

# Vote 23

## Agriculture

### Adjusted budget summary

2008/09				
R thousand	Main appropriation	Adjusted appropriation	Decrease	Increase
<b>Amount to be appropriated</b>	<b>2 534 671</b>	<b>2 937 748</b>	-	403 077
<i>of which:</i>				
Current payments	1 021 785	1 006 251	(15 534)	-
Transfers and subsidies	1 473 338	1 888 950	-	415 612
Payments for capital assets	39 548	42 547	-	2 999
Executive authority	Minister of 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.*

### Mid-year performance status

Indicators	Annual performance	
	Projected for 2008/09 as published in the 2008 ENE	Achieved in the first six months of 2008/09 (April to September)
As published in the 2008 ENE		
Number of reports published on the economic performance of the sector	24	8
Number of beneficiaries accessing CASP	80 000	48 039
Number of farmers awarded production loans	7 000	29
Number of additional personnel at ports of entry	35	0
Number of compliance guidelines developed:		
- Biosafety	2	0
- Plant health	3	0
- Agricultural product inspection services	2	0
Number of community gene sample bank projects established	2	0
Number of animal genetic samples distributed nationally	500	165
Number of power hoes distributed to food security projects to mechanise agriculture	200	163
Number of community seed production schemes established	3	3
Number of hectares under irrigation	1.4 million	1.4 million
Number of trainees on industry focused farmer training programme	1 000	393
Number of trainees on commodity master mentorship programme	7 500	4 658
Number of protocol agreements signed	8	0

Number of farmers awarded production loans was low due to Land Bank suspension of activities in relation to the micro agricultural finance scheme, MAFISA.

Compliance guidelines for Biosafety, Plant Health and Agricultural Product Inspection Services, are in the process of being developed.

## Adjusted Estimates of National Expenditure 2008

Table 23.1: Adjusted estimates

Programme	2008/09						Adjusted appropriation
	Main appropriation	Additional appropriation				Total additional appropriation	
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
R thousand							
1. Administration	300 364	-	-	7 652	-	7 652	308 016
2. Livelihoods, Economics and Business Development		3 206	76 000	(224 246)	-	(145 040)	756 774
3. Bio-security and Disaster Management	311 721	181 137	140 700	(15 294)	(1 081)	305 462	617 183
4. Production and Resources Management	259 900	2 034	-	218 118	(1 577)	218 575	478 475
5. Sector Services and Partnerships	760 872	-	-	13 770	2 658	16 428	777 300
<b>Departmental Total</b>	<b>2 534 671</b>	<b>186 377</b>	<b>216 700</b>	<b>-</b>	<b>-</b>	<b>403 077</b>	<b>2 937 748</b>
<b>Economic classification</b>							
<b>Current payments</b>	<b>1 021 785</b>	<b>-</b>	<b>-</b>	<b>(12 411)</b>	<b>(3 123)</b>	<b>(15 534)</b>	<b>1 006 251</b>
Compensation of employees	585 811	-	-	(23 016)	(12 663)	(35 679)	550 132
Goods and services	435 974	-	-	10 605	9 540	20 145	456 119
<b>Transfers and subsidies</b>	<b>1 473 338</b>	<b>186 377</b>	<b>216 700</b>	<b>12 411</b>	<b>124</b>	<b>415 612</b>	<b>1 888 950</b>
Provinces and municipalities	584 301	93 077	125 000	96 000	-	314 077	898 378
Departmental agencies and accounts	548 627	-	-	65 496	(1 400)	64 096	612 723
Universities and technikons	7 604	-	-	641	(2 000)	(1 359)	6 245
Public corporations and private enterprises	299 442	-	21 100	(164 900)	1	(143 799)	155 643
Foreign governments and international organisations	26 618	-	-	4 000	3 212	7 212	33 830
Non-profit institutions	6 400	-	-	11 132	100	11 232	17 632
Households	346	93 300	70 600	42	211	164 153	164 499
<b>Payments for capital assets</b>	<b>39 548</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2 999</b>	<b>2 999</b>	<b>42 547</b>
Buildings and other fixed structures	23 104	-	-	-	-	-	23 104
Machinery and equipment	15 828	-	-	-	2 475	2 475	18 303
Biological and cultivated assets	-	-	-	-	320	320	320
Software and other intangible assets	616	-	-	-	204	204	820
<b>Total</b>	<b>2 534 671</b>	<b>186 377</b>	<b>216 700</b>	<b>-</b>	<b>-</b>	<b>403 077</b>	<b>2 937 748</b>

## Details of adjustments to Estimates of National Expenditure 2008

### Roll-over of funds – R186.377 million

Programme 2: Livelihoods, Economics and Business Development

R3.206 million has been rolled over for CASP projects and will be transferred to Limpopo as a conditional grant.

Programme 3: Bio-security and Disaster Management

R93.300 million has been rolled over for the classical swine fever campaign in Eastern Cape.

R87.837 million has been rolled over for agricultural disasters and will be transferred to the following provinces as conditional grants:

R45 million to Limpopo

R36.618 million to Mpumalanga

R6.219 million to Northern Cape.

#### Programme 4: Production and Resources Management

R2.034 million has been rolled over for LandCare projects and will be transferred to Limpopo as a conditional grant.

### Unforeseeable and unavoidable expenditure – R216.7 million

#### Programme 2: Livelihoods, Economics and Business Support

R76 million has been allocated to provide agricultural starter packs to vulnerable households to mitigate the impact of high food prices.

#### Programme 3: Bio-security and Disaster Management

R70.6 million has been allocated for the classical swine fever campaign in Eastern Cape; R21 million for payment to BlueLiliesbush Dairy Farming (Pty) Ltd in terms of a court order; R40 million for Limpopo, KwaZulu-Natal, Eastern Cape, Gauteng and Free State for the recent veld fires: and R9 million to Western Cape for floods.

## Virements

**Table 23.2: Virements**

Programme / Economic classification	R thousand		Details and motivation
	From	To	
<b>1. Administration</b>	<b>(2 498)</b>	<b>10 150</b>	
<b>Current payments</b>	<b>(2 498)</b>	<b>10 150</b>	
Compensation of employees	(2 498)	-	- Savings due to unfilled vacant posts
Goods and services	-	10 150	R1.6 million Youth in Agricultural and Rural Development from programme 2 goods and services for facilitating the mobilisation of young people to be involved in agricultural related programmes R8.5 million Agri-TV from programme 3 compensation of employees
<b>2. Livelihoods, Economics and Business Development</b>	<b>(235 353)</b>	<b>11 107</b>	
<b>Current payments</b>	<b>(10 453)</b>	<b>-</b>	
Compensation of employees	(1 646)	-	- Savings due to unfilled vacant posts
Goods and services	(8 807)	-	- R3.9 million within this programme to transfers for Farmer Register R5 million to transfers for National Farmers Union (NAFU) R4.5 million for transfers for Cotton SA R1.6 million to programme 1 goods and services for Youth in Agricultural and Rural Development R966 000 to transfers for National Movement for Rural Woman R641 000 to transfers for Free State University
<b>Transfers and Subsidies</b>	<b>(224 900)</b>	<b>11 107</b>	
Universities and technikons	-	641	R641 000 from goods and services to Free State University
Public corporations & private enterprises	(224 900)	-	- Reprioritisation of MAFISA funds to Ilima / Letsema project
Non-profit institutions	-	10 466	R4.5 million for Cotton SA from programme 2 goods and services R5 million National African Farmers Union from programme 2 goods and services R966 000 National Movement for Rural Woman from programme 2 goods and services
<b>3. Bio-security and Disaster Management</b>	<b>(16 002)</b>	<b>708</b>	
<b>Current payments</b>	<b>(16 002)</b>	<b>-</b>	
Compensation of employees	(15 760)	-	- R8.55 million to programme 1 goods and services for Agri-TV R466 000 to programme 3 transfers OBP Centenary organising committee R4 million to programme 5 to foreign organisations and to multi-stakeholder consultative process R2.744 million savings due to unfilled vacant posts
Goods and services	(242)	-	- Savings from goods and services to OBP Centenary organising committee and Foot and Mouth Disease in Limpopo
<b>Transfers and Subsidies</b>	<b>-</b>	<b>708</b>	
Non-profit institutions	-	666	Savings in this programme to OBP Centenary organising committee

**Table 23.2: Virements (continued)**

Programme / Economic classification	R thousand		Details and motivation
	From	To	
<b>4. Production and Resources Management</b>	<b>(3 378)</b>	<b>221 496</b>	
<b>Current payments</b>	<b>(3 378)</b>	<b>-</b>	
Compensation of employees	(2 882)	-	- Savings due to unfilled posts to be shifted to programme 5 goods and services and will be used for multi-stakeholder participative process
Goods and services	(496)	-	- Shifted to programme 4 Water Research Council transfers
<b>Transfers and Subsidies</b>	<b>-</b>	<b>221 496</b>	
Provinces and municipalities	-	96 000	From programme 2 transfers to the Land Bank for MAFISA - Ilima / Letsema project
Departmental agencies and accounts	-	65 496	From programme 2 transfers to the Land Bank for MAFISA - Ilima / Letsema project and Water Research Council - R496 000
Public corporations and private enterprises	-	60 000	From programme 2 transfers to the Land Bank for MAFISA to Ilima / Letsema project
<b>5. Sector Services and Partnerships</b>	<b>(230)</b>	<b>14 000</b>	
<b>Current payments</b>	<b>(230)</b>	<b>10 000</b>	
Compensation of employees	(230)	-	- Savings due to delays in acquiring appropriate skills
Goods and services	-	10 000	R1.6 million Youth in Agricultural and Rural Development from programme 2 goods and services for facilitating the mobilisation of the young people to be involved in agricultural related programmes R8.5 million Agri-TV from programme 3 compensation of employees
<b>Transfers and Subsidies</b>	<b>-</b>	<b>4 000</b>	
Foreign governments and international organisations	-	4 000	Shifted from programme 3 compensation of employees for International Membership fee for International Fund for Agricultural Development (IFAD)
<b>Total for Vote</b>	<b>(257 461)</b>	<b>257 461</b>	

**Gifts, donations and sponsorships – R1.732 million**

The department will make donations of: R100 000 to the 10<sup>th</sup> World Conference on Animal Production; R665 600 to the Onderstepoort Centenary Organising Committee; and R966 000 to the National Movement for Rural Women.

**Expenditure 2007/08 and preliminary expenditure 2008/09****Table 23.3: Expenditure trends**

Programme	2007/08					2008/09		
	Expenditure outcome					Preliminary expenditure		
	Adjusted appropriation	Apr 2007 - Sep 2007	Apr 07 - Sep 07 % of adjusted appropriation	Apr 2007 - Mar 2008	Apr 07 - Mar 08 % of adjusted appropriation	Adjusted appropriation	Apr 2008 - Sep 2008	Apr 08 - Sep 08 % of adjusted appropriation
<b>R thousand</b>								
1. Administration	281 148	136 834	48.7	238 813	84.9	308 016	134 009	43.5
2. Livelihoods, Economics and Business Development	1 559 958	253 645	16.3	1 541 955	98.8	756 774	363 605	48.0
3. Bio-security and Disaster Management	732 673	104 447	14.3	641 799	87.6	617 183	111 728	18.1
4. Production and Resources Management	243 483	108 303	44.5	226 320	93.0	478 475	116 190	24.3
5. Sector Services and Partnerships	652 341	365 041	56.0	679 530	104.2	777 300	446 514	57.4
<b>Total</b>	<b>3 469 603</b>	<b>968 270</b>	<b>27.9</b>	<b>3 328 417</b>	<b>95.9</b>	<b>2 937 748</b>	<b>1 172 046</b>	<b>39.9</b>
<b>Economic classification</b>								
<b>Current payments</b>	<b>879 303</b>	<b>392 596</b>	<b>44.6</b>	<b>865 610</b>	<b>98.4</b>	<b>1 006 251</b>	<b>432 082</b>	<b>42.9</b>
Compensation of employees	477 963	217 738	45.6	446 279	93.4	550 132	243 458	44.3
Goods and services	401 340	174 761	43.5	419 012	104.4	456 119	187 814	41.2
Financial transactions in assets and liabilities	-	97	-	319	-	-	810	-

Table 23.3: Expenditure trends (continued)

R thousand	2007/08					2008/09		
	Expenditure outcome					Preliminary expenditure		
	Adjusted appropriation	Apr 2007 - Sep 2007	Apr 07 - Sep 07 % of adjusted appropriation	Apr 2007 - Mar 2008	Apr 07 - Mar 08 % of adjusted appropriation	Adjusted appropriation	Apr 2008 - Sep 2008	Apr 08 - Sep 08 % of adjusted appropriation
<b>Transfers and subsidies</b>	<b>2 524 194</b>	<b>549 632</b>	<b>21.8</b>	<b>2 418 733</b>	<b>95.8</b>	<b>1 888 950</b>	<b>727 730</b>	<b>38.5</b>
Provinces and municipalities	762 086	207 977	27.3	762 099	100.0	898 378	369 855	41.2
Departmental agencies and accounts	518 469	310 427	59.9	522 169	100.7	612 723	328 065	53.5
Universities and technikons	3 806	200	5.3	3 806	100.0	6 245	3 604	57.7
Public corporations and private enterprises	965 722	922	0.1	1 000 045	103.6	155 643	2 050	1.3
Foreign governments and international organisations	28 915	28 124	97.3	32 865	113.7	33 830	16 783	49.6
Non-profit institutions	5 640	1 050	18.6	5 780	102.5	17 632	6 500	36.9
Households	239 556	932	0.4	91 969	38.4	164 499	873	0.5
<b>Payments for capital assets</b>	<b>66 106</b>	<b>26 042</b>	<b>39.4</b>	<b>44 074</b>	<b>66.7</b>	<b>42 547</b>	<b>12 234</b>	<b>28.8</b>
Buildings and other fixed structures	31 319	21 013	67.1	5 208	16.6	23 104	3 866	16.7
Machinery and equipment	33 305	4 492	13.5	37 000	111.1	18 303	7 982	43.6
Biological and cultivated assets	540	527	97.6	527	97.6	320	334	104.4
Software and other intangible assets	942	10	1.1	1 339	142.1	820	52	6.3
<b>Total</b>	<b>3 469 603</b>	<b>968 270</b>	<b>27.9</b>	<b>3 328 417</b>	<b>95.9</b>	<b>2 937 748</b>	<b>1 172 046</b>	<b>39.9</b>

### Selected expenditure trends for the first half of 2008/09

Expenditure in the first six months of 2008/09 was R1.172 billion, or 39.9 per cent of the adjusted appropriation of R2.938 billion for the year as a whole. Expenditure in the first six months of 2008/09 increased by R203.8 million, or 21 per cent compared to spending in the first six months of 2007/08 which amounted to R968.3 million, or 27.9 per cent of the 2007/08 adjusted appropriation.

The main increases compared to 2007/08 are related to the Comprehensive Agricultural Support Programme grant payments to provinces.

Expenditure for 2007/08 was 95.9 per cent of the adjusted appropriation for that year.

## Departmental receipts

Table 23.4: Receipts

R thousand	2008/09			
	Budget estimate	Adjusted estimate	Actual receipts Apr 08 - Sep 08	% of Adjusted estimate
<b>Departmental receipts</b>				
Sales of goods and services other than capital assets	59 237	59 234	22 774	38.4
Transfers received	–	29	29	100.0
Fines, penalties and forfeits	3	10	10	100.0
Interest, dividends and rent on land	306	18 500	1 416	7.7
Sales of capital assets	10 000	500	13	2.6
Financial transactions in assets and liabilities	2 484	140 000	120 843	86.3
<b>Total</b>	<b>72 030</b>	<b>218 273</b>	<b>145 085</b>	<b>66.5</b>

Actual departmental revenue collections for the first six months of 2008/09 were R145.1 million or 66.5 per cent of the adjusted estimate of R218.3 million.

## Changes to transfers and subsidies, and conditional grants

Table 23.5: Summary of changes to transfers and subsidies per programme

R thousands	2008/09						Adjusted appropriation
	Main appropriation	Additional Appropriation				Total additional appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements	Other adjustments		
<b>1. Administration</b>	<b>733</b>	-	-	-	<b>22</b>	<b>22</b>	<b>755</b>
Households							
Social benefits							
Current	-	-	-	-	<b>22</b>	<b>22</b>	<b>22</b>
Employer social benefit cash	-	-	-	-	22	22	22
<b>2. Livelihoods, Economics and Business Development</b>	<b>761 172</b>	<b>3 206</b>	<b>76 000</b>	<b>(213 793)</b>	-	<b>(134 587)</b>	<b>626 585</b>
Provinces and municipalities							
Provinces							
Provincial revenue funds							
Current	<b>434 918</b>	<b>3 206</b>	<b>76 000</b>	-	-	<b>79 206</b>	<b>514 124</b>
Comprehensive agricultural support programme grant	434 918	3 206	76 000	-	-	79 206	514 124
Departmental agencies and accounts							
Departmental agencies and accounts (non-business entities)							
Current	<b>22 459</b>	-	-	-	<b>2 000</b>	<b>2 000</b>	<b>24 459</b>
Owen Sithole Agricultural College - capacity building SMME development	-	-	-	-	1 000	1 000	1 000
Tompi Seleke Agricultural Training Centre - capacity building SMME development	-	-	-	-	1 000	1 000	1 000
Universities and technikons							
Current	<b>4 000</b>	-	-	<b>641</b>	<b>(2 000)</b>	<b>(1 359)</b>	<b>2 641</b>
Free State University - capacity building SMME development	1 000	-	-	641	-	641	1 641
Tompi Seleke Agricultural Training Centre - capacity building SMME development	1 000	-	-	-	(1 000)	(1 000)	-
Owen Sithole Agricultural College - capacity building SMME development	1 000	-	-	-	(1 000)	(1 000)	-
Public corporations and private enterprises							
Public corporations							
Other transfers							
Current	<b>299 395</b>	-	-	<b>(224 900)</b>	-	<b>(224 900)</b>	<b>74 495</b>
Land and Agricultural Bank of SA - MAFISA	247 000	-	-	(224 900)	-	(224 900)	22 100
Non-profit institutions							
Current	<b>400</b>	-	-	<b>10 466</b>	-	<b>10 466</b>	<b>10 866</b>
Cotton SA	-	-	-	4 500	-	4 500	4 500
National African Farmers Union	-	-	-	5 000	-	5 000	5 000
National Movement for Rural Woman	-	-	-	966	-	966	966

Table 23.5: Summary of changes to transfers and subsidies per programme (continued)

2008/09							
R thousands	Main appropriation	Additional Appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virements	Other adjustments		
<b>3. Bio-security and Disaster Management</b>	<b>6 016</b>	<b>181 137</b>	<b>140 700</b>	<b>708</b>	<b>189</b>	<b>322 734</b>	<b>328 750</b>
Provinces and municipalities							
Provinces							
Provincial revenue funds							
Current	-	87 837	49 000	-	-	136 837	136 837
Agricultural Disaster Management Grant	-	87 837	49 000	-	-	136 837	136 837
Public corporations and private enterprises							
Private enterprises							
Other transfers							
Current	-	-	21 100	-	-	21 100	21 100
Blueliliesbush Dairy Farming (PTY) LTD	-	-	21 100	-	-	21 100	21 100
Non-profit institutions							
Current	6 000	-	-	666	-	666	6 666
Onderstepoort Centenary Organising Committee	-	-	-	666	-	666	666
Households							
Social benefits							
Current	16	-	-	-	189	189	205
Employer social benefit cash	16	-	-	-	189	189	205
Other transfers							
Current	-	93 300	70 600	42	-	163 942	163 942
Classical Swine Fever	-	93 300	70 600	-	-	163 900	163 900
Foot and Mouth Disease Limpopo	-	-	-	42	-	42	42
<b>4. Production and Resources Management</b>	<b>55 180</b>	<b>2 034</b>	<b>-</b>	<b>221 496</b>	<b>100</b>	<b>223 630</b>	<b>278 810</b>
Provinces and municipalities							
Provinces							
Provincial revenue funds							
Current	48 969	2 034	-	96 000	-	98 034	147 003
Land Care Programme Grant: Poverty Relief and Infrastructure Development Grant	48 969	2 034	-	-	-	2 034	51 003
Ilima / Letsema projects	-	-	-	96 000	-	96 000	96 000
Departmental agencies and accounts							
Departmental agencies and accounts (non-business entities)							
Current	2 004	-	-	65 496	-	65 496	67 500
Water Research Commission	2 004	-	-	496	-	496	2 500
Eastern Cape Rural Finance Corporation	-	-	-	65 000	-	65 000	65 000
Public corporations and private enterprises							
Public corporations							
Other transfers							
Current	-	-	-	60 000	-	60 000	60 000
Development Bank of South Africa	-	-	-	60 000	-	60 000	60 000
Non-profit institutions							
Current	-	-	-	-	100	100	100
World Conference on Animal Production	-	-	-	-	100	100	100

Table 23.5: Summary of changes to transfers and subsidies per programme (continued)

2008/09							
R thousands	Main appropriation	Additional Appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virements	Other adjustments		
<b>5. Sector Services and Partnerships</b>	650 237	-	-	4 000	(187)	3 813	654 050
<b>Departmental agencies and accounts</b>							
<b>Departmental agencies and accounts (non-business entities)</b>							
<b>Current</b>	460 711	-	-	-	(3 400)	(3 400)	457 311
National Student Financial Aid Scheme	8 422	-	-	-	(3 400)	(3 400)	5 022
<b>Public corporations and private enterprises</b>							
<b>Public corporations</b>							
<b>Other transfers</b>							
<b>Current</b>	-	-	-	-	1	1	1
Red Meat Industry Forum	-	-	-	-	1	1	1
<b>Foreign governments and international organisations</b>							
<b>Current</b>	26 618	-	-	4 000	3 212	7 212	33 830
International Union for the Protection of New Varieties of Plants	298	-	-	-	92	92	390
Commonwealth Agricultural Bureau International	218	-	-	-	(50)	(50)	168
Consultative Group on International Agricultural Research	3 330	-	-	-	559	559	3 889
Food & Agriculture Organisation of the United Nations membership fees	9 115	-	-	-	2 353	2 353	11 468
International Commission of Agricultural Engineering	57	-	-	-	(2)	(2)	55
International Grains Council	139	-	-	-	50	50	189
Office International de la Vigne et du Vin	404	-	-	-	210	210	614
International Fund for Agricultural Development	-	-	-	4 000	-	4 000	4 000

Table 23.6: Summary of changes to conditional grants: Provinces<sup>1</sup>

2008/09							
R thousand	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Other adjustments		
<b>2. Livelihoods, Economics and Business Development</b>							
Comprehensive Agricultural Support Programme grant	434 918	3 206	76 000	-	-	79 206	514 124
<b>3. Bio-security and Disaster Management</b>							
Agricultural Disaster Management Grant	-	87 837	49 000	-	-	136 837	136 837
<b>4. Production and Resources Management</b>							
Land Care programme grant: poverty relief and infrastructure development grant	48 969	2 034	-	-	-	2 034	51 003
Ilima / Letsema projects	-	-	-	96 000	-	96 000	96 000

<sup>1</sup> Main appropriation detail provided in the Division of Revenue Act, 2008