

Economic Services and Infrastructure

Vote 25

Agriculture

2006/07				
R thousand	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	1 957 648	2 367 630	-	409 982
<i>of which:</i>				
Current payments	882 202	941 914	-	59 712
Transfers and subsidies	1 042 387	1 373 213	-	330 826
Payments for capital assets	33 059	52 503	-	19 444
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.

Changes to programme purposes and measurable objectives

No changes were made to programme purposes or measurable objectives.

Adjusted Estimates of National Expenditure 2006

Table 25.1: Agriculture

Programme		2006/07					
R thousand	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
1. Administration	247 195	-	-	(3 459)	-	(3 459)	243 736
2. Livelihoods, Economics and Business Development	746 783	-	-	(27 437)	-	(27 437)	719 346
3. Bio-security and Disaster Management	245 939	230 925	75 219	(15 119)	-	291 025	536 964
4. Production and Resources Management	240 514	-	-	(24 881)	-	(24 881)	215 633
5. Sector Services and Partnerships	477 217	-	-	70 896	103 838	174 734	651 951
Total	1 957 648	230 925	75 219	-	103 838	409 982	2 367 630
Economic classification							
Current payments	882 202	82 615	17 251	(40 154)	-	59 712	941 914
Compensation of employees	469 675	37 958	10 560	(28 164)	-	20 354	490 029
Goods and services	412 527	44 657	6 691	(11 990)	-	39 358	451 885

Table 25.1: Agriculture (continued)

2006/07							
R thousand	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
Transfers and subsidies	1 042 387	148 310	57 968	20 710	103 838	330 826	1 373 213
Provinces and municipalities	345 173	-	45 403	11 310	-	56 713	401 886
Departmental agencies and accounts	407 032	-	-	11 920	103 838	115 758	522 790
Foreign governments and international organisations	15 646	-	-	-	-	-	15 646
Public corporations and private enterprises	202 226	-	-	43 000	-	43 000	245 226
Non-profit institutions	-	-	-	2 965	-	2 965	2 965
Households	72 310	148 310	12 565	(48 485)	-	112 390	184 700
Payments for capital assets	33 059	-	-	19 444	-	19 444	52 503
Buildings and other fixed structures	19 270	-	-	8 762	-	8 762	28 032
Machinery and equipment	12 778	-	-	11 012	-	11 012	23 790
Software and other intangible assets	1 011	-	-	(330)	-	(330)	681
Total	1 957 648	230 925	75 219	-	103 838	409 982	2 367 630

Details of adjustments to Estimates of National Expenditure 2006

Roll-overs – R230,925 million

Programme 3: Bio-security and Disaster Management

R176,657 million has been rolled over for controlling the classical swine fever outbreak in the Eastern Cape. R8,958 million has been rolled over for compensation of employees under classical swine fever. R45,31 million has been rolled over for the compensation of farmers.

Unforeseeable and unavoidable expenditure – R75,219 million

Programme 3: Bio-security and Disaster Management:

R16,9 million has been allocated for controlling foot and mouth disease in Limpopo.

R12,916 million is allocated for controlling avian influenza in Western Cape.

R33 million is allocated for flood disasters in the Western Cape region, and R12,403 million for flood disasters in the Eastern Cape region.

Other adjustments – R103,838 million

Self-financing expenditure

Programme 5: Sector Services and Partnerships

R103,838 million is an adjustment for VAT for augmenting the Agricultural Research Council Parliamentary grant.

Virements

Table 25.2: Details on virements per programme and economic classification

Programme / Economic classification	R thousand		Motivation
	From	To	
1. Administration	(7 429)	3 970	
Current payments	(7 429)	-	
Compensation of employees	(4 908)	-	Savings arose due to vacant posts, including newly created posts.
Goods and services	(2 521)	-	Savings are due to less spending on subsistence and travel, and computers.
Transfers and subsidies	-	329	
Provinces and municipalities	-	1	Funds shifted from compensation of employees (in this programme) will be used for RSC levies.
Departmental agencies and accounts	-	70	Funds shifted from compensation of employees (in this programme) will be used for a donation to the South African Management Development Institute. Shifted funds will be used for retirement payments.
Households	-	258	
Payments for capital assets	-	3 641	
Buildings and other fixed structures	-	1 400	Funds shifted from compensation of employees (in this programme) will be used for the new quarantine station in Durban.
Machinery and equipment	-	2 031	Funds shifted from compensation of employees (in this programme) will be used for motor vehicles, airconditioners, and LAN equipment.
Software and other intangible assets	-	210	Funds shifted from machinery and equipment (in this programme) will be used for software.
2. Livelihoods, Economics and Business Development	(74 930)	47 493	
Current payments	(25 639)	-	
Compensation of employees	(4 521)	-	Savings arose due to vacant posts, including newly created posts.
Goods and services	(21 118)	-	Funds allocated to this programme for AgriBEE under goods and services were shifted to goods and services in programme 5 for the same purpose.
Transfers and subsidies	(49 082)	45 856	
Provinces and municipalities	-	6	Funds shifted from compensation of employees (in this programme) will be used for RSC levies.
Public corporations and private enterprises	-	43 000	R47 million was incorrectly classified under transfers to households (in this programme) and will be transferred to the Land Bank for AgriBEE. Savings of R4 million arose due to various reasons.
Non-profit institutions	-	2 850	Funds shifted from goods and services (in this programme) will be used for various payments to non-profit institutions, such as the North West African Farmers Union, Grain SA and Cotton SA.
Households	(49 082)	-	R47 million was incorrectly classified and has been shifted to transfers to public corporations and private enterprises. Additional savings of R2,082 million arose due to various reasons.
Payments for capital assets	(209)	1 637	
Machinery and equipment	-	1 637	Funds shifted from goods and services (in this programme) will be used for computer hardware, furniture and water pumps.
Software and other intangible assets	(209)	-	Funds were incorrectly classified and have been shifted to goods and services.
3. Bio-security and Disaster Management	(26 082)	10 963	
Current payments	(26 082)	-	
Compensation of employees	(9 249)	-	Savings arose due to vacant posts, including newly created posts.
Goods and services	(16 833)	-	Funds were incorrectly classified and have been shifted to transfer payments to departmental agencies and accounts.
Transfers and subsidies	-	8 150	
Provinces and municipalities	-	66	Funds shifted from compensation of employees (in this programme) will be used for RSC levies.
Departmental agencies and accounts	-	8 000	Funds shifted from goods and services (in this programme) will be used for residue monitoring to be done by the Agricultural Research Council for the department.
Households	-	84	Funds shifted from goods and services (in this programme) will be used for "claims against the department".

Table 25.2: Details on virements per programme and economic classification (continued)

Programme / Economic classification	R thousand		Motivation
	From	To	
Payments for capital assets	-	2 813	
Buildings and other fixed structures	-	62	Funds shifted from goods and services (in this programme) will be used for mobile homes.
Machinery and equipment	-	2 735	Funds shifted from compensation of employees and goods and services (in this programme) will be used for computer hardware, motor vehicles and furniture.
Software and other intangible assets	-	16	Funds shifted from goods and services (in this programme) will be used for software.
4. Production and Resources Management	(47 989)	23 108	
Current payments	(47 642)	-	
Compensation of employees	(13 194)	-	Savings arose due to vacant posts, including newly created posts.
Goods and services	(34 448)	-	Funds were incorrectly classified: R11,235 million was shifted to transfer payments; R18,7 million was shifted to goods and services in programme 5.
Transfers and subsidies	-	11 856	
Provinces and municipalities	-	11 236	Funds shifted from goods and services (in this programme) will be used for payments to provinces for new LandCare projects.
Departmental agencies and accounts	-	250	Funds shifted from goods and services (in this programme) will be used for research done by the Water Research Commission.
Non-profit institutions	-	115	Funds shifted from goods and services (in this programme) will be used for payments to SA Pork and the Milk Producers Society.
Households	-	255	Funds shifted from compensation of employees (in this programme) will be used for retirement payments.
Payments for capital assets	(347)	11 252	
Buildings and other fixed structures	-	7 300	Funds shifted from goods and services (in this programme) will be used for replacing and buying new mobile homes.
Machinery and equipment	-	3 952	Funds shifted from goods and services (R652 000) and compensation of employees (R3,3 million) (in this programme) will be used for motor vehicles, office furniture and computer hardware.
Cultivated assets	-	-	
Software and other intangible assets	(347)	-	Funds were incorrectly classified and have been shifted to machinery and equipment.
5. Sector Services and Partnerships	-	70 896	
Current payments	-	66 638	
Compensation of employees	-	3 708	Funds shifted from compensation of employees (in programme 3) will be used for shortages here.
Goods and services	-	62 930	Funds shifted from compensation of employees and goods and services (in programmes 1 and 2) will be used for the Women in Agriculture and Rural Development (WARD) Association (R14,903 million), research projects (R31,029 million), and AgriBEE (R17 million).
Transfers and subsidies	-	3 601	
Provinces and municipalities	-	1	Funds shifted from compensation of employees (in this programme) will be used for RSC levies.
Departmental agencies and accounts	-	3 600	Funds shifted from goods and services (R600 000) and compensation of employees (R3 million) from programme 2 will be used for transfers to the National Student Financial Aid Scheme for bursaries.
Payments for capital assets	-	657	
Machinery and equipment	-	657	Funds shifted from goods and services and compensation of employees (in this programme) will be used for computer hardware and furniture.
Total for vote	(156 430)	156 430	

Expenditure 2005/06 and preliminary expenditure 2006/07

Table 25.3: Agriculture

Programme	2005/06				2006/07		
	Expenditure outcome				Preliminary expenditure		
	Adjusted appropriation	Apr 2005 - Sep 2005	Apr 2005 - Mar 2006	Apr 05 - Mar 06 % of adjusted appropriation	Adjusted appropriation	Apr 2006 - Sep 2006	% change 05/06 - 06/07 Apr - Sep
R thousand							
1. Administration	224 599	96 597	216 271	96,3	243 736	103 290	6,9
2. Livelihoods, Economics and Business Development	695 074	309 880	628 582	90,4	719 346	388 909	25,5
3. Bio-security and Disaster Management	383 250	85 888	388 365	101,3	536 964	114 220	33,0
4. Production and Resources Management	212 361	88 571	195 191	91,9	215 633	82 222	(7,2)
5. Sector Services and Partnerships	481 308	245 783	477 632	99,2	651 951	259 568	5,6
Total	1 996 592	826 719	1 906 041	95,5	2 367 630	948 209	14,7
Current payments	806 416	289 759	672 620	83,4	941 914	303 245	4,7
Compensation of employees	402 619	164 275	337 738	83,9	490 029	197 137	20,0
Goods and services	403 797	125 159	334 163	82,8	451 885	105 841	(15,4)
Financial transactions in assets and liabilities	-	325	719	-	-	267	(17,8)
Transfers and subsidies	1 145 547	519 441	1 134 306	99,0	1 373 213	609 600	17,4
Provinces and municipalities	411 745	131 160	411 332	99,9	401 886	135 360	3,2
Departmental agencies and accounts	384 711	221 936	385 711	100,3	522 790	240 672	8,4
Foreign governments and international organisations	158 241	13 725	155 074	98,0	15 646	5 610	(59,1)
Public corporations and private enterprises	146 460	151 854	146 785	100,2	245 226	197 396	30,0
Non-profit institutions	600	-	779	129,8	2 965	10	(100,0)
Households	43 790	766	34 625	79,1	184 700	30 552	3888,5
Payments for capital assets	44 629	17 519	99 115	222,1	52 503	35 364	101,9
Buildings and other fixed structures	17 676	9 520	60 331	341,3	28 032	23 051	142,1
Machinery and equipment	25 008	7 901	33 376	133,5	23 790	12 262	55,2
Cultivated assets	-	11	11	-	-	-	(100,0)
Software and other intangible assets	1 945	87	5 397	277,5	681	51	(41,4)
Total	1 996 592	826 719	1 906 041	95,5	2 367 630	948 209	14,7

Selected expenditure trends for the first half of the 2006/07 financial year

Expenditure in the first six months of 2006/07 was R948,209 million, or 40 per cent of the adjusted appropriation of R2,368 billion for the year as a whole.

The year-on-year increase in the transfer to household relates to the higher budgeted allocation for the broad-based black economic empowerment programme for agriculture (AgriBEE).

Summary of changes to transfers and subsidies, and conditional grants**Table 25.4: Summary of changes to transfers and subsidies per programme**

2006/07							
R thousand	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
1. Administration	440	-	-	329	-	329	769
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	177	-	-	1	-	1	178
Regional Services Council levies	98	-	-	1	-	1	99
Departmental agencies and accounts							
Entities							
Current	-	-	-	70	-	70	70
SAMD: Donation	-	-	-	70	-	70	70
Households							
Social benefits							
Current	214	-	-	258	-	258	472
Employer social benefit cash	214	-	-	258	-	258	472
2. Livelihoods, Economics and Business Development	585 823	-	-	(3 226)	-	(3 226)	582 597
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	54	-	-	6	-	6	60
Regional Services Council levies	54	-	-	6	-	6	60
Public corporations and private enterprises							
Public corporations							
Other transfers							
Current	202 177	-	-	43 000	-	43 000	245 177
Land and Agricultural Bank of SA	200 000	-	-	43 000	-	43 000	243 000
Non-profit institutions							
Current	-	-	-	2 850	-	2 850	2 850
Co-operative Development Initiative (CDI)	-	-	-	324	-	324	324
Grain SA	-	-	-	300	-	300	300
Cotton SA	-	-	-	500	-	500	500
NWAFU (North West African Farmers Union)	-	-	-	1 000	-	1 000	1 000
Eastern Cape commodity organisation	-	-	-	500	-	500	500
Agr-Biz CDI	-	-	-	212	-	212	212
Agricultural Economics Association of South Africa: Donation	-	-	-	14	-	14	14
Households							
Social benefits							
Current	882	-	-	(82)	-	(82)	800
Employer social benefit cash	882	-	-	(82)	-	(82)	800

Table 25.4: Summary of changes to transfers and subsidies per programme (continued)

2006/07							
		Additional appropriation					
	Main	Roll-	Unforeseeable	Virement	Other	Total	Adjusted
R thousand	appropriation	overs	/unavoidable		adjustments	additional appropriation	appropriation
Other transfers							
Current	70 000	-	-	(49 000)	-	(49 000)	21 000
AgriBEE	70 000	-	-	(50 000)	-	(50 000)	20 000
Rural women	-	-	-	1 000	-	1 000	1 000
3. Bio-security and Disaster Management	531	148 310	57 968	8 150	-	214 428	214 959
Provinces and municipalities							
Provinces							
Provincial revenue funds							
Current	-	-	45 403	-	-	45 403	45 403
Agricultural Disaster Management Grant	-	-	45 403	-	-	45 403	45 403
Municipalities							
Municipal bank accounts							
Current	94	-	-	66	-	66	160
Regional Services Council levies	94	-	-	66	-	66	160
Departmental agencies and accounts							
Social security funds							
Current	-	-	-	8 000	-	8 000	8 000
Agricultural Research Council	-	-	-	8 000	-	8 000	8 000
Households							
Social benefits							
Current	437	-	-	84	-	84	521
Employer social benefit cash	437	-	-	(66)	-	(66)	371
Claims against the State	-	-	-	150	-	150	150
Other transfers							
Current	-	148 310	12 565	-	-	160 875	160 875
Avian influenza	-	-	12 565	-	-	12 565	12 565
Classical swine fever	-	148 310	-	-	-	148 310	148 310
4. Production and Resources Management	47 561	-	-	11 856	-	11 856	59 417
Provinces and municipalities							
Provinces							
Provincial revenue funds							
Current	44 500	-	-	11 235	-	11 235	55 735
Land Care Programme Grant: Poverty Relief and Infrastructure Development	44 500	-	-	11 235	-	11 235	55 735
Municipalities							
Municipal bank accounts							
Current	311	-	-	1	-	1	312
Regional Services Council levies	51	-	-	5	-	5	56
Vehicle licenses: Municipalities	260	-	-	(4)	-	(4)	256
Departmental agencies and accounts							
Entities							
Current	2 000	-	-	250	-	250	2 250
Water Research Commission	2 000	-	-	250	-	250	2 250

Table 25.4: Summary of changes to transfers and subsidies per programme (continued)

2006/07							
R thousand	Main appropriation	Additional appropriation				Adjusted appropriation	
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		Total additional appropriation
Non-profit institutions							
Current	-	-	-	115	-	115	115
Grassland Society: Donation	-	-	-	10	-	10	10
SA Pork Producers Association Donation	-	-	-	65	-	65	65
Milk Producers Organisation: Donation	-	-	-	40	-	40	40
Households							
Social benefits							
Current	750	-	-	255	-	255	1 005
Employer social benefit cash	750	-	-	255	-	255	1 005
5. Sector Services and Partnerships	408 032	-	-	3 601	103 838	107 439	515 471
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	37	-	-	1	-	1	38
Regional Services Council levies	27	-	-	1	-	1	28
Departmental agencies and accounts							
Entities							
Current	335 190	-	-	3 600	103 838	107 438	442 628
Agricultural Research Council	329 420	-	-	-	103 838	103 838	433 258
National Student Financial Aid Scheme	5 300	-	-	3 000	-	3 000	8 300
PPECB (Perishable Products Export Control Board)	-	-	-	600	-	600	600
Foreign governments and international organisations							
Current	15 646	-	-	-	-	-	15 646
Office International des Epizooties	513	-	-	193	-	193	706
Office International de la Vigne et du Vin	383	-	-	73	-	73	456
Food and Agriculture Organisation of the United Nations	10 392	-	-	(270)	-	(270)	10 122
International Cotton Advisory Council	145	-	-	4	-	4	149

Table 25.5: Summary of changes to conditional grants: Provinces¹

2006/07						
R thousand	Main appropriation	Additional appropriation				Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments	
3. Bio-security, -Safety and Disaster Management						
Agricultural Disaster Management Grant	-	-	45 403	-	-	45 403
4. Production and Resources Management						
Land Care: Poverty relief and infrastructure grant	44 500	-	-	11 235	-	55 735
Total	344 500	-	45 403	11 235	-	401 138

¹ Main appropriation detail provided in the Division of Revenue Act, 2006