultural Development Institute	Trained emerging farmers	Number of emerging farmers successfully trained	200 emerging farmers with 75% pass rate

Programme 9: Programme Planning, Monitoring and Evaluation

Programme Planning, Monitoring and Evaluation consists of two subprogrammes:

- *Programme Planning* supports the department in strategic and operational planning.
- *Monitoring and Evaluation* facilitates knowledge management through monitoring and evaluating the strategic plan and through impact assessments.

Programme expenditure estimates

Table 25.11: Programme Planning, Monitoring and Evaluation

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2005/06	2006/07	2007/08
R thousand	2001/02	2002/03	2003/04	2004/05			
Programme Planning	–	18	1 270	3 608	4 079	4 326	4 546
Monitoring and Evaluation	–	–	–	2 711	3 886	4 123	4 334
Total	–	18	1 270	6 319	7 965	8 449	8 880
Change to 2004 Budget estimate				(977)	(273)	(283)	(289)
Economic classification							
Current payments	–	18	1 164	6 264	7 907	8 387	8 815
Compensation of employees	–	–	430	3 615	3 825	4 054	4 259
Goods and services	–	18	733	2 649	4 082	4 333	4 556
<i>of which:</i>							
Consultants and contractors	–	–	325	1 781	3 534	3 746	3 933
Travel and subsistence	–	–	87	560	24	25	26
Communication	–	–	13	20	156	165	173
Inventory	–	–	24	25	50	54	57
Maintenance and repairs	–	–	5	3	3	4	4
Financial transactions in assets and liabilities	–	–	1	–	–	–	–
Transfers and subsidies to:	–	–	1	10	11	12	12
Provinces and municipalities	–	–	1	10	11	12	12
Payments for capital assets	–	–	105	45	47	50	53
Machinery and equipment	–	–	105	45	47	50	53
Total	–	18	1 270	6 319	7 965	8 449	8 880

Expenditure trends

This Programme was established in 2002/03. Expenditure increased very rapidly in 2004/05, in part due to the introduction of the *Monitoring and Evaluation* subprogramme. Expenditure is expected to continue to increase, but at a slower rate, rising from R6,3 million in 2004/05 to R8,9 million in 2007/08.

Service delivery objectives and indicators

Recent outputs

Programme Planning, Monitoring and Evaluation became operational in April 2003. The focus has been on capacity-building in the programme. A project management office, for projects initiated by the department, has been set up.

The department has facilitated aligning the programme structures of provincial departments with the National Treasury's intergovernmental fiscal review process.

The department has acquired a project management information system and drafted a project management framework to measure organisational performance against set strategic targets.

Selected medium-term output targets

Programme Planning, Monitoring and Evaluation

Measurable objective: Improve organisational performance by supporting operational units to implement and monitor the department's strategic plan and by undertaking programme evaluation and impact assessments.			
Subprogramme	Output	Measure/Indicator	Target
Programme Planning	Project management framework	Number of directorates using management-by-project approach	25 directorates using management-by-project approach by March 2006
Monitoring and Evaluation	Organisational performance assessment report	Frequency of organisational performance assessment	Quarterly reports available by end of March 2006

Public entities reporting to the Minister

National Agricultural Marketing Council

The National Agricultural Marketing Council (NAMC) is a schedule 3 public entity established in accordance with Marketing of Agricultural Products Act (1996). The core mandate of the NAMC is to do investigations and advise the Minister of Agriculture and Land Affairs on agricultural marketing policies and their application, and to co-ordinate agricultural marketing policy in relation to national economic, social and development policies and international trends and developments.

Funding to the council amounts to R13,1 million, R12,7 million, and R13,3 million over the MTEF period.

Agricultural Research Council

The Agricultural Research Council (ARC) is a statutory body established in terms of the Agricultural Research Act (1990) and is the principal agricultural research institution in South Africa. The ARC provides agricultural research and development, technology and support to the agricultural community. In addition, the ARC is the custodian of South Africa's national

collections of insects, spiders, mites, nematodes and fungi, as well as the South African gene banks of rhizobia, plant viruses, antisera, phytopathogens, plant protecting bacteria and mycorrhizal fungi. The organisation further delivers various services in the national interest, such as diagnostic services, migratory pest control, irrigation and hydraulic equipment testing, tractor performance testing, and animal performance testing.

The ARC's research activities have been aligned to address major government priorities such as integrated rural development, natural resource management, food security, and trade development and support. The ARC has been successful in contributing to promoting these goals and in the process has developed several new cultivars, technologies and methodologies in its core research divisions.

The ARC has embarked on new initiatives, which include introducing a performance management culture, improving project management systems and becoming more customer-focused. The balanced scorecard targets that have been set for this year are designed to focus and improve the level of outputs and improve the investment in resource poor farmers, while ensuring delivery on public mandates with the Department of Agriculture. The priority will be to contribute to the national programme for stimulating the second economy and sustainable rural livelihoods, and thus to contribute to transforming the agricultural sector.

The council derives about 60 per cent of its revenue from transfers from the Department of Agriculture. This amounts to R355,2 million, R386,2 million and R405,5 million over the MTEF period. It also competes for supplementary research funding (transfers) from the Department of Science and Technology's Innovation Fund, and receives income from contract research, diagnostic services, farm produce and advisory services. The council reported an average annual decline in external income of 8,5 per cent between 2001/02 and 2003/04 as a result of refocusing on its public mandate to deliver on public goods. Total expenditure for the same period declined on average by 5,1 per cent, which is attributable to a combination of a decreasing staff complement due to vacant posts not being filled, and improved management of operating procedures.

Table 25.12: Financial summary for the Agricultural Research Council (ARC)

	Outcome			Estimated outcome	Medium-term estimate		
	Audited	Audited	Audited		2005/06	2006/07	2007/08
R thousand	2001/02	2002/03	2003/04	2004/05			
INCOME STATEMENT SUMMARY							
Revenue							
Tax revenue							
Non-tax revenue	265 857	248 620	231 377	200 892	208 383	218 352	228 820
Interest	6 293	9 568	13 955	11 003	9 000	9 000	9 000
Other non-tax revenue	259 564	239 052	217 422	189 889	199 383	209 352	219 820
Transfers received	267 683	267 552	276 140	399 228	333 838	362 508	380 633
Sale of capital assets	1 472	461	267	-	-	-	-
Total revenue	535 012	516 633	507 784	600 120	542 221	580 860	609 453
Expenses							
Current expense	556 359	479 281	501 421	594 999	542 221	580 860	609 453
Compensation of employees	289 804	263 630	284 228	288 951	317 846	333 738	350 425
Goods and services	242 817	194 694	199 001	291 818	206 462	228 443	239 865
Depreciation	23 738	20 957	18 192	14 230	17 913	18 679	19 163
Total expenses	556 359	479 281	501 421	594 999	542 221	580 860	609 453
Surplus / (Deficit)	(21 347)	37 352	6 363	5 121	-	-	-

Data provided by the Agricultural Research Council

Land Bank

The Land Bank operates as a development finance institution within the agricultural and agribusiness sectors, regulated by the Land and Agricultural Development Bank Act (2002). It provides a range of finance options to a broad spectrum of clients in the agricultural sector, including rural entrepreneurs, women and youth, through its network of 27 branches and 37 satellite offices, supplemented by mobile branches, which are primarily located in rural areas.

In 2003/04, the Land Bank's client base was 36 751 commercial farmers and 27 028 developing farmers. In pursuit of its development mandate, the bank participated in syndicated funding in which a BEE entity was granted an R800 million secured loan in 2003/04. A further BEE transaction of R335 million (in the sugar industry) has been financed. Investments of R269,3 million have also been made in projects for irrigation infrastructure and the production of cotton and wheat.

The bank's micro-finance product, Step Up, was introduced in April 1998 and 123 564 clients have made use of it. R169 million was disbursed in 2003/04, with participation increasing at an average rate of about 3 175 clients per month.

To help young aspirant farmers to make a meaningful contribution to agricultural development and economic growth, the Land Bank, in collaboration with the National Youth Commission and Umsobomvu, launched the national youth development programme.

The department does not contribute financially to the bank, but has high-level representation on the bank's board. The bank recorded a profit of R247 million, accompanied by a 14 per cent increase in the number of loans granted in 2003/04.

Onderstepoort Biological Products

Onderstepoort Biological Products Ltd (OBP), a biotechnical company, manufacturing vaccines and related products for the global animal healthcare industry, was established in accordance with the Onderstepoort Biological Products Incorporation Act (1999).

A key achievement has been the successful transformation of the organisation, with 50 per cent of executive management from previously disadvantaged groups, and 40 per cent are women. 75 per cent of scientists are from previously disadvantaged groups, and 40 per cent are women.

The company is entirely self-financing and derives its revenue from the sale of vaccines and related biological products. Since its inception in 2000, the company has consistently shown a positive growth in sales. The contribution of export sales since then has risen from 25 per cent to 50 per cent of total sales, while the growth in profits has increased three-fold.

The company reported a non-tax revenue of R74,4 million for 2003/04, and this is projected to grow at an average of 15,8 per cent over the MTEF period, which is largely attributable to the projected increase in sales of vaccines in the export market. Compensation of employees is projected to grow at an average of 7,0 per cent over the MTEF period, as a result of growth in and the strengthening of the research and development unit.

One of the strategic objectives of OBP has been to upgrade facilities and processes. The project to upgrade the production facility is estimated to cost R30,0 million in 2005/06, and will be funded from surplus reserves without borrowing.

Table 25.13: Financial summary for the Onderstepoort Biological Products Ltd

	Outcome			Estimated outcome	Medium-term estimate		
	Audited	Audited	Audited		2005/06	2006/07	2007/08
R thousand	2001/02	2002/03	2003/04	2004/05			
INCOME STATEMENT SUMMARY							
Revenue							
Non-tax revenue	52 876	73 066	74 395	80 245	95 827	108 937	124 661
Sale of animal vaccines and other biological products	52 876	73 066	74 395	80 245	95 827	108 937	124 661
Total revenue	52 876	73 066	74 395	80 245	95 827	108 937	124 661
Expenses							
Current expense	44 837	53 920	57 346	65 565	82 688	92 496	103 500
Compensation of employees	19 198	22 331	22 239	25 146	26 906	28 790	30 805
Goods and services	23 668	29 358	32 752	37 917	38 632	45 355	53 060
Depreciation	1 971	2 231	2 355	2 502	17 150	18 351	19 635
Total expenses	44 837	53 920	57 346	65 565	82 688	92 496	103 500
Surplus / (Deficit)	8 039	19 146	17 049	14 680	13 139	16 441	21 161

Data provided by the Onderstepoort Biological Products Ltd.

Ncera Farms (Pty) Ltd

Ncera Farms (Pty) Ltd is a public company listed under schedule 3B in terms of the PFMA as amended, with the department as the sole shareholder. It is situated in the Eastern Cape on state-owned land of approximately 3 102ha, and is dedicated to assisting small and emerging farmers through providing various services to the surrounding rural communities in the form of advice, extension services, training, and so on.

A pilot olive plantation in the Eastern Cape, in conjunction with the provincial department, will determine suitable cultivars for the area. Approximately 400 trees of two different cultivars were planted, and it is anticipated that planting will be expanded. The first fruit is expected during 2006/07. Plans are under way to establish a service centre on the farm, which will serve the entire community.

Government transfers to the company over the MTEF period are projected at R2,4 million, R2,5 million and R2,7 million.

Perishable Products Export Control Board

The Perishable Products Export Control Board was established in terms of the Perishable Products Export Control Board Act (1983). Its purpose is to ensure that perishable products intended for export from South Africa meets international quality standards. Activities include inspections and quality control, and providing technical, development, market intelligence and information services.

The board is funded by its own revenue and does not receive transfers from government. Other non-tax revenue includes income derives from inspection services, which comprised 96,8 per cent of revenue for 2003/04. Total revenue grew at an annual average rate of 13,4 per cent between 2001/02 and 2004/05, and is projected to grow by 7,0 per cent over the MTEF period, reaching R112,7 million in 2007/08.

For the seven years under review, expenditure on compensation of employees grows at an annual average rate of 11,2 per cent. The recorded growth for the period between 2001/02 and 2004/05 is

15,5 per cent, due to the increase in the establishment to cope with additional capacity requirements, while the 7,0 per cent projected growth over the medium term is mostly inflation related.

Spending on goods and services, primarily related to product inspections, is projected to grow annually by an average of 7,0 per cent over the MTEF.

Table 25.14: Financial summary for the Perishable Products Export Control Board

	Outcome			Estimated outcome	Medium-term estimate		
	Audited	Audited	Audited		2004/05	2005/06	2006/07
R thousand	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
INCOME STATEMENT SUMMARY							
Revenue							
Non-tax revenue	63 023	103 845	85 499	92 003	98 444	105 336	112 709
Interest	654	2 345	2 750	2 450	2 400	2 320	2 220
Other non-tax revenue	62 369	101 500	82 749	89 553	96 044	103 016	110 489
Total revenue	63 023	103 845	85 499	92 003	98 444	105 336	112 709
Expenses							
Current expense	61 241	79 870	81 170	92 003	98 444	105 336	112 709
Compensation of employees	41 518	57 823	56 159	63 918	68 392	73 179	78 302
Goods and services	14 886	19 787	23 432	26 709	28 579	30 580	32 721
Depreciation	4 832	2 256	1 575	1 372	1 468	1 571	1 681
Interest	5	4	4	4	5	6	5
Total expenses	61 241	79 870	81 170	92 003	98 444	105 336	112 709
Surplus / (Deficit)	1 782	23 975	4 329	-	-	-	-

Data provided by the Perishable Products Export Control Board

Annexure

Vote 25: Agriculture

Table 25.A: Summary of expenditure trends and estimates per programme and economic classification

Table 25.B: Summary of personnel numbers and compensation of employees per programme

Table 25.C: Summary of expenditure on training per programme

Table 25.D: Summary of information and communications technology expenditure per programme

Table 25.E: Summary of conditional grants and indirect grants to provinces and local government

Table 25.F: Summary of official development assistance expenditure

Table 25.G: Summary of expenditure on infrastructure

Table 25.A: Summary of expenditure trends and estimates per programme and economic classification

Programme	Appropriation		Preliminary outcome	Appropriation			Revised estimate
	Main	Adjusted		Main	Additional	Adjusted	
R thousand	2003/04			2004/05			
1. Administration	151 562	155 889	157 438	157 798	13 730	171 528	167 021
2. Farmer Support and Development	146 349	292 396	282 007	260 936	100 336	361 272	359 364
3. Agricultural Trade and Business Development	34 948	37 380	22 537	43 137	(4 218)	38 919	37 825
4. Economic Research and Analysis	23 725	20 054	13 430	22 486	1 161	23 647	21 808
5. Agricultural Production	319 331	323 623	320 272	377 111	5 091	382 202	380 662
6. Sustainable Resources Management and Use	139 651	138 818	121 417	165 469	(4 872)	160 597	157 903
7. National Regulatory Services	172 625	193 651	177 100	189 198	27 404	216 602	234 901
8. Communication and Information Management	78 178	83 019	81 819	82 797	5 508	88 305	86 784
9. Programme Planning, Monitoring and Evaluation	5 830	5 272	1 270	7 296	(977)	6 319	3 123
Total	1 072 199	1 250 102	1 177 290	1 306 228	143 163	1 449 391	1 449 391
Economic classification							
Current payments	583 170	589 430	510 137	678 407	(33 051)	645 356	649 379
Compensation of employees	319 362	303 571	276 596	360 299	(5 330)	354 969	319 161
Goods and services	263 808	285 859	232 564	318 108	(27 721)	290 387	329 365
Financial transactions in assets and liabilities	–	–	977	–	–	–	853
Transfers and subsidies	455 619	619 702	633 245	594 600	162 359	756 959	756 959
Provinces	38 000	38 000	66 400	227 100	116 700	343 800	343 800
Municipalities	989	989	820	1 081	1 000	2 081	2 081
Departmental agencies and accounts	307 627	320 707	319 122	351 234	2 372	353 606	353 606
Foreign governments and international organisations	24 003	24 003	15 294	14 385	1 524	15 909	15 909
Public corporations	–	–	16 185	–	2 288	2 288	2 288
Private enterprises	–	803	452	800	(321)	479	479
Non-profit institutions	–	200	180	–	2 683	2 683	2 683
Households	85 000	235 000	214 792	–	36 113	36 113	36 113
Payments for capital assets	33 410	40 970	33 908	33 221	13 855	47 076	43 053
Buildings and other fixed structures	15 340	24 340	20 238	16 260	12 018	28 278	24 255
<i>Buildings</i>	15 340	24 340	20 238	16 260	12 018	28 278	24 255
Machinery and equipment	14 650	13 210	13 670	13 273	1 927	15 200	15 200
<i>Transport equipment</i>	3 658	2 218	3 557	1 612	331	1 943	1 943
<i>Other machinery and equipment</i>	10 992	10 992	10 113	11 661	1 596	13 257	13 257
Cultivated assets	–	–	–	–	–	–	45
Software and intangible assets	3 420	3 420	–	3 688	(90)	3 598	3 553
Total	1 072 199	1 250 102	1 177 290	1 306 228	143 163	1 449 391	1 449 391

Table 25.B: Summary of personnel numbers and compensation of employees per programme¹

Programme	2001/02	2002/03	2003/04	2004/05	2005/06
1. Administration	799	804	668	680	679
2. Farmer Support and Development	16	90	189	187	187
3. Agricultural Trade and Business Development	81	84	86	87	87
4. Economic Research and Analysis	46	55	85	85	85
5. Agricultural Production	–	1	91	92	92
6. Sustainable Resources Management and Use	730	730	607	611	610
7. National Regulatory Services	1 189	1 014	1 208	1 221	1 221
8. Communication and Information Management	341	343	407	393	393
9. Programme Planning, Monitoring and Evaluation	–	–	–	4	4
Total	3 202	3 121	3 341	3 360	3 358
Total personnel cost (R thousand)	229 690	258 526	287 386	373 217	436 684
Unit cost (R thousand)	72	83	86	111	130

¹ Budgeted full-time equivalent

Table 25.C: Summary of expenditure on training per programme

R thousand	Expenditure outcome				Medium-term expenditure estimate		
	Audited	Audited	Preliminary	Adjusted	2005/06	2006/07	2007/08
	2001/02	2002/03	outcome				
			2003/04	2004/05			
1. Administration	1 409	954	2 101	1 529	1 588	1 691	1 774
2. Farmer Support and Development	210	108	329	504	549	633	702
3. Agricultural Trade and Business Development	110	43	326	262	229	223	238
4. Economic Research and Analysis	77	119	616	197	195	231	231
5. Agricultural Production	–	–	50	127	59	60	91
6. Sustainable Resources Management and Use	403	388	835	646	1 073	1 172	1 243
7. National Regulatory Services	900	1 047	1 913	2 577	2 271	2 381	2 468
8. Communication and Information Management	185	320	182	195	220	234	237
9. Programme Planning, Monitoring and Evaluation	–	–	10	20	100	110	120
Total	3 294	2 979	6 362	6 057	6 284	6 735	7 104

Table 25.D: Summary of information and communications technology expenditure per programme

R thousand	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2005/06	2006/07	2007/08
	2001/02	2002/03	2003/04				
1. Administration	18 504	13 270	13 071	18 780	23 178	24 419	25 664
Technology	11 201	5 389	3 144	4 469	4 686	4 939	5 222
IT services	7 303	7 881	9 927	14 311	18 492	19 480	20 442
2. Farmer Support and Development	118	400	1 210	1 453	454	450	287
Technology	118	400	1 210	1 453	454	450	287
3. Agricultural Trade and Business Development	225	154	481	622	237	206	227
Technology	225	154	481	622	237	206	227
4. Economic Research and Analysis	658	479	440	452	415	434	454
Technology	83	342	440	452	315	327	339
IT services	575	137	–	–	100	107	115
5. Agricultural Production	–	70	176	166	538	502	464
Technology	–	70	176	166	38	52	64
IT services	–	–	–	–	500	450	400
6. Sustainable Resources Management and Use	3 051	4 229	5 967	1 443	841	1 000	1 068
Technology	1 056	1 729	3 267	674	841	1 000	1 068
IT services	1 995	2 500	2 700	769	–	–	–
7. National Regulatory Services	3 302	3 530	4 105	2 256	1 990	2 003	2 083
Technology	3 302	3 530	4 105	2 256	1 990	2 003	2 083
8. Communication and Information Management	553	792	1 095	1 016	7 165	7 554	7 959
Technology	553	792	1 095	1 016	6 220	6 558	6 913
IT services	–	–	–	–	945	996	1 046
9. Programme Planning, Monitoring and Evaluation	–	–	149	140	30	35	40
Technology	–	–	149	140	30	35	40
Total	26 411	22 924	26 694	26 328	34 848	36 603	38 246

Table 25.E: Summary of conditional grants and indirect grants to provinces and local government (municipalities)¹

R thousand	Expenditure outcome				Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary	2004/05		2005/06	2006/07	2007/08
	2001/02	2002/03	2003/04					
Conditional grants to provinces								
2. Farmer Support and Development								
Farmer Settlement								
Comprehensive Agricultural Support Programme Grant	–	–	–	200 000	250 000	300 000	415 000	
2. Farmer Support and Development								
Agricultural Risk Disaster Management								
Drought Relief (Disaster Management)	–	–	–	100 000	–	–	–	
6. Sustainable Resources Management and Use								
Land Use and Soil Management								
Land Care Programme Grant: Poverty Relief and Infrastructure Grant	28 376	24 000	36 400	43 800	40 000	44 500	46 725	
2. Farmer Support and Development								
Agricultural Risk Disaster Management								
Disaster Management	–	–	30 000	–	–	–	–	
Total	28 376	24 000	66 400	343 800	290 000	344 500	461 725	

¹ Detail provided in the Division of Revenue Act (2005).

Table 25.F: Summary of official development assistance expenditure

Donor	Project	Cash/ kind	Outcome			2004/05	Medium-term expenditure estimate		
			2001/02	2002/03	2003/04		2005/06	2006/07	2007/08
Foreign									
The Netherlands	Sectoral budget support	Cash	–	75	498	–	–	–	–
European Community	SAPIP - Portfolio 791	Cash	–	–	–	5 170	–	–	–
Total			–	75	498	5 170	–	–	–

Table 25.G: Summary of expenditure on infrastructure

Projects	Description	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
		Audited	Audited	Preliminary outcome		2005/06	2006/07	2007/08
R thousand		2001/02	2002/03	2003/04	2004/05			
Small project groups								
Office accommodation	New construction and upgrading of various office buildings	5 171	9 415	13 420	16 260	8 836	8 399	8 387
Resource Management Infrastructure (Key soil conservation works)	Water Management Infrastructure	24 817	26 302	26 356	46 516	21 117	23 000	25 000
Foot and Mouth Disease border fence - maintenance	O&M of Foot and Mouth Disease border fence and support infrastructure	-	-	-	-	20 000	20 000	10 000
Infrastructure transfers								
Agricultural Research Council	Maintenance of infrastructure	-	-	-	5 000	8 000	10 000	10 500
Comprehensive Agricultural Support Programme	On and off farm support to emerging farmers	-	-	-	200 000	250 000	300 000	415 000
Maintenance on infrastructure								
	Repair and Maintenance	12 018	8 400	9 871	2 500	-	-	-
Total		42 006	44 117	49 647	270 276	307 953	361 399	468 887