

# Vote 24

## Agriculture

2007/08					
R thousand	Main appropriation	Special adjustments appropriation	Adjusted appropriation	Decrease	Increase
<b>Amount to be appropriated</b>	<b>2 281 166</b>	<b>700 000</b>	<b>3 469 603</b>	–	488 437
<i>of which:</i>					
Current payments	921 407	–	879 303	(42 104)	–
Transfers and subsidies	1 308 824	700 000	2 524 194	–	515 370
Payments for capital assets	50 935	–	66 106	–	15 171
Executive authority	Minister for Agriculture and Land Affairs				
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.*

## Adjusted Estimates of National Expenditure 2007

**Table 24.1: Adjusted estimates**

Programme	2007/08							
	Main appropriation	Special adjustments appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
			Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
R thousand								
1. Administration	283 335	–	–	–	(1 937)	(250)	(2 187)	281 148
2. Livelihoods, Economics and Business Development	886 951	700 000	–	–	(26 993)	–	(26 993)	1 559 958
3. Bio-security and Disaster Management	243 611	–	88 687	400 000	375	–	489 062	732 673
4. Production and Resources Management	247 780	–	–	–	(4 297)	–	(4 297)	243 483
5. Sector Services and Partnerships	619 489	–	–	–	32 852	–	32 852	652 341
<b>Total</b>	<b>2 281 166</b>	<b>700 000</b>	<b>88 687</b>	<b>400 000</b>	<b>–</b>	<b>(250)</b>	<b>488 437</b>	<b>3 469 603</b>

**Table 24.1: Adjusted estimates (continued)**

R thousand	2007/08							
	Main appropriation	Special adjustments appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
			Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
<b>Economic classification</b>								
<b>Current payments</b>	<b>921 407</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(41 854)</b>	<b>(250)</b>	<b>(42 104)</b>	<b>879 303</b>
Compensation of employees	500 191	–	–	–	(22 228)	–	(22 228)	477 963
Goods and services	421 216	–	–	–	(19 626)	(250)	(19 876)	401 340
<b>Transfers and subsidies</b>	<b>1 308 824</b>	<b>700 000</b>	<b>88 687</b>	<b>400 000</b>	<b>26 683</b>	<b>–</b>	<b>515 370</b>	<b>2 524 194</b>
Provinces and municipalities	462 082	–	–	300 000	4	–	300 004	762 086
Departmental agencies and accounts	513 969	–	–	–	4 500	–	4 500	518 469
Universities and technikons	200	–	–	–	3 606	–	3 606	3 806
Public corporations and private enterprises	249 920	700 000	–	–	15 802	–	15 802	965 722
Foreign governments and international organizations	30 915	–	–	–	(2 000)	–	(2 000)	28 915
Non-profit institutions	1 000	–	–	–	4 640	–	4 640	5 640
Households	50 738	–	88 687	100 000	131	–	188 818	239 556
<b>Payments for capital assets</b>	<b>50 935</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>15 171</b>	<b>–</b>	<b>15 171</b>	<b>66 106</b>
Buildings and other fixed structures	31 183	–	–	–	136	–	136	31 319
Machinery and equipment	18 689	–	–	–	14 616	–	14 616	33 305
Cultivated assets	–	–	–	–	540	–	540	540
Software and other intangible assets	1 063	–	–	–	(121)	–	(121)	942
<b>Total</b>	<b>2 281 166</b>	<b>700 000</b>	<b>88 687</b>	<b>400 000</b>	<b>–</b>	<b>(250)</b>	<b>488 437</b>	<b>3 469 603</b>

## Details of adjustments to Estimates of National Expenditure 2007

### Roll-overs – R88.687 million

Programme 3: Bio Security and Disaster Management

R88.687 million has been rolled over for combating classical swine fever.

### Unforeseeable and unavoidable expenditure – R400 million

Programme 2: Livelihoods, Economics and Business Development

*In the Special Adjustments Appropriation Act (2007/08 Financial Year), 2007 (Act No 16 of 2007)*, R700 million has been allocated to the Department of Agriculture as a transfer to the Land Bank. The adjustment addresses the liquidity shortage and cash adequacy ratio of the bank.

Programme 3: Bio-Security and Disaster Management

R100 million has been allocated for combating classical swine fever and R300 million for agricultural disasters.

## Virements

**Table 24.2: Details on virements per programme and economic classification**

Programme / Economic classification	R thousand		Motivation
	From	To	
<b>1. Administration</b>	<b>(8 696)</b>	<b>6 759</b>	
<b>Current payments</b>	<b>(8 696)</b>	<b>3 600</b>	
Compensation of employees	(8 696)	–	Savings due to vacancies not filled have been shifted to goods and services (R3.6 million), provinces and municipalities (R8 000), households (R34 000) and payments for capital assets (R3.117 million) in this programme and to programme 5 (R1.937 million).
Goods and services	–	3 600	Funds shifted from compensation of employees will be used for the Female Farmer of the Year competition (R2.5 million) and for travel and subsistence for the Minister (R1.1 million).
<b>Transfers and Subsidies</b>	<b>–</b>	<b>42</b>	
Provinces and municipalities	–	8	Funds shifted from compensation of employees will be used for vehicle licenses.
Households	–	34	Funds shifted from compensation of employees will be used for employees social benefits (retirement).
<b>Payments for capital assets</b>	<b>–</b>	<b>3 117</b>	
Buildings and other fixed structures	–	44	Funds shifted from compensation of employees will be used for revamping laboratories.
Machinery and equipment	–	2 713	Funds shifted from compensation of employees will be used to buy motor vehicles (R445 000) and office furniture and computer hardware (R2.268 million).
Software and other intangible assets	–	360	Funds shifted from compensation of employees will be used to buy computer software and licenses.
<b>2. Livelihoods, Economics and Business Development</b>	<b>(44 194)</b>	<b>17 201</b>	
<b>Current payments</b>	<b>(44 113)</b>	<b>–</b>	
Compensation of employees	(7 914)	–	Savings due to vacancies not filled have been shifted to machinery and equipment in programme 4 (R6.5 million) and goods and services in programme 5 (R1.414 million).
Goods and services	(36 199)	–	Based on a history of underspending certain directorates' budgets were cut and funds reallocated according to prioritised needs. Funds have been shifted to transfers and subsidies (R16.8 million), and machinery and equipment in this programme (R320 000), and goods and services in programme 5 (R19.079 million).
<b>Transfers and Subsidies</b>	<b>–</b>	<b>16 800</b>	
Public corporations and private enterprises	–	15 800	Funds shifted from goods and services will be paid to Khula Enterprises to establish self help groups.
Non-profit institutions	–	1 000	Funds shifted from goods and services will be paid to the National Movement of Rural Women.
<b>Payments for capital assets</b>	<b>(81)</b>	<b>401</b>	
Machinery and equipment	–	401	Funds shifted from goods and services and software and other intangible assets will be used to buy office furniture and computer hardware.
Software and other intangible assets	(81)	–	Incorrectly classified funds have been shifted to machinery and equipment.
<b>3. Bio-security and Disaster Management</b>	<b>(10 343)</b>	<b>10 718</b>	
<b>Current payments</b>	<b>(10 343)</b>	<b>–</b>	
Compensation of employees	(522)	–	Savings due to vacancies not filled have been shifted to households (R30 000) and machinery and equipment (R58 000) in this programme and goods and services in programme 5 (R434 000).
Goods and services	(9 821)	–	Based on a history of underspending certain directorates' budgets were cut and funds reallocated according to prioritised needs. Funds have been shifted to departmental agencies and accounts (R2 million), non-profit institutions (R3.55 million), machinery and equipment (R2.54 million) and cultivated assets (R540 000) in this programme, and to goods and services in programme 5 (R1.191 million).
<b>Transfers and Subsidies</b>	<b>–</b>	<b>7 580</b>	
Departmental agencies and accounts	–	4 000	Funds shifted from goods and services in this programme (R2 million) and foreign governments and international organisations (R2 million) in programme 5 will be used for bridging finance for the South African Pesticide Initiative Programme.
Non-profit institutions	–	3 550	Funds shifted from goods and services will be used for the annual general meeting of the Collaborative International Pesticides Analytical Council (R50 000), the Sterile Insect Technique Project (R3 million) and the entomology congress (R500 000).
Households	–	30	Funds shifted from compensation of employees will be used for employees social benefits (retirement).
<b>Payments for capital assets</b>	<b>–</b>	<b>3 138</b>	
Machinery and equipment	–	2 598	Funds shifted from compensation of employees and goods and services will be used to buy motor vehicles (R64 000), and office furniture and computer hardware (R2.534 million).
Cultivated assets	–	540	Funds shifted from goods and services (R540 000) will be used for training sniffer dogs and their handlers.

**Table 24.2: Details on virements per programme and economic classification (continued)**

Programme / Economic classification	R thousand		Motivation
	From	To	
<b>4. Production and Resources Management</b>	<b>(16 403)</b>	<b>12 106</b>	
<b>Current payments</b>	<b>(15 799)</b>	<b>–</b>	
Compensation of employees	(3 233)	–	Savings due to vacancies not filled have been shifted to households in this programme (R67 000) and goods and services in programme 5 (R3.166 million).
Goods and services	(12 566)	–	Based on a history of underspending certain directorates' budgets were cut and funds reallocated according to prioritised needs. Funds have been shifted to machinery and equipment (R743 000), departmental agencies and accounts (R496 000), universities and technikons (R3.606 million) and non-profit institutions (R90 000) in this programme and goods and services in programme 5 (R7.631 million).
<b>Transfers and Subsidies</b>	<b>(4)</b>	<b>4 263</b>	
Provinces and municipalities	(4)	–	Incorrectly classified funds have been shifted to departmental agencies and accounts.
Departmental agencies and accounts	–	500	Funds shifted from goods and services and provinces and municipalities will be transferred to the Water Research Commission.
Universities and technikons	–	3 606	Funds shifted from goods and services will be paid to the University of Stellenbosch for aquaculture research.
Non-profit institutions	–	90	Funds shifted from goods and services will be transferred to Food and Trees for Africa (R50 000) and the bi-annual conference of the Aquaculture Association of Southern Africa (R40 000).
Households	–	67	Funds shifted from compensation of employees will be used for employees social benefits (retirement).
<b>Payments for capital assets</b>	<b>(600)</b>	<b>7 843</b>	
Buildings and other fixed structures	–	92	Funds shifted from software and other intangible assets will be used to buy mobile homes.
Machinery and equipment	–	7 751	Funds shifted from compensation of employees in programme 2, and goods and services (R743 000) and software and other intangible assets (R508 000) in this programme will be used to buy a drilling rig (R6.5 million) and office furniture and computer hardware (R1.251 million).
Software and other intangible assets	(600)	–	Incorrectly classified funds have been shifted to buildings and other fixed structures (R92 000) and machinery and equipment (R508 000).
<b>5. Sector Services and Partnerships</b>	<b>(3 863)</b>	<b>36 715</b>	
<b>Current payments</b>	<b>(1 863)</b>	<b>35 360</b>	
Compensation of employees	(1 863)	–	Savings from vacancies not filled have been shifted to goods and services.
Goods and services	–	35 360	R13 million shifted from compensation of employees in programme 1 (R1.937 million) and programme 2 (R1.414 million), goods and services in programme 2 (R7.714 million), compensation of employees (R434 000) and goods and services (R438 000) in programme 3, and compensation of employees (R1.063 million) in this programme will be used for the World Congress on Rural Women. R3.2 million shifted from goods and services in programme 2 will be used for the African Agricultural Development Programme. R19.715 million shifted from goods and services in programme 2 (R8.165 million) and programme 3 (R753 000) and compensation of employees (R3.166 million) and goods and services (R7.631 million) in programme 4 will be used for research projects, such as crop estimates, national karnal bunt survey, development of various plant and animal programmes and models, seed multiplications and soil surveys. Incorrectly classified funds of R2 000 have been shifted to public corporations and private enterprises.
<b>Transfers and Subsidies</b>	<b>(2 000)</b>	<b>2</b>	
Public corporations and private enterprises	–	2	Incorrectly classified funds shifted from goods and services will be transferred to the Red Meat Industry Forum.
Foreign governments and international organisations	(2 000)	–	Savings due to exchange rate fluctuations have been shifted to departmental agencies and accounts in programme 3.
<b>Payments for capital assets</b>	<b>–</b>	<b>1 353</b>	
Machinery and equipment	–	1 153	Funds shifted from goods and services will be used to buy office furniture and computer hardware.
Software and other intangible assets	–	200	Funds shifted from goods and services will be used to buy computer software and licenses.
<b>Total for Vote</b>	<b>(83 499)</b>	<b>83 499</b>	

## Other adjustments – (R250 000)

### Shifting of funds between votes

Programme 1: Administration

R250 000 has been transferred to Government Communication and Information System for the mass communications campaign on second economy interventions campaign.

## Expenditure 2006/07 and preliminary expenditure 2007/08

Table 24.3: Expenditure trends

Programme	2006/07				2007/08		
	Expenditure outcome				Preliminary expenditure		
R thousand	Adjusted appropriation	Apr 2006 - Sep 2006	Apr 2006 - Mar 2007	Apr 06 - Mar 07 % of adjusted appropriation	Adjusted appropriation	Apr 2007 - Sep 2007	% change 06/07 - 07/08 Apr - Sep
1. Administration	243 736	103 290	227 029	93.1	281 148	136 834	32.5
2. Livelihoods, Economics and Business Development	719 346	388 909	680 562	94.6	1 559 958	253 645	(34.8)
3. Bio-security and Disaster Management	536 964	114 221	434 622	80.9	732 673	104 447	(8.6)
4. Production and Resources Management	215 633	82 221	217 244	100.7	243 483	108 303	31.7
5. Sector Services and Partnerships	651 951	259 568	659 437	101.1	652 341	365 041	40.6
<b>Total</b>	<b>2 367 630</b>	<b>948 209</b>	<b>2 218 894</b>	<b>93.7</b>	<b>3 469 603</b>	<b>968 270</b>	<b>2.1</b>
<b>Current payments</b>	<b>941 914</b>	<b>322 462</b>	<b>867 040</b>	<b>92.1</b>	<b>879 303</b>	<b>392 596</b>	<b>21.7</b>
Compensation of employees	490 029	197 137	431 835	88.1	477 963	217 738	10.5
Goods and services	451 885	125 057	433 721	96.0	401 340	174 761	39.7
Financial transactions in assets and liabilities	–	268	1 484	–	–	97	(63.8)
<b>Transfers and subsidies</b>	<b>1 373 213</b>	<b>609 595</b>	<b>1 292 031</b>	<b>94.1</b>	<b>2 524 194</b>	<b>549 632</b>	<b>(9.8)</b>
Provinces and municipalities	401 886	135 360	401 802	100.0	762 086	207 977	53.6
Departmental agencies and accounts	522 790	240 668	532 790	101.9	518 469	310 427	29.0
Universities and technikons	–	–	–	–	3 806	200	(100.0)
Public corporations and private enterprises	245 226	197 395	245 482	100.1	965 722	922	(99.5)
Foreign governments and international organisations	15 646	5 610	9 974	63.7	28 915	28 124	401.3
Non-profit institutions	2 965	10	7 664	258.5	5 640	1 050	10 400.0
Households	184 700	30 552	94 319	51.1	239 556	932	(96.9)
<b>Payments for capital assets</b>	<b>52 503</b>	<b>16 152</b>	<b>59 823</b>	<b>113.9</b>	<b>66 106</b>	<b>26 042</b>	<b>61.2</b>
Buildings and other fixed structures	28 032	10 564	23 427	83.6	31 319	21 013	98.9
Machinery and equipment	23 790	5 537	34 592	145.4	33 305	4 492	(18.9)
Cultivated assets	–	–	79	–	540	527	(100.0)
Software and other intangible assets	681	51	1 725	253.3	942	10	(80.4)
<b>Total</b>	<b>2 367 630</b>	<b>948 209</b>	<b>2 218 894</b>	<b>93.7</b>	<b>3 469 603</b>	<b>968 270</b>	<b>2.1</b>

### Selected expenditure trends for the first half of 2007/08

Expenditure in the first six months of 2007/08 was R968.27 million or 27.91 per cent of the adjusted appropriation of R3.47 billion for the year as a whole. Expenditure in the first six months of 2007/08 increased by 2.1 per cent compared to the first six months of 2006/07.

The main increases compared to 2006/07 are related to the increase in the ARC baseline (which has been transferred), expenditure on Comprehensive Agriculture Support Programme and Land Care project monitoring, and expenditure for property management and capital works for the departmental offices in the Eastern Cape which have been relocated to East London.

Expenditure in 2006/07 was 93.7 per cent of the adjusted appropriation for that year.

## Changes to transfers and subsidies and conditional grants

Table 24.4: Summary of changes to transfers and subsidies per programme

R thousand			2007/08				Adjusted appropriation	
	Main appropriation	Special adjustments appropriation	Additional appropriation					
			Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments	Total additional appropriation	
<b>1. Administration</b>	<b>685</b>		-	-	42	-	42	<b>727</b>
Provinces and municipalities								
Municipalities								
Municipalities								
Current	95		-	-	8	-	8	103
Vehicle licenses Municipalities	95		-	-	8	-	8	103
Households								
Social benefits								
Current	36		-	-	34	-	34	70
Employer social benefit cash	36		-	-	34	-	34	70
<b>2. Livelihoods, Economics and Business Development</b>	<b>728 270</b>	<b>700 000</b>	-	-	16 800	-	16 800	<b>1 445 070</b>
Public corporations and private enterprises								
Public corporations								
Other transfers								
Current	249 866	700 000	-	-	15 800	-	15 800	965 666
Khula Enterprises	-		-	-	15 800	-	15 800	15 800
Non-profit institutions								
Current	-		-	-	1 000	-	1 000	1 000
National Movement for Rural Women	-		-	-	1 000	-	1 000	1 000
<b>3. Bio-security and Disaster Management</b>	<b>291</b>		<b>88 687</b>	<b>400 000</b>	<b>7 580</b>	-	<b>496 267</b>	<b>496 558</b>
Provinces and municipalities								
Provinces								
Provincial revenue funds								
Current	-		-	300 000	-	-	300 000	300 000
Agricultural Disaster Management Grant	-		-	300 000	-	-	300 000	300 000
Departmental agencies and accounts								
Social security funds								
Current	-		-	-	4 000	-	4 000	4 000
Perishable Products	-		-	-	4 000	-	4 000	4 000
Export Control Board								
Non-profit institutions								
Current	-		-	-	3 550	-	3 550	3 550
Entomology Congress	-		-	-	500	-	500	500
Collaborative International	-		-	-	50	-	50	50
Pesticides Analytical Council Ltd								
Sterile Insect Technique	-		-	-	3 000	-	3 000	3 000
Households								
Social benefits								
Current	291		-	-	30	-	30	321
Employee social benefit cash	291		-	-	30	-	30	321
Other transfers								
Current	-		88 687	100 000	-	-	188 687	188 687
Classical swine fever	-		88 687	100 000	-	-	188 687	188 687

Table 24.4: Summary of changes to transfers and subsidies per programme (continued)

R thousand	2007/08							Adjusted appropriation
	Main appropriation	Special adjustments appropriation	Additional appropriation				Total additional appropriation	
			Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
<b>4. Production and Resources Management</b>	<b>51 227</b>		-	-	4 259	-	<b>4 259</b>	<b>55 486</b>
<b>Provinces and municipalities</b>								
<b>Municipalities</b>								
<b>Municipalities</b>								
<b>Current</b>	<b>252</b>		-	-	(4)	-	<b>(4)</b>	<b>248</b>
Vehicle licences municipalities	252		-	-	(4)	-	(4)	248
<b>Departmental agencies and accounts</b>								
<b>Departmental agencies (non-business entities)</b>								
<b>Current</b>	<b>2 750</b>		-	-	500	-	<b>500</b>	<b>3 250</b>
Water Research Commission	2 750		-	-	500	-	500	3 250
<b>Universities and technikons</b>								
<b>Current</b>	<b>200</b>		-	-	3 606	-	<b>3 606</b>	<b>3 806</b>
University of Stellenbosch	-		-	-	3 606	-	3 606	3 606
<b>Non-profit institutions</b>								
<b>Current</b>	<b>1 000</b>		-	-	90	-	<b>90</b>	<b>1 090</b>
Food and Trees for Africa	-		-	-	50	-	50	50
Aquaculture Association of South Africa	-		-	-	40	-	40	40
<b>Households</b>								
<b>Social benefits</b>								
<b>Current</b>	<b>300</b>		-	-	67	-	<b>67</b>	<b>367</b>
Employee social benefit	300		-	-	67	-	67	367
<b>5. Sector Services and Partnerships</b>	<b>528 351</b>		-	-	(1 998)	-	<b>(1 998)</b>	<b>526 353</b>
<b>Public corporations and private enterprises</b>								
<b>Private enterprises</b>								
<b>Other transfers</b>								
<b>Current</b>	<b>-</b>		-	-	2	-	<b>2</b>	<b>2</b>
Red Meat Industry Forum	-		-	-	2	-	2	2
<b>Foreign governments and international organisations</b>								
<b>Current</b>	<b>30 915</b>		-	-	(2 000)	-	<b>(2 000)</b>	<b>28 915</b>
Office International des Epizooties	515		-	-	280	-	280	795
International Seed Testing Association	58		-	-	(58)	-	(58)	-
Organisation for Economic Co-operation & Development	96		-	-	(96)	-	(96)	-
International Union for the Protection of New Varieties of Plants	284		-	-	(284)	-	(284)	-
International Grains Council	133		-	-	124	-	124	257
Office International de la Vigne et du Vin	385		-	-	(385)	-	(385)	-
Food & Agriculture Organisation of the United Nations membership fees	10 630		-	-	(1 867)	-	(1 867)	8 763
International Commission of Agricultural Engineering	55		-	-	(55)	-	(55)	-
Consultative Group on International Agricultural Research	3 210		-	-	453	-	453	3 663
Commonwealth Agricultural Bureau International	208		-	-	(69)	-	(69)	139
International Dairy Federation	30		-	-	(30)	-	(30)	-
International Cotton Advisory Council	150		-	-	(13)	-	(13)	137

**Table 24.5: Summary of changes to conditional grants: Provinces<sup>1</sup>**

		2007/08						
		Additional appropriation				Total	Adjusted appropriation	
R thousand	Main appropriation	Roll- overs	Unforeseeable /unavoidable	Virement	Other adjustments	additional appropriation		
	-							
<b>3. Bio-security and Disaster Management</b>								
Agricultural Disaster Management Grant	-	-	300 000	-	-	300 000	300 000	

<sup>1</sup> Main appropriation detail provided in the Division of Revenue Act, 2007