

# Vote 25

## Agriculture, Forestry and Fisheries

### Budget summary

R million	2010/11				2011/12	2012/13
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	413.7	375.2	35.7	2.8	444.2	479.7
Production and Resources Management	449.7	162.8	254.7	32.1	666.1	704.4
Agriculture Support Services	1 731.1	231.4	1 499.4	0.3	1 999.7	2 174.8
Trade and Agricultural Development	80.7	49.4	31.2	0.2	89.3	96.0
Food Safety and Bio-security	358.8	349.8	6.6	2.4	474.7	547.2
Forestry	501.5	488.8	2.5	10.1	558.0	602.9
Fisheries	122.4	116.1	6.3	-	129.4	135.6
<b>Total expenditure estimates</b>	<b>3 658.0</b>	<b>1 773.5</b>	<b>1 836.5</b>	<b>47.9</b>	<b>4 361.4</b>	<b>4 740.5</b>
Executive authority	Minister of Agriculture, Forestry and Fisheries					
Accounting officer	Director-General of Agriculture, Forestry and Fisheries					
Website address	www.daff.gov.za					

The Estimates of National Expenditure booklets for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za). They provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers, public entities and lower level institutional information.

### Aim

*The aim of the Department of Agriculture, Forestry and Fisheries is to lead, support and promote agricultural, forestry and fisheries resources management through policies, strategies and programmes to enhance sustainable use, and to achieve economic growth, job creation, food security, rural development and transformation.*

### Programme purposes

#### Programme 1: Administration

**Purpose:** Strategic leadership, management, corporate and financial services and operations management.

#### Programme 2: Production and Resources Management

**Purpose:** Optimise agricultural productivity and profitability through the identification of opportunities, the sustainable use and protection of land, water and genetic resources, and infrastructure development to ensure household food security.

#### Programme 3: Agriculture Support Services

**Purpose:** Develop appropriate policies and targeted programmes for equitable access to the agricultural sector for the promotion of shared growth and commercial viability of emerging farmers. Risk and disaster management services. Provide agricultural education and training, extension and advisory services, scientific research and technology development.

## **Programme 4: Trade and Agricultural Development**

**Purpose:** Facilitate market access for agricultural products. Provide agricultural economic and statistical services.

## **Programme 5: Food Safety and Biosecurity**

**Purpose:** Manage the risks associated with animal and plant diseases and pests, and genetically modified organisms. Register products used in agriculture. Promote food safety to safeguard human life.

## **Programme 6: Forestry**

**Purpose:** Ensure the sustainable management of plantations, natural forests (indigenous forests) and woodlands to realise their optimal social, environmental and economic benefits.

## **Programme 7: Fisheries**

**Purpose:** Promote the conservation and sustainable use of fisheries resources to contribute to economic growth and poverty alleviation.

## **Strategic overview: 2006/07 – 2012/13**

### The department's mandate

The Department of Agriculture, Forestry and Fisheries was established in July 2009. This involved expanding the mandate of the previous Department of Agriculture to include forestry and certain areas of the fishing sector. The scope of activities, which is supported by numerous pieces of legislation, now covers the agriculture, forestry and fisheries value chains: from inputs, production and value add to retailing. The department's reviewed strategic objectives are: the increased profitable production of food, fibre and timber products by all categories of producers (subsistence, smallholder and commercial); the sustained management of natural resources; effective national regulatory services and risk management systems; a transformed and united agriculture sector; the increased contribution of the agriculture, forestry and fishing sectors to economic growth and development; and the effective and efficient governance of the sectors.

### The agricultural, forestry and fishing sectors' contribution to the economy

Agriculture presently accounts directly for just over 3 per cent of South Africa's GDP. However, agriculture's strong role in the economy is its indirect contribution through backward and forward linkages to other sectors.

Formal agriculture provides employment (including seasonal and contract employment) for about 700 000 workers. In addition, the smallholder sector provides full- or part-time employment for at least another 1 million households.

The total area under forestry is about 1.27 million hectares or approximately 1 per cent of South Africa's total land area of 122.3 million hectares. Forestry and forest products contribute about 1.4 per cent to GDP. The forestry sector employs around 170 000 workers.

South Africa has a well established fishing industry and is currently a net exporter of fish products. The commercial fishing industry is valued at about R2 billion a year and employs about 27 000 people.

## Key policy developments

The agricultural production strategy, a key driver for the sector, will be completed in 2010. The strategy will promote the growth and development of subsistence, smallholder and commercial farmers and producers through different agricultural commodity groups and mechanisms.

The central focus of the department's policy instruments is the need to address the challenges faced by rural and vulnerable people. The policy instruments aim to: ensure a safety net for households otherwise unable to provide for their food requirements; empower farm workers to create small, micro and medium enterprises (SMME) or cooperatives; facilitate access to development finance; increase investment in research and improve capacity building and mentorship; reduce risks related to production and provide appropriate technical assistance; and provide productive infrastructure.

Priorities for the *Forestry* programme include: developing a strategy and fund for SMMEs in the forestry sector; developing a strategy to address timber shortages; establishing extension support for emerging growers and entrepreneurs; reducing the regulatory burden on small and emerging businesses; streamlining processes for afforestation in the country; and strengthening collaboration between countries in the Southern African Development Community (SADC) on forestry issues.

The fishing related functions transferred to the department include: establishing and revitalising state owned hatcheries; cage culture pilots in state owned waterworks and coastal areas; developing aquaculture development zones; and doing research and development on candidate culture species. The administration and management functions for South Africa's marine resources through the Marine Living Resources Fund were also transferred from the Department of Environmental Affairs in 2009/10.

## Current challenges

### *Economic and political changes*

The recent global economic downturn has made the currency market highly vulnerable, due to speculation. This has negatively affected the stability of the commodity market and as a result food security. The consolidation of the agriculture, forestry and fishing sectors under a single department will bring synergy to these sectors.

### *Ensuring the food security of the country*

High global food prices and an increased demand for food have led to an increase in local food prices. In addition, higher per capita income and increased awareness about a balanced diet are bringing about changing preferences for food. Thus, there is a renewed focus on the need to ensure the adequate supply and accessibility of safe, nutritious and high quality food at affordable prices.

### *Employment in the sector*

Employment in this sector plays a particularly important role in the rural areas. Its socioeconomic contribution in terms of supplementing household income and contributing to food supply for more than 2.5 million rural households is invaluable. The global economic downturn resulted in job losses in agriculture.

### *Low levels of production and under-utilisation of land*

The smallholder sub-sector continues to be underproductive and economically unsustainable. Further, the shortage of capital and skills, labour shortages, increasing input costs and low commodity prices have led to substantial idle agricultural land and abandoned holdings. It is estimated that there are more than 2 million hectares of idle agricultural land. The department in collaboration with the Department of Rural Development and Land Reform provides post-settlement and production loans to new and upcoming farmers.

### *Transformation and growth of the forestry sector*

The obstacles that hinder the forestry sector from realising its potential contribution to job creation; transformation and biodiversity conservation include: the inadequate supply of raw materials; biased equity distribution in the value chain; sub-optimal economic development; lack of funds and technical support systems to support SMMEs in all sub-sectors; and the slow establishment of plantations due to cumbersome government licensing processes.

## 2010 FIFA World Cup

The 2010 FIFA World Cup will put the department's capabilities and capacity under particular pressure to respond to potential biosecurity risks. Such risks include bringing plant and meat products into the country without the necessary phytosanitary certifications. In 2008/09, the department started to devise a biosecurity strategy to deal with the expected influx of tourists and cargo, and which will serve South Africa in the future.

## Savings and cost effective service delivery

Over the MTEF period, the department has identified efficiency savings of R478.6 million across all programmes (R162.5 million in 2010/11, R179.4 million in 2011/12 and R136.8 million in 2012/13). Goods and services items targeted for cost reduction include: R1.9 million from advertising, R6.6 million from communication, R4.7 million from computer services, R4.3 million from stationery and printing, R2.8 million from training and development, R1 million from operating expenditure, R18.4 million from venues and facilities, R1.3 million from assets less than R5 000, and R933 000 from external audit costs. The balance of the savings will be made up of a R220.3 million reduction in compensation of employees and a R2 million cut in payments for capital assets. The latter entails delaying the filling of posts and reprioritising projects. These cuts will not impact on service delivery.

## Selected performance indicators

**Table 25.1 Agriculture, Forestry and Fisheries**

Indicator	Programme	Past			Current	Projections		
		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Number of hectares to be revitalised for irrigation per year	Production and Resources Management	–	–	28 874	30 000	33 000	36 000	40 000
Number of trainees on industry focused farmer training programmes per year	Agriculture Support Services	803	903	1 000	2 000	3 000	4 000	2 000
Number of beneficiaries accessing the comprehensive agricultural support programme per year	Agriculture Support Services	67 000	51 276	37 900	35 000	32 000	32 000	35 000
Number of farmers awarded production loans under the Micro Agricultural Financial Institutions of South Africa scheme per year	Agriculture Support Services	5 230	2 200	150	5 324	5 500	6 000	6 500
Number of emerging farmers trained in agricultural marketing per year	Trade and Agricultural Development	–	–	100	450	450	450	450
Number of biosecurity standards, operating procedures or directives issued per year	Food Safety and Biosecurity	–	7	10	9	10	10	7
Number of additional forest enterprise development projects supported per year	Forestry	33	26	44	62	62	9	9
Number of additional hectares planted (afforestation)	Forestry	1 230	542	5 000	8 000	8 000	10 000	10 000
Number of trees planted in the Million Trees programme per year (in millions)	Forestry	0.3 m	0.9 m	1 m	1 m	1 m	1.5 m	1.5 m
Number of fire protection associations registered in high risk areas per year	Forestry	21	37	38	42	42	42	42

## Expenditure estimates

**Table 25.2 Agriculture, Forestry and Fisheries**

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
R million								
1. Administration	279.7	334.7	372.1	414.1	394.1	413.7	444.2	479.7
2. Production and Resources Management	225.6	233.2	495.3	331.7	301.7	449.7	666.1	704.4
3. Agriculture Support Services	1 288.0	2 369.2	1 459.3	2 023.7	1 714.7	1 731.1	1 999.7	2 174.8
4. Trade and Agricultural Development	47.4	60.9	76.2	76.8	76.8	80.7	89.3	96.0
5. Food Safety and Biosecurity	383.2	334.7	445.0	338.5	268.5	358.8	474.7	547.2
6. Forestry	441.5	452.7	509.1	579.1	459.1	501.5	558.0	602.9
7. Fisheries	45.5	73.2	108.0	110.7	90.7	122.4	129.4	135.6
<b>Total</b>	<b>2 711.0</b>	<b>3 858.6</b>	<b>3 465.0</b>	<b>3 874.5</b>	<b>3 305.5</b>	<b>3 658.0</b>	<b>4 361.4</b>	<b>4 740.5</b>
Change to 2009 Budget estimate				441.1	(127.9)	(105.2)	16.5	159.8
<b>Economic classification</b>								
<b>Current payments</b>	<b>1 314.0</b>	<b>1 347.3</b>	<b>1 574.3</b>	<b>1 756.5</b>	<b>1 456.5</b>	<b>1 773.5</b>	<b>1 970.2</b>	<b>2 206.8</b>
Compensation of employees	717.4	778.8	908.8	1 138.5	938.5	1 144.2	1 244.2	1 380.2
Goods and services	595.4	567.2	665.0	617.2	517.2	628.0	724.5	825.0
<i>of which:</i>								
Administrative fees	23.6	28.2	38.4	40.7	20.7	48.6	57.0	67.9
Contractors	24.2	11.6	22.5	15.9	15.9	94.7	101.0	106.7
Agency and support / outsourced services	76.5	50.8	127.8	50.1	40.1	61.3	66.0	72.4
Travel and subsistence	164.4	143.5	152.6	130.2	100.2	106.7	118.6	147.2
Interest and rent on land	1.3	1.3	0.5	0.8	0.8	1.4	1.5	1.6
<b>Transfers and subsidies</b>	<b>1 302.8</b>	<b>1 718.9</b>	<b>1 816.0</b>	<b>2 040.9</b>	<b>1 771.9</b>	<b>1 836.5</b>	<b>2 300.7</b>	<b>2 469.1</b>
Provinces and municipalities	402.0	762.2	899.7	974.1	974.1	1 117.1	1 437.3	1 509.2
Departmental agencies and accounts	530.5	519.7	609.1	585.6	585.6	672.9	813.4	921.3
Universities and technikons	–	3.8	6.3	1.9	1.9	–	–	–
Foreign governments and international organisations	10.0	32.9	35.3	35.9	35.9	34.5	36.6	24.2
Public corporations and private enterprises	258.3	302.5	96.9	421.0	152.0	2.8	3.0	3.1
Non-profit institutions	7.7	5.8	17.2	14.3	14.3	8.8	9.1	9.5
Households	94.3	92.0	151.4	8.2	8.2	0.5	1.4	1.8
<b>Payments for capital assets</b>	<b>92.7</b>	<b>92.1</b>	<b>73.8</b>	<b>77.0</b>	<b>77.0</b>	<b>47.9</b>	<b>90.5</b>	<b>64.6</b>
Buildings and other fixed structures	49.8	52.1	37.7	43.0	43.0	30.9	38.4	44.2
Machinery and equipment	41.1	37.9	35.1	33.6	33.6	16.2	51.2	19.4
Biological assets	0.1	0.7	0.5	–	–	–	–	–
Software and other intangible assets	1.7	1.5	0.4	0.4	0.4	0.9	0.9	0.9
<i>of which:</i>								
Capitalised compensation	17.5	18.4	9.6	11.6	–	15.1	16.0	17.0
Capitalised goods and services	22.0	25.5	13.3	8.8	–	13.8	15.4	18.1
<b>Payments for financial assets</b>	<b>1.5</b>	<b>700.3</b>	<b>0.9</b>	<b>0.1</b>	<b>0.1</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>2 711.0</b>	<b>3 858.6</b>	<b>3 465.0</b>	<b>3 874.5</b>	<b>3 305.5</b>	<b>3 658.0</b>	<b>4 361.4</b>	<b>4 740.5</b>

## Expenditure trends

Expenditure increased at an average annual rate of 12.6 per cent between 2006/07 and 2009/10, from R2.7 billion to R3.9 billion. This was mainly due to once-off allocations in 2007/08 of R700 million to the Land and Agricultural Bank of Southern Africa (Land Bank) for recapitalisation and R300 million for agricultural disaster management.

Over the medium term, expenditure is expected to increase at an average annual rate of 7 per cent to reach R4.7 billion in 2012/13. This is because of increases in the allocations for the comprehensive agricultural support programme and Ilima/Letsema, from R1.1 million in 2010/11 to R1.5 million in 2012/13, to drive increased food production.

Transfer payments account for 52.8 per cent of the department's total budget over the 7-year period. In 2007/08, transfers accounted for 63.9 per cent of the total due to the once-off allocation to the Land Bank. In 2010/11, the following transfer payments are expected to be made: R622 million to the Agricultural Research Council; R1.1 billion in conditional grants to provinces for the comprehensive agricultural support programme, LandCare and Ilima/Letsema; R5.7 million to public corporations and private enterprises for increased food production, and R34.5 million to international organisations for membership fees. The *Food Safety and Biosecurity* programme shows an average annual decrease of 4.1 per cent due to once-off expenditure outbreaks of classical swine fever and foot and mouth disease. The average annual increase of 29.4 per cent in the *Production and Resources Management* programme is due to the increased allocations to the comprehensive agricultural support programme and Ilima/Letsema. The *Food Safety and Biosecurity* programme shows an average annual decrease of 4.1 per cent due to once-off expenditure for outbreaks of classical swine fever and foot and mouth disease.

The department receives additional allocations of R57.2 million in 2010/11, R195.8 million in 2011/12 and R310.8 million in 2012/13 for:

- biosecurity (R80 million in 2011/12 and R120 million in 2012/13) for appointing additional vets and providing toolkits to animal health technicians
- the Agricultural Research Council (R50 million in 2011/12 and R120 million in 2012/13) to renovate buildings and upgrade and replace machinery and equipment
- adjustments for compensation of employees in the department, the Agricultural Research Council the and National Agricultural Marketing Council (R57.2 million, R65.8 million and R70.8 million).

In 2009/10, the department's funded post establishment was 6 932 posts. The overall ratio between support staff and line function staff is 1:7. The extended mandate for 2010/11 includes 3 628 posts in the forestry programme and an estimated 868 posts for fisheries. In addition, the department plans to employ 46 part time and temporary contract employees in 2010/11 at a cost of R10.7 million; and 189 interns at a cost of R4.5 million.

### Infrastructure spending

The department does not have large capital projects and its spending in this regard is mainly ongoing on foot and mouth border fences (R26 million), office accommodation (R23.2 million) and boreholes (R3.9 million).

## Departmental receipts

A significant portion of departmental revenue is derived from the sale of goods and services, including: statutory services such as registering fertilisers, farm feeds and agricultural remedies and brands; analysing soil; issuing import and export certificates for agricultural products; issuing liquor control permits; and providing quarantine and inspection services. Other receipts come from interest payments, rent on land, and financial transactions in assets and liabilities.

The substantial increases in total revenue in 2008/09 and 2009/10 were mainly due to repayments of conditional grants of R106.9 million and R99.9 million not spent by the provinces. This is reflected in financial transactions in assets and liabilities. Further, the increase from 2007/08 to 2008/09 in interest, dividends and rent on land and financial transactions in assets and liabilities is due to the incorporation of the agricultural debt account debtors into the department's books since the repeal of the Agricultural Debt Management Act (2001) in September 2008.

Table 25.3 Departmental receipts

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimate		
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
<b>Departmental receipts</b>	<b>141 086</b>	<b>121 136</b>	<b>254 006</b>	<b>219 749</b>	<b>216 699</b>	<b>119 256</b>	<b>121 484</b>	<b>118 229</b>
Sales of goods and services produced by department	105 585	104 228	107 693	98 215	84 235	88 809	93 113	94 531
Sales of scrap, waste, arms and other used current goods	43	204	4	5	5	5	8	5
Transfers received	–	26	80	8	8	–	–	–
Fines, penalties and forfeits	3	92	10	3	3	3	3	3
Interest, dividends and rent on land	1 446	1 963	9 752	17 183	13 113	12 213	11 930	10 140
Sales of capital assets	211	9 957	330	436	436	462	500	550
Transactions in financial assets and liabilities	33 798	4 666	136 137	103 899	118 899	17 764	15 930	13 000
<b>Total</b>	<b>141 086</b>	<b>121 136</b>	<b>254 006</b>	<b>219 749</b>	<b>216 699</b>	<b>119 256</b>	<b>121 484</b>	<b>118 229</b>

## Programme 1: Administration

### Expenditure estimates

Table 25.4 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R million							
Minister <sup>1</sup>	0.6	0.9	1.4	1.7	1.8	1.9	2.0
Deputy Minister <sup>1</sup>	0.8	0.9	1.0	1.4	1.5	1.6	1.7
Management	27.2	31.3	46.2	48.2	48.1	50.9	54.4
Corporate and Financial Services	99.3	113.1	128.2	141.1	143.8	152.7	165.1
Operations Management	103.2	143.1	129.0	138.2	124.7	133.2	142.6
Office Accommodation	48.5	45.4	66.3	83.6	93.8	103.9	114.0
<b>Total</b>	<b>279.7</b>	<b>334.7</b>	<b>372.1</b>	<b>414.1</b>	<b>413.7</b>	<b>444.2</b>	<b>479.7</b>
Change to 2009 Budget estimate				25.5	(5.9)	(6.8)	0.4

<sup>1</sup> From 2008/09, the current payments relating to the total remuneration package of political office bearers are shown, before this, only salary and car allowance are included. Administrative and other subprogramme expenditure may in addition include payments for capital assets as well as transfers and subsidies.

#### Economic classification

<b>Current payments</b>	<b>253.0</b>	<b>286.2</b>	<b>315.8</b>	<b>347.1</b>	<b>375.2</b>	<b>398.4</b>	<b>443.7</b>
Compensation of employees	107.1	121.0	140.7	178.5	189.0	199.3	213.3
Goods and services	145.6	164.9	175.0	168.6	186.0	198.9	230.2
<i>of which:</i>							
Administrative fees	22.3	27.0	35.7	37.0	43.9	50.5	58.0
Contractors	14.5	4.9	10.1	5.3	31.5	29.1	31.1
Agency and support / outsourced services	13.5	9.8	16.6	7.8	8.5	9.1	11.0
Travel and subsistence	18.2	33.5	24.9	18.6	16.2	17.3	20.8
Interest and rent on land	0.3	0.2	0.1	–	0.2	0.2	0.2
<b>Transfers and subsidies</b>	<b>11.3</b>	<b>33.7</b>	<b>39.1</b>	<b>39.9</b>	<b>35.7</b>	<b>37.9</b>	<b>25.7</b>
Provinces and municipalities	0.2	0.1	0.1	0.1	0.1	0.1	0.1
Departmental agencies and accounts	0.5	0.5	0.6	0.7	1.2	1.3	1.4
Foreign governments and international organisations	10.0	32.9	35.3	35.8	34.5	36.6	24.2
Public corporations and private enterprises	0.0	0.1	0.6	0.0	–	–	–
Households	0.6	0.2	2.5	3.3	–	–	–
<b>Payments for capital assets</b>	<b>15.4</b>	<b>14.8</b>	<b>17.1</b>	<b>27.1</b>	<b>2.8</b>	<b>7.9</b>	<b>10.3</b>
Buildings and other fixed structures	3.4	7.9	11.5	22.6	2.0	7.0	9.2
Machinery and equipment	11.3	6.1	5.5	4.4	0.7	0.8	1.0
Software and other intangible assets	0.7	0.7	0.1	0.1	0.1	0.1	0.1
<b>Payments for financial assets</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>279.7</b>	<b>334.7</b>	<b>372.1</b>	<b>414.1</b>	<b>413.7</b>	<b>444.2</b>	<b>479.7</b>

Table 25.4 Administration (continued)

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
<b>Details of selected transfers and subsidies</b>							
<b>Departmental agencies and accounts</b>							
<b>Departmental agencies (non-business entities)</b>							
<b>Current</b>	<b>0.5</b>	<b>0.5</b>	<b>0.6</b>	<b>0.7</b>	<b>1.2</b>	<b>1.3</b>	<b>1.4</b>
PAETA	0.5	0.5	0.6	0.7	1.2	1.3	1.4
<b>Foreign governments and international organisations</b>							
<b>Current</b>	<b>9.4</b>	<b>32.3</b>	<b>34.4</b>	<b>35.0</b>	<b>33.6</b>	<b>35.6</b>	<b>23.2</b>
International Union for the Protection of New Varieties of Plants	0.3	–	0.4	0.4	0.4	0.4	0.5
Consultative Group on International Agricultural Research	–	7.7	3.9	4.0	3.7	3.9	4.1
Food and Agriculture Organisation of the United Nations	–	14.5	12.0	12.0	12.7	13.5	11.1
Food and Agriculture Organisation of the United Nations	7.9	8.8	11.5	12.0	9.8	10.5	–
Office International de la Vigne et du Vin	0.5	0.5	0.6	0.6	0.6	0.6	0.7
Office International des Epizooties	0.7	0.8	1.0	1.0	1.1	1.1	1.2
International Fund for Agricultural Development	–	–	5.0	5.0	5.3	5.5	5.8
<b>Households</b>							
<b>Other transfers to households</b>							
<b>Current</b>	<b>–</b>	<b>–</b>	<b>2.1</b>	<b>2.8</b>	<b>–</b>	<b>–</b>	<b>–</b>
Female Farmer competition	–	–	2.1	2.8	–	–	–

## Expenditure trends

Expenditure grew from R279.7 million in 2006/07 to R414.1 million in 2009/10 at an average annual rate of 14 per cent, and is projected to increase to R479.7 million over the medium term at an average annual rate of 5 per cent. The growth between 2006/07 and 2009/10 can be attributed to once-off allocations of R27 million to the Food and Agricultural Organisation of the United Nations for capacity building and of R25 million to the fourth world congress on rural women in 2007/08.

Spending on the *Office Accommodation* subprogramme is expected to increase from R66.3 million in 2008/09 to R83.6 million in 2009/10, due to the department having negotiated a lease for new offices in Pretoria in excess of R2 million per year and as a result of consolidating offices in other cities. The department will also be leasing press room equipment as it is more economical than buying it.

## Programme 2: Production and Resources Management

- *Management.*
- *Agricultural Production* focuses on creating an enabling environment for increased and sustainable agricultural production through appropriate policies, legislation, norms and standards, technical guidelines and other programmes and services. It also administers the Animal Improvement Act (1988), the Plant Breeders' Rights Act (1976), and the Plant Improvement Act (1976). Funding is mainly used for personnel and related costs, support projects, and animal and plant production issues.
- *Engineering and Resources Management* facilitates the development of agricultural infrastructure and the use of agricultural resources. Other activities include auditing natural resources, controlling migratory pests, rehabilitating and protecting agricultural land, and running the community based LandCare programme. Funding is mainly used for personnel and related costs, LandCare grants, and the restoration of degraded land.



## Objectives and measures

- Stimulate the increased production of all strategically important agricultural commodities through:
  - increasing the productivity and domestic and global competitiveness of the sector by developing an agricultural production strategy by March 2010
  - developing mapping systems to identify food insecurity in South Africa by March 2013
  - extending conservation projects and programmes for the sustainable use of genetic resources for food and agriculture to 2 provinces by March 2012
  - improving the regulatory oversight of propagating and breeding material by implementing the relevant legislation, strategies and policies by March 2012.

## Service delivery focus

In 2009, the department developed and distributed production guidelines on grain crops, fruits, vegetables, industrial crops and ornamental plants to 20 000 farmers countrywide, and a series of articles on goat production and beef cattle management were published through the National Emergent Red Meat Producers Organisation. A comprehensive manual on wildlife ranching was published and distributed to 20 000 farmers countrywide.

The Ilima/Letsema programme, aimed at using all fallow land in peri-urban areas to produce food, was implemented in 2008/09 and is managed by provincial departments.

An area of focus from 2008/09 is to ensure the integrated, sustainable and effective management of natural resources through: awareness campaigns; identifying compromised areas and implementing conservation measures; a resources audit; water management; and providing support for developing and repairing irrigation structures.

## Expenditure estimates

**Table 25.5 Production and Resources Management**

Subprogramme	Audited outcome			Adjusted appropriation 2009/10	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
R million							
Management	0.1	1.4	1.5	2.0	1.8	1.9	2.0
Agricultural Production	42.8	51.4	292.1	108.8	251.5	452.9	477.1
Engineering and Resource Management	182.7	180.5	201.7	220.9	196.4	211.3	225.2
<b>Total</b>	<b>225.6</b>	<b>233.2</b>	<b>495.3</b>	<b>331.7</b>	<b>449.7</b>	<b>666.1</b>	<b>704.4</b>
Change to 2009 Budget estimate				31.5	(16.1)	(17.3)	(26.8)

### Economic classification

	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
<b>Current payments</b>	<b>115.3</b>	<b>122.0</b>	<b>174.6</b>	<b>189.2</b>	<b>162.8</b>	<b>173.4</b>	<b>185.2</b>
Compensation of employees	61.4	67.4	85.4	104.4	107.6	116.1	122.7
Goods and services	53.9	54.6	89.2	84.8	55.1	57.3	62.5
<i>of which:</i>							
Administrative fees	0.2	0.1	0.6	0.8	1.2	1.2	1.2
Contractors	1.0	1.1	4.1	3.8	0.4	0.4	0.4
Agency and support / outsourced services	3.2	3.8	6.2	3.3	8.3	8.1	8.3
Travel and subsistence	17.3	12.3	25.9	25.0	11.9	12.7	13.9
Interest and rent on land	0.0	0.0	0.0	–	0.1	0.1	0.1
<b>Transfers and subsidies</b>	<b>58.6</b>	<b>52.5</b>	<b>292.2</b>	<b>110.3</b>	<b>254.7</b>	<b>458.0</b>	<b>480.9</b>
Provinces and municipalities	56.1	47.0	223.2	101.7	254.5	457.8	480.7
Departmental agencies and accounts	–	–	65.0	–	–	–	–
Universities and technikons	–	3.6	3.6	–	–	–	–
Public corporations and private enterprises	0.3	0.1	0.2	0.0	–	–	–
Non-profit institutions	1.1	0.2	0.1	8.0	–	–	–
Households	1.1	1.6	0.2	0.5	0.2	0.2	0.2

Table 25.5 Production and Resources Management (continued)

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
<b>Economic classification</b>							
<b>Payments for capital assets</b>	<b>51.4</b>	<b>58.8</b>	<b>28.5</b>	<b>32.1</b>	<b>32.1</b>	<b>34.7</b>	<b>38.3</b>
Buildings and other fixed structures	46.2	44.1	22.8	20.5	28.9	31.4	35.0
Machinery and equipment	4.5	14.7	5.5	11.6	3.2	3.2	3.2
Software and other intangible assets	0.7	–	0.2	0.0	–	–	–
<i>of which:</i>							
Capitalised compensation	17.5	18.4	9.6	11.6	15.1	16.0	17.0
Capitalised goods and services	22.0	25.5	13.3	8.8	13.8	15.4	18.1
<b>Payments for financial assets</b>	<b>0.4</b>	<b>–</b>	<b>0.0</b>	<b>0.1</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>225.6</b>	<b>233.2</b>	<b>495.3</b>	<b>331.7</b>	<b>449.7</b>	<b>666.1</b>	<b>704.4</b>
<b>Details of selected transfers and subsidies</b>							
<b>Provinces and municipalities</b>							
<b>Provinces</b>							
<b>Provincial Revenue Funds</b>							
<b>Current</b>	<b>55.7</b>	<b>46.7</b>	<b>223.0</b>	<b>101.4</b>	<b>254.5</b>	<b>457.8</b>	<b>480.7</b>
LandCare Programme Grant: Poverty Relief and Infrastructure Development Grant	55.7	46.7	51.0	51.4	54.5	57.8	60.7
Ilima / Letsema projects	–	–	96.0	50.0	200.0	400.0	420.0
Agricultural starter packs	–	–	76.0	–	–	–	–
<b>Departmental agencies and accounts</b>							
<b>Departmental agencies (non-business entities)</b>							
<b>Current</b>	<b>–</b>	<b>–</b>	<b>65.0</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Eastern Cape Rural Finance Corporation	–	–	65.0	–	–	–	–
<b>Universities and technikons</b>							
<b>Current</b>	<b>–</b>	<b>3.6</b>	<b>3.6</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
University of Stellenbosch	–	3.6	3.6	–	–	–	–
<b>Non-profit institutions</b>							
<b>Current</b>	<b>1.0</b>	<b>0.1</b>	<b>–</b>	<b>8.0</b>	<b>–</b>	<b>–</b>	<b>–</b>
Food and Trees for Africa	1.0	0.1	–	–	–	–	–
Food Bank SA	–	–	–	8.0	–	–	–

## Expenditure trends

Expenditure increased at an average annual rate of 13.7 per cent from R225.6 million in 2006/07 to R331.7 million in 2009/10. This was mainly as a result of a once-off allocation in 2008/09 of R96 million for Ilima/Letsema and R76 million for starter packs. This also explains the 455.4 per cent increase in spending in the *Agricultural Production* programme in 2008/09.

Over the medium term, expenditure is expected to increase to R704.4 million in 2012/13, at an average annual rate of 28.5 per cent. This is due to additional allocations over the medium term of R200 million, R400 million and R420 million to further strengthen Ilima/Letsema. Spending in the *Management* subprogramme increased by 1 221.1 per cent from R105 000 in 2006/07 to R1.4 million in 2007/08 due to the filling of the deputy-director general post.

## Programme 3: Agriculture Support Services

- *Management*.
- *Livelihoods Development Support* facilitates the provision of post-settlement support to emerging farmers, promotes broad based black economic empowerment (BEE), provides for agricultural development finance,

promotes farmer cooperatives, and manages agricultural risk and disasters. It also manages the transfer of funds to the comprehensive agricultural support programme, Micro Agricultural Financial Institutions of South Africa, broad based black economic empowerment framework for agriculture (AgriBEE), Ncera Farms and for agricultural disasters.

- *Sector Services and Research* directs and supports agricultural education, training, extension, research and advisory services in support of targeted groups. It also manages the transfer of funds to the Agricultural Research Council.

## Objectives and measures

- Increase access to services and support for producers, entrepreneurs and agribusinesses through:
  - providing production loans through Micro Agricultural Financial Institutions of South Africa to 6 000 smallholder farmers per year over the MTEF period
  - providing industry focused value chain training to 2 000 beneficiaries per year over the MTEF period
  - improving the quality of extension services by increasing the number of extension officers enrolled in skills upgrading programmes by 200 per year over the MTEF period.

## Service delivery focus

From 2004/05 to 2006/07, the department developed norms and standards for agricultural extension and advisory services, thus redefining the critical role of extension officers in the public service and asserting their centrality in implementing key programmes such as the comprehensive agricultural support programme, Micro Agricultural Financial Institutions of South Africa and AgriBEE. The extension recovery plan, which was implemented in 2008, enhances the ability of extension officers and advisors to increase the productivity and profitability of black subsistence, smallholder and commercial farmers.

From 2008/09, the Micro Agricultural Financial Institutions of South Africa accredited 8 financial intermediaries to retail R95 million to 12 620 individual emerging farmers and cooperatives for cash crops, poultry, piggeries, ostriches and other livestock, and small farming equipment. The projection of the number of farmers accessing loans from 2010/11 decreased to 6 000 per year, as intermediaries will decrease to 8 against the targeted 12.

The target for beneficiaries of the comprehensive agricultural support programme for 2009/10 was set at 32 000. This was reduced to 26 300 due to higher food and input costs. Some of the achievements of the comprehensive agricultural support programme in 2008/09 were: 22 000 km of fencing, 290 km of fire belts, 105 irrigation systems, 120 stock water structures, 97 boreholes, 55 poultry housing structures and 148 vegetable gardens.

The agricultural education and training strategy for agriculture and rural development was devised in 2005 to address skills development in the sector to promote accelerated and shared economic growth. The National Agricultural Education and Training Forum is an advisory body to the minister for implementing this strategy. The forum will provide a better understanding of levels of education in the sector.

## Expenditure estimates

**Table 25.6 Agriculture Support Services**

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R million							
Management	1.4	1.8	10.7	2.1	1.9	2.1	2.2
Livelihoods Development Support	676.2	1 778.5	728.5	1 214.0	728.4	782.1	825.9
Sector Services and Research	610.4	588.9	720.1	807.6	1 000.8	1 215.5	1 346.6
<b>Total</b>	<b>1 288.0</b>	<b>2 369.2</b>	<b>1 459.3</b>	<b>2 023.7</b>	<b>1 731.1</b>	<b>1 999.7</b>	<b>2 174.8</b>
Change to 2009 Budget estimate				327.6	1.7	50.9	128.7

Table 25.6 Agriculture Support Services (continued)

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
<b>Economic classification</b>							
<b>Current payments</b>	<b>158.2</b>	<b>149.6</b>	<b>170.5</b>	<b>179.2</b>	<b>231.4</b>	<b>247.5</b>	<b>267.9</b>
Compensation of employees	55.9	62.7	70.9	83.5	89.0	94.1	100.9
Goods and services	102.3	86.8	99.5	95.7	142.3	153.3	166.9
<i>of which:</i>							
Administrative fees	–	–	0.8	0.5	0.0	0.0	0.1
Contractors	3.4	2.3	1.3	1.4	56.6	60.9	67.7
Agency and support / outsourced services	10.2	6.6	19.4	6.7	7.2	7.3	8.8
Travel and subsistence	10.9	13.7	14.9	11.5	10.6	11.3	12.1
Interest and rent on land	0.1	0.1	0.1	–	0.1	0.1	0.1
<b>Transfers and subsidies</b>	<b>1 122.6</b>	<b>1 515.4</b>	<b>1 284.1</b>	<b>1 842.8</b>	<b>1 499.4</b>	<b>1 751.9</b>	<b>1 906.6</b>
Provinces and municipalities	345.5	715.0	675.0	872.3	862.4	979.3	1 028.3
Departmental agencies and accounts	509.3	498.1	521.1	550.3	634.2	769.5	875.1
Universities and technikons	–	0.2	2.6	1.9	–	–	–
Public corporations and private enterprises	245.2	299.9	74.7	418.2	2.8	3.0	3.1
Non-profit institutions	2.5	2.0	10.5	–	–	–	–
Households	20.1	0.2	0.3	0.2	0.0	0.0	0.0
<b>Payments for capital assets</b>	<b>7.1</b>	<b>4.2</b>	<b>4.6</b>	<b>1.7</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>
Machinery and equipment	7.0	4.0	4.5	1.7	0.3	0.3	0.3
Biological assets	0.1	–	0.0	–	–	–	–
Software and other intangible assets	–	0.2	0.1	–	–	–	–
<b>Payments for financial assets</b>	<b>0.1</b>	<b>700.0</b>	<b>0.0</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>1 288.0</b>	<b>2 369.2</b>	<b>1 459.3</b>	<b>2 023.7</b>	<b>1 731.1</b>	<b>1 999.7</b>	<b>2 174.8</b>

**Details of selected transfers and subsidies**

<b>Provinces and municipalities</b>							
<b>Provinces</b>							
<b>Provincial Revenue Funds</b>							
<b>Current</b>	<b>345.4</b>	<b>715.0</b>	<b>675.0</b>	<b>872.3</b>	<b>862.4</b>	<b>979.3</b>	<b>1 028.3</b>
Comprehensive Agricultural Support Programme grant: Infrastructure	300.0	415.0	438.1	544.6	577.6	622.5	653.6
Disaster management	45.4	300.0	136.8	156.9	–	–	–
Comprehensive Agricultural Support Programme grant: Colleges for infrastructure	–	–	–	–	–	50.0	52.5
Comprehensive Agricultural Support Programme grant: Extension	–	–	100.0	170.8	284.8	306.9	322.2
<b>Departmental agencies and accounts</b>							
<b>Departmental agencies (non-business entities)</b>							
<b>Current</b>	<b>452.2</b>	<b>438.2</b>	<b>458.2</b>	<b>481.2</b>	<b>515.4</b>	<b>557.5</b>	<b>685.4</b>
Water Research Commission	–	0.8	–	–	–	–	–
Eisenburg Agriculture College	–	–	–	1.0	–	–	–
Taung Agricultural College	–	–	–	1.0	–	–	–
Owen Sithole Agricultural College	–	–	–	1.0	–	–	–
Timpi Seleke Agricultural Training Centre	–	–	0.9	1.0	1.0	–	–
Perishable Products Export Control Board	0.6	0.6	0.6	0.6	0.6	0.6	0.6
National Student Financial Aid Scheme	8.3	8.3	5.0	8.5	10.4	9.6	9.4
Baseline allocation - current	418.6	385.2	403.7	440.2	473.9	516.0	642.5
Intergis	1.7	1.8	1.9	2.0	2.1	2.3	2.4
Forum for Agricultural Research in Africa General Assembly (FARAGA)	10.0	–	–	–	–	–	–
Crop forecast	5.5	5.7	5.9	9.1	9.7	10.3	10.8
Diagnostic services	7.4	15.8	16.2	16.7	17.7	18.8	19.7
Onderstepoort Veterinary Institute upgrading of exotic diseases	–	20.0	24.0	–	–	–	–
Biological Products	–	–	–	–	–	–	–

Table 25.6 Agriculture Support Services (continued)

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
<b>Details of selected transfers and subsidies</b>							
<b>Capital</b>	<b>57.1</b>	<b>60.0</b>	<b>62.9</b>	<b>69.0</b>	<b>118.9</b>	<b>212.0</b>	<b>189.7</b>
Baseline allocation - capital	47.1	49.5	51.9	57.3	62.6	67.3	70.6
Renovations and upgrading	–	–	–	–	43.9	87.7	–
Agricultural research and infrastructure	10.0	10.5	11.0	11.7	12.4	13.2	13.9
Foot and Mouth Disease facility	–	–	–	–	–	43.9	105.3
<b>Universities and technikons</b>							
<b>Current</b>	<b>–</b>	<b>–</b>	<b>2.6</b>	<b>1.9</b>	<b>–</b>	<b>–</b>	<b>–</b>
Fort Hare University Community Development Centres	–	–	1.0	–	–	–	–
Free State University	–	–	1.6	1.9	–	–	–
<b>Public corporations and private enterprises</b>							
<b>Public corporations</b>							
<b>Other transfers</b>							
<b>Current</b>	<b>245.2</b>	<b>299.9</b>	<b>74.5</b>	<b>418.2</b>	<b>2.8</b>	<b>3.0</b>	<b>3.1</b>
Land and Agricultural Development Bank of SA	196.0	248.0	22.1	367.0	–	–	–
Ncera Farms (Pty) Limited	2.2	1.9	2.4	2.6	2.8	3.0	3.1
Land and Agricultural Development Bank of SA	47.0	50.0	50.0	48.6	–	–	–
<b>Non-profit institutions</b>							
<b>Current</b>	<b>2.0</b>	<b>2.0</b>	<b>10.5</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
National African Farmers Union	1.0	–	5.0	–	–	–	–
National Movement for Rural Woman	–	1.0	1.0	–	–	–	–
Farmer Development Trust	1.0	–	–	–	–	–	–
Cotton SA	–	–	4.5	–	–	–	–
National Red Meat Producers Organisation	–	1.0	–	–	–	–	–
<b>Households</b>							
<b>Other transfers to households</b>							
<b>Current</b>	<b>20.0</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Broad-based Black Economic Empowerment Programme for Agriculture	20.0	–	–	–	–	–	–

## Expenditure trends

Between 2006/07 and 2009/10, expenditure grew at an average annual rate of 16.3 per cent, from R1.3 billion to R2 billion. This was mainly due to a once-off allocation in 2007/08 of R700 million to the Land Bank for recapitalisation and R130 million to the Agricultural Research Council for upgrading infrastructure. This also explains the 163 per cent increase in spending on the *Livelihoods Development Support* subprogramme in 2007/08.

Spending is projected to increase marginally over the medium term at an average annual rate of 2.4 per cent to reach R2.2 billion in 2012/13. The 38.7 per cent increase in 2009/10 relates to transfers and can be attributed to the allocation of once-off additional amounts of R345 million for the Micro Agricultural Financial Institutions of South Africa scheme and R176 million for the comprehensive agricultural support programme.

Over the medium term, the *Agricultural Support Services* programme's spending emphasis will be on making production loans available to emerging and upcoming farmers.

## Public entity

### Agricultural Research Council

#### Strategic overview 2006/07 – 2012/13

The Agricultural Research Council is a science institution that conducts fundamental and applied research with partners to generate knowledge, develop human capital, and foster innovation in agriculture by developing technology and disseminating information. It also commercialises research results.

The following six objectives form the basis of its strategic plan: generate, develop and apply new knowledge, science and technology for agriculture to meet the demands for increased food production, food security and poverty alleviation; promote the sustainable use and management of natural resources to ensure a competitive agriculture sector and increase wealth for people and industries dependent on natural resources based agriculture; improve nutrition and food security and safety by improving crop and livestock production systems, including seed security; provide information and technical solutions that enable the agriculture sector to manage and mitigate agricultural risks, including threats to the agricultural production value chain from natural disasters, diseases, pests and agricultural practice; disseminate information and transfer technology emanating from research and development; and achieve organisational growth and sustainability.

In 2008/09, the focus for the medium term was set on researching infrastructure upgrades.

#### Savings and cost effective service delivery

Cost containment measures focus on: reviewing projects and programmes to identify areas that do not contribute to key performance targets and redirecting the funds; leveraging the relationships between the council and industry partners to optimise costs along the value chain, as well as identifying areas for further collaboration; increasing the use of PhD students on projects to reduce personnel costs; and minimising the use of external consultants on projects. In addition, filling vacancies is being delayed to improve cash flow. This resulted in savings of about R30 million in 2009/10.

The council will ensure that service delivery is not compromised, although there will be a decline in research outputs over the MTEF period.

#### Selected performance indicators

**Table 25.7 Agricultural Research Council**

Indicator	Programme/Activity	Past			Current	Projections		
		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Number of articles published in scientific journals or other publications per year:	Research							
- peer reviewed		152	162	225	139	148	150	150
- non-peer reviewed		974	979	861	1 199	1 469	1 500	1 575
Number of patents and other intellectual property filed for registration per year	Research	30	41	25	55	10	13	15
Number of Agricultural Research Council scientists and researchers invited to publish or present papers per year	Research	16	21	45	93	109	115	121
Number of Agricultural Research Council personnel registered for postgraduate training per year	Personnel development	118	108	96	104	110	115	121
Number of marketable products produced and released	Commercial	8	32	26	49	15	20	30
Number of technology solutions developed and disseminated per year:	Research							
- commercial farmers		100	160	192	239	38	40	42
- resource poor farmers		72	115	78	56	45	58	65
- all types of farmers		0	0	0	0	221	230	242

#### Service delivery focus

Since 2007/08, the council and the Onderstepoort Veterinary Institute have focused on developing new laboratory based diagnostic technologies to accurately identify animal pathogens. In 2008/09, researchers made advances in developing and implementing technologies for diagnosing several high priority diseases affecting the agro-economy of South Africa. Focusing on these diagnostic tools has been prioritised over the medium term.

To enhance nutrition, food security and safety, the council planted 21 076 fruit and nut trees in 1 500 homesteads in the OR Tambo and Amatole districts in Eastern Cape, increasing the total to 72 000 subtropical trees grown in these areas. Many beneficiary farmers are harvesting and selling fruits such as avocado, mango and banana. Since 2006/07, approximately 200 training and demonstration workshops have been conducted at 52 participating villages in Eastern Cape on all aspects of subtropical crop production.

The council exceeded its target of publishing peer reviewed scientific articles and chapters in books by 107 per cent (201 articles) with a research staff complement of 180 with PhD degrees. Further improvements will be achieved through innovative efforts to recruit and retain staff and additional resources.

## Expenditure estimates

**Table 25.8 Agricultural Research Council: Programme information**

R million	Audited outcome			Revised estimate	Medium-term estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
General, develop and apply new knowledge and technology	100.4	103.7	112.3	115.8	124.0	143.3	154.8
Sustainable use and management of natural resources	140.6	145.2	157.3	161.1	174.3	201.4	217.5
Enhance nutrition, food security and safety	133.9	138.3	149.8	154.4	165.4	191.1	206.4
Enhance the ability of the agricultural sector to manage and mitigate agricultural risks	140.6	145.2	157.3	162.1	173.6	200.7	216.7
Technology transfer	87.0	89.9	97.4	100.3	107.5	124.2	134.2
Other programmes	92.7	95.8	103.7	106.1	114.5	132.3	143.0
<b>Total expense</b>	<b>695.1</b>	<b>718.0</b>	<b>777.8</b>	<b>799.7</b>	<b>859.4</b>	<b>993.0</b>	<b>1 072.6</b>

**Table 25.9 Agricultural Research Council: Financial information**

Statement of financial performance	Audited outcome			Revised estimate	Medium-term estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
<b>Revenue</b>							
<b>Non-tax revenue</b>	<b>202.8</b>	<b>278.2</b>	<b>291.7</b>	<b>288.0</b>	<b>302.3</b>	<b>320.4</b>	<b>339.7</b>
Sale of goods and services other than capital assets	169.3	265.7	282.0	275.8	292.3	309.9	328.5
<i>of which:</i>							
Research income	169.3	265.7	282.0	275.8	292.3	309.9	328.5
Other non-tax revenue	33.6	12.4	9.6	12.3	10.0	10.6	11.2
<b>Transfers received</b>	<b>500.4</b>	<b>451.8</b>	<b>470.0</b>	<b>537.2</b>	<b>622.3</b>	<b>759.3</b>	<b>865.1</b>
<b>Total revenue</b>	<b>703.2</b>	<b>730.0</b>	<b>761.7</b>	<b>825.2</b>	<b>924.6</b>	<b>1 079.8</b>	<b>1 204.8</b>
<b>Expenses</b>							
<b>Current expense</b>	<b>695.1</b>	<b>718.0</b>	<b>777.8</b>	<b>799.7</b>	<b>859.4</b>	<b>993.0</b>	<b>1 072.6</b>
Compensation of employees	416.0	416.1	467.0	500.5	530.5	610.1	658.9
Goods and services	268.0	288.5	296.3	283.9	312.2	359.1	380.6
Depreciation	10.6	13.4	14.3	15.2	16.4	23.6	32.8
Interest, dividends and rent on land	0.5	0.0	0.2	0.2	0.2	0.3	0.3
<b>Total expenses</b>	<b>695.1</b>	<b>718.0</b>	<b>777.8</b>	<b>799.7</b>	<b>859.4</b>	<b>993.0</b>	<b>1 072.6</b>
<b>Surplus / (Deficit)</b>	<b>8.2</b>	<b>12.0</b>	<b>(16.1)</b>	<b>25.5</b>	<b>65.2</b>	<b>86.7</b>	<b>132.2</b>
<b>Statement of financial position</b>							
Carrying value of assets	578.6	607.6	654.6	681.0	771.0	946.2	1 089.2
<i>of which: Acquisition of assets</i>	<b>63.6</b>	<b>42.7</b>	<b>62.1</b>	<b>41.4</b>	<b>106.4</b>	<b>198.8</b>	<b>175.9</b>
Investments	2.2	2.2	2.2	2.2	2.2	2.2	2.2
Inventory	16.3	14.4	18.1	12.2	12.9	13.7	14.5
Receivables and prepayments	60.8	80.3	63.9	79.1	62.9	67.3	72.7
Cash and cash equivalents	96.7	59.1	35.0	32.4	27.4	18.0	41.5
<b>Total assets</b>	<b>754.6</b>	<b>763.6</b>	<b>773.8</b>	<b>806.9</b>	<b>876.4</b>	<b>1 047.4</b>	<b>1 220.1</b>
Capital and reserves	261.0	272.9	256.8	258.3	291.6	371.8	444.4
Post-retirement benefits	30.3	27.5	28.8	27.2	28.8	30.3	31.9
Trade and other payables	420.2	426.0	444.1	473.3	504.9	591.2	686.5
Provisions	43.1	37.3	44.1	48.2	51.1	54.1	57.4
<b>Total equity and liabilities</b>	<b>754.6</b>	<b>763.6</b>	<b>773.8</b>	<b>806.9</b>	<b>876.4</b>	<b>1 047.4</b>	<b>1 220.1</b>

## Expenditure trends

The Agricultural Research Council is primarily funded from a transfer from the Department of Agriculture, Forestry and Fisheries. Additional revenue is received from the provision of research services to external clients.

Total revenue increased from R703 million in 2006/07 to R825 million in 2009/10, at an average annual rate of 5.5 per cent. This is due to an increase in transfers in 2007/08. Over the medium term, total revenue is expected to increase to R1.2 billion, at an average annual rate of 12.7 per cent. This is reflected in the projected increase in transfers from R537.2 million in 2009/10 to R865.1 billion in 2012/13, at an average annual rate of 17.2 per cent. This increase can mainly be attributed to additional allocations of R50 million in 2011/12 and R120 million in 2012/13 to renovate buildings and upgrade and replace machinery and equipment.

Expenditure increased steadily between 2006/07 and 2009/10 at an average annual rate of 4.8 per cent, driven largely by inflationary increases in compensation of employees and goods and services spending. Expenditure is expected to increase at an average annual rate of 10.3 per cent over the medium term to reach R1.1 billion in 2012/13. This is due to the construction of a new foot and mouth disease vaccine facility.

## **Programme 4: Trade and Agricultural Development**

- *Management.*
- *Trade and Marketing Development* facilitates domestic and international market access for South African agricultural products. It also manages the transfer of funds to the National Agricultural Marketing Council.
- *Economic and Statistical Services* provides for agricultural statistical services in support of economic growth and development and an equitable agriculture sector. It also monitors and evaluates the economic performance of the sector and generates national agricultural statistics. Funding will mainly be used for personnel related costs and costs related to the collection of statistical data.

### **Objectives and measures**

- Improve equitable market access for agricultural products by:
  - training an average of 500 developing farmers per year on agricultural marketing over the MTEF period
  - increasing the access of agricultural products into international markets by concluding 6 negotiation sessions per year over the MTEF period
  - facilitating the establishment of 1 marketing infrastructure, such as units for storing, grading and packing fresh produce, per province per year over the MTEF period
  - producing quarterly economic analysis and forecast reports
  - producing monthly crop estimates reports
  - developing a farmer register over the MTEF period
  - undertaking regular agricultural economic research and giving continuous policy advice.

### **Service delivery focus**

In 2009/10, the department achieved the target of training 450 emerging farmers in agricultural marketing. The department will continue implementing strategies and interventions aimed at improving market access, such as training developing farmers, providing marketing information, and facilitating the establishment of agricultural marketing infrastructure, and working with other government departments to improve the efficiency and economic viability of the agro-logistics system.

More time and resources have been allocated to supporting participation in trade negotiations sessions aimed at improving the access of South African agricultural products in international markets.

The department has invested R2.1 million in improving the accuracy of crop estimates.

In the medium term, the department will develop a farmer register and will continue to undertake agricultural economic research and provide policy advice.



## Expenditure estimates

**Table 25.10 Trade and Agricultural Development**

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R million							
Management	1.5	1.2	1.2	2.1	2.2	2.3	2.5
Trade and Marketing Development	30.8	36.3	43.8	54.5	56.2	63.2	67.7
Economic and Statistical Services	15.1	23.5	31.2	20.3	22.4	23.8	25.7
<b>Total</b>	<b>47.4</b>	<b>60.9</b>	<b>76.2</b>	<b>76.8</b>	<b>80.7</b>	<b>89.3</b>	<b>96.0</b>
Change to 2009 Budget estimate				(0.3)	(3.5)	(1.9)	0.2

### Economic classification

<b>Current payments</b>	<b>33.8</b>	<b>42.8</b>	<b>51.2</b>	<b>47.9</b>	<b>49.4</b>	<b>52.7</b>	<b>57.1</b>
Compensation of employees	24.3	26.3	30.0	38.2	41.4	44.3	47.1
Goods and services	9.5	16.5	21.2	9.7	8.0	8.3	10.0
<i>of which:</i>							
Agency and support / outsourced services	1.2	0.5	8.0	1.9	1.8	2.0	2.1
Travel and subsistence	4.1	4.0	3.9	3.2	2.5	2.4	3.0
Interest and rent on land	0.0	0.0	0.0	–	0.0	0.0	0.0
<b>Transfers and subsidies</b>	<b>12.7</b>	<b>17.6</b>	<b>22.5</b>	<b>28.4</b>	<b>31.2</b>	<b>36.4</b>	<b>38.7</b>
Provinces and municipalities	0.0	–	–	–	–	–	–
Departmental agencies and accounts	12.7	17.0	22.5	28.4	31.2	36.3	38.5
Households	0.0	0.6	–	–	–	0.2	0.2
<b>Payments for capital assets</b>	<b>0.8</b>	<b>0.5</b>	<b>2.5</b>	<b>0.5</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>
Machinery and equipment	0.8	0.5	2.5	0.5	0.1	0.2	0.2
Software and other intangible assets	–	–	0.1	0.0	0.0	0.1	0.1
<b>Total</b>	<b>47.4</b>	<b>60.9</b>	<b>76.2</b>	<b>76.8</b>	<b>80.7</b>	<b>89.3</b>	<b>96.0</b>

### Details of selected transfers and subsidies

<b>Departmental agencies and accounts</b>							
<b>Departmental agencies (non-business entities)</b>							
<b>Current</b>	<b>12.7</b>	<b>17.0</b>	<b>22.5</b>	<b>28.4</b>	<b>31.2</b>	<b>36.3</b>	<b>38.5</b>
National Agricultural Marketing Council	12.7	17.0	22.5	28.4	31.2	36.3	38.5

## Expenditure trends

Expenditure grew from R47.4 million in 2006/07 to R76.8 million in 2009/10, at an average annual rate of 17.5 per cent. This was due to an increase in the baseline for the Agricultural Marketing Council from R12.7 million in 2006/07 to R28.4 million in 2009/10.

Over the medium term, expenditure is expected to increase to R96 million at an average annual rate of 7.7 per cent, due to increased capacity and increased transfers to the Agricultural Marketing Council. The decrease in the *Economic and Statistical Services* subprogramme in 2009/10 is due to an exceptional expense on the agricultural survey in 2008/09. Provision was made for the appointment of a deputy director-general under *Management* in 2009/10, resulting in an increase of 72.1 per cent.

## Programme 5: Food safety and biosecurity

- *Management*.
- *Plant Health and Inspection Services* focuses on sound plant health risk management frameworks, contributes to a compliance system for assessing the potential risks associated with genetically modified organisms, and regulates border and national inspection services on regulated agricultural products intended for import, export and local trade.

- *Food and Veterinary Services* manages animal diseases, assists with negotiating protocols for importing and exporting animals and animal products, and ensures that animal products are of good quality and safe for human consumption.

## Objectives and measures

- Develop surveillance programmes and monitor the incidence of plant and animal diseases by March 2011.
- Improve biosecurity by:
  - strengthening compliance with and implementation of regulations by March 2012
  - facilitating the registration of agricultural production inputs and genetically modified organisms by March 2012
  - negotiating 5 priority African country sanitary, phyto and zoo sanitary protocols over the MTEF period.
- Improve access to biosecurity services for all beneficiaries by facilitating the development of 7 initiatives over the MTEF period.
- Improve biosecurity by facilitating the registration of agricultural production inputs and genetically modified organisms by March 2012.
- Relieve the shortage in veterinarians in rural areas by implementing compulsory community service for veterinarians over the MTEF period.

## Service delivery focus

In 2009, the department strengthened ports of entry by appointing 90 more inspectors. The department has prioritised ensuring that all agricultural products imported into South Africa are safe for consumption and will not cause disease outbreaks during the 2010 FIFA World Cup. In 2009, surveillance programmes were introduced in various production systems to ensure an early warning system to mitigate all food security risks. Over the medium term, the focus will be on disseminating information to all foreign missions to ensure that visitors are informed about all agricultural regulatory systems. In 2010, the department, in consultation with other departments, will start a project to put a recall system in place which will mitigate the risks that impact agricultural production and human health. This project will allow for products to be returned to their countries of origin if contaminated.

In 2009, various genetically modified organism activities were reviewed with a view to imposing national standards over the MTEF period. Awareness and communication tools are now being developed. Developing new systems to improve the registration of agricultural inputs will be prioritised over the medium term. Another area of focus is improving biosecurity measures on farms, with the emphasis on developing biosecurity systems which support smallholder production systems. In 2010, smallholder farmers will be taken through the food safety system to ensure access to national and international markets.

Maintaining existing international markets and negotiating new protocols for agricultural products will contribute positively to the economy and ensure food safety. Promoting intra-regional trade through the SADC protocol will be prioritised.

## Expenditure estimates

**Table 25.11 Food Safety and Biosecurity**

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
R million							
Management	1.8	0.6	1.5	2.1	1.9	2.1	2.2
Plant Health and Inspection Services	87.4	102.2	138.1	186.7	226.3	255.2	276.5
Food and Veterinary Services	294.0	231.8	305.4	149.6	130.6	217.4	268.5
<b>Total</b>	<b>383.2</b>	<b>334.7</b>	<b>445.0</b>	<b>338.5</b>	<b>358.8</b>	<b>474.7</b>	<b>547.2</b>
Change to 2009 Budget estimate				7.7	(31.2)	46.7	97.9

Table 25.11 Food Safety and Biosecurity (continued)

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
<b>Economic classification</b>							
<b>Current payments</b>	<b>284.3</b>	<b>226.0</b>	<b>255.8</b>	<b>325.5</b>	<b>349.8</b>	<b>431.6</b>	<b>536.6</b>
Compensation of employees	168.6	152.9	172.0	231.9	269.1	297.8	367.8
Goods and services	115.6	72.9	83.7	93.6	80.6	133.7	168.6
<i>of which:</i>							
Administrative fees	–	–	0.3	0.2	0.2	1.7	4.7
Contractors	2.3	2.7	2.1	1.4	1.7	5.5	2.0
Agency and support / outsourced services	29.8	18.0	12.7	9.8	10.3	11.0	11.8
Travel and subsistence	51.4	21.7	22.0	17.7	19.9	25.2	43.7
Interest and rent on land	0.1	0.1	0.1	–	0.1	0.1	0.2
<b>Transfers and subsidies</b>	<b>84.6</b>	<b>97.0</b>	<b>172.9</b>	<b>6.6</b>	<b>6.6</b>	<b>6.9</b>	<b>7.3</b>
Provinces and municipalities	0.1	0.0	0.0	0.0	–	–	–
Departmental agencies and accounts	8.0	4.0	–	–	–	–	–
Public corporations and private enterprises	0.0	0.0	21.4	0.0	–	–	–
Non-profit institutions	4.0	3.6	6.7	6.3	6.6	6.9	7.3
Households	72.6	89.4	144.8	0.3	–	–	–
<b>Payments for capital assets</b>	<b>13.3</b>	<b>11.4</b>	<b>15.3</b>	<b>6.4</b>	<b>2.4</b>	<b>36.2</b>	<b>3.4</b>
Buildings and other fixed structures	0.2	–	2.1	–	–	–	–
Machinery and equipment	12.8	10.5	12.9	6.4	1.9	35.7	2.9
Biological assets	–	0.5	0.3	–	–	–	–
Software and other intangible assets	0.2	0.4	0.0	0.0	0.5	0.5	0.5
<b>Payments for financial assets</b>	<b>1.0</b>	<b>0.3</b>	<b>0.9</b>	<b>0.0</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>383.2</b>	<b>334.7</b>	<b>445.0</b>	<b>338.5</b>	<b>358.8</b>	<b>474.7</b>	<b>547.2</b>
<b>Details of selected transfers and subsidies</b>							
<b>Departmental agencies and accounts</b>							
<b>Departmental agencies (non-business entities)</b>							
<b>Current</b>	<b>8.0</b>	<b>4.0</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Agricultural Research Council	8.0	–	–	–	–	–	–
Perishable Products Export Control Board	–	4.0	–	–	–	–	–
<b>Public corporations and private enterprises</b>							
<b>Private enterprises</b>							
<b>Other transfers</b>							
<b>Current</b>	<b>–</b>	<b>–</b>	<b>21.1</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Blueilliesbush Dairy Farming	–	–	21.1	–	–	–	–
<b>Non-profit institutions</b>							
<b>Current</b>	<b>4.0</b>	<b>3.5</b>	<b>6.7</b>	<b>6.3</b>	<b>6.6</b>	<b>6.9</b>	<b>7.3</b>
Entomology Congress	–	0.5	–	–	–	–	–
Deciduous Fruit Producers Trust	4.0	3.0	6.0	6.3	6.6	6.9	7.3
Onderstepoort Centenary Organising Committee	–	–	0.7	–	–	–	–
<b>Households</b>							
<b>Other transfers to households</b>							
<b>Current</b>	<b>59.6</b>	<b>88.4</b>	<b>143.6</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Classical swine fever	59.6	88.4	143.6	–	–	–	–

## Expenditure trends

Expenditure in this programme is affected by unforeseen and unavoidable outbreaks of animal and plant diseases and pests and fluctuates quite significantly as a result. Between 2006/07 and 2009/10, expenditure decreased at an average annual rate of 4.1 per cent, from R383.2 million to R338.5 million. This was mainly due to once-off expenditure to contain the outbreaks of avian influenza, foot and mouth disease and classical swine fever in 2006/07 and 2008/09. From 2006/07 to 2009/10, R72.6 million, R89.4 million and R144.8 million were transferred to households as compensation payments to farmers whose pigs were culled in the classical swine fever combating campaign.

Over the medium term, expenditure is expected to increase significantly at an average annual rate of 17.4 per cent, from R338.5 million to R547.2 million. This is due to additional allocations for implementing compulsory community service for veterinarians.

## Programme 6: Forestry

- *Management.*
- *Forestry Regulation and Oversight* is responsible for: developing policies and strategies to support sustainable forest management; international liaison on sustainable forest management; sector liaison; sector foresight; research; administering the National Forests Act (1998) and the National Veld and Forest Fire Act (1998); and managing forestry data, spatial and non-spatial information, and knowledge systems.
- *Forestry Development* develops forest enterprise development programmes that support BEE and strategies and interventions that enable communities to make use of forest resources products to improve their livelihoods. The subprogramme manages transfer processes and post-transfer administration and regulation, including the management of delegations and lease agreements.
- *Forestry Operations* is responsible for the implementation of forestry related programmes and strategies in the provinces. The subprogramme ensures the sustainable management of state forests, implements and enforces the National Forests Act (1998) and the National Veld and Forest Fire Act (1998), implements forest enterprise development and livelihood programmes, monitors lease agreements, gathers forestry information and ensures access to forestry information.

## Objectives and measures

- Ensure the sustainable management of the department's plantations, natural forests (indigenous forests) and woodlands to realise their social, environmental and economic benefit by continuously administering, implementing and enforcing the National Forests Act (1998) and the National Veld and Forest Fire Act (1998).
- Increase the contribution of the forestry sector to improving livelihoods by implementing the greening programme, including the Million Trees programme, and by establishing support mechanisms for participatory forest management and community forestry over the MTEF period.
- Accelerate the transformation and growth of the forestry sector in line with the targets in the Forest Sector Charter by implementing the charter over the MTEF period.

## Service delivery focus

In May 2008, the minister and forestry stakeholders signed the Forest Sector Charter, which was published in the government gazette in June 2009 in terms of sections 9 and 12 of the Broad Based Black Economic Empowerment Act (2003).

In 2008, the department embarked on a national afforestation programme to expand timber resources, minimise timber imports and optimise enterprise development opportunities in the timber production and processing sector. The department and the industry have committed to afforesting 10 000ha per year, in terms of the charter.

In 2008/09, 1.85 million trees (fruit trees and ornamental indigenous species) were planted countrywide. This includes trees that were planted by projects assisted by the department and other organisations.

Regulations supporting the National Forests Act (1998) will guide and support implementing legislation to ensure suitably managed forests. In 2008/09, a forest licensing tracking system was developed and deployed to all regional offices. 38 fire protection associations covering an area of approximately 7 million hectares were registered in terms of the National Veld and Forest Fire Act (1998) in 2008/09. 35 of these were registered in high to extreme fire risk areas by March 2009.

Commercial plantations, earmarked for the land reform programme, are managed according to best practice with growing stock management plans. Approximately 1 110ha of plantations managed by the department and 65 933ha managed by the forestry industry were damaged by fires.

The minister signed a head lease agreement with the KwaMbonambi community in KwaZulu-Natal in 2009. The department released 3 729ha of state forest land in Dukuduku, KwaZulu-Natal, to the provincial department of housing to respond to the illegal invasion of the Dukuduku forests.

## Expenditure estimates

**Table 25.12 Forestry**

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R million							
Management	0.3	1.6	2.5	3.9	3.8	4.0	4.3
Forestry Regulation and Oversight	23.6	32.7	39.8	42.1	51.8	56.9	61.2
Forestry Development	8.5	10.2	5.5	17.0	18.5	22.5	24.2
Forestry Operations	409.2	408.2	461.3	516.1	427.4	474.5	513.2
<b>Total</b>	<b>441.5</b>	<b>452.7</b>	<b>509.1</b>	<b>579.1</b>	<b>501.5</b>	<b>558.0</b>	<b>602.9</b>
Change to 2009 Budget estimate				49.2	(50.2)	(55.1)	(40.5)

### Economic classification

<b>Current payments</b>	<b>423.8</b>	<b>447.6</b>	<b>498.2</b>	<b>563.2</b>	<b>488.8</b>	<b>543.5</b>	<b>587.0</b>
Compensation of employees	254.5	275.3	301.8	397.5	331.9	369.4	399.1
Goods and services	168.6	171.4	196.3	164.8	156.0	173.0	186.8
<i>of which:</i>							
<i>Administrative fees</i>	1.2	1.1	0.8	2.1	3.1	3.5	3.8
<i>Contractors</i>	2.9	0.5	4.7	4.0	4.6	5.1	5.5
<i>Agency and support / outsourced services</i>	18.7	12.2	64.8	20.5	25.1	28.5	30.5
<i>Travel and subsistence</i>	62.5	58.3	61.1	54.2	45.5	49.6	53.7
<i>Interest and rent on land</i>	0.7	0.8	0.1	0.8	1.0	1.1	1.1
<b>Transfers and subsidies</b>	<b>13.0</b>	<b>2.6</b>	<b>5.2</b>	<b>6.7</b>	<b>2.5</b>	<b>3.3</b>	<b>3.8</b>
Provinces and municipalities	0.2	0.1	1.4	–	0.1	0.1	0.1
Public corporations and private enterprises	12.8	2.5	–	2.7	–	–	–
Non-profit institutions	–	–	–	–	2.2	2.2	2.3
Households	–	0.0	3.7	4.0	0.2	1.0	1.4
<b>Payments for capital assets</b>	<b>4.7</b>	<b>2.4</b>	<b>5.8</b>	<b>9.3</b>	<b>10.1</b>	<b>11.2</b>	<b>12.1</b>
Buildings and other fixed structures	–	0.1	1.2	–	–	–	–
Machinery and equipment	4.7	2.1	4.3	9.0	9.9	10.9	11.8
Biological assets	–	0.2	0.2	–	–	–	–
Software and other intangible assets	–	0.1	0.0	0.3	0.3	0.3	0.3
<b>Total</b>	<b>441.5</b>	<b>452.7</b>	<b>509.1</b>	<b>579.1</b>	<b>501.5</b>	<b>558.0</b>	<b>602.9</b>

Table 25.12 Forestry (continued)

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
<b>Details of selected transfers and subsidies</b>							
<b>Public corporations and private enterprises</b>							
<b>Public corporations</b>							
<b>Subsidies on production or products</b>							
<b>Current</b>	-	-	-	2.4	-	-	-
Forestry SA - Subsidy Research	-	-	-	2.4	-	-	-
<b>Public corporations and private enterprises</b>							
<b>Public corporations</b>							
<b>Other transfers</b>							
<b>Current</b>	12.8	-	-	-	-	-	-
YORKOR	12.8	-	-	-	-	-	-
<b>Non-profit institutions</b>							
<b>Current</b>	-	-	-	-	2.2	2.2	2.3
Forest Sector Charter Council	-	-	-	-	2.2	2.2	2.3

## Expenditure trends

Expenditure grew from R441.5 million in 2006/07 to R579.1 million in 2009/10, at an average annual rate of 9.5 per cent. This was mainly due to additional allocations in 2009/10 of R40 million to develop the Forest Sector Charter, R12 million for the Million Trees programme, and R46 million for commercial forestry operations in Mpumalanga.

Expenditure is expected to increase marginally at an average annual rate of 1.4 per cent over the medium term, to reach R602.9 million.

The 142.5 per cent increase in spending in *Management* between 2006/07 and 2009/10 was due to an increase from a very low base in 2006/07. The 206.5 per cent increase in spending in *Forestry Development* in 2009/10 was due to the introduction of the Forest Sector Charter.

The 13.4 per cent decrease in total programme spending in 2010/11 was due to the once-off increase in 2009/10 for commercial forestry operations in Mpumalanga.

## Programme 7: Fisheries

- *Management*.
- *Administrative Support Services* provides for the overall administration of the programme activities. The funds are used for the compensation of employees working for the Marine Living Resource Fund.
- *Marine Living Resources Fund* receives transfers for the management and sustainable use of marine living resources to supplement the revenue received from levies on fish and fish products, for permits and application fees and the proceeds from the sale of confiscated fish and fish products. Funding is based on the approved business plan of the entity.

## Objectives and measures

- Manage, regulate and monitor the orderly utilisation of South Africa's marine resources by reviewing 70 per cent of rights holders in the fishing industry by 2012/13 to ensure that they conform with the conditions under which they were granted.

## Service delivery focus

In addition to administering fishing rights in the 21 commercial fishing sectors, the medium term focus will be on finalising and allocating rights in the subsistence, large pelagics and recreational sectors. The performance of the rights holders in the commercial fishing sectors will be also reviewed to assess whether they have conformed with the conditions under which the rights were granted. The first phase is due for completion in March 2010 and the second phase by the end of 2010/11.

## Expenditure estimates

Table 25.13 Fisheries

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R million							
Management	–	–	0.8	0.9	0.9	1.0	1.0
Administrative Support Services	45.5	73.2	107.2	103.6	115.2	122.1	128.3
Marine Living Resources Fund	–	–	–	6.3	6.3	6.3	6.3
<b>Total</b>	<b>45.5</b>	<b>73.2</b>	<b>108.0</b>	<b>110.7</b>	<b>122.4</b>	<b>129.4</b>	<b>135.6</b>
<b>Economic classification</b>							
<b>Current payments</b>	<b>45.5</b>	<b>73.2</b>	<b>108.0</b>	<b>104.4</b>	<b>116.1</b>	<b>123.1</b>	<b>129.3</b>
Compensation of employees	45.5	73.2	108.0	104.4	116.1	123.1	129.3
<b>Transfers and subsidies</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>6.3</b>	<b>6.3</b>	<b>6.3</b>	<b>6.3</b>
Departmental agencies and accounts	–	–	–	6.3	6.3	6.3	6.3
<b>Total</b>	<b>45.5</b>	<b>73.2</b>	<b>108.0</b>	<b>110.7</b>	<b>122.4</b>	<b>129.4</b>	<b>135.6</b>
<b>Details of selected transfers and subsidies</b>							
<b>Departmental agencies and accounts</b>							
<b>Departmental agencies (non-business entities)</b>							
<b>Current</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>6.3</b>	<b>6.3</b>	<b>6.3</b>	<b>6.3</b>
Marine Living Resources Fund	–	–	–	6.3	6.3	6.3	6.3

## Expenditure trends

The Marine Living Resources Fund was transferred to the department from the Department of Environmental Affairs in 2009/10. The administrative and management functions in the fund did not receive any government grants before the shift. From 2009/10 and over the MTEF period, transfers of R6.3 million per year have been allocated to the *Marine Living Resources Fund* subprogramme to supplement the fund's revenue.

Approximately 70 per cent of the *Administrative Support Services* subprogramme moved to the Department of Agriculture, Forestry and Fisheries (70 per cent of R155 million in 2010/11, R172 million in 2011/12 and R182 million in 2012/13). The *Antarctic Supply Vessels* subprogramme and the *Antarctic and Island Research* subprogramme remain with the Department of Environmental Affairs.

Personnel employed by the Marine Living Resources Fund are remunerated through the *Administrative Support Services* subprogramme, which grew strongly by 31.6 per cent from R45.5 million in 2006/7 to R104 million in 2009/10. Over the MTEF period, expenditure on personnel will increase at an average annual rate of 5.5 per cent, from R116.1 million in 2010/11 to R129.3 million in 2012/13.

## Public entity

### Marine Living Resources Fund

#### Strategic overview: 2006/07 – 2012/13

The Marine Living Resources Fund was established in terms of the Marine Living Resources Act (1998). The mandate and core business of the fund is to manage the development and sustainable use of South Africa's marine and coastal resources, as well as to protect the integrity and quality of the marine and coastal ecosystem.

The organisation regulates the use of marine resources through administering fishing rights, permits and licences. Key activities include: developing and implementing a policy framework for allocating and managing long term fishing rights in 20 commercial fishing sectors; facilitating and managing the transfer of commercial fishing rights; conserving and protecting seals, seabirds and shorebirds; developing a policy and management framework for the subsistence fishing sector; and monitoring fish stocks to prevent overexploitation or negative impacts on the integrity of marine ecosystems; and developing management strategies to rebuild depleted fish stocks.

Some key policy development issues that will be addressed in the medium term include finalising a national plan of action for sharks, a rights allocation process in the large pelagics sector, processing appeals for the boat based whale watching and white shark cage diving rights allocation process, and amending the Marine Living Resources Act (1998) to deal with these issues.

#### Savings and cost effective service delivery

The Marine Living Resources Fund underwent a mid-term budget review in October 2009 where cost centre managers were given the opportunity to revise and realign budgets. The fund also identified areas of possible savings over the medium term, which include: reduced days at sea so as only to perform critical research voyages; making use of the resources of other government departments to supplement monitoring, control and surveillance efforts; cost efficient ways of travelling for business purposes; making use of video links at meetings to reduce travelling; investment in research technology to reduce the use of outsourced services; and no catering for internal meetings.

#### Selected performance indicators

**Table 25.14 Marine Living Resources Fund**

Indicator	Programme/ Activity	Past			Current	Projections		
		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Number of annual assessments conducted to determine the state of resources in the fisheries sectors	Marine research	21	21	21	21	21	21	221
Number of research projects conducted on the feasibility of South Africa's aquaculture species	Aquaculture research	2	2	2	2	2	3	3
Number of aquaculture (fish farming) pilot projects launched per year	Integrated coastal management	–	–	2	3	4	5	6

#### Service delivery focus

In 2009/10, the organisation carried out scientific surveys and research to determine the total allowable catch, and made recommendations on 21 fishing sectors. A strategy aimed at protecting hake and recovering abalone was developed and implemented.

The Integrated Coastal Management Act (2008) was promulgated in December 2008 and the terms of reference for developing the enforcement manual was drafted and submitted for approval to appoint a service provider. A joint SADC monitoring, control and enforcement patrol was carried out in 2009 in partnership with Mozambique, Tanzania and Kenya.



## Expenditure estimates

**Table 25.15 Marine Living Resources Fund: Programme information**

R million	Audited outcome			Revised	Medium-term estimate		
	2006/07	2007/08	2008/09	estimate 2009/10	2010/11	2011/12	2012/13
Administration	45.6	61.8	62.7	62.1	48.2	50.7	53.9
Marine Resource Management	12.4	9.3	7.7	9.3	7.2	7.6	8.1
Intergrated Coastal Management	13.8	24.3	20.2	18.6	–	–	–
Research, Antarctica and Islands	88.0	78.9	103.6	102.4	86.7	91.3	97.0
Monitoring Control and Surveillance	118.7	81.6	117.9	118.0	98.8	104.0	110.5
<b>Total expense</b>	<b>278.4</b>	<b>255.9</b>	<b>312.1</b>	<b>310.4</b>	<b>240.9</b>	<b>253.6</b>	<b>269.4</b>

**Table 25.16 Marine Living Resources Fund: Financial information**

Statement of financial performance	Audited outcome			Revised estimate	Medium-term estimate		
R million	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
<b>Revenue</b>							
<b>Non-tax revenue</b>	<b>179.3</b>	<b>154.9</b>	<b>128.7</b>	<b>135.9</b>	<b>114.5</b>	<b>122.5</b>	<b>131.1</b>
Sale of goods and services other than capital assets	174.1	146.9	119.5	127.2	111.5	119.3	127.6
<i>of which:</i>							
Admin fees	91.9	87.2	81.6	92.2	94.0	101.3	109.1
Licenses and permits	58.1	40.1	22.1	–	–	–	–
Levies on fish and fish products	24.2	19.6	15.8	35.0	17.5	18.0	18.5
Other non-tax revenue	5.2	8.0	9.1	8.7	3.0	3.2	3.5
<b>Transfers received</b>	<b>151.4</b>	<b>144.4</b>	<b>209.2</b>	<b>182.9</b>	<b>127.0</b>	<b>131.3</b>	<b>138.5</b>
<b>Total revenue</b>	<b>330.7</b>	<b>299.2</b>	<b>337.8</b>	<b>318.8</b>	<b>241.5</b>	<b>253.8</b>	<b>269.6</b>
<b>Expenses</b>							
<b>Current expense</b>	<b>278.4</b>	<b>255.9</b>	<b>312.1</b>	<b>310.4</b>	<b>240.9</b>	<b>253.6</b>	<b>269.4</b>
Goods and services	274.2	249.3	304.2	299.7	231.0	243.9	260.3
Depreciation	4.0	6.6	7.9	10.7	9.9	9.6	9.2
Interest, dividends and rent on land	0.2	–	0.0	–	–	–	–
<b>Total expenses</b>	<b>278.4</b>	<b>255.9</b>	<b>312.1</b>	<b>310.4</b>	<b>240.9</b>	<b>253.6</b>	<b>269.4</b>
<b>Surplus / (Deficit)</b>	<b>52.3</b>	<b>43.4</b>	<b>25.7</b>	<b>8.4</b>	<b>0.7</b>	<b>0.2</b>	<b>0.1</b>
<b>Statement of financial position</b>							
Carrying value of assets	14.5	15.2	25.1	41.6	42.3	42.5	42.7
<i>of which: Acquisition of assets</i>	10.5	7.3	17.8	27.2	10.5	9.9	9.3
Inventory	17.6	3.5	4.6	–	–	–	–
Receivables and prepayments	6.8	22.9	10.0	9.0	8.5	8.0	7.5
Cash and cash equivalents	28.1	60.2	78.9	61.9	62.7	62.4	62.0
<b>Total assets</b>	<b>67.0</b>	<b>101.8</b>	<b>118.6</b>	<b>112.5</b>	<b>113.4</b>	<b>112.9</b>	<b>112.2</b>
Accumulated surplus/deficit	(12.9)	30.4	56.2	64.5	65.2	65.4	65.6
Borrowings	0.4	–	–	–	–	–	–
Trade and other payables	41.5	45.3	35.5	36.0	37.3	37.5	37.6
Liabilities not classified elsewhere	38.1	26.1	26.9	12.0	11.0	10.0	9.0
<b>Total equity and liabilities</b>	<b>67.0</b>	<b>101.8</b>	<b>118.6</b>	<b>112.5</b>	<b>113.4</b>	<b>112.9</b>	<b>112.2</b>

## Expenditure trends

The Marine Living Resources Fund receives transfers from the department and generates revenue from levies on fish and fish products, licence and permit fees, fines and confiscations, and harbour fees. Revenue increased from R330.7 million in 2006/07 to R358.4 million in 2009/10, at an average annual rate of 2.7 per cent. Total revenue between 2007/08 and 2008/09 increased by 13 per cent as a result of an increase in financial assistance from the department for vessel operating costs, setting the total allowable catch, and the increased visibility at sea of the marine patrol vessels.

This was offset slightly by the decrease in 2007/08 which was as a result of less income from chartering vessels and confiscating fish and fish products.

Estimated revenue over the medium term takes into consideration the significant increase in levies, licences, permits and application fees due to the new proposal, which has been gazetted for public comment.

In 2007/08, government transfers to the fund reduced from R145.5 million to R127.9 million. This resulted in a reduction in days at sea for patrol and research vessels used for research and surveillance. However, expenditure on these activities increased between 2007/08 and 2008/09 by 22 per cent, from R255.8 million to R312.1 million, when the financial assistance from government for vessel operating costs was increased. The functions to operate these research and surveillance vessels and the allocated funds have not been transferred to the department along with the fund.

The Marine Living Resources Fund, will not receive the government grant initially allocated over the MTEF period as its functions have been split between departments. The only guaranteed financial assistance for the fund is the R6.3 million per year government grant for the marine aquaculture function. As a result, expenditure is expected to decrease from R350.1 million in 2009/10 to R189.2 million in 2012/13. The compensation of employees is funded by the department through the *Administrative Support Services* subprogramme.

## Additional tables

**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 million	2008/09		2008/09	2009/10			2009/10
1. Administration	356.1	368.6	372.1	–	414.1	414.1	394.1
2. Production and Resources Management	259.1	553.4	495.3	–	331.7	331.7	301.7
3. Agriculture Support Services	1 546.0	1 475.3	1 459.3	–	2 023.7	2 023.7	1 714.7
4. Trade and Agricultural Development	69.1	69.2	76.2	–	76.8	76.8	76.8
5. Food Safety and Bio-security	304.4	471.2	445.0	–	338.5	338.5	268.5
6. Forestry	448.7	448.7	509.1	–	579.1	579.1	459.1
7. Fisheries	108.0	108.0	108.0	–	110.7	110.7	90.7
<b>Total</b>	<b>3 091.4</b>	<b>3 494.4</b>	<b>3 465.0</b>	<b>–</b>	<b>3 874.5</b>	<b>3 874.5</b>	<b>3 305.5</b>
<b>Economic classification</b>							
<b>Current payments</b>	<b>1 567.2</b>	<b>1 537.7</b>	<b>1 574.3</b>	<b>–</b>	<b>1 756.5</b>	<b>1 756.5</b>	<b>1 456.5</b>
Compensation of employees	1 002.1	956.6	908.8	–	1 138.5	1 138.5	938.5
Goods and services	564.4	580.4	665.0	–	617.2	617.2	517.2
Interest and rent on land	0.7	0.7	0.5	–	0.8	0.8	0.8
<b>Transfers and subsidies</b>	<b>1 476.0</b>	<b>1 891.7</b>	<b>1 816.0</b>	<b>–</b>	<b>2 040.9</b>	<b>2 040.9</b>	<b>1 771.9</b>
Provinces and municipalities	584.3	898.4	899.7	–	974.1	974.1	974.1
Departmental agencies and accounts	548.6	612.7	609.1	–	585.6	585.6	585.6
Universities and technikons	7.6	6.2	6.3	–	1.9	1.9	1.9
Foreign governments and international organisations	26.6	33.8	35.3	–	35.9	35.9	35.9
Public corporations and private enterprises	302.1	158.3	96.9	–	421.0	421.0	152.0
Non-profit institutions	6.4	17.6	17.2	–	14.3	14.3	14.3
Households	0.3	164.5	151.4	–	8.2	8.2	8.2
<b>Payments for capital assets</b>	<b>48.1</b>	<b>65.0</b>	<b>73.8</b>	<b>–</b>	<b>77.0</b>	<b>77.0</b>	<b>77.0</b>
Buildings and other fixed structures	23.1	37.1	37.7	–	43.0	43.0	43.0
Machinery and equipment	24.4	26.8	35.1	–	33.6	33.6	33.6
Biological assets	–	0.3	0.5	–	–	–	–
Software and other intangible assets	0.6	0.8	0.4	–	0.4	0.4	0.4
<b>Payments for financial assets</b>	<b>–</b>	<b>–</b>	<b>0.9</b>	<b>–</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>
<b>Total</b>	<b>3 091.4</b>	<b>3 494.4</b>	<b>3 465.0</b>	<b>–</b>	<b>3 874.5</b>	<b>3 874.5</b>	<b>3 305.5</b>

**Table 25.B Detail of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Department	Personnel post status as at 30 September 2009			Number of personnel posts filled / planned for on funded establishment						
	Number of posts on approved establishment	Number of funded posts	Number of posts additional to the establishment	Actual			Mid year <sup>2</sup>	Medium-term estimate		
				2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
<b>Department</b>	<b>9 342</b>	<b>6 567</b>	<b>70</b>	<b>2 615</b>	<b>2 640</b>	<b>2 690</b>	<b>5 924</b>	<b>7 555</b>	<b>8 823</b>	<b>9 817</b>
Salary level 1 – 6	6 785	4 370	48	1 441	1 384	1 370	4 178	4 941	6 065	6 851
Salary level 7 – 10	2 187	1 839	15	969	1 034	1 084	1 470	2 166	2 291	2 489
Salary level 11 – 12	286	274	3	152	166	178	204	333	349	357
Salary level 13 – 16	84	84	4	53	56	58	72	115	118	120
<b>Administration</b>	<b>987</b>	<b>987</b>	<b>4</b>	<b>652</b>	<b>659</b>	<b>705</b>	<b>848</b>	<b>963</b>	<b>963</b>	<b>963</b>
Salary level 1 – 6	552	552	2	359	345	391	481	543	543	543
Salary level 7 – 10	343	343	1	242	258	238	287	326	326	326
Salary level 11 – 12	60	60	–	37	41	50	53	61	61	61
Salary level 13 – 16	32	32	1	14	15	26	27	33	33	33

**Table 25.B Detail of approved establishment and personnel numbers according to salary level <sup>1</sup> (continued)**

	Personnel post status as at 30 September 2009			Number of personnel posts filled / planned for on funded establishment						
	Number of posts on approved establishment	Number of funded posts	Number of posts additional to the establishment	Actual			Mid year <sup>2</sup>	Medium-term estimate		
				2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
<b>Production and Resources Management</b>	<b>601</b>	<b>601</b>	<b>11</b>	<b>476</b>	<b>480</b>	<b>537</b>	<b>519</b>	<b>601</b>	<b>601</b>	<b>601</b>
Salary level 1 – 6	337	337	2	263	251	325	298	327	327	327
Salary level 7 – 10	227	227	8	176	189	185	193	236	236	236
Salary level 11 – 12	27	27	1	27	30	18	19	28	28	28
Salary level 13 – 16	10	10	–	10	10	9	9	10	10	10
<b>Agriculture Support Services</b>	<b>407</b>	<b>407</b>	<b>12</b>	<b>322</b>	<b>325</b>	<b>323</b>	<b>347</b>	<b>407</b>	<b>407</b>	<b>407</b>
Salary level 1 – 6	182	182	5	178	171	152	161	182	182	182
Salary level 7 – 10	182	182	4	120	127	139	151	182	182	182
Salary level 11 – 12	33	33	2	18	20	23	26	33	33	33
Salary level 13 – 16	10	10	1	6	7	9	9	10	10	10
<b>Trade and Agricultural Development</b>	<b>129</b>	<b>129</b>	<b>–</b>	<b>102</b>	<b>103</b>	<b>105</b>	<b>108</b>	<b>129</b>	<b>129</b>	<b>129</b>
Salary level 1 – 6	16	16	–	55	52	14	14	16	16	16
Salary level 7 – 10	92	92	–	37	40	57	76	92	92	92
Salary level 11 – 12	14	14	–	7	7	29	12	14	14	14
Salary level 13 – 16	7	7	–	3	4	5	6	7	7	7
<b>Food Safety and Bio-security</b>	<b>1 335</b>	<b>1 335</b>	<b>–</b>	<b>1 063</b>	<b>1 073</b>	<b>1 020</b>	<b>1 078</b>	<b>1 343</b>	<b>1 343</b>	<b>1 343</b>
Salary level 1 – 6	549	549	–	586	565	488	499	557	557	557
Salary level 7 – 10	692	692	–	394	420	465	511	692	692	692
Salary level 11 – 12	84	84	–	63	68	58	59	84	84	84
Salary level 13 – 16	10	10	–	20	20	9	9	10	10	10
<b>Forestry</b>	<b>5 883</b>	<b>3 108</b>	<b>43</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>3 024</b>	<b>3 489</b>	<b>4 757</b>	<b>5 751</b>
Salary level 1 – 6	5 149	2 734	39	–	–	–	2 725	3 139	4 263	5 049
Salary level 7 – 10	651	303	2	–	–	–	252	293	418	616
Salary level 11 – 12	68	56	–	–	–	–	35	43	59	67
Salary level 13 – 16	15	15	2	–	–	–	12	14	17	19
<b>Fisheries</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>623</b>	<b>623</b>	<b>623</b>
Salary level 1 – 6	–	–	–	–	–	–	–	177	177	177
Salary level 7 – 10	–	–	–	–	–	–	–	345	345	345
Salary level 11 – 12	–	–	–	–	–	–	–	70	70	70
Salary level 13 – 16	–	–	–	–	–	–	–	31	31	31

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. As at 30 September 2009.

**Table 25.C Summary of expenditure on training**

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Compensation of employees (R million)	671.8	707.8	804.4	1 034.0	1 035.1	1 128.6	1 258.7
Training expenditure (R million)	27.3	20.3	24.2	16.4	20.0	21.8	23.3
Training as percentage of compensation	4.1%	2.9%	3.0%	1.6%	1.9%	1.9%	1.9%
Total number trained in department (head count)	3 744	3 795	3 408	1 671			
<i>of which:</i>							
Employees receiving bursaries (head count)	160	238	173	173			
Learnerships trained (head count)	35	58	23	12			
Internships trained (head count)	188	190	202	219			
Households receiving bursaries (R million)	0.1	0.1	0.0	0.3	0.3	0.4	0.4
Households receiving bursaries (head count)	33	40	44	45			

Table 25.D Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
<b>Departmental infrastructure</b>										
R million										
New Quarantine Station: Durban	Quarantine facilities	Design	33.0	-	7.9	2.7	16.4	1.0	5.0	-
New hostel at Gadi	Hostel for students	Various	30.6	-	-	-	-	0.5	1.0	5.7
New laboratory at Rooopleaat, Pretoria	Laboratory facilities	Design	20.0	-	-	-	-	0.5	1.0	3.5
New Admin. Building: Stellenbosch, PHQS	Additional office building	Various	16.3	3.4	-	-	-	-	-	-
New Admin Support Building: Stellenbosch	Additional office building	Construction	15.0	-	-	8.8	6.2	-	-	-
Mobile homes	Accommodation at ports of entry, plantations and engineering sites	Handed over	10.4	6.9	0.2	3.3	-	-	-	-
Border Fence to prevent foot and mouth disease	36 km elephant control fence and 10 km normal fence per year	Construction	300.0	31.5	38.4	20.4	17.5	25.0	26.9	30.0
Drilling of Boreholes	150 boreholes per year	Various	300.0	7.9	5.6	2.4	2.9	3.9	4.5	5.0
<b>Infrastructure transfers to other spheres, agencies and departments</b>										
Renovations and upgrading	Research infrastructure	Various	406.2	47.1	49.5	51.9	57.3	62.6	67.3	70.6
Agricultural infrastructure	Research infrastructure	Various	214.3	10.0	10.5	11.0	11.7	56.3	100.9	13.9
Foot and Mouth Disease facility	Vaccine production facility	Feasibility	149.1	-	-	-	-	-	43.9	105.3
<b>Maintenance</b>										
Ad hoc projects	Maintenance	Various	81.8	-	-	-	1.0	18.5	16.1	10.3
Various Repairs and Maintenance Projects	Maintenance	Various	55.3	13.1	-	8.1	2.0	4.7	4.3	9.2
<b>Total</b>			<b>1 632.2</b>	<b>120.0</b>	<b>112.0</b>	<b>108.6</b>	<b>115.0</b>	<b>172.9</b>	<b>270.8</b>	<b>253.5</b>

