

Vote 25

Agriculture

R thousand	2006/07 To be appropriated	2007/08	2008/09
MTEF allocations	1 957 648	2 193 490	2 299 656
<i>of which:</i>			
Current payments	882 202	931 737	990 148
Transfers and subsidies	1 042 387	1 228 218	1 275 317
Payments for capital assets	33 059	33 535	34 191
Statutory amounts	-	-	-
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.

Programme purposes

Programme 1: Administration

Provide the department with political and strategic leadership and management, and manage capital investments.

Programme 2: Livelihoods, Economics and Business Development

Promote equitable access to the agricultural sector, the growth and commercial viability of emerging farmers, and food security and rural development. Facilitate market access for South African agricultural products nationally and internationally by developing and implementing appropriate policies and targeted programmes. Promote broad-based black economic empowerment (BEE) in the sector. Provide information for developing and monitoring the agricultural sector.

Programme 3: Bio-Security and Disaster Management

Develop and implement policies for food safety, agricultural risk and disaster management and for controlling animal and plant diseases.

Programme 4: Production and Resources Management

Manage productivity and sustainability in agriculture, monitor and control genetically modified organisms and develop and implement policies and legislation on the sustainable use of agricultural land and water resources.

Programme 5: Sector Services and Partnerships

Manage and co-ordinate stakeholder and international relations, agricultural education and training, extension and advisory services, and scientific research and development.

Strategic overview and key policy developments: 2002/03 – 2008/09

Since 1994, the Department of Agriculture's overarching policy and strategic objective has been to broaden access to agriculture. Over the past 11 years, the department has made considerable progress in providing more and better opportunities for those who previously lacked them. For the period ahead, the department has revised its programme structure, reducing its nine programmes to five. The objective has been to refocus its functions on: increasing access to the agricultural sector through the broad-based black economic empowerment (BEE) initiative; contributing towards poverty eradication; providing support to emerging farmers to make sure that their businesses are commercially viable in the long term; and ensuring that South Africa is free from animal and plant diseases.

Devolution of responsibility for science councils

In the new governance framework for science and technology, the administrative responsibility for science councils has been transferred back to the relevant line function departments. The change provides an opportunity to address problems associated with previously inadequate national co-ordination and institutional frameworks. The department assumed budgetary responsibility for the Agricultural Research Council from April 2005, and intends to explore options for effectively co-ordinating, resourcing, developing and overseeing the national agricultural research system.

Comprehensive agriculture support programme

A core focus area is the comprehensive agriculture support programme (CASP), which provides post-settlement support to targeted beneficiaries of land reform and other producers who have acquired land through private means. The programme makes interventions in the following priority areas: information and knowledge management, technical and advisory assistance, training and capacity building, marketing and business development, on- and off-farm infrastructure, and regulatory services.

Provincial departments of agriculture, as implementing agents for the support programme, initially focused on providing infrastructure, but it became clear that to achieve the intended results a full rollout of the programme was needed. In the first years, significant underspending and rollovers also indicated that provincial departments were faced with capacity constraints. Recommendations to improve the provision of agriculture support include: reviewing grant conditions, business processes related to the identification and approval of projects, and business plans and timeframes for reporting, which will also be reviewed.

Micro Agricultural Financial Institutions of South Africa

The Micro Agricultural Financial Institutions of South Africa (MAFISA) is a credit scheme for the agricultural sector administered by the Land Bank on behalf of the department. It extends micro-credit and saving services to economically active poor rural households, small farmers and agribusinesses. The scheme has been launched in Limpopo, Eastern Cape, and KwaZulu-Natal and will be rolled out to the other provinces. Provincial steering committees will be responsible for implementation. Institutions will be participating in the scheme as financial intermediaries, once their capacity for outreach has been established.

Broad-based black economic empowerment framework

The BEE framework for agriculture (AgriBEE) is the department's response to improving equitable access to and participation in agricultural opportunities, deracialising land and enterprise ownership, and unlocking the entrepreneurial potential in the sector. The framework was developed in collaboration with agriculture stakeholders. When the agricultural sector charter has been signed, the proposed AgriBEE systems and initiatives will become operational.

Business models are being tested with selected commodity groups and local development organisations working on how best to integrate emerging participants into mainstream agriculture. Evaluation and monitoring systems for AgriBEE activities are being set up, and there will be implementation and monitoring workshops at the national, provincial, regional and local levels. Selected service providers will conduct training workshops on the impact and relevance of AgriBEE on local municipality delivery levels and the agricultural sector.

Nepad's comprehensive African agriculture development programme

The underlying principle for engagement in Africa is that regional stability and the sustainable development of African economies is in the interests of the continent as a whole. South Africa's objective is to contribute towards improved economic conditions in the rest of Africa through engagement with Nepad. Requests to South Africa from other African countries for technical assistance in the agricultural sector indicated a need for a dedicated technical assistance programme within the Nepad framework. The comprehensive African agriculture development programme (CAADP) was developed as a mechanism for mutual benefit between SADC countries. The CAADP has four pillars: land and water infrastructure, market access, food security, and research and development. The assistance provided by South Africa through the CAADP is an important enabler for regional development.

Accelerated and shared growth initiative

As a contribution to government's accelerated and shared growth initiative (ASGI-SA), the department will develop detailed business plans for identified ASGI-SA projects. The five key areas for the department are livestock, irrigation schemes, bio-fuels, land rehabilitation and agricultural development corridors.

Expenditure estimates

Table 25.1 Agriculture

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	
R thousand								
1. Administration	168 598	191 876	209 863	224 599	209 599	247 195	261 832	275 152
2. Livelihoods, Economics and Business Development	57 523	70 719	268 880	695 074	680 074	746 783	919 181	951 444
3. Bio-security and Disaster Management	236 969	421 437	343 173	383 250	368 250	245 939	258 096	281 381
4. Production and Resources Management	135 101	136 027	162 143	212 361	187 361	240 514	253 045	264 638
5. Sector Services and Partnerships	335 072	374 717	424 124	481 308	466 308	477 217	501 336	527 041
Total	933 263	1 194 776	1 408 183	1 996 592	1 911 592	1 957 648	2 193 490	2 299 656
Change to 2005 Budget estimate				311 854	226 854	25 796	30 046	32 367

Table 25.1 Agriculture (continued)

R thousand	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06		2006/07	2007/08	2008/09
Economic classification								
Current payments	478 641	532 258	581 732	806 416	731 416	882 202	931 737	990 148
Compensation of employees	245 539	273 086	320 093	402 619	352 619	469 675	495 544	524 045
Goods and services	232 750	258 247	260 709	403 797	378 797	412 527	436 193	466 103
<i>of which:</i>								
<i>Communication</i>	9 817	9 783	10 912	12 407	12 407	15 042	16 145	16 740
<i>Computer Services</i>	10 761	12 934	13 142	20 942	15 942	8 601	8 745	8 661
<i>Consultants, contractors and special services</i>	48 344	55 595	57 449	138 055	118 055	140 985	150 438	154 176
<i>Inventory</i>	39 805	38 407	43 003	44 340	44 340	41 788	41 715	42 783
<i>Maintenance repair and running cost</i>	10 720	11 640	12 247	16 148	16 148	18 208	19 335	16 692
<i>Operating leases</i>	18 226	20 252	23 686	26 561	26 561	30 135	34 552	37 054
<i>Travel and subsistence</i>	62 472	66 066	63 143	52 741	52 741	44 834	48 952	51 266
<i>Municipal Services</i>	5 923	6 249	6 560	7 080	7 080	8 295	9 002	9 569
<i>Assets < R5000</i>	6 257	7 678	7 627	12 534	12 534	13 627	12 357	12 859
Financial transactions in assets and liabilities	352	925	930	–	–	–	–	–
Transfers and subsidies	417 343	633 213	761 821	1 145 547	1 135 547	1 042 387	1 228 218	1 275 317
Provinces and municipalities	24 639	67 138	345 006	411 745	411 745	345 173	462 080	484 247
Departmental agencies and accounts	281 784	319 122	358 905	384 711	384 711	407 032	427 439	448 161
Public corporations and private enterprises	1 630	16 687	2 352	146 460	146 460	202 226	251 920	252 010
Foreign governments and international organisations	23 490	15 294	12 998	158 241	158 241	15 646	15 915	16 664
Non-profit institutions	800	180	2 628	600	600	–	–	–
Households	85 000	214 792	39 932	43 790	33 790	72 310	70 864	74 235
Payments for capital assets	37 279	29 305	64 630	44 629	44 629	33 059	33 535	34 191
Buildings and other fixed structures	24 253	20 237	36 892	17 676	17 676	19 270	19 183	20 104
Machinery and equipment	9 949	9 068	24 383	25 008	24 946	12 778	13 336	13 162
Cultivated assets	–	–	175	–	62	–	–	–
Software and other intangible assets	3 077	–	3 180	1 945	1 945	1 011	1 016	925
<i>of which: Capitalised compensation</i>	9 703	10 790	17 462	16 586	16 586	27 689	30 271	32 666
Total	933 263	1 194 776	1 408 183	1 996 592	1 911 592	1 957 648	2 193 490	2 299 656

Expenditure trends

Total expenditure grows at a steady pace throughout 2002/03 to 2008/09, except for a slight decline in 2006/07. Between 2002/03 and 2005/06, expenditure increased at an average annual rate of 28,9 per cent, from R933,3 million to nearly R2 billion. In 2005/06, expenditure rose sharply due to unforeseen expenditure on: a contribution to the world food programme (R140 million), drought relief (R120 million) and combating the outbreak of classical swine fever in Eastern Cape and Western Cape (R20,4 million). The bulk of expenditure for 2005/06 was for transfer payments, including transfers to the Agricultural Research Council (R360,9 million), the National

Agricultural Marketing Council (R14 million) and MAFISA (R150 million), as well as for conditional grants to provinces for the comprehensive agriculture support programme (CASP) and LandCare (R290 million). Over the 2006 MTEF, expenditure is expected to grow at an annual average rate of 4,8 per cent, from R2 billion to R2,3 billion.

Departmental receipts

A significant portion of revenue is derived from the sale of goods and services which include: statutory services such as registering fertilizers, farm feeds, agricultural remedies and brands; drilling boreholes; analysing soil; issuing import and export certificates for agricultural products; issuing liquor control permits; and quarantine and inspection services. Other receipts come from interest payments. The department also recovers loans by the former Agriculture Credit Board to commercial farmers. These funds are paid into the Agricultural Debt Account as prescribed by the Agricultural Debt Management Act (2001), and administered outside the exchequer. MAFISA is funded from this account.

From 2002/03 to 2004/05, revenue from the sale of goods and services increased at an average annual rate of 69,2 per cent. The high growth in departmental receipts for 2003/04 was due to: R100 million in unspent flood disaster funds paid back by the Land Bank, R8,9 million from an auction of redundant heavy duty earthmoving machinery, and R56,1 million from recovered loans.

Table 25.2 Departmental receipts

R thousand	Audited outcome			Adjusted appropriation	Medium-term receipts estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Departmental receipts	67 184	235 529	100 620	67 447	71 871	68 429	72 036
Sales of goods and services produced by department	21 909	54 547	62 729	55 799	59 930	56 231	59 232
Sales of scrap, waste and other used current goods	75	9	3	–	5	5	5
Transfers received	10	13	–	–	–	–	–
Fines, penalties and forfeits	21	1	16	3	3	3	3
Interest, dividends and rent on land	6 810	10 937	14 193	9 358	9 424	9 444	9 897
Sales of capital assets	–	9 003	11 865	271	325	380	415
Financial transactions in assets and liabilities	38 359	161 019	11 814	2 016	2 184	2 366	2 484
Total	67 184	235 529	100 620	67 447	71 871	68 429	72 036

Programme 1: Administration

The *Administration* programme conducts the overall management of the department and provides centralised support services. It also deals with collecting agricultural debt.

Expenditure estimates

Table 25.3 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
R thousand							
Minister ¹	825	921	791	837	887	934	981
Management	50 567	60 186	65 105	81 179	86 837	91 423	95 037
Corporate Services	71 604	88 480	80 118	96 523	106 061	111 485	117 557
Capital Works	24 195	19 468	36 870	17 236	19 270	19 183	20 104
Property Management	21 407	22 821	26 979	28 824	34 140	38 807	41 473
Total	168 598	191 876	209 863	224 599	247 195	261 832	275 152
Change to 2005 Budget estimate				30 312	30 443	34 926	37 355

¹ Payable as from 1 April 2005. Salary: R 669 462. Car allowance: R 167 365.

Table 25.3 Administration (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Economic classification							
Current payments	139 060	167 179	164 196	204 366	225 872	240 527	252 854
Compensation of employees	74 694	86 088	82 163	105 963	117 980	124 560	131 204
Goods and services	64 212	80 926	81 285	98 403	107 892	115 967	121 650
<i>of which:</i>							
Communication	5 137	5 665	6 192	10 359	8 729	9 304	9 360
Computer Services	8 348	10 520	10 950	12 479	5 934	5 688	5 101
Consultants, contractors and special services	6 421	8 093	8 484	9 600	18 525	19 641	19 987
Inventory	6 409	7 283	7 891	9 319	3 845	4 101	4 233
Maintenance repair and running cost	1 926	2 428	2 806	1 880	2 988	3 119	3 132
Operating leases	16 476	18 126	21 350	23 471	27 123	31 156	33 314
Travel and subsistence	5 137	6 474	6 711	7 680	8 121	8 684	8 785
Advertising	1 284	1 619	1 349	1 919	1 946	2 023	2 190
Municipal services	5 923	6 249	6 560	7 080	8 295	9 002	9 569
Audit fees	1 279	1 600	1 923	1 920	3 495	3 775	4 076
Assets < R5000	1 928	2 518	2 769	2 881	4 638	3 666	3 801
Financial transactions in assets and liabilities	154	165	748	–	–	–	–
Transfers and subsidies	270	273	503	872	440	405	415
Provinces and municipalities	205	201	324	698	177	95	100
Public corporations and private enterprises	65	72	64	45	49	54	55
Households	–	–	115	129	214	256	260
Payments for capital assets	29 268	24 424	45 164	19 361	20 883	20 900	21 883
Buildings and other fixed structures	24 195	19 468	36 870	17 236	19 270	19 183	20 104
Machinery and equipment	2 077	4 956	5 626	543	1 579	1 681	1 742
Software and other intangible assets	2 996	–	2 668	1 582	34	36	37
Total	168 598	191 876	209 863	224 599	247 195	261 832	275 152

Expenditure trends

Expenditure has been increasing steadily, with average annual growth between 2002/03 to 2005/06 at 10 per cent, bringing expenditure in 2005/06 to R224,6 million. For the 2006 MTEF, expenditure is projected to grow to R275,2 million at an average annual rate of 5,7 per cent. The decline is partly due to the transfer of the deputy minister's function and budget to the Department of Land Affairs. The decline is counterbalanced by the increase in the baseline due to the devolution of funds from the Department of Public Works.

From 1 April 2006, costs for leases and accommodation charges will be devolved from the Department of Public Works to individual departments. The Department of Agriculture received the following amounts: R34,1 million in 2006/07, R38,8 million in 2007/08 and R41,5 million in 2008/09. Expenditure has been adjusted for 2002/03 to 2005/06.

Programme 2: Livelihoods, Economics and Business Development

The *Livelihoods, Economics and Business Development* programme: promotes equitable access to the agricultural sector, the growth and commercial viability of emerging farmers, and food security and rural development; facilitates market access for South African agricultural products nationally and internationally by developing and implementing appropriate policies and targeted programmes; promotes broad-based black economic empowerment (BEE) in the sector; and provides information for developing and monitoring the sector.

Apart from the *Management* subprogramme, there are four subprogrammes:

- *Livelihoods Development Support* provides post-settlement support to emerging farmers, promotes farmer co-operatives and village banks, and is responsible for food security policy and legislation, programmes, and information.
- *Trade and Business Development* facilitates international and domestic market access for South African agricultural products and promotes BEE in the sector. It also interacts with the National Agricultural Marketing Council.
- *Economic and Statistical Services* provides for the collection and analysis of agricultural statistics, monitors and evaluates the economic performance of the sector and produces quarterly reports on sector trends. It also interacts with Statistics South Africa.
- *National Agricultural Marketing Council* makes annual transfers to the council. The council advises the minister on the efficacy of the national food and agricultural marketing systems.

Expenditure estimates

Table 25.4 Livelihoods, Economics and Business Development

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
R thousand							
Management	1 395	1 628	1 486	1 821	1 903	1 998	2 044
Livelihoods Development Support	27 132	33 124	224 529	601 737	570 587	739 085	762 624
Trade and Business Development	9 288	12 428	16 157	54 075	134 629	136 395	142 987
Economic and Statistical Services	14 496	13 430	16 107	23 480	26 954	28 383	29 830
National Agricultural Marketing Council	5 212	10 109	10 601	13 961	12 710	13 320	13 959
Total	57 523	70 719	268 880	695 074	746 783	919 181	951 444
Change to 2005 Budget estimate				100 757	(4 647)	(4 880)	(16 972)

Economic classification

	49 881	57 331	52 409	137 742	160 151	168 081	176 319
Current payments							
Compensation of employees	21 295	22 631	31 161	56 416	62 416	65 076	69 368
Goods and services	28 575	34 700	21 222	81 326	97 735	103 005	106 951
<i>of which:</i>							
<i>Consultants, contractors and special services</i>	8 573	10 410	6 433	51 731	56 486	59 577	59 888
<i>Inventory</i>	2 000	2 429	1 561	2 529	1 844	1 977	2 173
<i>Maintenance repair and running cost</i>	1 429	1 735	1 148	2 573	1 065	1 149	1 168
<i>Travel and subsistence</i>	9 716	11 798	7 179	3 704	11 605	12 611	13 501
<i>Advertising</i>	1 429	1 735	1 045	4 161	16 658	16 725	17 725
<i>Assets < R5000</i>	1 432	1 735	1 019	4 002	2 496	2 680	2 799
Financial transactions in assets and liabilities	11	–	26	–	–	–	–
Transfers and subsidies	7 642	12 324	215 298	556 245	585 823	750 186	774 192
Provinces and municipalities	65	70	200 100	250 149	300 054	415 000	434 918
Departmental agencies and accounts	5 212	10 109	10 601	13 961	12 710	13 320	13 959
Public corporations and private enterprises	1 565	1 965	2 247	146 385	202 177	251 866	251 955
Foreign governments and international organisations	–	–	–	140 000	–	–	–
Non-profit institutions	800	180	2 269	–	–	–	–
Households	–	–	81	5 750	70 882	70 000	73 360

Table 25.4 Livelihoods, Economics and Business Development (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Payments for capital assets	–	1 064	1 173	1 087	809	914	933
Buildings and other fixed structures	–	–	22	–	–	–	–
Machinery and equipment	–	1 064	1 151	1 077	532	604	617
Software and other intangible assets	–	–	–	10	277	310	316
Total	57 523	70 719	268 880	695 074	746 783	919 181	951 444

Details of major transfers and subsidies:

Provinces							
Current	–	–	200 000	250 000	300 000	415 000	434 918
Comprehensive Agricultural Support Programme Grant	–	–	200 000	250 000	300 000	415 000	434 918
Public entities							
Current	5 212	10 109	10 601	13 961	12 710	13 320	13 959
National Agricultural Marketing Council	5 212	10 109	10 601	13 961	12 710	13 320	13 959
Public corporations							
Current	1 565	1 585	2 240	146 385	202 177	251 866	251 955
Ncera Farms (Pty) Ltd	1 565	1 585	2 240	2 377	2 177	1 866	1 955
Land and Agricultural Bank of SA	–	–	–	144 000	200 000	250 000	250 000
Eskom	–	–	–	8	–	–	–
Private enterprises							
Foreign governments and international organisations							
Current	–	–	–	140 000	–	–	–
World Food Programme	–	–	–	140 000	–	–	–
Households							
Current	–	–	–	5 000	70 000	70 000	73 360
Broad-based Black Economic Empowerment Programme for Agriculture (AgriBEE)	–	–	–	5 000	70 000	70 000	73 360

Expenditure trends

Expenditure has more than doubled from 2002/03 to 2004/05, rising from R57,5 million to R268,9 million, at an average annual rate of 116,2 per cent. This is largely due to: the allocation for the comprehensive agriculture support programme, introduced in 2004/05; and an increase from R5,2 million in 2002/03 to R10,1 million in 2003/04 in the allocation to the National Agricultural Marketing Council. The sharp increase from R268,9 million in 2004/05 to R695,1 million in 2005/06 was due to additional funds for: South Africa's contribution to the world food programme, CASP and MAFISA.

For the 2006 MTEF, expenditure is expected to continue to increase at an average annual rate of 11 per cent, reaching R951,4 million in 2008/09. This is mainly because agricultural support and AgriBEE are the programme's core focus areas and main cost drivers.

For the 2006 MTEF, the programme has transferred R4,6 million, R4,9 million and R5,1 million to the Department of Trade and Industry following the shift of the registrar of co-operatives. Over the past three years, R23,1 million was paid to Statistics South Africa for an agricultural census and sample survey done on behalf of the department. Also on the programme's budget is an annual transfer of R2,2 million, R1,9 million and R2 million for 2006/07 to 2008/09 to Ncera Farms (Pty) Ltd, a public company owned by the department.

Service delivery objectives and indicators

Recent outputs

Commercial viability of emerging farmers

In line with the objective of ensuring the commercial viability of emerging farmers, a pilot study was undertaken on 145 farming projects in Mpumalanga, North West, and the Free State to evaluate their commercial viability.

Food security

As the lead department within the social sector cluster for the implementation of the integrated food security and nutrition programme (IFSNP), work has been done in collaboration with relevant stakeholders, including non-governmental organisations, schools and communities to disseminate suitable technologies, information and training modules to increase levels of household food production. Agricultural starter packs were distributed to over 18 000 households during 2005/06 against the target of 62 000 households.

Micro-Agricultural Financial Institutions of South Africa

MAFISA was established to create access to finance by farmers, especially beneficiaries of the state driven land restitution, redistribution and tenure reform programmes.

International engagements

A fixed preference agreement was concluded in December 2004 between the South African Customs Union and Mercado Comu'm Del Sur (Mercosur), which extended preferential access towards a limited number of agricultural products in the respective markets.

In line with the target, more than 10 negotiating papers were produced including agricultural positions on the European Union (EU) enlargement and the European Union Trade, Development and Co-operation Agreement (EU TDCA) review.

Targeted marketing support

A national policy framework that will facilitate the implementation of a state aided programme to establish agricultural marketing infrastructure in the rural development nodes was finalised.

More than 20 000 copies of the agricultural marketing brochures, targeted at developing farmers and which cover the basics of agricultural marketing, were distributed to all provinces in all official languages. A total of 1 335 import and export permits were issued, saving the local traders about R300 million in import duties.

Agriculture industry-based business partnerships

The implementation plan for the cotton industry has been completed. It is expected that the grain strategy's implementation plan will be concluded in the near future. The fruit industry is in the process of developing its strategy, which will be finalised in the first quarter of 2006.

Sector economic and statistical reports

The micro financial record system for farms and enterprises (Finrec) was completed. Reports and publications that have been released include the quarterly economic review and forecast, update of agricultural economic terminology (basic concepts), abstract of agricultural statistics, trends in the agricultural sector, economic review of the agricultural sector, crops and markets, food security bulletin, statistics on fresh produce markets and industry brochures.

Selected medium-term output targets

Livelihoods, Economics and Business Development

Measurable objective: Improve emerging farmers' access to and sustained participation in agriculture, and improve food security in the medium term through providing better opportunities and more equitable access in order to maximise growth and employment in the sector.

Subprogramme	Output	Measure/indicator	Target
Livelihoods Development Support	Improved household food security	Number of food insecure households reached	62 000 household food production packages
	Rollout of MAFISA	Number of farmers awarded loans	2 000 farmers
Trade and Business Development	Sector specific strategies	Number of strategies	2 strategies
Economic and Statistical Services	Reports on the performance of the sector	Number of reports published	6 statistical reports 10 economic reviews 6 topical reports

Programme 3: Bio-Security and Disaster Management

The *Bio-Security and Disaster Management* programme is responsible for managing the risks associated with animal and plant diseases and ensuring food safety. The programme also develops the agricultural risk and disaster management policy framework for providing early warnings and post-disaster support to farmers.

Apart from the *Management* subprogramme, there are two subprogrammes:

- *Plant Health and Inspection Services* focuses on policies and systems to control plant diseases and on making sure that illegal agricultural products do not enter and leave South Africa. It also makes sure that plant products are good quality.
- *Food, Animal Health and Disaster Management* manages animal diseases and helps negotiate protocols for importing and exporting animals and animal products, makes sure that animal products are good quality and safe, and develops the agricultural risk and disaster management policy framework.

Expenditure estimates

Table 25.5 Bio-Security and Disaster Management

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
R thousand							
Management	1 126	1 590	1 658	1 786	1 888	1 981	2 027
Plant Health and Inspection Services	44 939	55 303	58 110	72 020	94 998	99 695	115 474
Food, Animal Health and Disaster Management	190 904	364 544	283 405	309 444	149 053	156 420	163 880
Total	236 969	421 437	343 173	383 250	245 939	258 096	281 381
Change to 2005 Budget estimate				151 774	–	–	10 896

Table 25.5 Bio-Security and Disaster Management (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Economic classification							
Current payments	149 221	159 811	194 265	216 777	238 536	250 553	274 175
Compensation of employees	77 063	87 927	122 831	134 585	155 067	164 132	171 728
Goods and services	71 971	71 708	71 285	82 192	83 469	86 421	102 447
<i>of which:</i>							
<i>Computer Services</i>	<i>1 440</i>	<i>1 334</i>	<i>1 325</i>	<i>3 539</i>	<i>1 162</i>	<i>1 442</i>	<i>1 788</i>
<i>Consultants, contractors and special services</i>	<i>12 235</i>	<i>12 190</i>	<i>12 027</i>	<i>21 723</i>	<i>23 232</i>	<i>23 971</i>	<i>24 894</i>
<i>Inventory</i>	<i>11 515</i>	<i>11 473</i>	<i>11 455</i>	<i>9 284</i>	<i>6 525</i>	<i>6 263</i>	<i>7 095</i>
<i>Maintenance repair and running cost</i>	<i>1 971</i>	<i>2 151</i>	<i>1 948</i>	<i>4 727</i>	<i>2 735</i>	<i>2 871</i>	<i>3 172</i>
<i>Operating leases</i>	<i>719</i>	<i>717</i>	<i>924</i>	<i>813</i>	<i>1 722</i>	<i>1 898</i>	<i>2 054</i>
<i>Travel and subsistence</i>	<i>34 546</i>	<i>34 420</i>	<i>33 983</i>	<i>29 711</i>	<i>13 797</i>	<i>14 945</i>	<i>15 147</i>
<i>Advertising</i>	<i>1 439</i>	<i>1 414</i>	<i>1 223</i>	<i>1 626</i>	<i>1 858</i>	<i>1 818</i>	<i>1 837</i>
<i>Assets < R5000</i>	<i>1 823</i>	<i>2 162</i>	<i>2 241</i>	<i>2 381</i>	<i>4 211</i>	<i>4 519</i>	<i>4 702</i>
Financial transactions in assets and liabilities	187	176	149	-	-	-	-
Transfers and subsidies	86 688	259 628	139 803	157 942	531	281	288
Provinces and municipalities	168	30 236	100 268	120 346	94	-	-
Departmental agencies and accounts	1 520	-	-	-	-	-	-
Public corporations and private enterprises	-	14 600	15	30	-	-	-
Non-profit institutions	-	-	279	-	-	-	-
Households	85 000	214 792	39 241	37 566	437	281	288
Payments for capital assets	1 060	1 998	9 105	8 531	6 872	7 262	6 918
Buildings and other fixed structures	58	769	-	440	-	-	-
Machinery and equipment	1 002	1 229	8 687	8 091	6 872	7 262	6 918
Software and other intangible assets	-	-	418	-	-	-	-
Total	236 969	421 437	343 173	383 250	245 939	258 096	281 381

Details of major transfers and subsidies:

Provinces							
Provincial revenue funds							
Current	-	30 000	100 000	120 000	-	-	-
Drought Relief	-	-	100 000	120 000	-	-	-
Disaster Management	-	30 000	-	-	-	-	-
Public entities							
Current	1 520	-	-	-	-	-	-
Onderstepoort Biological Products Ltd	1 520	-	-	-	-	-	-
Public corporations							
Current	-	14 600	-	-	-	-	-
Abakor	-	14 600	-	-	-	-	-
Households							
Other transfers							
Current	85 000	214 792	38 270	37 270	-	-	-
Porcine Respiratory and Reproductive Syndrome	-	-	2 000	3 000	-	-	-
Avian Influenza	-	-	36 270	-	-	-	-
Classical Swine Fever	-	-	-	34 270	-	-	-
Agricultural Disaster Management	-	214 792	-	-	-	-	-
Flood Relief Scheme	85 000	-	-	-	-	-	-

Expenditure trends

Expenditure fluctuated from R237 million in 2002/03 to R421,4 million in 2003/04, and then fell to R343,2 million in 2004/05. The higher amount for 2003/04 resulted from an additional R34 million allocated through the Adjusted Estimates Budget for drought relief and for combating outbreaks of animal diseases. The budget is projected to grow more steadily over the next three years, at an average annual rate of 7 per cent, from R245,9 million in 2006/07 to R281,4 million in 2008/09.

The bulk of the programme's expenditure is on compensation of employees, as most of its work is regulatory, requiring inspection and certification activities. This accounts for an average of 60 per cent of the expenditure for the programme over the 2006 MTEF.

Service delivery objectives and indicators

Recent outputs

Animal Health

Over the past years, several outbreaks of highly contagious animal diseases occurred in the country. Western Cape was hit by African horse sickness and porcine reproductive and respiratory syndrome in pigs, while the Limpopo, Eastern and Western Cape provinces were affected by foot and mouth, avian influenza and classical swine fever. These outbreaks were contained successfully. The Animal Health Bill, 2002, which will replace the Animal Diseases Act (1984) has been published.

Agricultural product inspection services

Since the introduction of sniffer dogs at Johannesburg International Airport, the unauthorised movement of agricultural products into the country has been reduced. For the period ahead, the programme will continue focusing on strengthening capacity in order to effectively manage the risks posed by animal and plant diseases, and ensuring that agricultural products are safe and of good quality.

Agricultural risk management

Early warning climate advisories were issued on a monthly basis to the sector to assist farmers in managing climatic risks in their farming operations, including awareness campaigns on broad risk and disaster management issues.

South African pesticide initiative

The South African pesticide initiative programme was set up to assist the horticultural sector to comply with EU pesticide legislation, and is co-funded by the EU and the industry.

Selected medium-term output targets

Bio-security and Disaster Management

Measurable objective: Reduce the incidence of animal and plant diseases and ensure compliance with international and national agricultural risk and disaster management measures through improved risk management systems.

Subprogramme	Output	Measure/Indicator	Target
Plant Health and Inspection Services	Efficient regulatory systems and integrated control measures	Agricultural Pests Act 1983 amended	March 2007
Food, Animal Health and Disaster Management	Reduced incidence of animal diseases	Improved physical controls set up at all high risk areas	March 2007
	Effective food control	Food control strategy approved by Cabinet	March 2007
	Agricultural risk & disaster management	Risk and disaster information provided to farmers	40 000 farmers reached
	Early warning and bio security disaster management systems	Number of reports on projects compiled	2 reports

Programme 4: Production and Resources Management

The *Production and Resource Management* programme focuses on: creating an enabling environment for increased and sustainable agricultural production; and promoting sound management and use of land and water resources through appropriate policies, legislation, norms and standards, technical guidelines and other services.

Apart from the *Management* subprogramme, there are two subprogrammes:

- *Agricultural Production* facilitates improvements in agricultural productivity, with the emphasis on sustainable animal and aquaculture production systems, and administers the Animal Improvement Act (1998).
- *Engineering, Energy, Resource Use and Management* facilitates the development of agricultural infrastructure. Other activities include auditing natural resources, controlling migratory pests, rehabilitating and protecting agricultural land, and running the community-based LandCare programme.

Expenditure estimates

Table 25.6 Production and Resources Management

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
R thousand							
Management	–	–	–	–	1 006	1 057	1 081
Agricultural Production	13 953	14 610	18 925	36 495	58 014	60 900	63 783
Engineering, Energy, Resource Use and Management	121 148	121 417	143 218	175 866	181 494	191 088	199 774
Total	135 101	136 027	162 143	212 361	240 514	253 045	264 638
Change to 2005 Budget estimate				(10 765)	–	–	(553)

Table 25.6 Production and Resources Management (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Economic classification							
Current payments	104 129	97 680	109 370	154 333	188 984	199 340	208 178
Compensation of employees	50 644	51 717	53 909	73 729	93 262	98 125	104 807
Goods and services	53 485	45 953	55 454	80 604	95 722	101 215	103 371
<i>of which:</i>							
<i>Communication</i>	1 370	954	1 487	320	2 253	2 465	2 668
<i>Consultants, contractors and special services</i>	13 571	11 923	14 116	24 667	30 298	34 039	36 294
<i>Inventory</i>	18 285	14 476	18 769	20 014	28 531	28 572	29 070
<i>Maintenance repair and running cost</i>	4 814	4 328	5 159	6 879	10 220	10 946	7 904
<i>Travel and subsistence</i>	11 332	10 379	11 586	8 843	7 815	8 974	9 954
<i>Assets < R5000</i>	791	761	876	2 531	1 153	940	995
Financial transactions in assets and liabilities	–	10	7	–	–	–	–
Transfers and subsidies	24 136	36 608	45 194	43 493	47 561	49 775	52 519
Provinces and municipalities	24 136	36 558	44 222	40 462	44 811	46 975	49 219
Departmental agencies and accounts	–	–	500	2 128	2 000	2 500	3 000
Public corporations and private enterprises	–	50	26	–	–	–	–
Non-profit institutions	–	–	80	600	–	–	–
Households	–	–	366	303	750	300	300
Payments for capital assets	6 836	1 739	7 579	14 535	3 969	3 930	3 941
Machinery and equipment	6 755	1 739	7 485	14 182	3 269	3 260	3 369
Software and other intangible assets	81	–	94	353	700	670	572
<i>of which: Capitalised compensation</i>	9 703	10 790	17 462	16 586	27 689	30 271	32 666
Total	135 101	136 027	162 143	212 361	240 514	253 045	264 638

Details of major transfers and subsidies:

Provinces							
Current	24 000	36 400	43 800	40 000	44 500	46 725	48 969
Land Care Programme Grant: Poverty Relief and Infrastructure Grant	24 000	36 400	43 800	40 000	44 500	46 725	48 969
Public entities							
Current	–	–	500	2 128	2 000	2 500	3 000
Water Research Commission	–	–	500	2 128	2 000	2 500	3 000

Expenditure trends

Expenditure has been increasing steadily over the years. The average annual growth rate of 16,3 per cent between 2002/03 to 2005/06 was considerably higher than the 2006 MTEF's 7,6 per cent. By 2008/09, expenditure is expected to reach R264,6 million.

The programme transfers funds to provinces through the conditional grant for the LandCare programme. Between 2002/03 and 2004/05, R104,2 million was transferred, while R131,2 million is expected to be transferred during the three years starting from 2005. A new subprogramme, *Management*, is introduced in 2006 as part of the restructuring of the department.

Service delivery objectives and indicators

Recent outputs

Genetically Modified Organisms

The GMO amendment Bill was approved by Cabinet in May 2005. A total of 195 GMO permits were issued during 2004/05, including import and export permits for contained use, authorisation for trial release and commodity clearance permits.

Bio-safety and biotechnology

The agricultural biotechnology strategy was published in the Government Gazette for further consultation. A policy on bio-safety was also developed to further ensure that activities involving genetically modified organisms do not pose any hazard to human and animal health or to the environment.

Plant production

Various policies and guidelines were developed. These include a policy on grain production, fruit production, vegetable production, ornamental plants, indigenous crops, and organic agricultural production.

Animal and aquaculture production

Several policies and strategies which are aimed at ensuring that the livestock industry performs optimally were developed. These covered animal improvement, animal welfare, aquaculture, game farming and game ranging, and foraging, and they are all aligned to the livestock development strategy.

Key programmes to follow include the goat productivity improvement and the development of feedlot and grass lot facilities within the rural development nodes. This links to the accelerated and shared growth initiative (ASGI-SA).

Promoting access to water

Notable achievements for 2004 include successful borehole drilling operations and the provision of stock watering infrastructure to emerging farmers and communities, particularly in Limpopo, where drought has been most prevalent.

Promoting the sustainable use of natural agricultural resources

An area measuring approximately 5 000 hectares was protected from soil erosion through the construction of soil conservation works. The department strives to ensure that unique or high potential land is retained for agricultural purposes and developed a policy to provide for this. The national LandCare programme has been expanded from focusing on rehabilitation and reclamation to include eco-agriculture.

Selected medium-term output targets

Production and Resources Management

Measurable objective: Improvement of the productivity and profitability in the agricultural sector and the more sustainable use of land and water resources.

Subprogramme	Output	Measure/indicator	Target
Agricultural Production	Plant production guidelines and animal improvement and development programmes	Availability of a national aqua-culture programme, goat productivity improvement programme, feedlot/grass lot programme	By March 2007
		Publication of product-specific production guidelines, programmes and projects	By March 2007
Engineering, Energy, Resource Use and Management	Implementation plan for infrastructure development	Availability of an implementation plan that increases water use efficiency on 50 000 ha of irrigated land	By March 2007
	Soil protection strategy	Baseline information for three catchments areas	By February 2007

Programme 5: Sector Services and Partnerships

The *Sector Services and Partnerships* programme manages and co-ordinates stakeholder and international relations, education and training, and the Grootfontein Agricultural Development Institute. It supports agricultural research and extension and advisory services.

Apart from the *Management* subprogramme, there are three subprogrammes:

- *Sector Services* provides for agricultural education and training.
- *Intergovernmental and Stakeholder Relations* is responsible for bilateral and multilateral international relations, and for strengthening relations between the national department, provincial departments and industry stakeholders.
- *Agricultural Research Council* funds transfers to the council.

Expenditure estimates

Table 25.7 Sector Services and Partnerships

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
R thousand							
Management	877	1 367	1 459	1 565	2 121	2 232	2 322
Sector Services	26 189	31 579	57 297	88 833	54 151	57 168	61 381
Intergovernmental and Stakeholder Relations	32 954	32 758	23 224	30 008	34 393	36 113	38 082
Agricultural Research Council							
Baseline	266 552	289 013	312 742	333 317	361 943	380 039	398 280
Leave Gratuity	6 500	7 500	6 901	–	–	–	–
SA Stud Book	2 000	2 000	5 501	1 625	1 723	1 809	1 896
Crop Forecast	–	5 000	5 000	5 250	5 460	5 678	5 905
Diagnostic Services	–	5 500	7 000	7 210	7 426	7 797	8 171
Agricultural Research and Infrastructure	–	–	5 000	8 000	10 000	10 500	11 004
AgriBEE	–	–	–	5 500	–	–	–
Total	335 072	374 717	424 124	481 308	477 217	501 336	527 041
Change to 2005 Budget estimate				39 776	–	–	1 641

Table 25.7 Sector Services and Partnerships (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Economic classification							
Current payments	36 350	50 257	61 492	93 198	68 659	73 236	78 622
Compensation of employees	21 843	24 723	30 029	31 926	40 950	43 651	46 938
Goods and services	14 507	24 960	31 463	61 272	27 709	29 585	31 684
<i>of which:</i>							
<i>Consultants, contractors and special services</i>	<i>7 544</i>	<i>12 979</i>	<i>16 389</i>	<i>30 334</i>	<i>12 444</i>	<i>13 210</i>	<i>13 113</i>
<i>Inventory</i>	<i>1 596</i>	<i>2 746</i>	<i>3 327</i>	<i>3 194</i>	<i>1 043</i>	<i>802</i>	<i>212</i>
<i>Travel and subsistence</i>	<i>1 741</i>	<i>2 995</i>	<i>3 684</i>	<i>2 803</i>	<i>3 496</i>	<i>3 738</i>	<i>3 879</i>
<i>Assets < R5000</i>	<i>283</i>	<i>502</i>	<i>722</i>	<i>739</i>	<i>1 129</i>	<i>552</i>	<i>562</i>
Financial transactions in assets and liabilities	–	574	–	–	–	–	–
Transfers and subsidies	298 607	324 380	361 023	386 995	408 032	427 571	447 903
Provinces and municipalities	65	73	92	90	37	10	10
Departmental agencies and accounts	275 052	309 013	347 804	368 622	392 322	411 619	431 202
Foreign governments and international organisations	23 490	15 294	12 998	18 241	15 646	15 915	16 664
Households	–	–	129	42	27	27	27
Payments for capital assets	115	80	1 609	1 115	526	529	516
Machinery and equipment	115	80	1 434	1 115	526	529	516
Cultivated assets	–	–	175	–	–	–	–
Total	335 072	374 717	424 124	481 308	477 217	501 336	527 041

Details of major transfers and subsidies:

Public entities							
Current	258 052	281 966	298 847	315 734	335 190	351 631	368 335
Agricultural Research Council	258 052	281 966	293 187	308 014	329 420	345 835	362 389
Primary Agriculture Sector Education and Training Authority	–	–	360	420	470	496	524
National Student Financial Aid Scheme	–	–	5 300	7 300	5 300	5 300	5 422
Capital	17 000	27 047	48 957	52 888	57 132	59 988	62 867
Agricultural Research Council	17 000	27 047	48 957	52 888	57 132	59 988	62 867
Foreign governments and international organisations							
Current	23 490	15 294	12 998	18 241	15 646	15 915	16 664
Office International des Epizooties	620	1 079	1 547	522	513	515	517
International Seed Testing Association	36	–	62	30	56	58	60
Organisation for Economic Co-operation & Development	34	153	102	95	96	96	98
International Union for the protection of new varieties of Plants	336	278	560	282	283	284	285
International Grains Council	174	119	232	117	133	133	135
Office International de la Vigne et du Vin	439	93	216	382	383	385	387
Plant Genetic Resources Centre - SADC	282	–	–	–	–	–	–
Food & Agriculture Organisation of the United Nations	16 301	9 898	9 893	10 203	10 392	10 630	11 347
International Commission of Agricultural Engineering	25	–	–	3 090	53	55	57
International Fund for Agricultural Development	–	–	–	150	–	–	–
Consultative Group on International Agricultural Research	4 278	3 310	–	3 088	3 209	3 210	3 211

Table 25.7 Sector Services and Partnerships (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Commonwealth Agricultural Bureau International	242	187	172	124	207	208	209
Regional Early Warning Unit for Food Security - SADC	459	-	164	-	-	-	-
Regional Food Security Training Programme - SADC	264	177	-	20	-	-	-
International Dairy Federation	-	-	20	138	25	30	32
Foreign rates and taxes	-	-	30	-	151	161	171
International Cotton Advisory Council	-	-	-	-	145	150	155

Expenditure trends

Expenditure increases from R335,1 million in 2002/03 to R481,3 million in 2005/06, at an average annual rate of 12,8 per cent. The increase is partly linked to the acceleration of the land redistribution for agricultural development (LRAD) programme, which required an increase in capacity to provide training programmes for emerging farmers. The growth has mainly been driven by membership fees to international organisations and the Grootfontein Agricultural Development Institute(GADI). Over the 2006 MTEF, the average growth rate increases to 3,1 per cent, with expenditure at R527 million by 2008/09.

The transfer to the Agricultural Research Council accounts for at least half of the total programme expenditure and reaches R425,3 million by 2008/09. The sharp increase in expenditure on capital assets in 2004/05 was for the purchase of additional computer hardware and software for GADI and three other directorates: the scientific and research development, education and training, and international relations. In 2005/06, GADI purchased vehicles and buses to transport students.

Service delivery objectives and indicators

Recent outputs

New Partnership for Africa's Development

A technical assistance and exchange programme is considered an effective delivery mechanism for South Africa's contribution to the Nepad's comprehensive Africa agriculture development programme (CAADP), since technical assistance projects are continuing through normal bilateral arrangements.

Bursary scheme

Since the introduction of the external bursary scheme by the Department in 2003, a total of 199 learners have been awarded bursaries and are enrolled with various institutions of higher learning for agriculture related studies.

Skills development

Skills development is critical for the growth, development and transformation of the sector. In 2004, the Grootfontein Agricultural Development Institute achieved an overall 98 per cent pass rate with a total enrolment of 3 826 students, well above the target of 200 students. In addition, a total of 282 emerging farmers attended skills development courses.

Research and development

The norms and standards on extension and advisory services, which set the guidelines and minimum standards to be adhered to in the provision of extension services and advisories to farmers, were approved by the minister following consultations with provinces. The research and development strategy is still in the development stage.

Selected medium-term output targets**Sector Services and Partnerships**

Measurable objective: Maximise growth in the sector through providing skills, agricultural education and support services to emerging and established farmers.

Subprogramme	Output	Measure/indicator	Target
Sector Services	Governance framework for agricultural colleges	Availability of the framework	By March 2007
	Training for agricultural students	Number of students trained	200 by end 2007
Intergovernmental and Stakeholder Relations	Strengthened agricultural relations in the region	Number of bilateral regional visits	Visits to all SADC countries

Public entities reporting to the Minister**Agricultural Research Council**

The Agricultural Research Council (ARC) is a statutory body established in terms of the Agricultural Research Act, (1990) and is the principal agricultural research institution in South Africa. The act sets out the council's mandate, which is to conduct research, and develop and transfer technology that promotes agriculture and its related businesses. This function is carried out through 10 research institutes whose activities are grouped under five divisions: grain and industrial crops, horticulture, livestock, public support services, and sustainable rural livelihoods. The ARC is also responsible for maintaining national assets and undertaking programmes or rendering services that are required from time to time by the department and other stakeholders.

Some recent initiatives focus primarily on improving the technology transfer capacity of the council, including the development of the ARC technology transfer academy, which is aimed at scaling up the council's capacity development programmes. Some of the transformation initiatives that are aimed at addressing the needs of resource poor communities include training of rural farmers in crop harvesting and pest management strategies to prevent serious losses and the expansion of beekeeping for the poverty relief programme.

Revenue comes mainly in the form of transfers from the department with another portion derived from services provided to external customers. Transfers to the council amount to R386,6 million, R405,8 million and R425,3 million for the 2006 MTEF period. Non-tax revenue increased from R231,6 million in 2003/04 to R237,5 million in 2004/05, at an average annual rate of 2,5 per cent. In recent years, the council received supplementary research funding from the Department of Science and Technology, but as a result of the new governance framework for science and technology, the department has assumed full budgetary responsibility for the council.

Going forward, through realigning the research and development business divisions and a countrywide network of research institutes, the council has positioned itself strategically to address the country's agricultural imperatives.

Table 25.8 Financial summary for the Agricultural Research Council (ARC)

	Outcome			Estimated outcome	Medium-term estimate		
	Audited	Audited	Audited		2006/07	2007/08	2008/09
R Thousand	2002/03	2003/04	2004/05	2005/06			
INCOME STATEMENT SUMMARY							
Revenue							
Non-tax revenue	249 081	231 644	237 538	232 828	226 917	255 595	287 781
Sale of goods and services other than capital assets	239 052	217 422	224 514	221 828	216 917	245 595	277 781
of which:							
<i>Sales by market establishments</i>	<i>239 052</i>	<i>217 422</i>	<i>224 514</i>	<i>221 828</i>	<i>216 917</i>	<i>245 595</i>	<i>277 781</i>
<i>Other non-tax revenue</i>	<i>10 029</i>	<i>14 222</i>	<i>13 024</i>	<i>11 000</i>	<i>10 000</i>	<i>10 000</i>	<i>10 000</i>
Transfers received	267 552	276 140	320 708	355 152	386 212	405 521	425 797
Total revenue	516 633	507 784	558 246	587 980	613 129	661 116	713 578
Expenses							
Current expense	478 729	500 407	551 102	586 851	611 944	659 872	712 271
Compensation of employees	263 630	284 228	315 853	345 414	366 138	403 570	444 948
Goods and services	193 978	197 790	217 678	223 867	228 233	238 729	249 749
Depreciation	20 957	18 192	17 219	17 219	17 220	17 221	17 222
Interest, dividends and rent on land	164	197	352	352	352	352	352
Transfers and subsidies	1 011	1 014	1 075	1 129	1 185	1 244	1 307
Total expenses	479 740	501 421	552 177	587 980	613 129	661 116	713 578
Surplus / (Deficit)	36 893	6 363	6 069	-	-	-	-
BALANCE SHEET SUMMARY							
Carrying value of assets	385 440	375 683	380 999	402 571	421 709	441 311	461 313
Investments	182	845	850	850	850	850	850
Inventory	11 621	13 871	13 904	13 953	14 004	14 057	14 114
Receivables and prepayments	63 786	53 603	59 490	50 715	43 256	36 916	31 527
Cash and cash equivalents	80 512	102 679	152 412	113 000	100 000	80 000	60 000
Total assets	541 541	546 681	607 655	581 089	579 818	573 134	567 803
Capital and reserves	171 672	178 495	184 565	185 155	185 155	185 155	185 155
Borrowings	208 677	203 507	260 459	249 627	240 250	235 250	230 250
Post retirement benefits	53 119	12 621	28 440	31 284	34 412	37 854	41 639
Trade and other payables	60 424	114 566	100 035	85 598	90 133	84 520	79 870
Provisions	47 649	37 492	34 156	29 425	29 868	30 355	30 890
Total equity and liabilities	541 541	546 681	607 655	581 089	579 818	573 134	567 803

Data provided by the Agricultural Research Council

Land Bank

The Land Bank operates as a development finance institution within the agricultural and agribusiness sectors regulated by the Land and Agricultural Development Bank Act (2002). It provides a range of finance options to a broad spectrum of clients within the agricultural sector. This include wholesale as well as retail financing for commercial and developing farmers, co-operatives and other agriculture-related businesses. It lends to all agricultural sectors in three categories – long-term, medium-term and short-term loans for different customer needs. The bank is a sole shareholder in the Suid-Afrikaanse Verbandversekeringsmaatskappy Beperk (SAVVEM), a company which provides insurance cover to persons indebted to the bank through mortgage loans. SAVVEM reported a net profit of R113,4 million for the year ended 31 March 2005.

The Land Bank recorded a poor performance in the past financial year. This resulted from a number of factors which affected farmers' operations, such as depressed commodity prices, the

strengthening of the rand, which impacted negatively on exporters' earnings, and the unstable conditions which affected farming produce. The poor performance manifested in a net loss of R541 million (2005/06) compared to a R246,6 million profit reported in 2003/04.

Despite the bank's poor performance, there are some notable specific achievements in the past year, which include BEE transactions totalling R986 million. Of this amount, R501 million funded a BEE consortium (Afgri-Sizwe) while R485 million was granted to Ushukela Milling to purchase a strategic sugar mill in KwaZulu Natal. An amount of approximately R8 million was made available to support Chairs of Agriculture in various universities and R3,5 million was allocated for bursaries for previously disadvantaged students.

Going forward, a turnaround strategy committee, which comprises officials from the bank, National Treasury and the department, has been established to oversee the turnaround of the bank's financial position. In addition, the bank has embarked on a process to review its banking and financial systems. While the Land Bank strives to be a provider of world class agricultural financial services, as a government owned institution, part of its ongoing mandate is to contribute to rural development and stability, social upliftment and job creation.

Table 25.9 Financial summary for the Land Bank

	Outcome			Estimated outcome	Medium-term estimate		
	Audited	Audited	Audited				
R Thousand	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
INCOME STATEMENT SUMMARY							
Revenue							
Non-tax revenue	2 977 414	2 378 810	1 894 148	1 717 879	1 846 721	1 908 073	2 006 617
Sale of goods and services other than capital assets of which:	-	-	-	-	-	-	-
Other non-tax revenue	2 977 414	2 378 810	1 894 148	1 717 879	1 846 721	1 908 073	2 006 617
Interest on loans advanced	2 936 542	2 198 872	1 852 008	1 673 000	1 744 102	1 803 402	1 893 572
Other	40 872	179 938	42 140	44 879	102 619	104 671	113 045
Total revenue	2 977 414	2 378 810	1 894 148	1 717 879	1 846 721	1 908 073	2 006 617
Expenses							
Current expense	4 401 229	2 127 594	2 220 208	2 254 455	2 355 284	2 434 732	2 550 845
Compensation of employees	206 460	186 350	176 911	188 411	200 657	213 700	227 591
Goods and services	2 131 135	256 379	743 302	791 616	843 071	897 871	956 233
Depreciation	8 049	7 049	5 097	5 428	5 781	6 157	6 557
Interest, dividends and rent on land	2 055 585	1 677 816	1 294 898	1 269 000	1 305 774	1 317 004	1 360 465
Transfers and subsidies	4 953	4 607	4 042	4 305	4 585	4 883	5 200
Total expenses	4 406 182	2 132 202	2 224 250	2 258 760	2 359 869	2 439 615	2 556 046
Surplus / (Deficit)	(1 428 768)	246 608	(330 102)	(540 881)	(513 148)	(531 542)	(549 429)

Table 25.9 Financial summary for the Land Bank (continued)

	Outcome			Estimated outcome	Medium-term estimate		
	Audited	Audited	Audited				
R Thousand	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
BALANCE SHEET SUMMARY							
Carrying value of assets	66 645	62 098	125 023	133 149	141 804	151 021	160 838
Long term investments	596 073	379 397	722 704	769 680	819 709	872 990	929 734
Inventory	535 742	514 908	649 473	691 689	736 649	784 531	835 525
Receivables and prepayments	13 941 733	15 422 416	15 886 562	16 347 843	16 911 394	17 526 536	18 198 325
Cash and cash equivalents	1 029 785	1 984 980	1 659 293	1 767 147	1 882 012	2 004 342	2 134 625
Total assets	16 169 978	18 363 799	19 043 055	19 709 508	20 491 567	21 339 420	22 259 047
Capital and reserves	407 629	305 656	324 135	(216 746)	(729 894)	(1 261 436)	(1 810 864)
Borrowings	14 724 923	15 522 688	17 882 107	19 044 444	20 282 333	21 600 684	23 004 729
Post retirement benefits	152 352	187 344	191 053	203 471	216 697	230 782	245 783
Trade and other payables	876 696	2 338 407	626 646	667 378	710 758	756 957	806 159
Provisions	8 378	9 704	19 114	10 961	11 674	12 433	13 240
Total equity and liabilities	16 169 978	18 363 799	19 043 055	19 709 508	20 491 567	21 339 420	22 259 047

Data provided by the Land Bank

National Agricultural Marketing Council

The National Agricultural Marketing Council (NAMC) was established by the Marketing of Agricultural Products Act (1996), in terms of which the NAMC provides strategic advice to the Minister of Agriculture on agricultural marketing to ensure improved market access by all participants, marketing efficiency, optimisation of export earnings, and the viability of the agricultural sector. To support this mandate, funding for the council amounts to R12, 7 million, R13,3 million, and R14 million over the 2006 MTEF period.

Among its responsibilities, the NAMC undertakes investigations on issues pertinent to agricultural marketing and marketing policy, and performs annual reviews of all statutory levies collected by various industries in accordance with the act. The NAMC provides guidelines to the industry on statutory levies so that a proportion of the proceeds are used to fund the empowerment of previously disadvantaged individuals in the areas of training, exposure and market access. For the latter, the NAMC conducts an annual outreach programme to inform black emerging farmers about the environment in which the marketing of agricultural products takes place and to create awareness.

In terms of the Marketing of Agricultural Products Act (1996), all control boards were to be disbanded by January 1998. However, a few remained in order to finalise outstanding legal matters. By the end of 2004/05, only the maize scheme was still in existence and is expected to lapse in the near future. Other outputs include a 2004 study into the competitiveness of key South African agricultural industries in relation to major international competitors, focusing on support for agriculture, supply chain issues and current market trends.

For the period ahead, the council will be more involved in integrating government programmes such as CASP, LRAD and MAFISA, monitoring the input of deregulation on the agricultural economy, and promoting the development of marketing skills for black farmers.

Ncera Farms (Pty) Ltd

Ncera Farms (Pty) Ltd is a public company listed under schedule 3B of the PFMA, with the department as the sole shareholder. It is situated in Eastern Cape on state-owned land of approximately 3 102 ha. Its purpose is to provide extension services, training and other agricultural

support services to settled farmers as well as to neighbouring communities. Government transfers to the company for the MTEF period are R2,2 million, R1,87 million, and R2 million.

Apart from engaging in farming activities, since its inception the company has offered a variety of services to the neighbouring communities. These include postal services, legal advice, assistance with the preparation of business plans, and other similar documents.

In 2004, the Minister for Agriculture approved the creation of a service centre on the farm, which is currently under way. The service centre will serve the entire community.

Onderstepoort Biological Products Ltd

Onderstepoort Biological Products Ltd (OBP) is a biotechnical state-owned company established in terms of the Onderstepoort Biological Products Incorporation Act (1999), and incorporated in September 2000. The company manufactures vaccines and related products for the animal healthcare industry, serving South Africa, some parts of Africa and the rest of the world. It has become a major role-player in research development and the manufacture of animal vaccines and related biological products, with a dedicated vaccine production facility.

The company is self-financing, including all operational and capital requirements. It derives its revenue from the sale of vaccines and related biological products. Over the years, OBP was able to achieve a positive and sustainable growth in revenue, profits and cash flow. Sales have increased twofold since inception and are expected to continue. The company reported an increase in sales, from 100 million doses of vaccines in 2003/04 to 105 million doses in 2004/05, while sales revenue increased from R69,9 million to R76,1 million for the same period. Sales are expected to further rise to over R160 million over the MTEF period. This will support profit growth from R4,9 million in 2005/06 to a projected R23,6 million by 2008/09.

A key achievement has been the successful transformation of the organisation, with 50 per cent of executive management from previously disadvantaged groups, as well as a strong representation of women. Looking ahead, two major challenges are the upgrade of its facilities and growing the export market. Most of the additional expenditure will be focused on these two priorities.

Table 25.10 Financial summary for the Onderstepoort Biological Products (OBP)

	Outcome			Estimated Outcome	Medium-term estimate		
	Audited	Audited	Audited		2006/07	2007/08	2008/09
R Thousand	2002/03	2003/04	2004/05	2005/06			
INCOME STATEMENT SUMMARY							
Revenue							
Non-tax revenue	73 657	74 394	81 494	87 441	116 152	137 447	164 179
Sale of goods and services other than capital assets	66 255	69 900	76 153	83 178	113 653	136 481	164 179
<i>of which:</i>							
<i>Sales by market establishments</i>	<i>66 255</i>	<i>69 900</i>	<i>76 153</i>	<i>83 178</i>	<i>113 653</i>	<i>136 481</i>	<i>164 179</i>
<i>Other non-tax revenue</i>	<i>7 402</i>	<i>4 494</i>	<i>5 341</i>	<i>4 263</i>	<i>2 499</i>	<i>966</i>	<i>-</i>
Total revenue	73 657	74 394	81 494	87 441	116 152	137 447	164 179

Table 25.10 Financial summary for the Onderstepoort Biological Products (OBP) (continued)

	Outcome			Estimated Outcome	Medium-term estimate		
	Audited	Audited	Audited		2006/07	2007/08	2008/09
R Thousand	2002/03	2003/04	2004/05	2005/06			
Expenses							
Current expense	47 380	49 707	62 060	82 592	109 903	124 134	140 537
Compensation of employees	22 726	21 549	27 509	29 507	29 515	29 524	29 534
Goods and services	22 425	25 569	31 486	47 571	67 449	76 661	88 043
Depreciation	2 229	2 589	3 065	5 513	12 939	17 949	22 960
Interest, dividends and rent on land	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-
Total expenses	47 380	49 707	62 060	82 592	109 903	124 134	140 537
Surplus / (Deficit)	26 277	24 687	19 434	4 850	6 249	13 313	23 642

BALANCE SHEET SUMMARY

Carrying value of assets	11 421	24 926	28 981	35 225	51 801	83 959	111 114
Investments	47 282	67 065	74 045	74 309	57 529	29 492	(0)
Inventory	14 771	20 738	13 128	14 617	19 094	23 136	54 446
Receivables and prepayments	6 022	4 689	5 747	4 065	6 605	8 507	10 815
Cash and cash equivalents	19 647	2 675	3 334	3 000	3 000	3 000	3 000
Total assets	99 143	120 093	125 235	131 216	138 029	148 094	179 375
Capital and reserves	77 485	94 533	108 454	111 898	115 469	123 345	137 331
Borrowings	-	-	-	-	-	-	15 837
Trade and other payables	6 148	11 711	3 874	5 336	7 427	8 389	9 410
Provisions	15 510	13 849	12 907	13 982	15 133	16 360	16 797
Total equity and liabilities	99 143	120 093	125 235	131 216	138 029	148 094	179 375

Data provided by the Onderstepoort Biological Products

Perishable Products Export Control Board

The Perishable Products Export Control Board (PPECB) is a statutory organisation, which conducts its business in terms of the Perishable Products Export Control Act (1983), and also operates as an assignee for the department in terms of the Agricultural Product Standards Act, (1990). Its purpose is to ensure that perishable products intended for export from South Africa meet international quality standards. PPECB is also the implementing agent for the South African pesticide initiative programme.

The board controls all perishable exports and provides quality certification on products destined for export, and provides cold chain management services for producers and exporters of perishable food products, thus assisting them to avoid losses. With regard to quality certification of products, last year a total of 192 million cartons of fruit were inspected. Following the opening of the market in China for South Africa's citrus fruits, PPECB introduced protocol on in-transit handling to facilitate exports to China. Another protocol was also developed for fruit exports to India.

Total revenue for 2004/05 amounted to R91,2 million, while expenditure totalled R95,4 million, resulting in a net shortfall of R4,2 million. This was mainly due to changes in its levy structures following an intensive analysis of the company's levy calculations per product during the year. The implementation and rollout of a differentiated tariff scheme is a continuous project and is being undertaken with input from the various industry groupings. The new tariff scheme should support sufficient revenues to fully cover expenses over the medium term.

In order to improve the integrity and credibility of the board locally and internationally, as well as improve on the quality of the services rendered, the board will invest in International

Standardisation Organisation (ISO) 17020, an accredited system that will evaluate the competency of its assessors. This is in line with the board's purpose statement to instill confidence in its food safety and quality assurance services.

Table 25.11 Financial summary for the Perishable Products Export Control Board (PPECB)

	Outcome			Estimated outcome	Medium-term estimate		
	Audited	Audited	Audited				
R Thousand	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
INCOME STATEMENT SUMMARY							
Revenue							
Non-tax revenue	103 845	85 823	91 248	101 916	109 050	115 593	121 373
Total revenue	103 845	85 823	91 248	101 916	109 050	115 593	121 373
Expenses							
Current expense	79 870	83 407	95 410	101 940	109 076	115 620	121 401
Compensation of employees	57 852	57 442	66 172	72 792	77 887	82 561	86 689
Goods and services	19 758	24 386	28 110	27 867	29 818	31 607	33 187
Depreciation	2 256	1 575	1 122	1 278	1 367	1 450	1 522
Interest, dividends and rent on land	4	4	6	3	3	3	4
Total expenses	79 870	83 407	95 410	101 940	109 076	115 620	121 401
Surplus / (Deficit)	23 975	2 416	(4 162)	(24)	(26)	(27)	(29)
BALANCE SHEET SUMMARY							
Carrying value of assets	8 004	7 718	9 645	8 973	9 602	10 177	10 686
Investments	–	24 300	24 513	25 162	26 923	28 539	29 966
Receivables and prepayments	14 526	14 923	9 676	9 676	10 353	10 975	11 523
Cash and cash equivalents	26 115	2 902	5 993	5 993	6 413	6 797	7 137
Total assets	48 645	49 843	49 827	49 804	53 291	56 488	59 312
Capital and reserves	36 257	40 586	37 876	37 852	40 502	42 932	45 078
Trade and other payables	12 388	9 257	11 951	11 952	12 789	13 556	14 234
Total equity and liabilities	48 645	49 843	49 827	49 804	53 291	56 488	59 312

Data provided by the Perishable Products Export Control Board

Annexure

Vote 25: Agriculture

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

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

Table 25.C: Summary of expenditure on training

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

Table 25.E: Summary of official development assistance expenditure

Table 25.F: Summary of expenditure on infrastructure

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

Programme	Appropriation		Audited outcome	Appropriation			Revised estimate
	Main	Adjusted		Main	Additional	Adjusted	
R thousand	2004/05		2004/05	2005/06			2005/06
1. Administration	178 579	221 067	209 863	194 287	30 312	224 599	209 599
2. Livelihoods, Economics and Business Development	322 966	289 908	268 880	594 317	100 757	695 074	680 074
3. Bio-security and Disaster Management	195 303	361 079	343 173	231 476	151 774	383 250	368 250
4. Production and Resources Management	192 827	169 960	162 143	223 126	(10 765)	212 361	187 361
5. Sector Services and Partnerships	416 553	427 941	424 124	441 532	39 776	481 308	466 308
Total	1 306 228	1 469 955	1 408 183	1 684 738	311 854	1 996 592	1 911 592
Economic classification							
Current payments	678 407	634 377	581 732	790 689	15 727	806 416	731 416
Compensation of employees	360 299	335 058	320 093	420 098	(17 479)	402 619	352 619
Goods and services	318 108	298 379	260 709	370 591	33 206	403 797	378 797
Financial transactions in assets and liabilities	–	940	930	–	–	–	–
Transfers and subsidies	594 600	767 192	761 821	864 993	280 554	1 145 547	1 135 547
Provinces and municipalities	228 181	345 778	345 006	291 583	120 162	411 745	411 745
Departmental agencies and accounts	351 234	358 906	358 905	373 970	10 741	384 711	384 711
Public corporations and private enterprises	800	2 851	2 352	152 422	(5 962)	146 460	146 460
Foreign governments and international organisations	14 385	15 949	12 998	14 700	143 541	158 241	158 241
Non-profit institutions	–	3 683	2 628	–	600	600	600
Households	–	40 025	39 932	32 318	11 472	43 790	33 790
Payments for capital assets	33 221	68 386	64 630	29 056	15 573	44 629	44 629
Buildings and other fixed structures	16 260	36 901	36 892	17 236	440	17 676	17 676
Machinery and equipment	13 273	26 093	24 383	11 210	13 798	25 008	24 946
Cultivated assets	–	175	175	92	(92)	–	62
Software and intangible assets	3 688	5 217	3 180	518	1 427	1 945	1 945
Total	1 306 228	1 469 955	1 408 183	1 684 738	311 854	1 996 592	1 911 592

Table 25.B Summary of personnel numbers and compensation of employees

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
A. Permanent and full-time contract employees							
Compensation (R thousand)	244 066	271 447	314 896	397 636	464 443	490 050	518 277
Unit cost (R thousand)	79	82	97	117	137	144	152
Compensation as % of total	99.4%	99.4%	98.4%	98.8%	98.9%	98.9%	98.9%
Personnel numbers (head count)	3 105	3 324	3 261	3 399	3 399	3 399	3 399
B. Part-time and temporary contract employees							
Compensation (R thousand)	1 473	1 639	1 907	1 783	1 872	1 966	2 064
Unit cost (R thousand)	92	96	106	99	104	109	115
Compensation as % of total	0.6%	0.6%	0.6%	0.4%	0.4%	0.4%	0.4%
Personnel numbers (head count)	16	17	18	18	18	18	18

Table 25.B Summary of personnel numbers and compensation of employees (continued)

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
C. Interns							
Compensation of interns (R thousand)	-	-	3 290	3 200	3 360	3 528	3 704
Unit cost (R thousand)			41	40	41	44	46
Number of interns	-	-	81	81	81	81	81
Total for department							
Compensation (R thousand)	245 539	273 086	320 093	402 619	469 675	495 544	524 045
Unit cost (R thousand)	79	82	95	115	134	142	150
Personnel numbers (head count)	3 121	3 341	3 360	3 498	3 498	3 498	3 498

Table 25.C Summary of expenditure on training

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Training and staff development							
Expenditure (R thousand)	2 116	4 518	3 757	4 760	4 788	4 959	5 236
Number of employees trained (head count)	687	735	739	745	748	767	795
Bursaries (employees)							
Expenditure (R thousand)	863	1 845	1 501	1 861	2 870	3 092	3 350
Number of employees (head count)	437	467	470	473	473	479	538
Total	2 979	6 363	5 258	6 621	7 658	8 051	8 586
Number of employees	1 124	1 202	1 209	1 218	1 221	1 246	1 333

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

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Conditional grants to provinces							
2. Livelihoods and Business Development							
Comprehensive Agricultural Support Programme Grant	-	-	200 000	250 000	300 000	415 000	434 918
3. Bio-security, -Safety and Disaster Management							
Drought Relief (Disaster Management)	-	-	100 000	120 000	-	-	-
Disaster Management	-	30 000	-	-	-	-	-
4. Production and Resources Management							
Land Care Programme Grant: Poverty Relief and Infrastructure Grant	24 000	36 400	43 800	40 000	44 500	46 725	48 969
Total	24 000	66 400	343 800	410 000	344 500	461 725	483 887

¹ Detail provided in the Division of Revenue Act (2006).

Table 25.E Summary of official development assistance expenditure

Donor	Project	Cash/ kind	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
			2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
R thousand									
Foreign									
The Netherlands	Sectoral budget support	Cash	75	498	–	–	–	–	–
European Community	SAPIP - Portfolio 791	Cash	–	–	5 170	5 561	–	–	–
Total			75	498	5 170	5 561	–	–	–

Table 25.F Summary of expenditure on infrastructure

Description	Service delivery outputs	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
		2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
R thousand								
Groups of small projects or programmes								
FMD Border Fence (National)	350 km of elephant proof fence	–	–	152	25 000	15 000	15 000	15 000
Upgrading of existing infrastructure		9 415	13 420	4 646	8 400	13 700	4 430	2 500
New office accommodation		–	–	–	8 836	5 570	14 753	17 607
Water Runoff Control Infrastructure		23 200	13 032	11 411	2 406	2 200	–	–
Ground water Development		–	9 562	17 879	15 298	8 500	8 500	8 500
Rain water harvesting		–	–	250	46	1 000	1 500	2 500
Key Soil Conservation Works		–	–	–	–	–	2 000	2 000
Infrastructure transfers to other spheres, agencies and departments								
Purchase of Maize Board Building		–	–	5 000	–	–	–	–
Maintenance on infrastructure (capital)								
Maintenance Projects		500	600	750	750	2 000	2 000	2 000
Total		33 115	36 614	40 088	60 736	47 970	48 183	50 107

