

# Vote 26

## Agriculture

	2003/04 To be appropriated	2004/05	2005/06
MTEF allocations	R1 072 199 000	R1 015 651 000	R1 120 009 000
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 the sector; maximising growth, employment and income in agriculture; enhancing 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 objectives

#### Programme 1: Administration

**Purpose:** Provide the Department with political and strategic leadership, and management and administration.

#### Programme 2: Farmer Support and Development

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

**Measurable objective:** To enhance equitable access and sustained participation in the agricultural sector in order to eliminate skewed participation and inequity in the sector.

#### Programme 3: Agricultural Trade and Business Development

**Purpose:** Develop policies governing access to national and international markets, and promote black economic empowerment in the sector.

**Measurable objective:** To increase market access for agricultural products, domestically and internationally, in order to maximise growth, employment and income in agriculture.

#### Programme 4: Agricultural Research and Economic Analysis

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

**Measurable objective:** To provide timely agricultural economic and statistical information to relevant stakeholders and other interested parties to improve decision making.

### **Programme 5: Agricultural Production**

**Purpose:** Promote productivity and sustainability in agriculture.

**Measurable objective:** To provide information and technology on agricultural production systems in order to increase agricultural productivity and profitability.

### **Programme 6: Sustainable Resources Management and Use**

**Purpose:** Develop, implement and monitor policies for the management and use of land and water resources in agriculture.

**Measurable objective:** To provide management systems for the sustainable use of agricultural resources and for research in agriculture.

### **Programme 7: National Agricultural Regulatory Services**

**Purpose:** Develop and monitor risk management policies for the control of animal and plant diseases, food safety, and the use of genetically modified organisms.

**Measurable objective:** To maintain and improve management systems to mitigate risks associated with food, agricultural pests and diseases, and genetic resources.

### **Programme 8: Communication and Information Management**

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

**Measurable objective:** To develop and implement an effective strategy and structured plan for internal and external communication and information management.

### **Programme 9: Programme Planning, Monitoring and Evaluation**

**Purpose:** Consolidate and support strategic and operational management in the Department.

**Measurable objective:** To support the design and monitor the implementation of the Department's strategic plan to ensure improved organisational performance.

## **Strategic overview and key policy developments: 1999/00 – 2005/06**

Agriculture plays an important economic role, employs a significant number of people, has a significant impact on rural areas, and most importantly, impacts on food supply. The Department of Agriculture, with its main partners in Government and the private sector, is working towards a prosperous and competitive sector that contributes to economic growth, maximises production and remunerative opportunities, and in which real progress is made towards the transformation of the sector.

The agricultural sector operates in an ever-changing environment marked by, among others, the impact of climatic conditions on seasonal outputs, the rise in food prices and the continued decline in employment in the sector. The challenge facing the Department, therefore, is the ability to respond quickly and appropriately to these changing conditions, without sacrificing its longer-term goals of transformation of the sector.

*Food prices*

The sharp increase in food prices during 2002 is one of the most important issues facing the Department, due to the impact it has had on the poor and on food security in the Southern African region as a whole.

Government's response has centred on a package of relief measures to supplement the income of the poor, contain price pressures on basic foods, and strengthen the ability of the poor to grow their own food. These measures have helped to cushion the impact of inflation on vulnerable groups. Social grants have been increased by an average of 15,2 per cent, and the private sector has also responded through limited maize subsidies. Government's interventions were effected through the 2002/03 Adjusted Estimates, which set aside R400 million for targeted food relief to the most vulnerable. The funds will go mainly towards food parcel distribution on the domestic front (R230 million), and 100 000 tons of white maize for affected Southern African Development Community (SADC) countries (R170 million).

Government is also examining the feasibility of a longer-term food security programme to provide households with seeds and tools for subsistence agriculture. In addition, a Food Pricing Monitoring Committee has been established to monitor the prices of a basket of basic food items, including maize meal, eggs, bread, milk and meat. It will investigate any sharp or unwarranted price increases, and will do longer-term analysis of the link between food prices and the structure of the agricultural supply chain, including looking at the number of producers and processors, the extent of vertical and horizontal integration, and the level of concentration in the food supply chain.

*Land redistribution*

The Department, in collaboration with the Department of Land Affairs, is also accelerating the implementation of the Land Redistribution for Agricultural Development (LRAD) support packages. LRAD involves transferring state agricultural land to emerging farmers, and providing them with financial, technical and marketing support. A total of 669 000ha of land has already been distributed. LRAD is a key component of Government's commitment to land reform which is not only equitable, but also sustainable, and which brings real long-term benefits to farmers and the economy.

*Regulatory functions*

The regulation of the health of agricultural products is another important strategic function of the Department. The focus is on managing the risks associated with animal and plant diseases and the use of genetically modified organisms. The framework is set by legislation: the Animal Improvement Act (62 of 1998), the Genetically Modified Organisms Act (15 of 1997) and the Meat Safety Act (40 of 2000). Following the intervention of the Department's food safety regulators, the outbreak of foot and mouth disease in 2001 was contained, and South Africa regained its disease free status in May 2002. A resurgence of this disease in neighbouring countries would require further interventions.

*Sustainable resources*

Another key strategic focus of the Department is improving the sustainability of agricultural resources. One of the programmes, the Land Care programme, focuses on reversing land degradation, mainly a result of poor farming methods. This programme has been implemented nationwide, and has resulted in reduced soil erosion in, for example, the Eastern Cape and KwaZulu-Natal. Other initiatives undertaken by the Department include water care irrigation schemes which have enabled 5 500 small-scale farmers to cultivate 48 000 hectares of land; 14 integrated veldcare projects, which included the cleaning of alien invasive plants and control of bush encroachment; and seven soilcare projects implemented with soil conservation and rehabilitation outputs.

## Expenditure estimates

Table 26.1: Agriculture

Programme	Expenditure outcome			Adjusted appropriation	Revised Estimate	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome					
R thousand	1999/00	2000/01	2001/02	2002/03		2003/04	2004/05	2005/06
1 Administration	112 788	106 620	125 902	157 231	142 407	153 091	162 684	171 695
2 Farmer Support and Development	10 803	12 473	99 995	130 327	127 988	146 349	59 929	77 105
3 Agricultural Trade and Business Development	10 827	11 858	18 109	23 635	19 597	34 948	36 871	39 480
4 Agricultural Research and Economic Analysis	9 526	11 483	24 572	20 187	16 523	23 725	26 589	28 580
5 Agricultural Production	6 480	–	–	1 538	1 215	5 577	6 638	7 784
6 Sustainable Resources Management and Use	395 778	399 875	393 062	395 775	391 147	441 337	426 645	445 271
7 National Agricultural Regulatory Services	100 629	134 857	153 523	147 405	151 505	185 408	206 907	255 067
8 Communication and Information Management	28 866	46 162	55 971	68 203	67 888	75 934	82 092	86 789
9 Programme Planning, Monitoring and Evaluation	–	–	–	277	277	5 830	7 296	8 238
Total	675 697	723 328	871 134	944 578	918 812	1 072 199	1 015 651	1 120 009
Change to 2002 Budget Estimate				27 859	2 093	61 404	79 519	

  

Economic classification								
Current	607 320	653 199	694 794	755 675	740 622	887 460	891 593	990 576
Personnel	173 902	206 663	210 540	255 404	244 832	308 939	328 002	352 599
Transfer payments	319 105	294 066	300 908	295 379	295 379	318 580	283 437	295 257
Other current	114 313	152 470	183 346	204 892	200 411	259 941	280 154	342 720
Capital	68 377	70 129	176 340	188 903	178 190	184 739	124 058	129 433
Transfer payments	14 500	14 500	102 000	102 000	102 000	112 047	43 957	44 888
Acquisition of capital assets	53 877	55 629	74 340	86 903	76 190	72 692	80 101	84 545
Total	675 697	723 328	871 134	944 578	918 812	1 072 199	1 015 651	1 120 009

  

Standard items of expenditure								
Personnel	184 587	202 413	220 115	265 628	255 056	319 362	338 940	364 084
Administrative	44 778	60 600	69 117	93 866	91 516	109 896	118 921	131 450
Inventories	20 449	31 350	31 619	33 309	33 309	35 268	38 691	41 464
Equipment	34 965	36 130	47 727	37 512	35 702	35 472	40 633	42 818
Land and buildings	2 340	512	5 243	27 679	18 776	15 340	16 260	17 236
Professional and special services	50 953	67 486	93 095	89 205	87 074	126 234	134 812	182 812
Transfer payments	333 605	308 566	402 908	397 379	397 379	430 627	327 394	340 145
Miscellaneous	4 020	16 271	1 310	–	–	–	–	–
Total	675 697	723 328	871 134	944 578	918 812	1 072 199	1 015 651	1 120 009

## Expenditure trends

Total expenditure increased steadily between 1999/00 and 2002/03, rising from R675,7 million to a projected outcome of R918,8 million. Total expenditure is expected to continue to grow over the next three years, rising to R1,1 billion in 2005/06, an annual average increase over the seven-year period of 8,8 per cent.

Expenditure between 2001/02 and 2003/04 has been increased by the allocation of R255 million for flood relief over the three years, following the floods of 1999/00. Additional amounts of R61,4 million and R79,5 million have been allocated for 2003/04 and 2004/05, mainly to increase support to the land redistribution programme, and to strengthen food regulation. Transfers take up

a significant proportion of expenditure, almost R400 million in 2002/03, much of which goes to the Agricultural Research Council. Over the following three years, however, transfers decline gradually.

Expenditure on both personnel, and professional and special services is expected to increase significantly. Personnel expenditure is expected to rise from R184,6 million in 1999/00 to R364,1 million in 2005/06, an annual average increase of 12 per cent. Expenditure on professional and special services is expected to increase from R51 million to R182,8 million over the period 1999/00 to 2005/06, an annual average increase of 23,7 per cent. These increases are being used to expand the capacity of the Department, in line with its restructuring plans.

## Departmental receipts

The bulk of the Department's revenue comes from the sale of goods and services, such as drilling and soil analysis services. Significant revenues are also earned from interest. In addition, the recovery of loans and advances is expected to bring in R36,0 million in 2002/03, rising to R46,5 million in 2005/06.

Table 26.2: Departmental receipts

	Revenue outcome			Adjusted Appropriation	Medium-term revenue estimate		
	Audited	Audited	Preliminary outcome				
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Tax revenue	–	–	–	–	–	–	–
Non-tax revenue	31 232	48 676	58 347	35 693	38 904	42 412	46 222
Interest	11 612	16 193	11 244	11 295	12 300	13 400	14 600
Dividends	–	–	–	–	–	–	–
Rent	–	–	–	–	–	–	–
Sales of goods and services	19 617	32 460	46 000	24 303	26 500	28 900	31 500
Fines, penalties and forfeits	2	1	1	17	19	20	22
Miscellaneous	1	22	1 102	78	85	92	100
Sales of capital assets (capital revenue)	–	–	–	–	–	–	–
Financial transactions (recovery of loans and advances)	11 755	33 444	9 693	35 997	39 200	42 700	46 500
Total departmental receipts	42 987	82 120	68 040	71 690	78 104	85 112	92 722

## Programme 1: Administration

The *Administration* programme conducts the overall management of the Department, and provides strategic leadership and corporate services through the activities of the Minister, the Deputy Minister and senior management. It also provides financial, procurement, administrative, legal and information technology (IT) services, an internal audit function, human resources management, and secretariat services in support of intergovernmental relations. Within this programme, there is also a component that deals with agricultural debt collection.

## Expenditure estimates

Table 26.3: Administration

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Minister <sup>1</sup>	513	733	783	691	746	791	835
Deputy Minister <sup>2</sup>	478	584	562	562	607	643	679
Management	9 369	10 226	19 555	22 395	26 653	28 310	30 149
Corporate Services	98 979	93 466	98 977	105 904	109 745	116 680	122 796
Capital Works	2 160	475	5 171	27 679	15 340	16 260	17 236
Special Functions: Theft and Losses	1 289	1 136	854	–	–	–	–
<b>Total</b>	<b>112 788</b>	<b>106 620</b>	<b>125 902</b>	<b>157 231</b>	<b>153 091</b>	<b>162 684</b>	<b>171 695</b>
Change to 2002 Budget Estimate				30 416	20 678	20 684	

<sup>1</sup> Payable as from 1 April 2002. Salary: R552 984. Car allowance: R138 246.

<sup>2</sup> Payable as from 1 April 2002. Salary: R449 460. Car allowance: R112 365.

### Economic classification

Current	96 773	97 845	103 083	119 375	127 769	135 966	143 215
Personnel	62 726	66 054	69 284	81 961	87 606	91 827	95 668
Transfer payments	–	–	–	1 550	–	–	–
Other current	34 047	31 791	33 799	35 864	40 163	44 139	47 547
Capital	16 015	8 775	22 819	37 856	25 322	26 718	28 480
Transfer payments	–	–	–	–	–	–	–
Acquisition of capital assets	16 015	8 775	22 819	37 856	25 322	26 718	28 480
<b>Total</b>	<b>112 788</b>	<b>106 620</b>	<b>125 902</b>	<b>157 231</b>	<b>153 091</b>	<b>162 684</b>	<b>171 695</b>

### Standard items of expenditure

Personnel	62 726	66 054	69 284	81 961	87 606	91 827	95 668
Administrative	12 593	12 966	13 739	14 122	14 034	15 155	16 366
Inventories	1 935	3 469	3 414	4 330	4 432	5 502	5 882
Equipment	13 855	8 300	17 648	10 177	9 982	10 458	11 244
Land and buildings	2 160	475	5 171	27 679	15 340	16 260	17 236
Professional and special services	17 340	13 816	15 792	17 412	21 697	23 482	25 299
Transfer payments	–	–	–	1 550	–	–	–
Miscellaneous	2 179	1 540	854	–	–	–	–
<b>Total</b>	<b>112 788</b>	<b>106 620</b>	<b>125 902</b>	<b>157 231</b>	<b>153 091</b>	<b>162 684</b>	<b>171 695</b>

### Transfer payments per subprogramme

Corporate services							
Onderstepoort Biological Products Ltd.	–	–	–	1 550	–	–	–
<b>Total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1 550</b>	<b>–</b>	<b>–</b>	<b>–</b>

## Expenditure trends

Expenditure on *Administration* has been increasing overall, rising from R112,8 million in 1999/00 to R157,2 million in 2002/03, and is expected to increase to R171,7 million in 2005/06. However, this overall increase masks some fluctuations in expenditure, with significant increases occurring in both 2001/02 and 2002/03. There was a R30,4 million increase in expenditure on the programme, provided for in the 2002/03 Adjusted Estimates. The extra funds have been spent on personnel and the purchase of land and buildings. Future years will also see a significant increase in the allocation for professional and special services.

## Programme 2: Farmer Support and Development

*Farmer Support and Development* focuses on: developing norms and standards for the settlement of emerging farmers; food security; rural development; the registration of co-operatives; and agricultural risk and disaster management. Apart from a managerial subprogramme, the programme is organised into five subprogrammes:

- Farmer Settlement is responsible for settling emerging farmers through the disposal of state-owned agricultural land, and also provides support packages to ensure that settled farmers become commercially viable.
- Financial Services and Co-operatives is responsible for creating a policy environment that supports the development of emerging farmers, and the development of a sustainable and viable agricultural financial services system.
- Food Security and Rural Development develops policies, and norms and standards for food security, maintains the national food security management system and finances projects on household food security.
- Agricultural Risk and Disaster Management sets the national policy framework for the agricultural disaster management system, which provides early warning and post-disaster support to agricultural enterprises.
- Registrar of Co-operatives is responsible for the registration of all agricultural co-operatives in South Africa.

### Expenditure estimates

Table 26.4: Farmer Support and Development

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Management	304	555	591	888	931	974	1 231
Farmer Settlement	3 288	4 502	5 209	13 484	27 532	34 404	50 079
Financial Services and Co-operatives	1 974	2 597	929	5 091	8 844	5 692	6 074
Food Security and Rural Development	3 055	2 059	7 284	18 030	15 869	9 794	10 349
Agricultural Risk and Disaster Management	457	914	85 321	89 092	89 223	4 929	5 155
Registrar of Co-operatives	1 403	1 846	661	3 742	3 950	4 136	4 217
Loans to Small and Beginner Farmers	322	–	–	–	–	–	–
<b>Total</b>	<b>10 803</b>	<b>12 473</b>	<b>99 995</b>	<b>130 327</b>	<b>146 349</b>	<b>59 929</b>	<b>77 105</b>
Change to 2002 Budget Estimate				3 477	11 012	16 646	
Economic classification							
Current	10 454	12 172	14 764	42 473	59 860	58 447	75 514
Personnel	4 646	6 728	4 286	7 267	20 960	21 769	22 644
Transfer payments	2 295	1 624	1 500	6 565	1 500	1 590	1 685
Other current	3 513	3 820	8 978	28 641	37 400	35 088	51 185
Capital	349	301	85 231	87 854	86 489	1 482	1 591
Transfer payments	–	–	85 000	85 000	85 000	–	–
Acquisition of capital assets	349	301	231	2 854	1 489	1 482	1 591
<b>Total</b>	<b>10 803</b>	<b>12 473</b>	<b>99 995</b>	<b>130 327</b>	<b>146 349</b>	<b>59 929</b>	<b>77 105</b>

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Standard items of expenditure							
Personnel	4 646	6 728	4 286	7 267	20 960	21 769	22 644
Administrative	1 256	1 588	1 612	9 845	6 201	7 110	7 234
Inventories	247	287	114	300	722	523	634
Equipment	349	301	231	2 854	1 489	1 482	1 591
Land and buildings	–	–	–	–	–	–	–
Professional and special services	1 933	1 893	7 252	18 496	30 477	27 455	43 317
Transfer payments	2 295	1 624	86 500	91 565	86 500	1 590	1 685
Miscellaneous	77	52	–	–	–	–	–
Total	10 803	12 473	99 995	130 327	146 349	59 929	77 105

#### Transfer payments per subprogramme

Farmer Settlement							
Ncera Farms (Pty) Ltd	1 973	1 624	1 500	1 565	1 500	1 590	1 685
LRAD training support	–	–	–	5 000	–	–	–
Agricultural Risk and Disaster Management							
Flood Relief Scheme	–	–	85 000	85 000	85 000	–	–
Loans to Small and Beginner Farmers	322	–	–	–	–	–	–
Total	2 295	1 624	86 500	91 565	86 500	1 590	1 685

## Expenditure trends

Expenditure on the programme has been heavily affected by the allocation of funds in 2001/02 for flood relief for the floods of 1999/00, at R85 million in each of the three years until 2003/04. The funds have been transferred to the Flood Relief Scheme, which has compensated farmers for damages. Total spending on the programme rose from R10,8 million in 1999/00 to R130,3 million in 2002/03, and is expected to decline to R77 million in 2005/06, peaking at R146,3 million in 2003/04.

Aside from the flood relief funds, the programme has seen significant underlying growth in expenditure, particularly on the Farmer Settlement subprogramme. Expenditure is expected to grow from R3,3 million in 1999/00 to R50,1 million in 2005/06, an average annual increase of 57,4 per cent. Accompanying this has been a large increase in the spending on personnel, and professional and special services, as much of the Farmer Settlement support consists of providing advice and services.

## Service delivery objectives and indicators

### Recent outputs

A draft framework for a comprehensive farmer settlement support programme has been developed. The programme is also responsible for transferring funds for the flood relief scheme to the Land Bank. Two payments have been made, and the final transfer will be made in 2003/04.



## Medium-term output targets

### Farmer Support and Development

Measurable objective: To enhance equitable access and sustained participation in the agricultural sector in order to eliminate skewed participation and inequity in the sector.

Subprogramme	Output	Measure/Indicator	Target
Farmer Settlement	Viable farm businesses for settled farmers	Proportion of settled farms that are viable businesses	60% in March 2004
Financial Services and Co-operatives	Agricultural co-operative development programme	An operational co-operative development programme in place	March 2004
Food Security and Rural Development	Production support packages and information packs	The number of food-insecure households reached	200 000 food-insecure households receive production support packages and information packs by March 2004
Agricultural Risk and Disaster Management	Agricultural risk insurance scheme	Scheme in place	March 2004
Registrar of Co-operatives	Transfer of the function to Trade and Industry	Completion of transfer	Transfer to be complete by end March 2004

## Programme 3: Agricultural Trade and Business Development

*Agricultural Trade and Business Development* promotes trade, market access and black economic empowerment, and financially supports the National Agricultural Marketing Council. Apart from a management component, the programme is organised into four subprogrammes:

- Agri-Business Promotion and Industry Relations develops policies to encourage the growth of agricultural industries, and promotes transformation within them.
- Domestic Marketing develops and implements policies and programmes to improve access to domestic markets and promotes trade.
- International Trade promotes access to international agricultural markets and manages international trade agreements.
- The National Agricultural Marketing Council advises the Minister on the food and agricultural marketing systems.

## Expenditure estimates

Table 26.5: Agricultural Trade and Business Development

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Management	–	–	628	1 011	987	1 031	1 403
Agri-Business Promotion and Industry Relations	702	1 318	5 918	4 264	8 962	9 527	10 345
Domestic Marketing	908	983	1 045	6 595	10 984	11 440	12 043
International Trade	2 682	2 888	3 583	6 553	7 901	8 272	8 692
National Agricultural Marketing Council	6 535	6 669	6 935	5 212	6 114	6 601	6 997
Total	10 827	11 858	18 109	23 635	34 948	36 871	39 480
Change to 2002 Budget Estimate				(1 115)	570	498	

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Economic classification							
Current	10 673	11 773	17 792	22 946	34 282	36 214	38 753
Personnel	3 488	3 650	7 920	7 512	11 276	13 925	14 538
Transfer payments	6 535	6 669	6 935	5 212	6 114	6 601	6 997
Other current	650	1 454	2 937	10 222	16 892	15 688	17 218
Capital	154	85	317	689	666	657	727
Transfer payments	–	–	–	–	–	–	–
Acquisition of capital assets	154	85	317	689	666	657	727
Total	10 827	11 858	18 109	23 635	34 948	36 871	39 480

#### Standard items of expenditure

Personnel	3 488	3 650	7 920	7 512	11 276	13 925	14 538
Administrative	506	702	2 264	7 297	9 250	9 264	10 009
Inventories	43	83	388	155	228	238	263
Equipment	154	85	317	689	666	657	727
Land and buildings	–	–	–	–	–	–	–
Professional and special services	55	642	207	2 770	7 414	6 186	6 946
Transfer payments	6 535	6 669	6 935	5 212	6 114	6 601	6 997
Miscellaneous	46	27	78	–	–	–	–
Total	10 827	11 858	18 109	23 635	34 948	36 871	39 480

#### Transfer payments per subprogramme

National Agricultural Marketing Council	6 535	6 669	6 935	5 212	6 114	6 601	6 997
Total	6 535	6 669	6 935	5 212	6 114	6 601	6 997

## Expenditure trends

Expenditure grew from R10,8 million in 1999/00 to R23,6 million in 2002/03, and is expected to reach R39,5 million in 2005/06, an annual average growth rate of 24,1 per cent over the seven-year period. Much of this growth is being targeted at the development of the domestic market for agricultural products, and the development of policy for the agricultural industrial sector. This strong growth has been accompanied by a steady increase in personnel expenditure, which is expected to continue.

Throughout the seven-year period transfers to the National Agricultural Marketing Council have fluctuated around R6,5 million a year.

## Service delivery objectives and indicators

### Recent outputs

The programme has achieved the following:

- A discussion document on the Framework for Agricultural Empowerment Policy
- A model for strengthening representative institutional structures for black farmers
- Agricultural positions for negotiations with the Mercosur trading bloc of South America.

## Medium-term output targets

### Agricultural Trade and Business Development

Measurable objective: To increase market access for agricultural products, domestically and internationally, in order to maximise growth, employment and income in agriculture.

Subprogramme	Output	Measure/Indicator	Target
Agri-Business Promotion and Industry Relations	Agriculture industry-based business partnerships	Partnership programmes in place	A commodity-based partnership programme by March 2004
	BEE Policy	Draft policy approved	By October 2003
Domestic Marketing	Targeted domestic marketing support measures	Number of provinces with marketing support measures in rural nodes	Marketing support measures to farmers in rural development nodes in 3 provinces by March 2004
International Trade	Assessment reports on trade trends, opportunities and constraints	Number of issue-based reports and recommendations	10 issue-based reports by March 2004

## Programme 4: Agricultural Research and Economic Analysis

*Agricultural Research and Economic 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, producing quarterly forecasts and reports on sector trends. Apart from a management capability, it is composed of two subprogrammes:

- Economic Analysis interprets, analyses and provides advice on the economic condition and performance of the agricultural sector.
- Statistics collects and manages statistics on agriculture and food security.

## Expenditure estimates

Table 26.6: Agricultural Research and Economic Analysis

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Management	445	970	693	962	1 012	1 061	1 312
Economic Analysis	1 598	1 627	3 548	6 182	8 479	8 916	9 379
Statistics	7 483	8 886	20 331	13 043	14 234	16 612	17 889
Total	9 526	11 483	24 572	20 187	23 725	26 589	28 580
Change to 2002 Budget Estimate				616	(6 585)	(6 773)	
Economic classification							
Current	9 151	11 217	24 403	19 483	23 092	25 918	27 858
Personnel	4 519	5 130	4 727	7 891	10 338	10 739	11 169
Transfer payments	–	–	–	–	–	–	–
Other current	4 632	6 087	19 676	11 592	12 754	15 179	16 689
Capital	375	266	169	704	633	671	722
Transfer payments	–	–	–	–	–	–	–
Acquisition of capital assets	375	266	169	704	633	671	722
Total	9 526	11 483	24 572	20 187	23 725	26 589	28 580

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Standard items of expenditure							
Personnel	4 519	5 130	4 727	7 891	10 338	10 739	11 169
Administrative	708	775	796	2 120	4 095	5 560	5 202
Inventories	418	120	89	415	678	720	1 078
Equipment	375	266	169	704	633	671	722
Land and buildings	–	–	–	–	–	–	–
Professional and special services	3 433	5 146	18 791	9 057	7 981	8 899	10 409
Transfer payments	–	–	–	–	–	–	–
Miscellaneous	73	46	–	–	–	–	–
Total	9 526	11 483	24 572	20 187	23 725	26 589	28 580

### Expenditure trends

Expenditure on this programme grew very rapidly in 2000/01 and 2001/02, but has since increased at a more moderate pace. Total expenditure is expected to have risen from R9,5 million in 1999/00 to R28,6 million in 2005/06. The largest subprogramme, Statistics, has seen significant growth, alongside the administrative function. These increases have mainly been spent on personnel, and professional and special services to expand the services provided by the programme, in particular the statistics services.

### Service delivery objectives and indicators

#### Recent outputs

The programme worked closely with the National Treasury on issues relating to the recent sharp rise in food prices. A national agricultural economics working group will be established to improve Government's analytical capacity on agricultural issues.

#### Medium-term output targets

##### Agricultural Research and Economic Analysis

Measurable objective: To provide timely agricultural economic and statistical information to relevant stakeholders and other interested parties to improve decision making.

Subprogramme	Output	Measure/Indicator	Target
Economic Analysis	Economic reports on constraints and opportunities within and impacting on the agricultural sector	Number of reports released on time	3 reports released by March 2004
Statistics	Statistical reports reflecting trends and economic performance	Number of publications released	5 publications for key stakeholders reflecting performance and trends in the agricultural sector by March 2004

## Programme 5: Agricultural Production

*Agricultural Production* develops policies to enhance the sustainable production of agricultural products. It works with the provinces and the Agricultural Research Council to identify and support strategic research and interventions to increase productivity, and to mitigate the effects of climate change and migratory pests. Apart from management, it is composed of two subprogrammes:

- Animal and Aqua Production Systems facilitates the development of policies and instruments to enhance the production and management of: livestock from veld and forages; semi-intensive and intensive livestock production; game farming; and inland fisheries.
- Plant Production Systems supports a combination of traditional farming practices and agricultural sciences to promote productive and sustainable agricultural practices.

## Expenditure estimates

Table 26.7: Agricultural Production

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Management	–	–	–	420	993	1 011	1 338
Animal and Aqua Production Systems	–	–	–	521	2 292	2 813	3 223
Plant Production Systems	–	–	–	597	2 292	2 814	3 223
Vaccine Production Trading Account	6 480	–	–	–	–	–	–
<b>Total</b>	<b>6 480</b>	<b>–</b>	<b>–</b>	<b>1 538</b>	<b>5 577</b>	<b>6 638</b>	<b>7 784</b>
Change to 2002 Budget Estimate				(131)	3 849	4 820	

### Economic classification

Current	6 480	–	–	1 508	5 256	6 301	7 468
Personnel	–	–	–	924	2 577	2 595	2 858
Transfer payments	6 480	–	–	–	–	–	–
Other current	–	–	–	584	2 679	3 706	4 610
Capital	–	–	–	30	321	337	316
Transfer payments	–	–	–	–	–	–	–
Acquisition of capital assets	–	–	–	30	321	337	316
<b>Total</b>	<b>6 480</b>	<b>–</b>	<b>–</b>	<b>1 538</b>	<b>5 577</b>	<b>6 638</b>	<b>7 784</b>

### Standard items of expenditure

Personnel	–	–	–	924	2 577	2 595	2 858
Administrative	–	–	–	474	1 299	1 320	1 558
Inventories	–	–	–	40	254	261	313
Equipment	–	–	–	30	321	337	316
Land and buildings	–	–	–	–	–	–	–
Professional and special services	–	–	–	70	1 126	2 125	2 739
Transfer payments	6 480	–	–	–	–	–	–
Miscellaneous	–	–	–	–	–	–	–
<b>Total</b>	<b>6 480</b>	<b>–</b>	<b>–</b>	<b>1 538</b>	<b>5 577</b>	<b>6 638</b>	<b>7 784</b>

### Transfer payments per subprogramme

Vaccine Production Trading Account	6 480	–	–	–	–	–	–
<b>Total</b>	<b>6 480</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

## Expenditure trends

The programme was created in April 2002. Total funding is expected to increase rapidly, and funds have been allocated to the programme from elsewhere within the Department. Total expenditure is expected to increase from R1,5 million in 2002/03 to R7,8 million in 2005/06, an annual average increase of 71,7 per cent. Much of this money will be spent on personnel, and professional and special services.

## Service delivery objectives and indicators

### Recent outputs

A draft policy on how agriculture can contribute towards achieving sustainable development has been finalised. Working groups for aqua culture, veld and forages, game farming and animal welfare were established. A calendar for beef cattle management was also developed.

### Medium-term output targets

#### Agricultural Production

Measurable objective: To provide information and technology on agricultural production systems in order to increase agricultural productivity and profitability.			
Subprogramme	Output	Measure/Indicator	Target
Animal and Aqua Production Systems	Livestock development policy	An approved livestock development policy	Livestock development policy by end March 2004
Plant Production Systems	A national strategy on agriculture and sustainable development	An approved national strategy on agriculture and sustainable development	A national strategy on agriculture and sustainable development completed by end June 2003

## 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 a management function, the programme is organised into four subprogrammes:

- Water Use and Irrigation Development provides access to water resources by providing borehole and irrigation infrastructure to those previously excluded from commercial farming.
- Scientific Research and Development identifies research priorities for agriculture, and mobilises resources and directs public sector investment towards such priorities.
- Land Use and Soil Management develops and implements policy, legislation and projects supporting sustainable agriculture, and provides for the community-based Land Care programme.
- The Agricultural Research Council subprogramme provides for transfers to the Council.

### Expenditure estimates

Table 26.8: Sustainable Resources Management and Use

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Management	474	530	680	781	1 462	1 269	1 365
Water Use and Irrigation Development	49 406	42 676	47 663	50 850	53 846	56 727	59 875
Scientific Research and Development	–	–	–	1 275	958	1 994	2 513
Land Use and Soil Management	46 402	74 367	73 473	67 817	85 058	47 452	50 055
Agricultural Research Council							
Baseline: Science Vote	281 237	268 378	262 746	266 552	289 013	308 742	327 838
Pension Fund	5 500	5 500	5 500	–	–	–	–
Leave Gratuity	2 000	2 000	2 000	6 500	7 500	6 901	–
SA Stud Book	5 356	1 000	1 000	2 000	1 500	1 560	1 625
Crop forecast	–	–	–	–	2 000	2 000	2 000
Financial Support Measures	5 403	5 424	–	–	–	–	–
Total	395 778	399 875	393 062	395 775	441 337	426 645	445 271
Change to 2002 Budget Estimate				809	17 169	16 567	

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Economic classification							
Current	350 243	346 673	346 715	347 469	383 699	348 649	364 312
Personnel	26 333	39 720	28 943	33 835	36 178	37 482	38 920
Transfer payments	303 795	285 773	282 622	282 052	310 966	275 246	286 575
Other current	20 115	21 180	35 150	31 582	36 555	35 921	38 817
Capital	45 535	53 202	46 347	48 306	57 638	77 996	80 959
Transfer payments	14 500	14 500	17 000	17 000	27 047	43 957	44 888
Acquisition of capital assets	31 035	38 702	29 347	31 306	30 591	34 039	36 071
Total	395 778	399 875	393 062	395 775	441 337	426 645	445 271

## Standard items of expenditure

Personnel	37 018	35 470	38 518	44 059	46 601	48 420	50 405
Administrative	6 751	10 081	11 050	11 387	14 104	13 821	14 278
Inventories	11 310	15 161	16 375	16 975	16 324	18 114	18 956
Equipment	14 283	19 678	11 127	9 594	8 711	10 831	11 580
Land and buildings	52	–	21	–	–	–	–
Professional and special services	7 508	18 920	16 086	14 708	17 584	16 256	18 589
Transfer payments	318 295	300 273	299 622	299 052	338 013	319 203	331 463
Miscellaneous	561	292	263	–	–	–	–
Total	395 778	399 875	393 062	395 775	441 337	426 645	445 271

## Transfer payments per subprogramme

Land Use and Soil Management							
Land Care Projects	18 799	17 971	28 376	24 000	38 000	–	–
Agricultural Research Council	294 093	276 878	271 246	275 052	300 013	319 203	331 463
Financial Support Measures							
Subsidies to Farmers	5 403	5 424	–	–	–	–	–
Total	318 295	300 273	299 622	299 052	338 013	319 203	331 463

## Expenditure trends

Expenditure on this programme has been stable in recent years, with expenditure being R395,8 million in both 1999/00 and 2002/03, with slight fluctuations in between. Over the next few years the trend shows an underlying increase due to an additional R14 million allocation to the Land Care projects transfer payment in 2003/04. Expenditure is expected to increase to R445,3 million in 2005/06.

The majority of expenditure is taken up by transfers to the Agricultural Research Council, which are expected to increase from R294,1 million in 1999/00 to R331,5 million in 2005/06. There have also been significant transfers to Land Care projects, although this is due to end after 2003/04.

## Service delivery objectives and indicators

## Recent outputs

*Sustainable Resources Management and Use* has completed the final draft of the blackfly policy, and a farmer's charter on sustainable development. It has also completed the final draft of the Land Care technical guide on successful Land Care programmes. A draft grazing capacity map for South

Africa has been produced and is to be used by inspectors for guidance on grazing capacity. A report on the state of agricultural resources has also been produced in order to inform policy. This is coupled with a database on the National Agricultural Research System.

### Medium-term output targets

#### Sustainable Resources Management and Use

Measurable objective: To provide management systems for the sustainable use of agricultural resources and for research in agriculture.			
Subprogramme	Output	Measure/Indicator	Target
Water Use and Irrigation Development	A national policy on agricultural mechanisation	An approved national policy on agricultural mechanisation	A national policy on agricultural mechanisation in place by March 2004
Scientific Research and Development	A restructured and reoriented Agricultural Research Council	The restructuring of the Council	A restructured and reoriented Agricultural Research Council by March 2004
Land Use and Soil Management	An expanded Land Care Programme	The proportional increase in Land Care programmes	10% increase in Land Care programmes in targeted rural nodes in 5 provinces

### Programme 7: National Agricultural Regulatory Services

*National Agricultural Regulatory Services* is responsible for managing the risks associated with animal and plant diseases, food safety, and using genetically modified organisms. This is done by developing policy and legislation, and implementing compliance and operational support systems. Apart from the management function, the programme has five subprogrammes:

- Food Safety and Quality Assurance ensures that food control is co-ordinated, and that products destined for human consumption are safe.
- Genetic Resources provides and regulates a national management system in support of the safe and sustainable use of genetic resources in agriculture, and offers leadership and control in the use of genetically modified products.
- 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 the import and export of animals and animal products.
- Import/Export Control Services ensures that agricultural products for import and export are safe for human consumption and adhere to international protocols.



## Expenditure estimates

Table 26.9: National Agricultural Regulatory Services

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Management	308	787	760	1 009	997	1 049	1 388
Food Safety and Quality Assurance	19 310	26 231	25 057	28 670	30 931	32 566	34 810
Genetic Resources	10 579	9 926	11 153	12 025	12 410	13 115	14 441
Plant Health	4 510	4 733	8 186	7 466	10 794	11 496	12 321
Animal Health	27 277	47 536	42 503	38 650	51 778	60 453	84 473
Import - Export Control Services	38 645	45 644	50 537	59 585	78 498	88 228	107 634
Onderstepoort Biological Products Ltd.	–	–	9 851	–	–	–	–
Border fencing	–	–	3 222	–	–	–	–
Upgrading laboratories	–	–	2 254	–	–	–	–
<b>Total</b>	<b>100 629</b>	<b>134 857</b>	<b>153 523</b>	<b>147 405</b>	<b>185 408</b>	<b>206 907</b>	<b>255 067</b>
Change to 2002 Budget Estimate				7 382	23 602	34 990	
<b>Economic classification</b>							
Current	95 371	129 411	134 953	135 675	174 351	194 072	242 022
Personnel	61 432	62 663	71 938	85 570	107 077	114 596	129 995
Transfer payments	–	–	9 851	–	–	–	–
Other current	33 939	66 748	53 164	50 105	67 274	79 476	112 027
Capital	5 258	5 446	18 570	11 730	11 057	12 835	13 045
Transfer payments	–	–	–	–	–	–	–
Acquisition of capital assets	5 258	5 446	18 570	11 730	11 057	12 835	13 045
<b>Total</b>	<b>100 629</b>	<b>134 857</b>	<b>153 523</b>	<b>147 405</b>	<b>185 408</b>	<b>206 907</b>	<b>255 067</b>
<b>Standard items of expenditure</b>							
Personnel	61 432	62 663	71 938	85 570	107 077	114 596	129 995
Administrative	10 090	16 465	16 412	19 410	25 056	28 583	36 193
Inventories	5 321	9 905	7 795	8 311	9 282	9 547	10 300
Equipment	5 258	5 446	15 348	11 730	11 057	12 835	13 045
Land and buildings	126	37	51	–	–	–	–
Professional and special services	17 496	26 210	32 013	22 384	32 936	41 346	65 534
Transfer payments	–	–	9 851	–	–	–	–
Miscellaneous	906	14 131	115	–	–	–	–
<b>Total</b>	<b>100 629</b>	<b>134 857</b>	<b>153 523</b>	<b>147 405</b>	<b>185 408</b>	<b>206 907</b>	<b>255 067</b>
<b>Transfer payments per subprogramme</b>							
Animal Health							
Onderstepoort Biological Products Ltd.	–	–	9 851	–	–	–	–
<b>Total</b>	<b>–</b>	<b>–</b>	<b>9 851</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

## Expenditure trends

Total expenditure has seen rapid growth, increasing from R100,6 million in 1999/00 to an expected R255 million in 2005/06, an average annual increase of 16,8 per cent. The growth has been focused on improving the regulation of animal health, and on monitoring agricultural trade. Additional funds have been allocated in the Budget, a total of R61,0 million over the next two years, specifically to improve animal health surveillance: South Africa regained its foot and mouth disease free status during May 2002, on condition that annual monitoring is undertaken.

## Service delivery objectives and indicators

### Recent outputs

The Department is presently developing a strategy for food security in consultation with the Department of Health, to be completed in March 2003.

The new Animal Health Act (7 of 2002) was passed by Parliament and is waiting to be promulgated. The Animal Improvement Regulations and the dipping policy have been completed. The risk assessment guidelines on genetically modified organisms (GMOs) have also been completed.

### Medium-term output targets

#### National Agricultural Regulatory Services

Measurable objective: To maintain and improve management systems to mitigate risks associated with food, agricultural pests and diseases, and genetic resources.

Subprogramme	Output	Measure/Indicator	Target
Food Safety and Quality Assurance	Agricultural Production Inputs Bill	Agricultural Production Inputs Act in place	Agricultural Production Inputs Act in place by March 2004
Genetic Resources	GMO Amendment Bill	Amended GMO legislation	GMO Amendment Act in place by March 2004
Plant Health	Plant diseases management system	Percentage change in the number of reported occurrences of plant diseases	80% reduction in the occurrence of plant diseases by March 2004
Animal Health	Animal health management system	Percentage change in the number of reported occurrences of animal diseases	80% reduction in the occurrence of animal diseases by March 2004
Import/Export Control Services	Inspections and border control	Percentage change in the number of inspections done	10% increase in the number of inspections in 2003/04

## Programme 8: Communication and Information Management

*Communication and Information Management* provides agricultural news and information, manages international relations, and facilitates skills development and the training of new and existing farmers. Apart from its management function it consists of four subprogrammes:

- Agricultural Information Services provides agricultural news and information through publications and electronic media.
- International Relations facilitates, co-ordinates and supports bilateral and multilateral relations, pays membership fees to international organisations and maintains agricultural offices in Brussels, Washington, Rome and Beijing.
- Agricultural Education and Training facilitates skills development in the agricultural sector.
- Grootfontein Agricultural Development Institute provides for the training and development of new and existing farmers.

## Expenditure estimates

Table 26.10: Communication and Information Management

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Management	–	–	–	545	978	1 011	1 385
Agricultural Information Services	10 071	10 734	12 165	12 241	11 271	12 190	12 955
International Relations	17 527	16 786	21 546	29 662	36 291	37 237	39 283
Agricultural Education and Training	1 268	1 953	2 497	5 423	7 239	8 142	8 576
Grootfontein Agricultural Development Institute	–	16 689	19 763	20 332	20 155	23 512	24 590
Total	28 866	46 162	55 971	68 203	75 934	82 092	86 789
Change to 2002 Budget Estimate				(13 872)	(14 721)	(15 209)	

### Economic classification

Current	28 175	44 108	53 084	66 489	73 591	79 010	83 492
Personnel	10 758	22 718	23 442	30 267	30 732	32 520	33 905
Transfer payments	–	–	–	–	–	–	–
Other current	17 417	21 390	29 642	36 222	42 859	46 490	49 587
Capital	691	2 054	2 887	1 714	2 343	3 082	3 297
Transfer payments	–	–	–	–	–	–	–
Acquisition of capital assets	691	2 054	2 887	1 714	2 343	3 082	3 297
Total	28 866	46 162	55 971	68 203	75 934	82 092	86 789

### Standard items of expenditure

Personnel	10 758	22 718	23 442	30 267	30 732	32 520	33 905
Administrative	12 874	18 023	23 244	29 136	34 832	36 758	39 234
Inventories	1 175	2 325	3 444	2 778	3 243	3 676	3 908
Equipment	691	2 054	2 887	1 714	2 343	3 082	3 297
Land and buildings	2	–	–	–	–	–	–
Professional and special services	3 188	859	2 954	4 308	4 784	6 056	6 445
Transfer payments	–	–	–	–	–	–	–
Miscellaneous	178	183	–	–	–	–	–
Total	28 866	46 162	55 971	68 203	75 934	82 092	86 789

## Expenditure trends

Total expenditure grew rapidly between 1999/00 and 2002/03, rising from R28,9 million to R68,2 million, and is expected to reach R86,8 million in 2005/06, an annual average growth rate over the seven-year period of 20,1 per cent.

The growth has mainly been driven by two subprogrammes, International Relations and the Grootfontein Agricultural Development Institute. Funding for the Institute began in 2000/01 at R16,7 million, and this is expected to rise to R24,6 million in 2005/06. The increase is being used to fund expanded programmes for emerging farmers. Funding for the International Relations subprogramme is expected to rise from R17,5 million in 1999/00 to R39,3 million in 2005/06, an annual average increase of 14,4 per cent. This increase is mainly driven by currency fluctuations.

## Service delivery objectives and indicators

### Recent outputs

A framework was developed for a communication policy for the agricultural sector. The framework will contribute to effective agricultural information dissemination. An Agricultural Education and Training (AET) strategy document will be finalised in March 2003.

Farmers, particularly Land Redistribution for Agricultural Development (LRAD) beneficiaries, will receive training that is relevant to their needs.

### Medium-term output targets

#### Communication and Information Management

Measurable objective: To develop and implement an effective strategy and structured plan for internal and external communication and information management.

Subprogramme	Output	Measure/Indicator	Target
Agricultural Information Services	Publications, radio broadcasts and web-based information	Number of emerging farmers who receive information produced by the Department	200 000 emerging farmers reached by March 2004
International Relations	A technical assistance programme for Africa	Proportion of identified priorities] implemented successfully	40% of priorities identified in the programme implemented by March 2004
Agricultural Education and Training	A bursary scheme for agriculture	Number of bursaries awarded	100 learners selected from tertiary institutions, agricultural high schools and conventional high schools provided with bursaries by March 2004
Grootfontein Agricultural Development Institute	Targeted farmer training programmes	Proportion of students who are previously disadvantaged individuals (PDIs) and who complete the training	At least 80% of entrants are PDIs. At least 80% of students complete their training

## Programme 9: Programme Planning, Monitoring and Evaluation

*Programme Planning, Monitoring and Evaluation* consolidates and supports strategic and operational planning in the Department.

- Programme Management supports the Department in strategic and operational planning.
- Monitoring and Evaluation monitors and evaluates the impact of the Department's policies.

### Expenditure estimates

Table 26.11: Programme Planning, Monitoring and Evaluation

Subprogramme	Expenditure outcome				Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome	Adjusted appropriation			
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Programme Management	–	–	–	–	2 915	3 648	4 119
Monitoring and Evaluation	–	–	–	277	2 915	3 648	4 119
Total	–	–	–	277	5 830	7 296	8 238
Change to 2002 Budget Estimate				277	5 830	7 296	

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Economic classification							
Current	–	–	–	257	5 560	7 016	7 942
Personnel	–	–	–	177	2 195	2 549	2 902
Transfer payments	–	–	–	–	–	–	–
Other current	–	–	–	80	3 365	4 467	5 040
Capital	–	–	–	20	270	280	296
Transfer payments	–	–	–	–	–	–	–
Acquisition of capital assets	–	–	–	20	270	280	296
Total	–	–	–	277	5 830	7 296	8 238

## Standard items of expenditure

Personnel	–	–	–	177	2 195	2 549	2 902
Administrative	–	–	–	75	1 025	1 350	1 376
Inventories	–	–	–	5	105	110	130
Equipment	–	–	–	20	270	280	296
Land and buildings	–	–	–	–	–	–	–
Professional and special services	–	–	–	–	2 235	3 007	3 534
Transfer payments	–	–	–	–	–	–	–
Miscellaneous	–	–	–	–	–	–	–
Total	–	–	–	277	5 830	7 296	8 238

## Expenditure trends

This is a new programme, created during 2002/03. It has been funded through the reprioritisation of the Department's budget. Expenditure is forecast to grow strongly but from a very low base, increasing from R277 000 in 2002/03 to an expected R8,2 million in 2005/06. Due to the nature of the programme, the bulk of its expenditure is on personnel, and professional and special services.

## Service delivery objectives and indicators

## Recent outputs

This programme will only begin to operate fully in April 2003.

## Medium-term output targets

## Programme Planning, Monitoring and Evaluation

Measurable objective: To support the design and monitor the implementation of the Department's strategic plan to ensure improved organisational performance.

Subprogramme	Output	Measure/Indicator	Target
Programme Management	Strategic and operational plans for programmes	Number of programmes that have approved plans	All departmental programmes have approved strategic and operational plans by March 2004
Monitoring and Evaluation	An information tracking and monitoring system	The ability to access high quality information	A cost-effective agricultural information tracking and monitoring system developed and used by all programmes by March 2004

## Public entities reporting to the Minister

### National Agricultural Marketing Council

The Marketing of Agricultural Products Act (47 of 1996) established the National Agricultural Marketing Council in January 1997 to advise the Minister of Agriculture on the marketing of agricultural products. It facilitated the abolition of all agricultural marketing boards. Transfers to the National Agricultural Marketing Council are made from *Agricultural Trade and Business Development*, and are expected to total R5,2 million in 2002/03, increasing to R7 million in 2005/06.

### Agricultural Research Council

The Agricultural Research Council is established by the Agricultural Research Act (86 of 1990) to provide agricultural development, technology and support to the agricultural community. Transfer payments to the Council are funded from *Sustainable Resources Management and Use* and total R275 million in 2002/03, increasing to R331,5 million in 2005/06. The Council competes for supplementary research funding from the Innovation Fund of the Department of Science and Technology.

### Land Bank

The Land Bank is an agricultural development bank that provides financial services to a diverse range of clients, including rural entrepreneurs who have traditionally been denied access to credit. Clients who meet repayment and loan security criteria have access to the Land Bank's long-term loans to purchase land. Historically disadvantaged people have access to the Land Bank's Special Mortgage Bond. As a specialist financier guided by a new mandate, which requires it to promote rural development, the Land Bank focuses on:

- Providing finance to all sectors of the agricultural economy
- Meeting the needs of poor farmers
- Contributing to rural development and promoting stability in rural areas
- Matching financial sector norms for cost-efficiency, effectiveness and customer service.

### Onderstepoort Biological Products

Onderstepoort Biological Products Ltd became a state-owned public company on 6 September 2000. It produces and markets a variety of animal vaccines and related biological products for local and international markets. The company reported a profit of R8 million during its first year of operations.

### Ncera Farms

Ncera Farms (Pty) Ltd is a public company in which the Department of Agriculture is the sole shareholder. The purpose of the company is to help establish small and emerging farmers. Once the settlement of emerging farmers has been completed, the company will be closed.

### Perishable Products Export Control Board

The Perishable Products Export Control Board was established in terms of the Perishable Products Export Control Board Act (9 of 1983) to control the export of perishable products from South Africa, and to oversee related matters. The Board carries out inspections and quality controls, and provides technical, market intelligence and information services.

## Annexure

### Vote 26: Agriculture

Table 26.12: Summary of expenditure trends and estimates per programme

Table 28.13: Summary of expenditure trends and estimates per economic classification

Table 28.14: Summary of expenditure trends and estimates per standard item

Table 26.15: Summary of personnel numbers and costs

Table 26.16: Summary of expenditure on training

Table 26.17: Summary of information and communications technology expenditure

Table 26.18: Summary of conditional grants to provinces

Table 26.19: Summary of donor support

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Table 26.12: Summary of expenditure trends and estimates per programme

	Expenditure outcome			Main appropriation	Additional appropriation	Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome					Current	Capital	Total
	1999/00	2000/01	2001/02		2002/03			2003/04	2004/05	2005/06
R thousand										
1 Administration	112 788	106 620	125 902	142 659	14 572	157 231	142 407	127 769	25 322	153 091
2 Farmer Support and Development	10 803	12 473	99 995	126 850	3 477	130 327	127 988	59 860	86 489	146 349
3 Agricultural Trade and Business Development	10 827	11 858	18 109	24 750	(1 115)	23 635	19 597	34 282	666	34 948
4 Agricultural Research and Economic Analysis	9 526	11 483	24 572	19 571	616	20 187	16 523	23 092	633	23 725
5 Agricultural Production	6 480	–	–	1 669	(131)	1 538	1 215	5 256	321	5 577
6 Sustainable Resources Management and Use	395 778	399 875	393 062	395 160	615	395 775	391 147	393 699	57 638	441 337
7 National Agricultural Regulatory Services	100 629	134 857	153 523	140 023	7 382	147 405	151 505	174 351	11 057	185 408
8 Communication and Information Management	28 866	46 162	55 971	65 704	2 499	68 203	67 888	73 591	2 343	75 934
9 Programme Planning, Monitoring and Evaluation	–	–	–	333	(56)	277	277	5 560	270	5 830
Total	675 697	723 328	871 134	916 719	27 859	944 578	918 812	887 460	184 739	1 072 199
Change to 2002 Budget Estimate						27 859	2 093			61 404



Table 26.13: Summary of expenditure trends and estimates per economic classification

[illegible]

Table 26.14: Summary of expenditure trends and estimates per standard item

	Expenditure outcome			Main appropriation	Additional appropriation	Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome					Current	Capital	Total
	1999/00	2000/01	2001/02		2002/03			2003/04	2004/05	2005/06
R thousand										
Personnel	184 587	202 413	220 115	263 009	2 619	265 628	255 056	308 939	10 423	319 362
Administrative	44 778	60 600	69 117	93 291	575	93 866	91 516	105 712	4 184	109 896
Inventories	20 449	31 350	31 619	33 116	193	33 309	33 309	31 651	3 617	35 268
Equipment	34 965	36 130	47 727	36 820	692	37 512	35 702	–	35 472	35 472
Land and buildings	2 340	512	5 243	14 679	13 000	27 679	18 776	–	15 340	15 340
Professional and special services	50 953	67 486	93 095	84 040	5 165	89 205	87 074	122 578	3 656	126 234
Transfer payments	333 605	308 566	402 908	391 764	5 615	397 379	397 379	318 580	112 047	430 627
Miscellaneous	4 020	16 271	1 310	–	–	–	–	–	–	–
Total	675 697	723 328	871 134	916 719	27 859	944 578	918 812	887 460	184 739	1 072 199
									1 015 651	1 120 009

Table 26.15: Summary of personnel numbers and costs<sup>1</sup>

Personnel numbers	1999/00			2000/01			2001/02			2002/03			2003/04		
	785	785	757	757	799	804	804	804	804	804	804	804	804	804	804
1 Administration	59	59	48	48	16	16	16	16	16	16	16	16	16	16	16
2 Farmer Support and Development	37	37	33	33	81	81	81	81	81	81	81	81	81	81	81
3 Agricultural Trade and Business Development	10	10	40	40	46	46	46	46	46	46	46	46	46	46	46
4 Agricultural Research and Economic Analysis	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
5 Agricultural Production	617	617	637	637	730	730	730	730	730	730	730	730	730	730	730
6 Sustainable Resources Management and Use	926	926	916	916	1 189	1 189	1 189	1 189	1 189	1 189	1 189	1 189	1 189	1 189	1 189
7 National Agricultural Regulatory Services	357	357	358	358	341	341	341	341	341	341	341	341	341	341	341
8 Communication and Information Management	2 791	2 791	2 789	2 789	3 202	3 202	3 202	3 202	3 202	3 202	3 202	3 202	3 202	3 202	3 202
Total	173 902	173 902	206 663	206 663	210 540	210 540	210 540	210 540	210 540	210 540	210 540	210 540	210 540	210 540	210 540
Total personnel cost (R thousand)	62.3	62.3	74.1	74.1	65.8	65.8	65.8	65.8	65.8	65.8	65.8	65.8	65.8	65.8	65.8
Unit cost (R thousand)															

<sup>1</sup> Full-time equivalent

Table 26.16: Summary of expenditure on training

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
	1999/00	2000/01	2001/02		2002/03	2003/04	2004/05
R thousand							
1 Administration	833	1 061	1 409	1 984	2 074	2 164	2 310
2 Farmer Support and Development	-	-	210	400	546	596	645
3 Agricultural Trade and Business Development	-	-	110	325	315	385	472
4 Agricultural Research and Economic Analysis	49	146	77	198	335	355	376
5 Agricultural Production	-	-	-	5	5	5	5
6 Sustainable Resources Management and Use	354	455	403	481	578	690	770
7 National Agricultural Regulatory Services	778	522	900	1 892	2 068	2 189	2 259
8 Communication and Information Management	250	117	185	2 096	3 337	3 742	3 845
9 Programme Planning, Monitoring and Evaluation	-	-	-	-	10	10	10
Total	2 264	2 301	3 294	7 381	9 268	10 136	10 692

Table 26.17: Summary of information and communications technology expenditure

	Expenditure outcome 2001/02	Adjusted appropriation 2002/03	Medium-term expenditure estimate			
R thousand	2001/02	2002/03	2003/04	2004/05	2005/06	
1 Administration	18 504	14 901	17 049	18 089	19 174	
Technology	11 201	6 912	8 094	8 584	9 099	
IT services	7 303	7 989	8 955	9 505	10 075	
2 Farmer Support and Development	118	739	500	350	385	
Technology	118	739	500	350	385	
IT services	–	–	–	–	–	
3 Agricultural Trade and Business Development	225	372	120	120	161	
Technology	225	372	120	120	161	
IT services	–	–	–	–	–	
4 Agricultural Research and Economic Analysis	1 658	2 045	2 315	2 484	2 633	
Technology	83	344	478	500	530	
IT services	1 575	1 701	1 837	1 984	2 103	
5 Agricultural Production	–	22	22	10	26	
Technology	–	22	22	10	26	
IT services	–	–	–	–	–	
6 Sustainable Resources Management and Use	3 051	4 288	3 383	3 692	3 913	
Technology	1 056	1 788	683	736	780	
IT services	1 995	2 500	2 700	2 956	3 133	
7 National Agricultural Regulatory Services	9 302	10 222	12 636	14 880	15 515	
Technology	3 302	3 222	5 076	6 564	6 700	
IT services	6 000	7 000	7 560	8 316	8 815	
8 Communication and Information Management	553	8 648	9 499	10 402	11 026	
Technology	553	1 047	1 290	1 373	1 455	
IT services	–	7 601	8 209	9 029	9 571	
9 Programme Planning, Monitoring and Evaluation	–	–	95	100	105	
Technology	–	–	95	100	105	
IT services	–	–	–	–	–	
Total	33 411	41 237	45 619	50 127	52 938	

Table 26.18: Summary of conditional grants to provinces<sup>1</sup>

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
	1999/00	2000/01	2001/02		2002/03	2003/04	2004/05
R thousand							
6 Sustainable Resources Management and Use							
Land Care Projects	18 799	17 971	28 376	24 000	38 000	-	-
Total	18 799	17 971	28 376	24 000	38 000	-	-

<sup>1</sup> Detail provided in the Division of Revenue Act, 2003.

Table 26.19: Summary of donor support

R thousand	ODA Programme/Project Name	Donor	Cash or Kind	Outcome			2002/03	Medium-term expenditure estimate			
				1999/00	2000/01	2001/02		2003/04	2004/05	2005/06	
Auditing of software	Workshop on crop forecasting techniques Development of an international standard for phytosanitary measures Attend the SADC Regional Early Warning Annual Organisational meeting Network of plant genetic resources Crop estimate study tour Training of Executive Council, Advisory Committee and Inspectors  Attend a SEARCH meeting in Dar Es Salaam Attend the SABIE BEECON 2002  Project evaluation (Sectoral Budget Support Programme) Female Farmer Competition Female Farmer Competition Female Farmer Competition Female Farmer Competition Female Farmer Competition Female Farmer Competition Female Farmer Competition Female Farmer Competition National project to develop a Strategy for Education and Training	Microsofi SA and the Business Software Alliance	Kind	-	-	200	-	-	-	-	
		SADC FANR Development Unit	Cash	-	-	112	-	-	-	-	
		International Plant Protection Convention	Kind	-	-	14	-	-	-	-	
		Organisation (SADC)	Kind	-	-	-	18	-	-	-	-
		SADC Plant Genetic Resources Network	Cash	-	-	77	-	-	-	-	-
		USDA's Cochran Fellowship Program	Kind	-	-	114	-	-	-	-	-
		Southern Africa Regional Biosafety Programme	Kind	-	-	-	91	-	-	-	-
		AVCASA Industry Association	Kind	-	-	-	7	-	-	-	-
		South African Bee Industry Executive (SABIE)	Kind	-	-	-	1	-	-	-	-
		RDP (Netherlands Government)	Cash	9 781	-	425	-	-	-	-	-
	SA Breweries	Cash	-	-	100	-	-	-	-	-	
	Old Mutual Foundation	Cash	-	-	50	-	-	-	-	-	
	Landbou Weekblad	Cash	-	-	6	-	-	-	-	-	
	First National Bank	Cash	-	-	8	-	-	-	-	-	
	The Land Bank	Cash	-	-	250	-	-	-	-	-	
	Potato SA	Cash	-	-	5	-	-	-	-	-	
	SAFEX	Cash	-	-	5	-	-	-	-	-	
	ABSA	Cash	-	-	-	10	-	-	-	-	
	FAO donor funds	Kind	-	-	-	22	-	-	-	-	
			9 781	-	1 366	149	-	-	-	-	

Table 26.20: Summary of expenditure on infrastructure

R thousand	Expenditure outcome				Adjusted appropriation	Medium-term expenditure estimate			
	1999/00	2000/01	2001/02			2003/04	2004/05	2005/06	
Projects									
Infrastructure programmes or large infrastructure projects									
Small project groups	25 828	22 561	24 817		26 302	26 356	28 516	30 117	
- Key Soil Conservation Works									
Nelspoort	4 200	4 400	4 300		2 800	1 000	-	-	
Engcobo	-	-	-		2 200	5 100	5 600	6 000	
Elukwatini	4 200	4 200	4 100		4 100	4 800	5 400	6 000	
Sigeni	4 100	4 700	4 600		4 300	4 700	-	-	
QuaQua	-	-	-		-	-	5 600	6 000	
Senekal	4 200	4 300	4 100		4 100	-	-	-	
Rysmierbult	4 100	4 200	4 100		3 500	-	-	-	
Sekgopo	-	-	-		2 200	5 500	5 800	6 000	
Silverton	5 028	761	3 617		3 102	5 256	6 116	6 117	
Infrastructure transfers	-	-	-		-	-	-	-	
Sub-total	25 828	22 561	24 817		26 302	26 356	28 516	30 117	
Fixed installations transferred to households	-	-	-		-	-	-	-	
Maintenance on infrastructure	-	-	-		-	-	-	-	
Total	25 828	22 561	24 817		26 302	26 356	28 516	30 117	

