

# 20 YEARS OF FREEDOM



## BUDGET 2014 ESTIMATES OF NATIONAL EXPENDITURE

### **VOTE 26** AGRICULTURE, FORESTRY AND FISHERIES



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA





# **Estimates of National Expenditure 2014**

**National Treasury**

**Republic of South Africa**

26 February 2014



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The Estimates of National Expenditure 2014 e-publications are compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision.

The Estimates of National Expenditure e-publications for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za).

Compared to the abridged version of the Estimates of National Expenditure, which includes all national government budget votes, in respect of individual votes these e-publications contain more comprehensive coverage of goods and services, transfers and subsidies, and public entities. Additional tables are also included containing information on the main and adjusted appropriation, with revised spending estimates for the current financial year, on skills training, conditional grants to provinces and municipalities, public private partnerships and information on donor funding. Expenditure information at the level of service delivery is also included, where appropriate.



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"We know it well that none of us acting alone can achieve success. We must therefore act together as a united people, for national reconciliation, for nation building, for the birth of a new world. Let there be justice for all. Let there be peace for all. Let there be work, bread, water and salt for all. Let each know that for each the body, the mind and the soul have been freed to fulfil themselves."

**UNION BUILDINGS, PRETORIA, 10 MAY 1994**

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**national treasury**

Department:  
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# Foreword

The national development plan, Vision 2030 of the government of South Africa, states that ‘Alongside hard work and effort, capabilities and the opportunities that flow from development enable individuals to live the lives to which they aspire.’ The 2014 Budget has been prepared in the spirit of this statement.

While the medium term expenditure framework (MTEF) contained in the 2014 Budget ushers in the new administration after the May elections, the country faces a markedly different situation from that of 2009. In 2006/07 and 2007/08, South Africa achieved budget surpluses. In 2008, however, the worldwide economic crisis meant budget deficit forecasts were inevitable. It is now clear that the recovery in real economic growth has been less robust than initially anticipated. Despite this, the economy is growing and government revenue collection is broadly on target. The 2009 Budget announced a ‘haircut’ and reprioritisation within budget baselines. At that stage, the reassignment of R19 billion comprised 12 per cent of the total monetary value of amendments to budgets made, of R160.6 billion. By contrast, the reassignment of the R19.6 billion in the 2014 Budget comprises 51 per cent of the total of R38.8 billion in amendments to budgets. The quantum of amendments to the total budget that can be made has clearly decreased substantially over time.

Despite the fiscal environment becoming increasingly constrained, National Treasury has been able to sustain the intensity of the pursuit for budget efficiencies, with most of the fiscal space for improvements to service delivery being made through reprioritisation. This will be reinforced by procurement reform and expenditure review initiatives. While the current fiscal position no longer automatically creates room by making additional funding available, progress towards our country objectives of inclusive economic growth and employment creation must be made in the face of a tough fiscal environment. Therefore the main budget non-interest aggregate expenditure ceiling established in the 2013 Budget remains intact. New priorities and the expansion of existing programmes must be achieved through reprioritisation within the existing resource envelope.

The current fiscal context is necessitating hard trade-offs: difficult choices will need to be made in choosing between spending priorities and in deciding on the sequencing of programme implementation. Given the constraints brought to bear by the expenditure ceiling, all government institutions need to manage any cost pressures that may be related to changes in the inflation rate, exchange rate or any other factors affecting input prices with great efficiency. This means that not everything that we believe must be done, can be done at once. In the reprioritisation of existing funds, certain outputs will have to be delayed, or discontinued.

The issue is what goods and services tax-payers’ monies ‘buy’. In keeping with the ongoing endeavour to improve transparency and reinforce accountability, the focus of the sections on budget programme expenditure trends within each vote in the 2014 Estimates of National Expenditure (ENE) publications has shifted, to an explanation of the interrelationship between the significant changes in spending, performance outputs and outcomes, and in personnel.

National Treasury teams have worked closely with policy and budget teams of national and provincial departments, as well as with public entities and local government, ensuring the alignment of policy developments with the national development plan and scrutinising spending trends and cost drivers, ever mindful of service delivery. Without this cooperation and commitment across government, it would not be possible to submit the credible and comprehensive institutional budgets contained in this publication. The political guidance of the Minister of Finance, his Deputy and the members of the ministers’ committee on the budget, has been indispensable to the medium term expenditure committee of accounting officers of departments at the centre of government, in its task of providing the strategic direction in formulating the budget. I thank you all for your assistance.



**Lungisa Fuzile**  
**Director-General: National Treasury**





# Introduction

## The Estimates of National Expenditure publications

The Estimates of National Expenditure (ENE) publications are important accountability documents, which set out the details of planned expenditure and planned performance at the time the Budget is tabled. The 2014 ENE publications largely retain the same layout of information as presented in previous years' publications. This allows information to be easily compared across publications and financial years. As in the past, information is presented for a seven-year period and contains details of all national departmental programmes and subprogrammes. Information is presented in a similar way for the national public entities related to each department. For the first time in the ENE publications, in 2014, information on changes in finances, personnel and performance is brought together with the focus on the significant interrelationships between these changes. This discussion, in the expenditure trends sections of the budget programmes in each chapter, allows the reader to assess the effectiveness of past, as well as of planned, spending.

When compared to the abridged version of the ENE, which includes all national government votes, the ENE e-publications provide more detailed expenditure information for individual votes on goods and services as well as transfers and subsidies. While the abridged version of the ENE contains one additional table at the end of each vote which has information on infrastructure spending, the ENE e-publications' additional tables also contain summaries of: the budgeted expenditure and revised estimate for 2013/14, and the audited outcome for 2012/13, by programme and economic classification; expenditure on training; conditional grants to provinces and municipalities; departmental public private partnerships; and donor funding. In selected cases more detailed information at the level of the site of service delivery is included. Budget information is also provided for the public entities that are simply listed in the abridged publication.

A separate ENE Overview e-publication is also available, which contains a description at the main budget non-interest level, summarising the Estimates of National Expenditure publication information across votes. The Overview contains this narrative explanation and summary tables; and also has a write-up on interpreting the information that is contained in each section of the publications.



# **Agriculture, Forestry and Fisheries**

**National Treasury  
Republic of South Africa**



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# Vote 26

## Agriculture, Forestry and Fisheries

### Budget summary

| R million                                       | 2014/15        |                  |                         |                             | 2015/16        | 2016/17        |
|---|----------------|------------------|-------------------------|-----------------------------|----------------|----------------|
|   | Total          | Current payments | Transfers and subsidies | Payments for capital assets | Total          | Total          |
| <b>MTEF allocation</b>                          |                |                  |                         |                             |                |                |
| Administration                                  | 694.6          | 670.4            | 16.8                    | 7.4                         | 725.6          | 763.9          |
| Agricultural Production, Health and Food Safety | 2 199.8        | 564.1            | 1 627.3                 | 8.4                         | 2 252.7        | 2 089.4        |
| Food Security and Agrarian Reform               | 1 711.1        | 274.3            | 1 396.2                 | 40.5                        | 1 718.8        | 1 768.7        |
| Trade Promotion and Market Access               | 294.2          | 132.2            | 161.6                   | 0.4                         | 247.5          | 309.9          |
| Forestry  | 1 364.9        | 737.8            | 582.2                   | 44.9                        | 1 233.4        | 1 279.3        |
| Fisheries                                       | 427.8          | 176.4            | 251.3                   | –                           | 443.3          | 462.9          |
| <b>Total expenditure estimates</b>              | <b>6 692.4</b> | <b>2 555.3</b>   | <b>4 035.4</b>          | <b>101.6</b>                | <b>6 621.2</b> | <b>6 674.2</b> |

Executive authority Minister of Agriculture, Forestry and Fisheries  
 Accounting officer Director General of Agriculture, Forestry and Fisheries  
 Website address [www.daff.gov.za](http://www.daff.gov.za)

*The Estimates of National Expenditure e-publications for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za). These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, public entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, expenditure on skills training, a revised spending estimate for the current financial year, and expenditure information at the level of service delivery, where appropriate.*

### Aim

*Lead, support and promote agricultural, forestry and fisheries resources management through policies, strategies and programmes to enhance sustainable use, and achieve economic growth, job creation, food security, rural development and transformation.*

### Mandate

The mandate of the Department of Agriculture, Forestry and Fisheries is to address production and consumption in the agriculture, forestry and fisheries sectors. The department's mandate is derived from a range of legislation, including the Sea Fisheries Act (1988), the National Forests Act (1988), the Agricultural Product Standards Act (1990), and the Conservation of Agricultural Resources Act (1993).

### Strategic goals

The department's strategic goals over the medium term, which are organised around the key priority areas of food security, job creation, and rural and economic development, are to:

- provide effective and efficient strategic leadership, governance and administration in the department
- increase production and productivity in the agriculture, forestry and fisheries sectors, to enhance employment and economic growth
- provide an enabling environment for food security and sector transformation
- ensure the sustainable use of natural resources in the forestry and fisheries sectors through the conservation, protection, rehabilitation and recovery of natural resources within ecosystems.

### Programme purposes

#### Programme 1: Administration

**Purpose:** Provide strategic leadership, management and support services to the department.

## Programme 2: Agricultural Production, Health and Food Safety

**Purpose:** Manage the risks associated with animal diseases, plant pests and genetically modified organisms. Registration of products used in agriculture. Promote food safety and create an enabling environment for increased and sustainable agricultural production.

## Programme 3: Food Security and Agrarian Reform

**Purpose:** Facilitate and promote food security and agrarian reform programmes and initiatives.

## Programme 4: Trade Promotion and Market Access

**Purpose:** Ensure value chain integration, and facilitate market access for agriculture, forestry and fisheries products.

## Programme 5: Forestry

**Purpose:** Develop and facilitate the implementation of policies and targeted programmes to ensure proper management of forests, and the sustainable use and protection of land and water. Manage agricultural risks and disasters.

## Programme 6: Fisheries

**Purpose:** Promote the development, management, monitoring and sustainable use of marine living resources and the development of the fisheries sector.

## Selected performance indicators

**Table 26.1 Agriculture, Forestry and Fisheries**

| Indicator  | Programme                                       | Outcome   | Past           |                |                | Current        | Projections |            |           |
|--|---|---|----------------|----------------|----------------|----------------|-------------|------------|-----------|
|  |   |   | 2010/11        | 2011/12        | 2012/13        | 2013/14        | 2014/15     | 2015/16    | 2016/17   |
| Number of livestock and plant improvement schemes monitored for effectiveness per year     | Agricultural Production, Health and Food Safety | Outcome 7: Vibrant equitable and sustainable rural communities with food security for all             | — <sup>1</sup> | — <sup>1</sup> | — <sup>1</sup> | — <sup>1</sup> | 4           | 4          | 4         |
| Number of surveillances on animal diseases conducted per year                              | Agricultural Production, Health and Food Safety |   | — <sup>1</sup> | — <sup>1</sup> | 2              | 2              | 2           | 2          | 2         |
| Number of surveillances on plant diseases conducted per year                               | Agricultural Production, Health and Food Safety |   | — <sup>1</sup> | — <sup>1</sup> | — <sup>1</sup> | 1              | 1           | 1          | 1         |
| Number of veterinary clinics provided to improve animal health in rural areas per year     | Agricultural Production, Health and Food Safety |   | — <sup>1</sup> | — <sup>1</sup> | — <sup>1</sup> | 27             | 32          | 32         | 10        |
| Number of subsistence and smallholder producers supported per year                         | Food Security and Agrarian Reform               |   | 85 505         | 238 289        | 139 671        | 146 000        | 156 500     | 163 000    | 170 000   |
| Number of hectares in underutilised areas cultivated for production per year               | Food Security and Agrarian Reform               |   | — <sup>1</sup> | — <sup>1</sup> | 105 040 ha     | 106 090 ha     | 107 151 ha  | 108 223 ha | 13 634 ha |
| Number of smallholders linked to markets per year  | Trade Promotion and Market access               |   | — <sup>1</sup> | — <sup>1</sup> | — <sup>1</sup> | 9              | 18          | 32         | 64        |
| Number of hectares of land restored through reforestation and land rehabilitation per year | Forestry  | Outcome 10: Environment assets and natural resources that are well protected and continually enhanced | 66 272ha       | 32 102ha       | 46 779ha       | 30 500ha       | 30 500ha    | 30 500ha   | 30 500ha  |
| Number of hectares of temporary unplanted areas per year                                   | Forestry  |   | — <sup>1</sup> | — <sup>1</sup> | — <sup>1</sup> | 1 000ha        | 2 300ha     | 2 300ha    | 2 300ha   |

**Table 26.1 Agriculture, Forestry and Fisheries**

| Indicator   | Programme | Outcome   | Past           |                |         | Current | Projections |         |         |
|---|-----------|---|----------------|----------------|---------|---------|-------------|---------|---------|
|   |           |   | 2010/11        | 2011/12        | 2012/13 | 2013/14 | 2014/15     | 2015/16 | 2016/17 |
| Number of jobs created through refurbishment of category B and C plantations for expanded public works programme per year | Forestry  | Outcome 4: Decent employment through inclusive economic growth  | 150            | 1 729          | 1 719   | 2 725   | 2 400       | 2 400   | 2 400   |
| Number of LandCare jobs created per year  | Forestry  |   | 302            | 328            | 908     | 1 100   | 900         | 900     | 900     |
| Number of sectors allocated fishing rights to SMMEs per year  | Fisheries | Outcome 10: Environment assets and natural resources that are well protected and continually enhanced | – <sup>1</sup> | – <sup>1</sup> | 8       | 8       | 8           | 8       | 8       |

1. No past data, as the indicators are new.

## The national development plan

The national development plan identifies agriculture as one of the key job creating sectors, with the potential to create job opportunities for 300 000 households in agriculture smallholder schemes and 145 000 jobs in agro-processing by 2020. The sector also has the potential to improve the living conditions of 660 000 farm workers. The plan expects that, by 2030, a third of the country's food trade surplus should be produced by small scale farmers or households.

Many of the department's strategic goals and associated objectives are aligned with the focus of the national development plan. These include providing an enabling environment for food security and sustainable agrarian transformation; increasing production and productivity to enhance employment and economic growth; ensuring the sustainable use of natural resources through the conservation, protection, rehabilitation and recovery of natural resources within ecosystems. The department has supported approximately 609 000 subsistence and smallholder producers between 2010/11 and 2013/14, and aims to continue providing comprehensive support to all categories of producers over the medium term. The support will increase the number of people participating in activities in the agricultural, forestry and fisheries sectors, and thus facilitate their greater participation in the country's economy.

The department also aims to contribute to improving the efficiency of smallholder producers by implementing various production strategies. These include organising smallholder producers into commodity based organisations, increasing their collective bargaining power in negotiations for production inputs and markets, and providing support and training to small medium and micro enterprises (SMME). The implementation of transformation frameworks such as the AgriBEE Sector Charter and the Forestry Sector Transformation Charter, and the allocation of commercial fishing rights, will also facilitate and promote broader participation in the country's economy. Three programmes are aligned with the national development plan. These are the Fetsa Tlala integrated food production initiative, which is aimed at mass production of staple foods on fallow land with agricultural potential in communal areas; Ilima/Letsema, which is aimed at supporting sustainable agriculture and promoting rural development for smallholder producers; and the LandCare programme, which is aimed at addressing land degradation problems and encouraging the sustainable use of natural resources.

The department is also supporting targeted land reform beneficiaries in line with the plan's land reform objective by providing post-settlement support through the comprehensive agricultural support programme.

In contributing to the sustainable use of natural resources, the department will implement sustainable development programmes that ensure the protection of biomes and endangered species, rehabilitate degraded land, mitigate climate change and provide adaptation strategies. About 175 653 hectares of land have been restored through reforestation and land rehabilitation programmes between 2010/11 and 2013/14, and the department expects to restore and rehabilitate a further 91 500 hectares over the medium term.

The plan also states that the agricultural sector has the potential to create close to 1 million new jobs by 2030. To do this, South Africa needs to expand irrigated agriculture. The 1.5 million hectares currently under irrigation could be expanded by at least another 500 000 hectares to 2 million hectares. The government also

needs to support commercial agricultural industries and regions with the highest growth and employment potential; support upstream and downstream agricultural job creation; find creative opportunities for collaboration between commercial farmers, smallholder farmers and complementary industries; and develop strategies that give new entrants access to value chains and support. Between 2010/11 and 2013/14, the department created over 2 638 jobs under the LandCare programme and 4 178 jobs under the Working for Fisheries project. Over the medium term, it is expected to create 2 700 jobs and 3 550 jobs under the LandCare and the Working for Fisheries programmes.

## Expenditure estimates

**Table 26.2 Agriculture, Forestry and Fisheries**

| Programme                                       |         |         | Adjusted appropriation | Revised estimate | Average growth rate (%) | Expenditure/total: Average (%) | Medium-term expenditure estimate |         |         | Average growth rate (%) | Expenditure/total: Average (%) |        |
|---|---------|---------|------------------------|------------------|-------------------------|--------------------------------|----------------------------------|---------|---------|-------------------------|--------------------------------|--------|
| Audited outcome                                 |         |         |                        |                  |                         |                                |                                  |         |         |                         |                                |        |
| R million                                       | 2010/11 | 2011/12 | 2012/13                | 2013/14          | 2010/11 - 2013/14       | 2010/11 - 2013/14              | 2014/15                          | 2015/16 | 2016/17 | 2013/14 - 2016/17       | 2013/14 - 2016/17              |        |
| Administration                                  | 478.8   | 582.0   | 644.9                  | 670.9            | 670.9                   | 11.9%                          | 11.5%                            | 694.6   | 725.6   | 763.9                   | 4.4%                           | 10.9%  |
| Agricultural Production, Health and Food Safety | 1 234.4 | 1 644.9 | 1 874.8                | 2 036.5          | 2 036.5                 | 18.2%                          | 32.8%                            | 2 199.8 | 2 252.7 | 2 089.4                 | 0.9%                           | 32.8%  |
| Food Security and Agrarian Reform               | 1 050.9 | 1 251.6 | 1 405.2                | 1 599.3          | 1 599.3                 | 15.0%                          | 25.6%                            | 1 711.1 | 1 718.8 | 1 768.7                 | 3.4%                           | 26.0%  |
| Trade Promotion and Market Access               | 145.3   | 190.2   | 212.2                  | 258.2            | 258.2                   | 21.1%                          | 3.9%                             | 294.2   | 247.5   | 309.9                   | 6.3%                           | 4.2%   |
| Forestry  | 661.5   | 884.7   | 1 191.8                | 1 183.6          | 1 183.6                 | 21.4%                          | 18.9%                            | 1 364.9 | 1 233.4 | 1 279.3                 | 2.6%                           | 19.3%  |
| Fisheries                                       | 259.1   | 352.0   | 484.3                  | 433.7            | 433.7                   | 18.7%                          | 7.4%                             | 427.8   | 443.3   | 462.9                   | 2.2%                           | 6.8%   |
| Total   | 3 830.0 | 4 905.3 | 5 813.2                | 6 182.3          | 6 182.3                 | 17.3%                          | 100.0%                           | 6 692.4 | 6 621.2 | 6 674.2                 | 2.6%                           | 100.0% |
| Change to 2013 Budget estimate                  |         |         |                        | 4.3              | 4.3                     |                                |                                  | 133.5   | (178.4) | (197.0)                 |                                |        |

### Economic classification

| Current payments  | 1 734.7 | 1 972.5 | 2 149.6 | 2 395.8 | 2 395.8 | 11.4%   | 39.8% | 2 555.3 | 2 691.9 | 2 802.3 | 5.4%   | 39.9% |
|---|---------|---------|---------|---------|---------|---------|-------|---------|---------|---------|--------|-------|
| Compensation of employees   | 1 189.9 | 1 320.7 | 1 419.1 | 1 603.3 | 1 603.3 | 10.4%   | 26.7% | 1 697.9 | 1 833.4 | 1 934.6 | 6.5%   | 27.0% |
| Goods and services  | 543.6   | 651.3   | 729.6   | 791.4   | 791.4   | 13.3%   | 13.1% | 856.2   | 857.2   | 866.4   | 3.1%   | 12.9% |
| of which:   |         |         |         |         |         |         |       |         |         |         |        |       |
| Administration fees   | 45.0    | 51.3    | 60.0    | 4.5     | 4.5     | -53.5%  | 0.8%  | 57.9    | 69.6    | 82.8    | 163.5% | 0.8%  |
| Advertising   | 13.6    | 14.8    | 19.2    | 9.9     | 9.9     | -10.2%  | 0.3%  | 25.0    | 26.5    | 29.8    | 44.6%  | 0.3%  |
| Assets less than the capitalisation threshold                         | 4.7     | 2.9     | 2.8     | 70.5    | 70.5    | 146.1%  | 0.4%  | 134.3   | 110.7   | 80.6    | 4.6%   | 1.5%  |
| Audit costs: External   | 9.9     | 8.6     | 8.6     | 11.9    | 11.9    | 6.1%    | 0.2%  | 13.4    | 14.4    | 15.9    | 10.1%  | 0.2%  |
| Bursaries: Employees  | 2.3     | 2.6     | 3.0     | 5.6     | 5.6     | 33.9%   | 0.1%  | 6.0     | 6.4     | 6.6     | 5.7%   | 0.1%  |
| Catering: Departmental activities                                     | 2.6     | 1.8     | 3.1     | 3.4     | 3.4     | 9.7%    | 0.1%  | 3.7     | 3.8     | 4.1     | 6.1%   | 0.1%  |
| Communication   | 23.4    | 25.0    | 26.6    | 25.7    | 25.7    | 3.2%    | 0.5%  | 27.6    | 28.3    | 29.1    | 4.2%   | 0.4%  |
| Computer services   | 20.2    | 24.2    | 40.9    | 34.7    | 34.7    | 19.7%   | 0.6%  | 51.1    | 47.4    | 49.0    | 12.2%  | 0.7%  |
| Consultants and professional services: Business and advisory services | 24.7    | 31.9    | 30.0    | 29.1    | 29.1    | 5.6%    | 0.6%  | 22.9    | 26.5    | 29.3    | 0.2%   | 0.4%  |
| Consultants and professional services: Infrastructure and planning    | 12.4    | 12.3    | 12.5    | 12.2    | 12.2    | -0.5%   | 0.2%  | 17.4    | 18.8    | 20.4    | 18.7%  | 0.3%  |
| Consultants and professional services: Laboratory services            | 0.3     | 0.5     | 1.3     | 0.6     | 0.6     | 22.5%   | 0.0%  | 1.4     | 1.4     | 1.8     | 42.2%  | 0.0%  |
| Consultants and professional services: Legal costs                    | 2.0     | 4.2     | 2.4     | 1.5     | 1.5     | -8.2%   | 0.0%  | 1.6     | 1.7     | 1.8     | 5.7%   | 0.0%  |
| Contractors   | 14.6    | 10.3    | 9.7     | 16.7    | 16.7    | 4.5%    | 0.2%  | 22.4    | 22.9    | 25.8    | 15.6%  | 0.3%  |
| Agency and support / outsourced services                              | 59.9    | 69.2    | 69.6    | 62.4    | 62.4    | 1.4%    | 1.3%  | 58.1    | 64.2    | 66.7    | 2.2%   | 1.0%  |
| Entertainment   | 0.3     | 0.4     | 0.4     | 0.5     | 0.5     | 19.2%   | 0.0%  | 0.5     | 0.5     | 0.5     | 1.9%   | 0.0%  |
| Fleet services (including government motor transport)                 | 10.8    | 15.3    | 16.3    | 13.0    | 13.0    | 6.1%    | 0.3%  | 16.3    | 16.4    | 17.9    | 11.4%  | 0.2%  |
| Inventory: Farming supplies   | —       | —       | —       | 9.2     | 9.2     | —       | 0.0%  | 0.3     | 0.3     | 0.3     | -67.5% | 0.0%  |
| Inventory: Food and food supplies                                     | 1.0     | 1.2     | 1.8     | 0.5     | 0.5     | -23.8%  | 0.0%  | 0.5     | 0.5     | 0.5     | 5.3%   | 0.0%  |
| Inventory: Fuel, oil and gas  | 0.2     | 0.2     | 0.2     | 0.2     | 0.2     | 10.7%   | 0.0%  | 0.2     | 0.2     | 0.2     | 3.2%   | 0.0%  |
| Inventory: Medicine   | 8.4     | 0.7     | 6.0     | 2.9     | 2.9     | -29.5%  | 0.1%  | 1.9     | 1.9     | 1.9     | -13.6% | 0.0%  |
| Consumable supplies   | 30.8    | 48.9    | 47.3    | 66.5    | 66.5    | 29.3%   | 0.9%  | 41.4    | 46.3    | 48.0    | -10.3% | 0.8%  |
| Consumable: Stationery, printing and office supplies                  | 13.2    | 13.2    | 11.2    | 18.4    | 18.4    | 11.5%   | 0.3%  | 19.6    | 17.4    | 18.9    | 0.9%   | 0.3%  |
| Operating leases  | 20.4    | 54.9    | 85.9    | 71.4    | 71.4    | 51.7%   | 1.1%  | 67.3    | 62.3    | 58.7    | -6.3%  | 1.0%  |
| Property payments   | 14.7    | 26.2    | 38.1    | 119.0   | 119.0   | 100.7%  | 1.0%  | 64.3    | 68.4    | 71.1    | -15.8% | 1.2%  |
| Transport provided: Departmental activity                             | 0.6     | —       | —       | —       | —       | -100.0% | 0.0%  | —       | —       | —       | —      | —     |
| Travel and subsistence  | 133.1   | 158.3   | 143.1   | 114.7   | 114.7   | -4.8%   | 2.6%  | 109.6   | 110.2   | 112.4   | -0.7%  | 1.7%  |



**Table 26.2 Agriculture, Forestry and Fisheries**

| Economic classification                             |         |         |         | Adjusted appropriation | Revised estimate | Average growth rate (%) | Expenditure/total: Average (%) | Medium-term expenditure estimate |         |         | Average growth rate (%) | Expenditure/total: Average (%) |
|---|---------|---------|---------|------------------------|------------------|-------------------------|--------------------------------|----------------------------------|---------|---------|-------------------------|--------------------------------|
| Audited outcome                                     |         |         |         |                        |                  |                         |                                |                                  |         |         |                         |                                |
| R million   | 2010/11 | 2011/12 | 2012/13 | 2013/14                |                  | 2010/11 - 2013/14       |                                | 2014/15                          | 2015/16 | 2016/17 | 2013/14 - 2016/17       |                                |
| Training and development                            | 37.7    | 29.1    | 29.0    | 43.6                   | 43.6             | 4.9%                    | 0.7%                           | 49.3                             | 49.3    | 52.2    | 6.2%                    | 0.7%                           |
| Operating payments                                  | 8.6     | 10.8    | 17.4    | 15.4                   | 15.4             | 21.6%                   | 0.3%                           | 20.2                             | 18.1    | 18.4    | 6.0%                    | 0.3%                           |
| Venues and facilities                               | 28.0    | 31.6    | 43.1    | 26.4                   | 26.4             | -1.9%                   | 0.6%                           | 21.3                             | 21.9    | 21.1    | -7.3%                   | 0.3%                           |
| Rental and hiring                                   | –       | 0.8     | 0.1     | 1.0                    | 1.0              | –                       | 0.0%                           | 0.7                              | 0.8     | 0.8     | -7.1%                   | 0.0%                           |
| Interest and rent on land                           | 1.2     | 0.5     | 0.9     | 1.2                    | 1.2              | -1.0%                   | 0.0%                           | 1.2                              | 1.2     | 1.3     | 3.6%                    | 0.0%                           |
| Transfers and subsidies                             | 1 983.7 | 2 800.5 | 3 493.0 | 3 639.3                | 3 639.3          | 22.4%                   | 57.5%                          | 4 035.4                          | 3 832.4 | 3 771.4 | 1.2%                    | 58.4%                          |
| Provinces and municipalities                        | 1 126.2 | 1 652.3 | 2 062.8 | 2 152.9                | 2 152.9          | 24.1%                   | 33.7%                          | 2 390.1                          | 2 239.1 | 2 337.1 | 2.8%                    | 34.8%                          |
| Departmental agencies and accounts                  | 792.9   | 1 006.6 | 1 310.0 | 1 269.6                | 1 269.6          | 17.0%                   | 21.1%                          | 1 354.6                          | 1 214.8 | 1 278.9 | 0.2%                    | 19.6%                          |
| Higher education institutions                       | –       | 0.1     | 4.7     | 5.8                    | 5.8              | –                       | 0.1%                           | 7.1                              | 8.3     | 9.0     | 15.5%                   | 0.1%                           |
| Foreign governments and international organisations | 29.6    | 31.9    | 32.0    | 45.9                   | 45.9             | 15.7%                   | 0.7%                           | 34.7                             | 28.9    | 30.0    | -13.2%                  | 0.5%                           |
| Public corporations and private enterprises         | 8.3     | 38.1    | 40.0    | 139.4                  | 139.4            | 155.7%                  | 1.1%                           | 220.2                            | 312.9   | 96.4    | -11.6%                  | 2.9%                           |
| Non-profit institutions                             | 6.7     | 12.0    | 11.2    | 20.3                   | 20.3             | 44.8%                   | 0.2%                           | 26.9                             | 26.4    | 18.0    | -3.9%                   | 0.4%                           |
| Households  | 19.9    | 59.4    | 32.2    | 5.4                    | 5.4              | -35.4%                  | 0.6%                           | 1.9                              | 2.0     | 2.0     | -27.9%                  | 0.0%                           |
| Payments for capital assets                         | 111.3   | 132.0   | 169.4   | 147.1                  | 147.1            | 9.7%                    | 2.7%                           | 101.6                            | 97.0    | 100.4   | -11.9%                  | 1.7%                           |
| Buildings and other fixed structures                | 47.1    | 54.2    | 57.8    | 37.7                   | 37.7             | -7.2%                   | 0.9%                           | 42.7                             | 44.5    | 46.3    | 7.1%                    | 0.7%                           |
| Machinery and equipment                             | 62.4    | 77.6    | 111.3   | 107.6                  | 107.6            | 19.9%                   | 1.7%                           | 58.2                             | 51.6    | 53.3    | -20.9%                  | 1.0%                           |
| Biological assets                                   | 0.0     | 0.0     | –       | 0.5                    | 0.5              | 238.5%                  | 0.0%                           | 0.8                              | 0.8     | 0.9     | 19.9%                   | 0.0%                           |
| Software and other intangible assets                | 1.8     | 0.2     | 0.4     | 1.3                    | 1.3              | -10.3%                  | 0.0%                           | 0.0                              | 0.0     | 0.0     | -73.1%                  | 0.0%                           |
| Payments for financial assets                       | 0.3     | 0.3     | 1.3     | –                      | –                | -100.0%                 | 0.0%                           | –                                | –       | –       | –                       | –                              |
| Total   | 3 830.0 | 4 905.3 | 5 813.2 | 6 182.3                | 6 182.3          | 17.3%                   | 100.0%                         | 6 692.4                          | 6 621.2 | 6 674.2 | 2.6%                    | 100.0%                         |

## Personnel information

**Table 26.3 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

| Number of posts estimated for 31 March 2014 |                        |   | Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment |         |           |                  |         |           |                                  |         |           |         |         |           |                         |                                 |           | Number |        |
|---|------------------------|---|--|---------|-----------|------------------|---------|-----------|----------------------------------|---------|-----------|---------|---------|-----------|-------------------------|---------------------------------|-----------|--------|--------|
| Salary level                                | Number of funded posts | Number of posts additional to the establishment | Actual   |         |           | Revised estimate |         |           | Medium-term expenditure estimate |         |           |         |         |           | Average growth rate (%) | Salary level/total: Average (%) |           |        |        |
|   |                        |   | 2012/13  |         |           | 2013/14          |         |           | 2014/15                          |         |           | 2015/16 |         |           |                         |                                 | 2016/17   |        |        |
|   |                        |   | Number   | Cost    | Unit Cost | Number           | Cost    | Unit Cost | Number                           | Cost    | Unit Cost | Number  | Cost    | Unit Cost | Number                  | Cost                            | Unit Cost |        |        |
| Agriculture, Forestry and Fisheries         |                        |   | Number   | Cost    | Unit Cost | Number           | Cost    | Unit Cost | Number                           | Cost    | Unit Cost | Number  | Cost    | Unit Cost | Number                  | Cost                            | Unit Cost |        |        |
| Salary level                                | 7 068                  | 304   | 6 151  | 1 419.1 | 0.2       | 6 980            | 1 603.3 | 0.2       | 6 980                            | 1 697.9 | 0.2       | 6 980   | 1 833.4 | 0.3       | 6 980                   | 1 934.6                         | 0.3       | –      | 100.0% |
| 1 – 6                                       | 4 216                  | 276   | 3 765  | 439.0   | 0.1       | 4 154            | 539.4   | 0.1       | 4 154                            | 567.1   | 0.1       | 4 154   | 603.9   | 0.1       | 4 154                   | 640.0                           | 0.2       | –      | 59.5%  |
| 7 – 10                                      | 2 211                  | 17  | 1 885  | 545.5   | 0.3       | 2 231            | 691.3   | 0.3       | 2 231                            | 728.3   | 0.3       | 2 231   | 794.7   | 0.4       | 2 231                   | 837.3                           | 0.4       | –      | 32.0%  |
| 11 – 12                                     | 511                    | 3   | 390  | 289.4   | 0.7       | 465              | 246.2   | 0.5       | 465                              | 264.0   | 0.6       | 465     | 287.4   | 0.6       | 465                     | 302.6                           | 0.7       | –      | 6.7%   |
| 13 – 16                                     | 128                    | 6   | 109  | 139.2   | 1.3       | 128              | 114.8   | 0.9       | 128                              | 123.8   | 1.0       | 128     | 131.5   | 1.0       | 128                     | 138.5                           | 1.1       | –      | 1.8%   |
| Other                                       | 2                      | 2   | 2  | 6.0     | 3.0       | 2                | 11.7    | 5.8       | 2                                | 14.8    | 7.4       | 2       | 15.9    | 7.9       | 2                       | 16.2                            | 8.1       | –      | 0.0%   |

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

2. Rand million.

## Expenditure trends

The spending focus over the medium term will be on increasing food production by providing agricultural support to smallholder farmers through the comprehensive agricultural support programme; and implementing the Landcare, Ilima/Letsema food production and Fetsa Tlala food security programmes. The department plans to spend over R7 billion on conditional grants to provinces to support approximately 435 000 subsistence and 54 500 smallholder producers, and improve extension services. The department also plans to provide flood disaster relief in Limpopo, Mpumalanga and Western Cape, to which additional allocations of R209 million over the medium term have been made. The spending focus will also be on making additional transfers of R50 million in 2014/15 and R50 million in 2016/17 to the Land and Agricultural Development Bank of South Africa to support the implementation of the retail emerging markets model.

Over the medium term, expenditure is expected to decrease due to Cabinet approved budget reductions of R90 million, R100 million and R145 million, and the shifting of R22 million per year to the Department of Environmental Affairs in line with the shift of the Knysna indigenous forest management function. The

reductions are in spending on compensation of employees and goods and services expenditure across all programmes. These reductions are not expected to have an impact on service delivery.

The department expects over the medium term to fill only 6 980 posts from its establishment of 7 068 posts and 304 additional to the establishment. At the end of November 2013, there were 6 107 filled posts, of which 873 were vacant. The vacancies were mainly due to normal attrition and the length of time it takes to finalise the recruitment process.

Expenditure in the *Agricultural Production, Health and Food Safety* programme increased between 2010/11 and 2013/14 due to the procurement of toolkits and 74 mobile clinics for animal health technicians to create an enabling environment for the appointment of 1 000 veterinarians in all nine provinces by 2015; and an increase in the allocation to the Ilima/Letsema programme. The increase in expenditure on transfers to provinces and municipalities over the same period was due to an increase in the comprehensive agricultural support programme conditional grant in order to increase the number of smallholder farmers supported from 85 505 in 2010/11 to 146 000 in 2013/14. A further reason for the increase in spending in the *Agricultural Production, Health and Food Safety* programme and on transfers over the same period was the additional allocation of R50 million in 2011/12 and R120 million in 2012/13 to the Agricultural Research Council to upgrade the foot and mouth disease facility; and R492.4 million allocated in 2013/14 and 2015/16 for Onderstepoort Biological Products to build and modernise vaccine production facilities and equipment.

### Infrastructure spending

Infrastructure projects funded by the department have an estimated cost of R708 million. This includes: R250 million for fences along South Africa's borders with Zimbabwe and Mozambique to manage the incidence of foot and mouth disease, on which approximately R102 million has been spent to date with R90 million projected to be spent over the medium term; R200 million budgeted for drilling and fitting boreholes for agricultural purposes in rural communities across the country; R54.6 million allocated for upgrading and maintaining buildings and laboratories at the Stellenbosch plant quarantine station where the project is in its first phase, with R3.5 million spent in 2013/14; and R492.4 million to upgrade the Onderstepoort Biological Products vaccine facility, with about R63 million spent as at December 2013 and the remainder to be spent over the medium term.

## Departmental receipts

Table 26.4 Receipts

|   | Audited outcome |                |                | Adjusted estimate | Revised estimate | Average growth rate (%) | Receipt/ total: Average (%) | Medium-term receipts estimate |                |                | Average growth rate (%) | Receipt/ total: Average (%) |
|---|-----------------|----------------|----------------|-------------------|------------------|-------------------------|-----------------------------|-------------------------------|----------------|----------------|-------------------------|-----------------------------|
|   | 2010/11         | 2011/12        | 2012/13        |                   |                  |                         |                             | 2014/15                       | 2015/16        | 2016/17        |                         |                             |
| R thousand  |                 |                |                |                   |                  |                         |                             |                               |                |                |                         |                             |
| <b>Departmental receipts</b>                              | <b>156 961</b>  | <b>177 368</b> | <b>198 029</b> | <b>383 835</b>    | <b>392 255</b>   | <b>35.7%</b>            | <b>100.0%</b>               | <b>159 918</b>                | <b>167 913</b> | <b>176 310</b> | <b>-23.4%</b>           | <b>100.0%</b>               |
| <b>Sales of goods and services produced by department</b> | <b>126 973</b>  | <b>128 005</b> | <b>153 648</b> | <b>126 914</b>    | <b>131 135</b>   | <b>1.1%</b>             | <b>58.4%</b>                | <b>124 472</b>                | <b>130 696</b> | <b>137 232</b> | <b>1.5%</b>             | <b>58.4%</b>                |
| Sales by market establishments                            | 2 864           | 3 774          | 3 224          | 2 908             | 3 129            | 3.0%                    | 1.4%                        | 3 285                         | 3 449          | 3 622          | 5.0%                    | 1.5%                        |
| of which:   |                 |                |                |                   |                  |                         |                             |                               |                |                |                         |                             |
| Dwelling  | 2 499           | 3 097          | 2 937          | 2 205             | 2 205            | -4.1%                   | 1.2%                        | 2 315                         | 2 430          | 2 552          | 5.0%                    | 1.1%                        |
| Rental parking: Covered and open                          | 251             | 265            | 278            | 342               | 342              | 10.9%                   | 0.1%                        | 359                           | 377            | 396            | 5.0%                    | 0.2%                        |
| Rental other: Machinery and equipment                     | —               | —              | —              | —                 | 221              | —                       | —                           | 232                           | 244            | 256            | 5.0%                    | 0.1%                        |
| Wool and skin   | 114             | 412            | 9              | 361               | 361              | 46.8%                   | 0.1%                        | 379                           | 398            | 418            | 5.0%                    | 0.2%                        |
| Administration fees                                       | 88 226          | 94 402         | 110 464        | 86 395            | 90 395           | 0.8%                    | 41.5%                       | 81 695                        | 85 780         | 90 069         | -0.1%                   | 38.8%                       |
| of which:   |                 |                |                |                   |                  |                         |                             |                               |                |                |                         |                             |
| Farm feeds registration                                   | 11 233          | 2 597          | 9 515          | 10 290            | 10 290           | -2.9%                   | 3.6%                        | 10 805                        | 11 345         | 11 912         | 5.0%                    | 4.9%                        |
| Plant breeders right                                      | 1 991           | 2 451          | 2 518          | 4 725             | 4 725            | 33.4%                   | 1.3%                        | 4 961                         | 5 209          | 5 469          | 5.0%                    | 2.3%                        |
| Stock remedy  | 754             | 4 754          | 1 473          | 5 145             | 5 145            | 89.7%                   | 1.3%                        | 5 402                         | 5 672          | 5 956          | 5.0%                    | 2.5%                        |
| Inspection fees: Statutory services                       | 50 272          | 54 689         | 60 948         | 43 050            | 43 050           | -5.0%                   | 22.6%                       | 45 203                        | 47 463         | 49 836         | 5.0%                    | 20.7%                       |
| Other   | 23 976          | 29 911         | 36 010         | 23 185            | 27 185           | 4.3%                    | 12.7%                       | 15 324                        | 16 091         | 16 896         | -14.7%                  | 8.4%                        |
| Other sales   | 35 883          | 29 829         | 39 960         | 37 611            | 37 611           | 1.6%                    | 15.5%                       | 39 492                        | 41 467         | 43 541         | 5.0%                    | 18.1%                       |
| of which:   |                 |                |                |                   |                  |                         |                             |                               |                |                |                         |                             |
| Services rendered: Boarding service: Private              | 1 109           | 1 453          | 1 610          | 1 995             | 1 995            | 21.6%                   | 0.7%                        | 2 094                         | 2 199          | 2 309          | 5.0%                    | 1.0%                        |
| Services rendered: Commission insurance                   | 60              | 1 678          | 1 657          | 1 533             | 1 533            | 194.5%                  | 0.5%                        | 1 609                         | 1 690          | 1 775          | 5.0%                    | 0.7%                        |
| Services rendered: Course fees                            | —               | 888            | 1 195          | 1 890             | 1 890            | —                       | 0.4%                        | 1 984                         | 2 083          | 2 187          | 5.0%                    | 0.9%                        |
| Laboratory services: Plant                                | 1 041           | 1 120          | 942            | 2 373             | 2 373            | 31.6%                   | 0.6%                        | 2 492                         | 2 617          | 2 748          | 5.0%                    | 1.1%                        |
| Other   | 33 673          | 24 690         | 34 556         | 29 820            | 29 820           | -4.0%                   | 13.3%                       | 31 313                        | 32 878         | 34 522         | 5.0%                    | 14.3%                       |

Table 26.4 Receipts

|  | Audited outcome |         |         | Adjusted estimate | Revised estimate | Average growth rate (%) | Receipt/ total: Average (%) | Medium-term receipts estimate |         |         | Average growth rate (%) | Receipt/ total: Average (%) |
|--|-----------------|---------|---------|-------------------|------------------|-------------------------|-----------------------------|-------------------------------|---------|---------|-------------------------|-----------------------------|
|  | 2010/11         | 2011/12 | 2012/13 |                   |                  |                         |                             | 2014/15                       | 2015/16 | 2016/17 |                         |                             |
| R thousand   |                 |         |         |                   |                  |                         |                             |                               |         |         |                         |                             |
| Sales of scrap, waste, arms and other used current goods | 28              | 7       | 41      | 9                 | 9                | -31.5%                  | -                           | 9                             | 9       | 9       | -                       | -                           |
| of which:  |                 |         |         |                   |                  |                         |                             |                               |         |         |                         |                             |
| Waste paper  | 28              | 7       | 41      | 9                 | 9                | -31.5%                  | -                           | 9                             | 9       | 9       | -                       | -                           |
| Transfers received                                       | 9               | 3       | 169     | 121               | 150              | 155.4%                  | -                           | 127                           | 133     | 140     | -2.3%                   | 0.1%                        |
| Fines, penalties and forfeits                            | 43              | 54      | 44      | 50                | 50               | 5.2%                    | -                           | 29                            | 30      | 32      | -13.8%                  | -                           |
| Interest, dividends and rent on land                     | 8 130           | 9 387   | 8 871   | 14 695            | 17 815           | 29.9%                   | 4.8%                        | 16 538                        | 17 365  | 18 233  | 0.8%                    | 7.8%                        |
| Interest   | 7 240           | 8 101   | 8 148   | 12 915            | 12 915           | 21.3%                   | 3.9%                        | 13 561                        | 14 239  | 14 951  | 5.0%                    | 6.2%                        |
| Rent on land   | 890             | 1 286   | 723     | 1 780             | 4 900            | 76.6%                   | 0.8%                        | 2 977                         | 3 126   | 3 282   | -12.5%                  | 1.6%                        |
| Sales of capital assets                                  | 513             | 116     | 7 018   | -                 | 1 050            | 27.0%                   | 0.9%                        | 1 103                         | 1 158   | 1 216   | 5.0%                    | 0.5%                        |
| Transactions in financial assets and liabilities         | 21 265          | 39 796  | 28 238  | 242 046           | 242 046          | 124.9%                  | 35.8%                       | 17 640                        | 18 522  | 19 448  | -56.8%                  | 33.2%                       |
| Total  | 156 961         | 177 368 | 198 029 | 383 835           | 392 255          | 35.7%                   | 100.0%                      | 159 918                       | 167 913 | 176 310 | -23.4%                  | 100.0%                      |

## Programme 1: Administration

### Expenditure estimates

Table 26.5 Administration

| Subprogramme  | Audited outcome |         |         | Adjusted appropriation | Average growth rate (%) | Expenditure/ total: Average (%) | Medium-term expenditure estimate |          |          | Average growth rate (%) | Expenditure/ total: Average (%) |
|---|-----------------|---------|---------|------------------------|-------------------------|---------------------------------|----------------------------------|----------|----------|-------------------------|---------------------------------|
|   | 2010/11         | 2011/12 | 2012/13 |                        |                         |                                 | 2014/15                          | 2015/16  | 2016/17  |                         |                                 |
| R thousand  |                 |         |         |                        |                         |                                 |                                  |          |          |                         |                                 |
| Ministry  | 31 749          | 34 493  | 28 432  | 30 464                 | -1.4%                   | 5.3%                            | 31 887                           | 33 364   | 35 131   | 4.9%                    | 4.6%                            |
| Department Management                                   | 21 042          | 17 294  | 24 621  | 21 028                 | -                       | 3.5%                            | 23 851                           | 26 419   | 27 296   | 9.1%                    | 3.5%                            |
| Financial Administration                                | 117 368         | 124 869 | 122 581 | 144 006                | 7.1%                    | 21.4%                           | 150 341                          | 155 059  | 163 298  | 4.3%                    | 21.5%                           |
| Internal Audit  | 8 775           | 3 614   | 6 075   | 8 257                  | -2.0%                   | 1.1%                            | 8 515                            | 8 860    | 9 323    | 4.1%                    | 1.2%                            |
| Corporate Services                                      | 107 038         | 119 031 | 148 445 | 151 669                | 12.3%                   | 22.1%                           | 159 000                          | 164 068  | 172 606  | 4.4%                    | 22.7%                           |
| Stakeholder Relations, Communication and Legal Services | 48 487          | 49 977  | 76 139  | 70 177                 | 13.1%                   | 10.3%                           | 74 779                           | 74 813   | 78 748   | 3.9%                    | 10.5%                           |
| Policy, Planning, Monitoring and Evaluation             | 59 297          | 98 374  | 72 568  | 80 656                 | 10.8%                   | 13.1%                           | 79 503                           | 84 468   | 88 507   | 3.1%                    | 11.7%                           |
| Office Accommodation                                    | 85 056          | 134 367 | 166 072 | 164 623                | 24.6%                   | 23.1%                           | 166 694                          | 178 507  | 188 995  | 4.7%                    | 24.5%                           |
| Total   | 478 812         | 582 019 | 644 933 | 670 880                | 11.9%                   | 100.0%                          | 694 570                          | 725 558  | 763 904  | 4.4%                    | 100.0%                          |
| Change to 2013 Budget estimate                          |                 |         |         | 6 931                  |                         |                                 | (20 587)                         | (24 384) | (28 900) |                         |                                 |

#### Economic classification

|   |         |         |         |         |        |       |         |         |         |        |       |
|---|---------|---------|---------|---------|--------|-------|---------|---------|---------|--------|-------|
| Current payments  | 440 274 | 553 143 | 620 580 | 649 462 | 13.8%  | 95.2% | 670 373 | 699 840 | 736 396 | 4.3%   | 96.5% |
| Compensation of employees   | 240 051 | 262 515 | 281 550 | 326 852 | 10.8%  | 46.7% | 369 727 | 388 832 | 408 484 | 7.7%   | 52.3% |
| Goods and services  | 199 987 | 290 446 | 339 023 | 322 610 | 17.3%  | 48.5% | 300 646 | 311 008 | 327 912 | 0.5%   | 44.2% |
| of which:   |         |         |         |         |        |       |         |         |         |        |       |
| Administration fees   | 43 986  | 50 270  | 58 874  | 1 514   | -67.5% | 6.5%  | 54 083  | 65 624  | 78 729  | 273.3% | 7.0%  |
| Advertising   | 2 249   | 5 345   | 5 652   | 3 084   | 11.1%  | 0.7%  | 10 504  | 9 311   | 10 040  | 48.2%  | 1.2%  |
| Assets less than the capitalisation threshold                         | 1 830   | 591     | 607     | 3 451   | 23.5%  | 0.3%  | 2 215   | 2 547   | 2 935   | -5.3%  | 0.4%  |
| Audit costs: External   | 9 949   | 8 569   | 8 592   | 11 692  | 5.5%   | 1.6%  | 13 401  | 14 415  | 15 856  | 10.7%  | 1.9%  |
| Bursaries: Employees  | 781     | 815     | 965     | 2 583   | 49.0%  | 0.2%  | 2 396   | 2 569   | 2 668   | 1.1%   | 0.4%  |
| Catering: Departmental activities                                     | 1 472   | 737     | 2 122   | 762     | -19.7% | 0.2%  | 825     | 885     | 954     | 7.8%   | 0.1%  |
| Communication   | 12 077  | 13 901  | 15 600  | 13 537  | 3.9%   | 2.3%  | 14 644  | 14 685  | 15 831  | 5.4%   | 2.1%  |
| Computer services   | 16 691  | 21 331  | 36 652  | 28 589  | 19.6%  | 4.3%  | 22 808  | 18 931  | 19 608  | -11.8% | 3.2%  |
| Consultants and professional services: Business and advisory services | 12 652  | 20 429  | 15 994  | 16 630  | 9.5%   | 2.8%  | 3 888   | 3 288   | 2 815   | -44.7% | 0.9%  |
| Consultants and professional services: Infrastructure and planning    | -       | -       | 1       | -       | -      | -     | -       | -       | -       | -      | -     |
| Consultants and professional services: Legal costs                    | 313     | 2 466   | 1 350   | 327     | 1.5%   | 0.2%  | 502     | 526     | 554     | 19.2%  | 0.1%  |
| Contractors   | 5 935   | 4 071   | 2 405   | 2 299   | -27.1% | 0.6%  | 1 149   | 1 119   | 1 230   | -18.8% | 0.2%  |
| Agency and support / outsourced services                              | 20 158  | 14 528  | 12 289  | 5 126   | -36.6% | 2.2%  | 4 869   | 5 003   | 4 330   | -5.5%  | 0.7%  |
| Entertainment   | 167     | 274     | 210     | 304     | 22.1%  | -     | 305     | 305     | 305     | 0.1%   | -     |
| Fleet services (including government motor transport)                 | 2 510   | 3 364   | 3 906   | 2 702   | 2.5%   | 0.5%  | 2 684   | 2 610   | 2 749   | 0.6%   | 0.4%  |
| Consumable supplies   | 1 494   | 1 697   | 2 696   | 2 551   | 19.5%  | 0.4%  | 1 764   | 2 124   | 2 226   | -4.4%  | 0.3%  |

Table 26.5 Administration

| Economic classification                                       |           |           |           | Adjusted appropriation | Average growth rate (%) | Expenditure/total: Average (%) | Medium-term expenditure estimate |           |           | Average growth rate (%) | Expenditure/total: Average (%) |
|---|-----------|-----------|-----------|------------------------|-------------------------|--------------------------------|----------------------------------|-----------|-----------|-------------------------|--------------------------------|
| Audited outcome   |           |           |           |                        |                         |                                |                                  |           |           |                         |                                |
| R thousand  | 2010/11   | 2011/12   | 2012/13   | 2013/14                | 2010/11 - 2013/14       |                                | 2014/15                          | 2015/16   | 2016/17   | 2013/14 - 2016/17       |                                |
| Consumable: Stationery, printing and office supplies          | 4 589     | 4 342     | 4 355     | 4 802                  | 1.5%                    | 0.8%                           | 4 209                            | 4 423     | 4 746     | -0.4%                   | 0.6%                           |
| Operating leases  | 15 790    | 50 868    | 80 288    | 66 463                 | 61.5%                   | 9.0%                           | 60 967                           | 57 207    | 52 868    | -7.3%                   | 8.3%                           |
| Property payments   | 7 873     | 16 843    | 26 167    | 101 317                | 134.3%                  | 6.4%                           | 52 677                           | 56 959    | 59 219    | -16.4%                  | 9.5%                           |
| Transport provided: Departmental activity                     | 15        | —         | —         | —                      | -100.0%                 | —                              | —                                | —         | —         | —                       | —                              |
| Travel and subsistence  | 30 940    | 47 815    | 37 034    | 27 599                 | -3.7%                   | 6.0%                           | 26 407                           | 27 421    | 28 781    | 1.4%                    | 3.9%                           |
| Training and development                                      | 2 672     | 2 989     | 1 060     | 3 145                  | 5.6%                    | 0.4%                           | 4 289                            | 4 643     | 5 059     | 17.2%                   | 0.6%                           |
| Operating payments  | 2 968     | 2 111     | 4 965     | 3 432                  | 5.0%                    | 0.6%                           | 5 595                            | 4 241     | 3 827     | 3.7%                    | 0.6%                           |
| Venues and facilities   | 2 876     | 17 089    | 17 198    | 20 643                 | 92.9%                   | 2.4%                           | 10 350                           | 12 052    | 12 457    | -15.5%                  | 1.9%                           |
| Rental and hiring   | —         | 1         | 41        | 58                     | —                       | —                              | 115                              | 120       | 125       | 29.2%                   | —                              |
| Interest and rent on land                                     | 236       | 182       | 7         | —                      | -100.0%                 | —                              | —                                | —         | —         | —                       | —                              |
| Transfers and subsidies                                       | 7 241     | 2 075     | 7 930     | 8 783                  | 6.6%                    | 1.1%                           | 16 795                           | 18 426    | 20 029    | 31.6%                   | 2.2%                           |
| Provinces and municipalities                                  | 63        | 39        | 45        | 56                     | -3.9%                   | —                              | 37                               | 37        | 38        | -12.1%                  | —                              |
| Departmental agencies and accounts                            | 1 144     | 1 272     | 1 593     | 8 672                  | 96.4%                   | 0.5%                           | 16 758                           | 18 389    | 19 991    | 32.1%                   | 2.2%                           |
| Public corporations and private enterprises                   | 2 988     | 151       | 164       | —                      | -100.0%                 | 0.1%                           | —                                | —         | —         | —                       | —                              |
| Non-profit institutions                                       | —         | —         | 73        | —                      | —                       | —                              | —                                | —         | —         | —                       | —                              |
| Households  | 3 046     | 613       | 6 055     | 55                     | -73.8%                  | 0.4%                           | —                                | —         | —         | -100.0%                 | —                              |
| Payments for capital assets                                   | 31 213    | 26 703    | 16 395    | 12 635                 | -26.0%                  | 3.7%                           | 7 402                            | 7 292     | 7 479     | -16.0%                  | 1.2%                           |
| Buildings and other fixed structures                          | 12 482    | 15 802    | 3 515     | 5 000                  | -26.3%                  | 1.5%                           | 5 000                            | 5 000     | 5 000     | —                       | 0.7%                           |
| Machinery and equipment                                       | 17 028    | 10 816    | 12 497    | 6 520                  | -27.4%                  | 2.0%                           | 2 402                            | 2 292     | 2 479     | -27.6%                  | 0.5%                           |
| Software and other intangible assets                          | 1 703.0   | 85.0      | 383.0     | 1 115.0                | -13.2%                  | 0.1%                           | —                                | —         | —         | -100.0%                 | —                              |
| Payments for financial assets                                 | 84.0      | 98.0      | 28.0      | —                      | -100.0%                 | —                              | —                                | —         | —         | —                       | —                              |
| Total   | 478 812.0 | 582 019.0 | 644 933.0 | 670 880.0              | 11.9%                   | 100.0%                         | 694 570.0                        | 725 558.0 | 763 904.0 | 4.4%                    | 100.0%                         |
| Proportion of total programme expenditure to vote expenditure | 12.5%     | 11.9%     | 11.1%     | 10.9%                  |                         |                                | 10.4%                            | 11.0%     | 11.4%     |                         |                                |

## Details of transfers and subsidies

|   |       |       |       |       |         |      |        |        |        |         |      |
|---|-------|-------|-------|-------|---------|------|--------|--------|--------|---------|------|
| Provinces and municipalities                                |       |       |       |       |         |      |        |        |        |         |      |
| Municipalities  |       |       |       |       |         |      |        |        |        |         |      |
| Municipal bank accounts                                     |       |       |       |       |         |      |        |        |        |         |      |
| Current   | 63    | 39    | 45    | 56    | -3.9%   | —    | 37     | 37     | 38     | -12.1%  | —    |
| Vehicle licences  | 63    | 39    | 45    | 56    | -3.9%   | —    | 37     | 37     | 38     | -12.1%  | —    |
| Departmental agencies and accounts                          |       |       |       |       |         |      |        |        |        |         |      |
| Departmental agencies (non-business entities)               |       |       |       |       |         |      |        |        |        |         |      |
| Current   | 1 144 | 1 272 | 1 593 | 8 672 | 96.4%   | 0.5% | 16 758 | 18 389 | 19 991 | 32.1%   | 2.2% |
| Communication   | —     | —     | 75    | —     | —       | —    | 42     | 37     | 37     | —       | —    |
| Primary Agriculture Sector Education and Training Authority | 1 144 | 1 272 | 1 518 | 1 672 | 13.5%   | 0.2% | 1 716  | 1 852  | 1 954  | 5.3%    | 0.3% |
| National Research Foundation                                | —     | —     | —     | 7 000 | —       | 0.3% | 15 000 | 16 500 | 18 000 | 37.0%   | 2.0% |
| Public corporations and private enterprises                 |       |       |       |       |         |      |        |        |        |         |      |
| Public corporations   |       |       |       |       |         |      |        |        |        |         |      |
| Other transfers to public corporations                      |       |       |       |       |         |      |        |        |        |         |      |
| Current   | 1 653 | —     | —     | —     | -100.0% | 0.1% | —      | —      | —      | —       | —    |
| Forest Sector Charter Council                               | 1 653 | —     | —     | —     | -100.0% | 0.1% | —      | —      | —      | —       | —    |
| Public corporations and private enterprises                 |       |       |       |       |         |      |        |        |        |         |      |
| Private enterprises   |       |       |       |       |         |      |        |        |        |         |      |
| Other transfers to private enterprises                      |       |       |       |       |         |      |        |        |        |         |      |
| Current   | 1 335 | 151   | 164   | —     | -100.0% | 0.1% | —      | —      | —      | —       | —    |
| Claims against the state                                    | 1 335 | 151   | 164   | —     | -100.0% | 0.1% | —      | —      | —      | —       | —    |
| Non-profit institutions                                     |       |       |       |       |         |      |        |        |        |         |      |
| Current   | —     | —     | 73    | —     | —       | —    | —      | —      | —      | —       | —    |
| Mandulo Foundation  | —     | —     | 73    | —     | —       | —    | —      | —      | —      | —       | —    |
| Households  |       |       |       |       |         |      |        |        |        |         |      |
| Social benefits   |       |       |       |       |         |      |        |        |        |         |      |
| Current   | 3 046 | 592   | 1 373 | 55    | -73.8%  | 0.2% | —      | —      | —      | -100.0% | —    |
| Employee social benefits                                    | 3 046 | 592   | 1 373 | 55    | -73.8%  | 0.2% | —      | —      | —      | -100.0% | —    |
| Households  |       |       |       |       |         |      |        |        |        |         |      |
| Other transfers to households                               |       |       |       |       |         |      |        |        |        |         |      |
| Current   | —     | 21    | 4 682 | —     | —       | 0.2% | —      | —      | —      | —       | —    |
| Claims against the state                                    | —     | 21    | 4 682 | —     | —       | 0.2% | —      | —      | —      | —       | —    |

## Personnel information

**Table 26.6 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

| Number of posts estimated for 31 March 2014 |   |    | Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment |       |           |                  |       |           |                                  |       |           |         |       |           |         |       |           | Number                  |                                 |                   |
|---|---|----|--|-------|-----------|------------------|-------|-----------|----------------------------------|-------|-----------|---------|-------|-----------|---------|-------|-----------|-------------------------|---------------------------------|-------------------|
| Number of funded posts                      | Number of posts additional to the establishment |    | Actual   |       |           | Revised estimate |       |           | Medium-term expenditure estimate |       |           |         |       |           |         |       |           | Average growth rate (%) | Salary level/total: Average (%) |                   |
|   |   |    | 2012/13  |       |           | 2013/14          |       |           | 2014/15                          |       |           | 2015/16 |       |           | 2016/17 |       |           |                         |                                 | 2013/14 - 2016/17 |
|   |   |    | Number   | Cost  | Unit Cost | Number           | Cost  | Unit Cost | Number                           | Cost  | Unit Cost | Number  | Cost  | Unit Cost | Number  | Cost  | Unit Cost |                         |                                 |                   |
| Administration                              |   |    | Number   | Cost  | Unit Cost | Number           | Cost  | Unit Cost | Number                           | Cost  | Unit Cost | Number  | Cost  | Unit Cost | Number  | Cost  | Unit Cost |                         |                                 |                   |
| Salary level                                | 1 124   | 14 | 953  | 281.6 | 0.3       | 1 125            | 326.9 | 0.3       | 1 125                            | 369.7 | 0.3       | 1 125   | 388.8 | 0.3       | 1 125   | 408.5 | 0.4       | -                       | 100.0%                          |                   |
| 1 – 6                                       | 526   | 7  | 455  | 61.7  | 0.1       | 522              | 84.3  | 0.2       | 522                              | 96.2  | 0.2       | 522     | 100.5 | 0.2       | 522     | 104.9 | 0.2       | -                       | 46.4%                           |                   |
| 7 – 10                                      | 422   | 3  | 365  | 97.0  | 0.3       | 430              | 129.1 | 0.3       | 430                              | 145.9 | 0.3       | 430     | 153.7 | 0.4       | 430     | 161.9 | 0.4       | -                       | 38.2%                           |                   |
| 11 – 12                                     | 120   | -  | 84   | 59.2  | 0.7       | 117              | 61.4  | 0.5       | 117                              | 69.4  | 0.6       | 117     | 73.1  | 0.6       | 117     | 77.0  | 0.7       | -                       | 10.4%                           |                   |
| 13 – 16                                     | 54  | 2  | 47   | 57.6  | 1.2       | 54               | 45.8  | 0.8       | 54                               | 51.6  | 1.0       | 54      | 54.4  | 1.0       | 54      | 57.3  | 1.1       | -                       | 4.8%                            |                   |
| Other                                       | 2   | 2  | 2  | 6.0   | 3.0       | 2                | 6.3   | 3.2       | 2                                | 6.7   | 3.4       | 2       | 7.1   | 3.5       | 2       | 7.4   | 3.7       | -                       | 0.2%                            |                   |

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

2. Rand million.

## Expenditure trends

The spending focus over the medium term will be on acquiring offices for the forestry and fisheries branches through the *Office Accommodation* subprogramme; facilitating and coordinating research by engaging with the National Agricultural Research Forum through the *Policy, Planning, Monitoring and Evaluation* subprogramme; developing service level agreements with the Agricultural Research Council for research and development to be carried out; and providing effective support services to the department.

Expenditure on compensation of employees between 2010/11 and 2013/14 grew significantly after the staff complement of the legal and communication services branch was increased from 1 093 in 2010/11 to 1 124 in 2013/14. This was to provide capacity to deal with the additional responsibilities created by the transfer of the forestry and fisheries functions to the department in 2009/10. Expenditure is expected to grow slightly over the medium term due to improvements to conditions of service, and the adjustments and upgrades of the posts in the establishment in terms of a Public Service Coordinating Bargaining Council resolution. There were 150 vacancies at the end of November 2013 due to normal attrition and the length of time it takes to finalise the recruitment process.

The management of the Knysna indigenous forests function was shifted from this programme to the Department of Environmental Affairs in July 2011. Thus over the medium term, R22 million per year in the department's budget is transferred accordingly.

## Programme 2: Agricultural Production, Health and Food Safety

### Objectives

- Promote efficient production, handling and processing of food, fibre and timber by implementing 5 plant and animal production strategies to increase production by 2016/17.
- Manage the level of risks associated with food, diseases, pests and natural disasters by continuously facilitating the development and implementation of plant and animal strategies, policies, quality standards, and other sanitary and phyto-sanitary measures.
- Establish and maintain effective early warning and mitigation systems by improving the early detections of and reaction time to outbreaks of animal and plant diseases and pests over the medium term.

### Subprogrammes

- *Management* oversees and manages the programme. This subprogramme had a staff complement of 3 in 2013/14.

- *Inspection and Laboratory Services* provides leadership, guidance and support to ensure compliance with agricultural legislation and regulatory frameworks; and oversees the effective implementation of risk management strategies and plans for regulated agricultural products. In 2012/13, regulatory services in respect of sound agricultural inputs, food safety and quality assurance regulatory requirements, enforcement of bio-security management prerequisites and the sanitary and phyto-sanitary advocacy bio-security areas were provided. In 2013, disease outbreaks in production areas and interceptions at export channels were reduced significantly as a result of the enforcement of the regulatory framework. This subprogramme had a staff complement of 966 in 2013/14.
- *Plant Production and Health* is discussed in more detail below.
- *Animal Production and Health* improves livestock production through the implementation of animal production and health programmes, an informed extension service and sustainable natural resource management. It coordinates concurrent provision of primary animal health care, veterinary public health care services and animal production services. In 2012/13, surveillance for foot and mouth disease and avian influenza was conducted to regain global recognition status to enable enhanced trade in products of animal origin. In implementing the primary animal health care programme, 27 veterinary mobile clinics and associated laboratory equipment were procured in 2012/13. By the end of September 2013, about 700 new producers had participated in schemes to improve livestock production, and health and the safety of animal products. In 2014/15, existing livestock improvement schemes will be monitored and any limitations addressed. Over the medium term, key activities will include reviewing and strengthening animal disease control measures and working to regain and retain the foot and mouth disease free status. This will support the trade in livestock and related products. This subprogramme had a staff complement of 379 in 2013/14.
- *Agriculture Research* manages monthly transfers to the Agricultural Research Council.

## Expenditure estimates

**Table 26.7 Agricultural Production, Health and Food Safety**

| Subprogramme                       | Audited outcome  |                  |                  | Adjusted appropriation | Average growth rate (%) | Expenditure/total: Average (%) | Medium-term expenditure estimate |                  |                  | Average growth rate (%) | Expenditure/total: Average (%) |
|------------------------------------|------------------|------------------|------------------|------------------------|-------------------------|--------------------------------|----------------------------------|------------------|------------------|-------------------------|--------------------------------|
| R thousand                         | 2010/11          | 2011/12          | 2012/13          | 2013/14                | 2010/11 - 2013/14       | 2013/14                        | 2014/15                          | 2015/16          | 2016/17          | 2013/14 - 2016/17       | 2016/17                        |
| Management                         | 1 915            | 2 127            | 983              | 2 932                  | 15.3%                   | 0.1%                           | 2 866                            | 2 997            | 3 156            | 2.5%                    | 0.1%                           |
| Inspection and Laboratory Services | 223 358          | 263 217          | 272 608          | 297 204                | 10.0%                   | 15.6%                          | 315 530                          | 330 813          | 347 535          | 5.4%                    | 15.1%                          |
| Plant Production and Health        | 255 189          | 473 092          | 488 946          | 507 605                | 25.8%                   | 25.4%                          | 541 047                          | 567 191          | 596 138          | 5.5%                    | 25.8%                          |
| Animal Production and Health       | 131 679          | 150 911          | 169 269          | 278 524                | 28.4%                   | 10.8%                          | 311 202                          | 470 883          | 213 037          | -8.5%                   | 14.8%                          |
| Agricultural Research              | 622 266          | 755 510          | 943 026          | 950 254                | 15.2%                   | 48.2%                          | 1 029 151                        | 880 767          | 929 568          | -0.7%                   | 44.2%                          |
| <b>Total</b>                       | <b>1 234 407</b> | <b>1 644 857</b> | <b>1 874 832</b> | <b>2 036 519</b>       | <b>18.2%</b>            | <b>100.0%</b>                  | <b>2 199 796</b>                 | <b>2 252 651</b> | <b>2 089 434</b> | <b>0.9%</b>             | <b>100.0%</b>                  |
| Change to 2013 Budget estimate     |                  |                  |                  | (29 626)               |                         |                                | (66 321)                         | (51 103)         | (50 688)         |                         |                                |

### Economic classification

| Current payments  | 390 794 | 445 692 | 474 147 | 508 941 | 9.2%   | 26.8% | 564 113 | 610 412 | 641 232 | 8.0%   | 27.1% |
|---|---------|---------|---------|---------|--------|-------|---------|---------|---------|--------|-------|
| Compensation of employees   | 282 927 | 324 454 | 347 481 | 387 288 | 11.0%  | 19.8% | 409 126 | 478 647 | 502 189 | 9.0%   | 20.7% |
| Goods and services  | 107 805 | 121 084 | 126 666 | 121 653 | 4.1%   | 7.0%  | 154 987 | 131 765 | 139 043 | 4.6%   | 6.4%  |
| of which:   |         |         |         |         |        |       |         |         |         |        |       |
| Administration fees   | 200     | 185     | 391     | 412     | 27.2%  | —     | 425     | 444     | 486     | 5.7%   | —     |
| Advertising   | 4 013   | 4 208   | 4 363   | 3 100   | -8.2%  | 0.2%  | 2 811   | 2 694   | 3 160   | 0.6%   | 0.1%  |
| Assets less than the capitalisation threshold                         | 1 317   | 1 333   | 492     | 19 131  | 144.0% | 0.3%  | 65 121  | 36 731  | 39 956  | 27.8%  | 1.9%  |
| Bursaries: Employees  | 821     | 819     | 769     | 830     | 0.4%   | —     | 1 090   | 1 127   | 1 070   | 8.8%   | —     |
| Catering: Departmental activities                                     | 48      | 52      | 116     | 232     | 69.1%  | —     | 223     | 241     | 252     | 2.8%   | —     |
| Communication   | 3 685   | 3 832   | 3 808   | 4 231   | 4.7%   | 0.2%  | 2 978   | 3 099   | 3 038   | -10.5% | 0.2%  |
| Computer services   | 2 295   | 1 966   | 2 784   | 391     | -44.6% | 0.1%  | 17 309  | 20 019  | 21 709  | 281.5% | 0.7%  |
| Consultants and professional services: Business and advisory services | 11 252  | 3 696   | 3 370   | 463     | -65.5% | 0.3%  | 1 119   | 1 252   | 1 098   | 33.4%  | —     |
| Consultants and professional services: Infrastructure and planning    | 1 263   | 571     | 1 453   | 790     | -14.5% | 0.1%  | 120     | 146     | 148     | -42.8% | —     |
| Consultants and professional services: Laboratory services            | 302     | 470     | 1 289   | 590     | 25.0%  | —     | 1 410   | 1 365   | 1 751   | 43.7%  | 0.1%  |
| Consultants and professional services: Legal costs                    | 1 327   | 1 317   | 808     | 909     | -11.8% | 0.1%  | 497     | 558     | 593     | -13.3% | —     |
| Contractors   | 2 426   | 3 070   | 3 976   | 2 210   | -3.1%  | 0.2%  | 875     | 841     | 878     | -26.5% | 0.1%  |
| Agency and support / outsourced services                              | 13 351  | 18 097  | 31 841  | 7 863   | -16.2% | 1.0%  | 1 112   | 1 033   | 1 227   | -46.2% | 0.1%  |
| Entertainment   | 38      | 37      | 40      | 47      | 7.3%   | —     | 47      | 47      | 47      | —      | —     |
| Fleet services (including government motor transport)                 | 5 332   | 7 566   | 7 916   | 4 539   | -5.2%  | 0.4%  | 3 480   | 3 413   | 3 902   | -4.9%  | 0.2%  |

**Table 26.7 Agricultural Production, Health and Food Safety**

| Economic classification                                       |             |             |             | Adjusted appropriation | Average growth rate (%) | Expenditure/total: Average (%) | Medium-term expenditure estimate |             |             | Average growth rate (%) | Expenditure/total: Average (%) |
|---|-------------|-------------|-------------|------------------------|-------------------------|--------------------------------|----------------------------------|-------------|-------------|-------------------------|--------------------------------|
| Audited outcome   |             |             |             |                        |                         |                                |                                  |             |             |                         |                                |
| R thousand  | 2010/11     | 2011/12     | 2012/13     | 2013/14                | 2010/11                 | 2013/14                        | 2014/15                          | 2015/16     | 2016/17     | 2013/14                 | 2016/17                        |
| Inventory: Farming supplies                                   | —           | —           | —           | 105                    | —                       | —                              | 54                               | 54          | 54          | -19.9%                  | —                              |
| Inventory: Medicine   | 8 308       | 597         | 5 957       | 2 856                  | -29.9%                  | 0.3%                           | 1 841                            | 1 841       | 1 845       | -13.6%                  | 0.1%                           |
| Inventory: Other supplies                                     | —           | —           | —           | 20                     | —                       | —                              | 18                               | 18          | 8           | -26.3%                  | —                              |
| Consumable supplies   | 7 706       | 12 893      | 12 464      | 21 288                 | 40.3%                   | 0.8%                           | 7 015                            | 8 866       | 8 516       | -26.3%                  | 0.5%                           |
| Consumable: Stationery, printing and office supplies          | 4 066       | 3 702       | 3 330       | 6 151                  | 14.8%                   | 0.3%                           | 7 243                            | 4 887       | 5 587       | -3.2%                   | 0.3%                           |
| Operating leases  | 362         | 134         | 161         | 527                    | 13.3%                   | —                              | 1 244                            | 692         | 896         | 19.4%                   | —                              |
| Property payments   | 1 921       | 3 778       | 2 677       | 2 606                  | 10.7%                   | 0.2%                           | 988                              | 984         | 982         | -27.8%                  | 0.1%                           |
| Travel and subsistence  | 31 860      | 45 145      | 32 044      | 27 285                 | -5.0%                   | 2.0%                           | 23 292                           | 27 555      | 27 406      | 0.1%                    | 1.2%                           |
| Training and development                                      | 2 278       | 2 406       | 1 435       | 9 281                  | 59.7%                   | 0.2%                           | 5 411                            | 6 682       | 6 889       | -9.5%                   | 0.3%                           |
| Operating payments  | 2 354       | 4 025       | 4 090       | 5 136                  | 29.7%                   | 0.2%                           | 7 801                            | 6 173       | 6 467       | 8.0%                    | 0.3%                           |
| Venues and facilities   | 1 280       | 802         | 1 040       | 577                    | -23.3%                  | 0.1%                           | 1 431                            | 970         | 1 043       | 21.8%                   | —                              |
| Rental and hiring   | —           | 383         | 52          | 83                     | —                       | —                              | 32                               | 33          | 35          | -25.0%                  | —                              |
| Interest and rent on land                                     | 62          | 154         | —           | —                      | -100.0%                 | —                              | —                                | —           | —           | —                       | —                              |
| Transfers and subsidies                                       | 833 275     | 1 186 177   | 1 368 721   | 1 494 559              | 21.5%                   | 71.9%                          | 1 627 286                        | 1 640 991   | 1 446 928   | -1.1%                   | 72.4%                          |
| Provinces and municipalities                                  | 192 557     | 405 090     | 415 891     | 438 580                | 31.6%                   | 21.4%                          | 460 635                          | 481 824     | 507 360     | 5.0%                    | 22.0%                          |
| Departmental agencies and accounts                            | 622 266     | 755 510     | 943 052     | 950 254                | 15.2%                   | 48.2%                          | 1 029 151                        | 880 767     | 929 568     | -0.7%                   | 44.2%                          |
| Public corporations and private enterprises                   | 1 015       | 539         | 339         | 97 500                 | 358.0%                  | 1.5%                           | 127 500                          | 268 400     | —           | -100.0%                 | 5.8%                           |
| Non-profit institutions                                       | 6 596       | 6 906       | 7 251       | 7 649                  | 5.1%                    | 0.4%                           | 10 000                           | 10 000      | 10 000      | 9.3%                    | 0.4%                           |
| Households  | 10 841      | 18 132      | 2 188       | 576                    | -62.4%                  | 0.5%                           | —                                | —           | —           | -100.0%                 | —                              |
| Payments for capital assets                                   | 10 302      | 12 877      | 30 836      | 33 019                 | 47.4%                   | 1.3%                           | 8 397                            | 1 248       | 1 274       | -66.2%                  | 0.5%                           |
| Machinery and equipment                                       | 10 235      | 12 785      | 30 836      | 32 906                 | 47.6%                   | 1.3%                           | 8 397                            | 1 248       | 1 274       | -66.2%                  | 0.5%                           |
| Software and other intangible assets                          | 67.0        | 92.0        | —           | 113.0                  | 19.0%                   | —                              | —                                | —           | —           | -100.0%                 | —                              |
| Payments for financial assets                                 | 36.0        | 111.0       | 1 128.0     | —                      | -100.0%                 | —                              | —                                | —           | —           | —                       | —                              |
| Total   | 1 234 407.0 | 1 644 857.0 | 1 874 832.0 | 2 036 519.0            | 18.2%                   | 100.0%                         | 2 199 796.0                      | 2 252 651.0 | 2 089 434.0 | 0.9%                    | 100.0%                         |
| Proportion of total programme expenditure to vote expenditure | 32.2%       | 33.5%       | 32.3%       | 32.9%                  |                         |                                | 32.9%                            | 34.0%       | 31.3%       |                         |                                |

**Details of transfers and subsidies**

|  |                |                |                |                |              |              |                |                |                |                |              |
|--|----------------|----------------|----------------|----------------|--------------|--------------|----------------|----------------|----------------|----------------|--------------|
| <b>Provinces and municipalities</b>                  |                |                |                |                |              |              |                |                |                |                |              |
| <b>Provinces</b>                                     |                |                |                |                |              |              |                |                |                |                |              |
| <b>Provincial Revenue Funds</b>                      |                |                |                |                |              |              |                |                |                |                |              |
| <b>Current</b>                                       | <b>192 500</b> | <b>405 000</b> | <b>415 798</b> | <b>438 456</b> | <b>31.6%</b> | <b>21.4%</b> | <b>460 625</b> | <b>481 814</b> | <b>507 350</b> | <b>5.0%</b>    | <b>22.0%</b> |
| Ilima/Letsema projects grant                         | 192 500        | 405 000        | 415 798        | 438 456        | 31.6%        | 21.4%        | 460 625        | 481 814        | 507 350        | 5.0%           | 22.0%        |
| <b>Provinces and municipalities</b>                  |                |                |                |                |              |              |                |                |                |                |              |
| <b>Municipalities</b>                                |                |                |                |                |              |              |                |                |                |                |              |
| <b>Municipal bank accounts</b>                       |                |                |                |                |              |              |                |                |                |                |              |
| <b>Current</b>                                       | <b>57</b>      | <b>90</b>      | <b>93</b>      | <b>124</b>     | <b>29.6%</b> | <b>–</b>     | <b>10</b>      | <b>10</b>      | <b>10</b>      | <b>-56.8%</b>  | <b>–</b>     |
| Vehicle licence fees                                 | 57             | 90             | 93             | 124            | 29.6%        | –            | 10             | 10             | 10             | -56.8%         | –            |
| <b>Departmental agencies and accounts</b>            |                |                |                |                |              |              |                |                |                |                |              |
| <b>Departmental agencies (non-business entities)</b> |                |                |                |                |              |              |                |                |                |                |              |
| <b>Current</b>                                       | <b>503 407</b> | <b>543 479</b> | <b>726 750</b> | <b>848 655</b> | <b>19.0%</b> | <b>38.6%</b> | <b>921 456</b> | <b>768 118</b> | <b>810 949</b> | <b>-1.5%</b>   | <b>39.0%</b> |
| Communication  | –              | –              | 26             | –              | –            | –            | –              | –              | –              | –              | –            |
| Agricultural Research Council                        | 503 407        | 543 479        | 726 724        | 848 655        | 19.0%        | 38.6%        | 921 456        | 768 118        | 810 949        | -1.5%          | 39.0%        |
| <b>Capital</b>                                       | <b>118 859</b> | <b>212 031</b> | <b>216 302</b> | <b>101 599</b> | <b>-5.1%</b> | <b>9.6%</b>  | <b>107 695</b> | <b>112 649</b> | <b>118 619</b> | <b>5.3%</b>    | <b>5.1%</b>  |
| Agricultural Research Council                        | 118 859        | 212 031        | 216 302        | 101 599        | -5.1%        | 9.6%         | 107 695        | 112 649        | 118 619        | 5.3%           | 5.1%         |
| <b>Public corporations and private enterprises</b>   |                |                |                |                |              |              |                |                |                |                |              |
| <b>Public corporations</b>                           |                |                |                |                |              |              |                |                |                |                |              |
| <b>Other transfers to public corporations</b>        |                |                |                |                |              |              |                |                |                |                |              |
| <b>Capital</b>                                       | <b>–</b>       | <b>–</b>       | <b>–</b>       | <b>96 500</b>  | <b>–</b>     | <b>1.4%</b>  | <b>127 500</b> | <b>268 400</b> | <b>–</b>       | <b>-100.0%</b> | <b>5.7%</b>  |
| Onderstepoort Biological Products                    | –              | –              | –              | 96 500         | –            | 1.4%         | 127 500        | 268 400        | –              | -100.0%        | 5.7%         |
| <b>Public corporations and private enterprises</b>   |                |                |                |                |              |              |                |                |                |                |              |
| <b>Private enterprises</b>                           |                |                |                |                |              |              |                |                |                |                |              |
| <b>Other transfers to private enterprises</b>        |                |                |                |                |              |              |                |                |                |                |              |
| <b>Current</b>                                       | <b>1 015</b>   | <b>539</b>     | <b>339</b>     | <b>1 000</b>   | <b>-0.5%</b> | <b>–</b>     | <b>–</b>       | <b>–</b>       | <b>–</b>       | <b>-100.0%</b> | <b>–</b>     |
| Claims against the state                             | 49             | 258            | 107            | –              | -100.0%      | –            | –              | –              | –              | –              | –            |
| Grasslands Group of Companies                        | 966            | 281            | –              | –              | -100.0%      | –            | –              | –              | –              | –              | –            |
| National Wool Growers Association                    | –              | –              | –              | 1 000          | –            | –            | –              | –              | –              | -100.0%        | –            |
| Blueilliesbush Dairy Farming                         | –              | –              | 232            | –              | –            | –            | –              | –              | –              | –              | –            |
| <b>Non-profit institutions</b>                       |                |                |                |                |              |              |                |                |                |                |              |
| <b>Current</b>                                       | <b>6 596</b>   | <b>6 906</b>   | <b>7 251</b>   | <b>7 649</b>   | <b>5.1%</b>  | <b>0.4%</b>  | <b>10 000</b>  | <b>10 000</b>  | <b>10 000</b>  | <b>9.3%</b>    | <b>0.4%</b>  |
| Deciduous Fruit Producers' Trust                     | 6 596          | 6 906          | 7 251          | 7 649          | 5.1%         | 0.4%         | 10 000         | 10 000         | 10 000         | 9.3%           | 0.4%         |

**Table 26.7 Agricultural Production, Health and Food Safety**

| Details of transfers and subsidies |         |         |         | Adjusted appropriation | Average growth rate (%) | Expenditure/total: Average (%) | Medium-term expenditure estimate |         |         | Average growth rate (%) | Expenditure/total: Average (%) |
|------------------------------------|---------|---------|---------|------------------------|-------------------------|--------------------------------|----------------------------------|---------|---------|-------------------------|--------------------------------|
| Audited outcome                    |         |         |         |                        |                         |                                |                                  |         |         |                         |                                |
| R thousand                         | 2010/11 | 2011/12 | 2012/13 | 2013/14                | 2010/11 - 2013/14       |                                | 2014/15                          | 2015/16 | 2016/17 | 2013/14 - 2016/17       |                                |
| Households                         |         |         |         |                        |                         |                                |                                  |         |         |                         |                                |
| Social benefits                    |         |         |         |                        |                         |                                |                                  |         |         |                         |                                |
| Current                            | 2 318   | 1 625   | 2 169   | 576                    | -37.1%                  | 0.1%                           | -                                | -       | -       | -100.0%                 | -                              |
| Employee social benefits           | 2 318   | 1 625   | 2 169   | 576                    | -37.1%                  | 0.1%                           | -                                | -       | -       | -100.0%                 | -                              |
| Households                         |         |         |         |                        |                         |                                |                                  |         |         |                         |                                |
| Other transfers to households      |         |         |         |                        |                         |                                |                                  |         |         |                         |                                |
| Current                            | 8 523   | 16 507  | 19      | -                      | -100.0%                 | 0.4%                           | -                                | -       | -       | -                       | -                              |
| Claims against the state           | 14      | 20      | 18      | -                      | -100.0%                 | -                              | -                                | -       | -       | -                       | -                              |
| Classical swine fever              | 8 509   | -       | 1       | -                      | -100.0%                 | 0.1%                           | -                                | -       | -       | -                       | -                              |
| Avian influenza                    | -       | 16 487  | -       | -                      | -                       | 0.2%                           | -                                | -       | -       | -                       | -                              |

## Personnel information

**Table 26.8 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

| Number of posts estimated for 31 March 2014     |                        |   | Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment |       |           |                  |       |           |                                  |       |           |        |         |           |                         |                                 |                   | Number    |        |
|---|------------------------|---|--|-------|-----------|------------------|-------|-----------|----------------------------------|-------|-----------|--------|---------|-----------|-------------------------|---------------------------------|-------------------|-----------|--------|
| Agricultural Production, Health and Food Safety | Number of funded posts | Number of posts additional to the establishment | Actual   |       |           | Revised estimate |       |           | Medium-term expenditure estimate |       |           |        |         |           | Average growth rate (%) | Salary level/total: Average (%) |                   |           |        |
|   |                        |   | 2012/13  |       |           | 2013/14          |       |           | 2014/15                          |       | 2015/16   |        | 2016/17 |           |                         |                                 | 2013/14 - 2016/17 |           |        |
|   |                        |   | Number   | Cost  | Unit Cost | Number           | Cost  | Unit Cost | Number                           | Cost  | Unit Cost | Number | Cost    | Unit Cost | Number                  | Cost                            |                   | Unit Cost |        |
| Salary level                                    | 1 531                  | 2   | 1 345  | 347.5 | 0.3       | 1 535            | 387.3 | 0.3       | 1 535                            | 409.1 | 0.3       | 1 535  | 478.6   | 0.3       | 1 535                   | 502.2                           | 0.3               | –         | 100.0% |
| 1 – 6   | 619                    | 1   | 580  | 64.5  | 0.1       | 624              | 76.8  | 0.1       | 624                              | 81.8  | 0.1       | 624    | 95.7    | 0.2       | 624                     | 100.7                           | 0.2               | –         | 40.7%  |
| 7 – 10  | 746                    | –   | 636  | 180.0 | 0.3       | 752              | 224.2 | 0.3       | 752                              | 235.6 | 0.3       | 752    | 276.2   | 0.4       | 752                     | 289.0                           | 0.4               | –         | 49.0%  |
| 11 – 12   | 151                    | 1   | 116  | 85.4  | 0.7       | 144              | 73.8  | 0.5       | 144                              | 78.5  | 0.5       | 144    | 91.9    | 0.6       | 144                     | 96.7                            | 0.7               | –         | 9.4%   |
| 13 – 16   | 15                     | –   | 13   | 17.6  | 1.4       | 15               | 12.4  | 0.8       | 15                               | 13.2  | 0.9       | 15     | 15.0    | 1.0       | 15                      | 15.8                            | 1.1               | –         | 1.0%   |

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

2. Rand million.

## Expenditure trends

The spending focus over the medium term will be on: increasing agricultural production and protecting crops by reviewing and implementing disease management measures through the *Plant Production and Health* subprogramme, which is discussed in further detail in the section that follows; monitoring the access and participation of smallholder farmers in the 9 animal improvement schemes and the veld and forage programmes, and increasing to 100 the number of newly qualified veterinarians deployed to rural areas by 2015 through the *Animal Production and Health* subprogramme's animal primary healthcare programme; and providing funding to the Agricultural Research Council and Onderstepoort Biological Products.

The projected increase in the number of veterinarians deployed to rural areas explains the projected increase in expenditure in the *Animal Production and Health* subprogramme in the first two years of the MTEF period. Expenditure is set to decline significantly thereafter as the animal primary healthcare programme is scheduled to come to an end in 2016/17. Spending in this subprogramme increased in 2012/13 and 2013/14 as the subprogramme spent on expanding logistical and other facilities in remote rural areas by delivering 74 mobile clinics, acquiring veterinary toolkits and rehabilitating nine veterinary clinics.

The projected significant increase in expenditure over the medium term in the *Animal Production and Health* subprogramme is due to additional funding of R492.3 million for Onderstepoort Biological Products to build and modernise vaccine production facilities and equipment. This project is in the design phase and a project manager has been appointed.

The significant increase in expenditure in the *Agricultural Research Council* subprogramme between 2010/11 and 2013/14 was due to the increase in transfers to the Agricultural Research Council to upgrade the foot and mouth vaccine facility. The significant growth in the subprogramme was also due to additional allocations of R77 million in 2012/13 and R128 million in 2013/14 for the economic competitiveness support package to fund



research into crop production, production of animal vaccine, extension services and maintenance of the national genebank collections.

To give effect to Cabinet approved budget reductions, R120 million is to be cut over the medium term from transfers to the Agricultural Research Council and R48.1 million over the same period from expenditure on non-core goods and services items. Personnel in the programme have been encouraged to use video conferencing instead of travelling to meetings and limits have been placed on the number of delegates going on overseas trips.

The programme had 1 531 funded posts. At the end of November 2013, 1 339 of these posts were filled and 196 were vacant due to normal attrition and the length of time it takes to finalise the recruitment process. As these vacancies are progressively filled over the medium term, the number of personnel is expected to increase to 1 535 by 2016/17.

## Subprogramme: Plant Production and Health

This subprogramme focuses on increasing agricultural productivity with the emphasis on a sustainable plant production system, the efficient use of genetic resources for food and agriculture, and the management of risks associated with plant pests and diseases and genetically modified organisms. In 2012/13, the key focus was the African invader fruit fly. Ongoing surveillance has shown that the pest continues to be present in the Vhembe district in Limpopo, so host materials from this area have been subjected to official control. While pest incursions have also been recorded in other areas in Limpopo, Gauteng, North West, Mpumalanga and KwaZulu-Natal, these are being eradicated. Through the Ilima/Letsema programme, which was allocated R1.4 billion over the medium term, 96 042 producers were supported with production inputs in 2012/13. This subprogramme had a staff complement of 187 in 2013/14.

## Expenditure estimates

**Table 26.9 Plant Production and Health**

| Economic classification                               | Audited outcome |               |               | Adjusted appropriation | Average growth rate (%) | Expenditure/total: Average (%) | Medium-term expenditure estimate |               |               | Average growth rate (%) | Expenditure/total: Average (%) |
|---|-----------------|---------------|---------------|------------------------|-------------------------|--------------------------------|----------------------------------|---------------|---------------|-------------------------|--------------------------------|
|   | 2010/11         | 2011/12       | 2012/13       |                        |                         |                                | 2014/15                          | 2015/16       | 2016/17       |                         |                                |
| R thousand  |                 |               |               |                        |                         |                                |                                  |               |               |                         |                                |
| <b>Current payments</b>                               | <b>55 146</b>   | <b>60 284</b> | <b>65 212</b> | <b>60 559</b>          | <b>3.2%</b>             | <b>14.0%</b>                   | <b>70 285</b>                    | <b>75 240</b> | <b>78 651</b> | <b>9.1%</b>             | <b>12.9%</b>                   |
| Compensation of employees                             | 42 274          | 49 190        | 50 454        | 54 190                 | 8.6%                    | 11.4%                          | 62 453                           | 65 701        | 69 090        | 8.4%                    | 11.4%                          |
| Goods and services                                    | 12 865          | 11 069        | 14 758        | 6 369                  | -20.9%                  | 2.6%                           | 7 832                            | 9 539         | 9 561         | 14.5%                   | 1.5%                           |
| of which:   |                 |               |               |                        |                         |                                |                                  |               |               |                         |                                |
| Administration fees                                   | 120             | 93            | 25            | 57                     | -22.0%                  | —                              | 105                              | 104           | 130           | 31.6%                   | —                              |
| Advertising   | 1 198           | 563           | 387           | 91                     | -57.6%                  | 0.1%                           | 236                              | 107           | 365           | 58.9%                   | —                              |
| Assets less than the capitalisation threshold         | 124             | 148           | 51            | 152                    | 7.0%                    | —                              | 605                              | 494           | 568           | 55.2%                   | 0.1%                           |
| Bursaries: Employees                                  | 309             | 184           | 161           | 145                    | -22.3%                  | —                              | 74                               | 74            | 24            | -45.1%                  | —                              |
| Catering: Departmental activities                     | 19              | 14            | 18            | 17                     | -3.6%                   | —                              | —                                | —             | —             | -100.0%                 | —                              |
| Communication   | 346             | 360           | 363           | 446                    | 8.8%                    | 0.1%                           | 502                              | 486           | 429           | -1.3%                   | 0.1%                           |
| Computer services                                     | 214             | 92            | —             | 10                     | -64.0%                  | —                              | 10                               | 70            | 120           | 128.9%                  | —                              |
| Consultants and professional services:                | 2               | 2             | 131           | 205                    | 368.0%                  | —                              | 250                              | 255           | 200           | -0.8%                   | —                              |
| Business and advisory services                        |                 |               |               |                        |                         |                                |                                  |               |               |                         |                                |
| Consultants and professional services:                | 416             | 298           | 690           | 23                     | -61.9%                  | 0.1%                           | 5                                | 8             | 6             | -36.1%                  | —                              |
| Infrastructure and planning                           |                 |               |               |                        |                         |                                |                                  |               |               |                         |                                |
| Consultants and professional services:                | 3               | —             | —             | —                      | -100.0%                 | —                              | —                                | —             | —             | —                       | —                              |
| Laboratory services                                   |                 |               |               |                        |                         |                                |                                  |               |               |                         |                                |
| Consultants and professional services:                | 170             | —             | —             | 20                     | -51.0%                  | —                              | 2                                | 2             | 2             | -53.6%                  | —                              |
| Legal costs   |                 |               |               |                        |                         |                                |                                  |               |               |                         |                                |
| Contractors   | 121             | 405           | 271           | 168                    | 11.6%                   | 0.1%                           | 168                              | 242           | 359           | 28.8%                   | —                              |
| Agency and support / outsourced services              | 454             | 109           | 46            | 6                      | -76.4%                  | —                              | 25                               | 115           | 100           | 155.4%                  | —                              |
| Entertainment   | 15              | 10            | 8             | 13                     | -4.7%                   | —                              | 13                               | 13            | 13            | —                       | —                              |
| Fleet services (including government motor transport) | 468             | 534           | 463           | 288                    | -14.9%                  | 0.1%                           | 253                              | 260           | 291           | 0.3%                    | —                              |
| Consumable supplies                                   | 545             | 2 328         | 4 726         | 507                    | -2.4%                   | 0.5%                           | 208                              | 1 863         | 1 440         | 41.6%                   | 0.2%                           |
| Consumable: Stationery, printing and office supplies  | 488             | 448           | 469           | 594                    | 6.8%                    | 0.1%                           | 1 140                            | 768           | 861           | 13.2%                   | 0.2%                           |
| Operating leases                                      | —               | —             | 3             | —                      | —                       | —                              | 80                               | 98            | —             | —                       | —                              |
| Property payments                                     | 541             | 141           | 278           | 227                    | -25.1%                  | 0.1%                           | 20                               | 23            | 25            | -52.1%                  | —                              |
| Travel and subsistence                                | 5 581           | 4 401         | 5 562         | 2 620                  | -22.3%                  | 1.1%                           | 2 905                            | 2 955         | 2 944         | 4.0%                    | 0.5%                           |

**Table 26.9 Plant Production and Health**

| Economic classification   |           |           |           | Adjusted appropriation | Average growth rate (%) | Expenditure/total: Average (%) | Medium-term expenditure estimate |           |           | Average growth rate (%) | Expenditure/total: Average (%) |
|---|-----------|-----------|-----------|------------------------|-------------------------|--------------------------------|----------------------------------|-----------|-----------|-------------------------|--------------------------------|
| Audited outcome   |           |           |           |                        |                         |                                |                                  |           |           |                         |                                |
| R thousand  | 2010/11   | 2011/12   | 2012/13   | 2013/14                | 2010/11 - 2013/14       |                                | 2014/15                          | 2015/16   | 2016/17   | 2013/14 - 2016/17       |                                |
| Training and development  | 519       | 163       | 245       | 193                    | -28.1%                  | 0.1%                           | 467                              | 430       | 582       | 44.5%                   | 0.1%                           |
| Operating payments  | 330       | 420       | 455       | 449                    | 10.8%                   | 0.1%                           | 528                              | 987       | 897       | 25.9%                   | 0.1%                           |
| Venues and facilities   | 882       | 356       | 406       | 138                    | -46.1%                  | 0.1%                           | 236                              | 185       | 205       | 14.1%                   | –                              |
| Interest and rent on land   | 7         | 25        | –         | –                      | -100.0%                 | –                              | –                                | –         | –         | –                       | –                              |
| Transfers and subsidies   | 199 102   | 412 020   | 423 124   | 446 146                | 30.9%                   | 85.8%                          | 470 632                          | 491 821   | 517 357   | 5.1%                    | 87.1%                          |
| Provinces and municipalities  | 192 504   | 405 009   | 415 804   | 438 472                | 31.6%                   | 84.2%                          | 460 632                          | 481 821   | 507 357   | 5.0%                    | 85.4%                          |
| Departmental agencies and accounts                                    | –         | –         | 3         | –                      | –                       | –                              | –                                | –         | –         | –                       | –                              |
| Public corporations and private enterprises                           | –         | 97        | –         | –                      | –                       | –                              | –                                | –         | –         | –                       | –                              |
| Non-profit institutions   | 6 596     | 6 906     | 7 251     | 7 649                  | 5.1%                    | 1.6%                           | 10 000                           | 10 000    | 10 000    | 9.3%                    | 1.7%                           |
| Households  | 2         | 8         | 66        | 25                     | 132.1%                  | –                              | –                                | –         | –         | -100.0%                 | –                              |
| Payments for capital assets   | 941       | 767       | 610       | 900                    | -1.5%                   | 0.2%                           | 130                              | 130       | 130       | -47.5%                  | 0.1%                           |
| Machinery and equipment   | 941       | 767       | 610       | 900                    | -1.5%                   | 0.2%                           | 130                              | 130       | 130       | -47.5%                  | 0.1%                           |
| Payments for financial assets   | –         | 21.0      | –         | –                      | –                       | –                              | –                                | –         | –         | –                       | –                              |
| Total   | 255 189.0 | 473 092.0 | 488 946.0 | 507 605.0              | 25.8%                   | 100.0%                         | 541 047.0                        | 567 191.0 | 596 138.0 | 5.5%                    | 100.0%                         |
| Proportion of total subprogramme expenditure to programme expenditure | 20.7%     | 28.8%     | 26.1%     | 24.9%                  |                         |                                | 24.6%                            | 25.2%     | 28.5%     |                         |                                |

## Personnel information

**Table 26.10 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

| Number of posts estimated for 31 March 2014 |   |   | Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment |      |           |                  |      |           |                                  |      |           |        |         |           |                         |                                 |                   | Number    |        |
|---|---|---|--|------|-----------|------------------|------|-----------|----------------------------------|------|-----------|--------|---------|-----------|-------------------------|---------------------------------|-------------------|-----------|--------|
| Number of funded posts                      | Number of posts additional to the establishment |   | Actual   |      |           | Revised estimate |      |           | Medium-term expenditure estimate |      |           |        |         |           | Average growth rate (%) | Salary level/total: Average (%) |                   |           |        |
|   |   |   | 2012/13  |      |           | 2013/14          |      |           | 2014/15                          |      | 2015/16   |        | 2016/17 |           |                         |                                 | 2013/14 - 2016/17 |           |        |
|   |   |   | Number   | Cost | Unit Cost | Number           | Cost | Unit Cost | Number                           | Cost | Unit Cost | Number | Cost    | Unit Cost | Number                  | Cost                            |                   | Unit Cost |        |
| Plant Production and Health                 |   |   | Number   | Cost | Unit Cost | Number           | Cost | Unit Cost | Number                           | Cost | Unit Cost | Number | Cost    | Unit Cost | Number                  | Cost                            | Unit Cost         |           |        |
| Salary level                                | 187   | – | 164  | 50.5 | 0.3       | 187              | 54.2 | 0.3       | 187                              | 62.5 | 0.3       | 187    | 65.7    | 0.4       | 187                     | 69.1                            | 0.4               | –         | 100.0% |
| 1 – 6                                       | 69  | – | 65   | 7.8  | 0.1       | 69               | 9.3  | 0.1       | 69                               | 10.6 | 0.2       | 69     | 11.2    | 0.2       | 69                      | 11.8                            | 0.2               | –         | 36.9%  |
| 7 – 10                                      | 76  | – | 65   | 17.0 | 0.3       | 76               | 22.3 | 0.3       | 76                               | 25.9 | 0.3       | 76     | 27.2    | 0.4       | 76                      | 28.5                            | 0.4               | –         | 40.6%  |
| 11 – 12                                     | 38  | – | 31   | 21.9 | 0.7       | 38               | 19.4 | 0.5       | 38                               | 22.3 | 0.6       | 38     | 23.5    | 0.6       | 38                      | 24.7                            | 0.7               | –         | 20.3%  |
| 13 – 16                                     | 4   | – | 3  | 3.8  | 1.3       | 4                | 3.3  | 0.8       | 4                                | 3.7  | 0.9       | 4      | 3.9     | 1.0       | 4                       | 4.1                             | 1.0               | –         | 2.1%   |

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

2. Rand million.

## Expenditure trends

The spending focus over the medium term will be on increasing support to smallholder farmers and producers through the Ilima/Letsema programme, to which R1.4 billion is allocated over the medium term. These plant production interventions aim to support all categories of farmers over the medium term, particularly those whose crops form part of the community value chains with high growth and labour absorbing potential, in contributing towards increasing the number of hectares under production from 105 040 in 2012/13 to 113 634 in 2016/17. Over the medium term, the Ilima/Letsema projects grants will also focus on addressing the challenges of low production levels and poor production yields of community based improvement schemes. These schemes are derived from the current plant improvement schemes under the Plant Improvement Act (1976) and continue to assist smallholder farmers to access high quality seeds and fruit tree propagating material.

The significant increase in expenditure on transfers and subsidies to provincial and local municipalities in 2011/12 was due to an additional allocation of R200 million to further strengthen Ilima/Letsema projects for poverty alleviation, food safety and job creation in rural areas. Since inception, the project has spent R1.5 billion to support over 600 000 smallholder farmers and is expected spend a further R1.5 billion over the medium term to support 490 000 additional farmers.

Spending on compensation of employees is projected to increase over the medium term due to improved conditions of service and the filling of the 25 posts that were vacant at the end of November 2013, when the subprogramme had a funded establishment of 187 posts. The vacancies were due to natural attrition and the scarcity of skilled personnel.

## Programme 3: Food Security and Agrarian Reform

### Objectives

- Enhance agricultural development by coordinating the comprehensive funding and technical support to 435 000 subsistence and 54 500 smallholder producers for food production by 2016/17.
- Provide leadership and support to research, training and extension in the agricultural sector by:
  - coordinating the provision of comprehensive training and extension support to targeted subsistence and smallholder farmers by 2016/17
  - transforming 12 provincial and rural agricultural colleges into agricultural training institutions by 2016/17.

### Subprogrammes

- *Management* oversees and manages the programme. This subprogramme had a staff complement of 3 in 2013/14.
- *Food Security* is discussed in more detail below.
- *Sector Capacity Development* facilitates the provision of education and training skills to promote the transformation of colleges of agriculture into centres of excellence. This entails developing, managing and coordinating the sector transformation plan in line with government objectives. In 2012/13, 26 905 smallholder producers were trained through a range of short training courses and 7 agricultural colleges were accredited by the Council on Higher Education. In addition, delivery units were established in Western Cape, Northern Cape and Limpopo to implement the resolutions of the national summit for vulnerable workers in agriculture, forestry and fisheries. In 2013/14, facilities and equipment were modernised and services were improved at six colleges, with plans for further improvement over the medium term. This subprogramme had a staff complement of 217 in 2013/14.
- *National Extension Support Services* develops national extension policies, norms and standards and provides strategic leadership and guidance for planning, coordinating and implementing extension and advisory services in the sector. In 2012/13, a draft national policy on extension and advisory services and the framework document for extension as a profession and a field of practice with clear registration categories of extension officers were developed. In addition, the extension recovery plan evaluation was conducted to determine whether the programme achieved its intended objectives between 2008 and 2011. Implementation of the extension recovery programme began in 2008/09. Since then, 1 300 extension personnel have been recruited. 50 more were recruited between 2010/11 and 2013/14, and 330 extension personnel upgraded their qualifications. Since the start of the programme, working tools, such as laptops, mobile phones and 3G cards, have been provided to extension officers. These enable them to access the extension online suite and the digital pen information systems and to provide an effective and efficient extension service to subsistence and smallholder farmers. By the end of September 2013, across all provinces, 25 extension personnel had been recruited, 1 947 units of ICT equipment had been procured, 566 personnel had received short course training, 480 personnel had been trained on extension suite online and 246 personnel had been registered at institutions of higher learning to upgrade their qualifications. This subprogramme had a staff complement of 15 in 2013/14.

## Expenditure estimates

Table 26.11 Food Security and Agrarian Reform

| Subprogramme  | Audited outcome    |                    |                    | Adjusted appropriation | Average growth rate (%) | Expenditure/total: Average (%) | Medium-term expenditure estimate |                    |                    | Average growth rate (%) | Expenditure/total: Average (%) |
|---|--------------------|--------------------|--------------------|------------------------|-------------------------|--------------------------------|----------------------------------|--------------------|--------------------|-------------------------|--------------------------------|
| R thousand  | 2010/11            | 2011/12            | 2012/13            | 2013/14                | 2010/11 - 2013/14       |                                | 2014/15                          | 2015/16            | 2016/17            | 2013/14 - 2016/17       |                                |
| Management  | 19 311             | 759                | 2 165              | 2 666                  | -48.3%                  | 0.5%                           | 2 796                            | 2 922              | 3 077              | 4.9%                    | 0.2%                           |
| Food Security   | 646 533            | 780 128            | 868 136            | 1 019 257              | 16.4%                   | 62.4%                          | 1 067 524                        | 1 070 661          | 1 116 196          | 3.1%                    | 62.9%                          |
| Sector Capacity Development   | 111 088            | 141 648            | 185 864            | 206 981                | 23.1%                   | 12.2%                          | 251 485                          | 269 420            | 247 683            | 6.2%                    | 14.4%                          |
| National Extension Support Services                                   | 273 938            | 329 063            | 349 019            | 370 412                | 10.6%                   | 24.9%                          | 389 290                          | 375 829            | 401 713            | 2.7%                    | 22.6%                          |
| <b>Total</b>  | <b>1 050 870</b>   | <b>1 251 598</b>   | <b>1 405 184</b>   | <b>1 599 316</b>       | <b>15.0%</b>            | <b>100.0%</b>                  | <b>1 711 095</b>                 | <b>1 718 832</b>   | <b>1 768 669</b>   | <b>3.4%</b>             | <b>100.0%</b>                  |
| Change to 2013 Budget estimate  |                    |                    |                    | 1 581                  |                         |                                | 2 390                            | (68 639)           | (121 350)          |                         |                                |
| <b>Economic classification</b>  |                    |                    |                    |                        |                         |                                |                                  |                    |                    |                         |                                |
| <b>Current payments</b>   | <b>170 382</b>     | <b>151 267</b>     | <b>183 110</b>     | <b>228 224</b>         | <b>10.2%</b>            | <b>13.8%</b>                   | <b>274 335</b>                   | <b>284 013</b>     | <b>262 899</b>     | <b>4.8%</b>             | <b>15.4%</b>                   |
| Compensation of employees   | 79 719             | 91 260             | 100 349            | 117 760                | 13.9%                   | 7.3%                           | 125 078                          | 132 513            | 139 694            | 5.9%                    | 7.6%                           |
| Goods and services  | 90 641             | 59 964             | 82 761             | 110 464                | 6.8%                    | 6.5%                           | 149 257                          | 151 500            | 123 205            | 3.7%                    | 7.9%                           |
| of which:   |                    |                    |                    |                        |                         |                                |                                  |                    |                    |                         |                                |
| Administration fees   | 99                 | 95                 | 98                 | 564                    | 78.6%                   | —                              | 567                              | 548                | 473                | -5.7%                   | —                              |
| Advertising   | 1 388              | 866                | 3 719              | 1 077                  | -8.1%                   | 0.1%                           | 6 619                            | 8 837              | 11 072             | 117.4%                  | 0.4%                           |
| Assets less than the capitalisation threshold                         | 249                | 160                | 729                | 41 958                 | 452.3%                  | 0.8%                           | 59 844                           | 63 807             | 29 905             | -10.7%                  | 2.9%                           |
| Audit costs: External   | —                  | —                  | —                  | 182                    | —                       | —                              | —                                | —                  | —                  | -100.0%                 | —                              |
| Bursaries: Employees  | 292                | 252                | 218                | 684                    | 32.8%                   | —                              | 743                              | 797                | 846                | 7.3%                    | —                              |
| Catering: Departmental activities                                     | 105                | 17                 | 43                 | 265                    | 36.2%                   | —                              | 143                              | 150                | 158                | -15.8%                  | —                              |
| Communication   | 1 726              | 1 469              | 1 431              | 1 760                  | 0.7%                    | 0.1%                           | 1 849                            | 2 362              | 1 990              | 4.2%                    | 0.1%                           |
| Computer services   | 242                | 151                | 637                | 695                    | 42.1%                   | —                              | 2 162                            | 1 271              | 1 373              | 25.5%                   | 0.1%                           |
| Consultants and professional services: Business and advisory services | 126                | 25                 | 2 195              | 3 095                  | 190.7%                  | 0.1%                           | 4 055                            | 3 473              | 3 539              | 4.6%                    | 0.2%                           |
| Consultants and professional services: Infrastructure and planning    | 2 003              | 1 329              | 1 149              | 1 213                  | -15.4%                  | 0.1%                           | 2 147                            | 2 707              | 2 895              | 33.6%                   | 0.1%                           |
| Consultants and professional services: Laboratory services            | 35                 | 8                  | —                  | 29                     | -6.1%                   | —                              | 28                               | 28                 | 28                 | -1.2%                   | —                              |
| Consultants and professional services: Legal costs                    | 32                 | —                  | 6                  | 14                     | -24.1%                  | —                              | —                                | —                  | —                  | -100.0%                 | —                              |
| Contractors   | 681                | 509                | 341                | 199                    | -33.6%                  | —                              | 130                              | 140                | 120                | -15.5%                  | —                              |
| Agency and support / outsourced services                              | 7 249              | 6 326              | 6 756              | 5 041                  | -11.4%                  | 0.5%                           | 7 524                            | 8 051              | 8 144              | 17.3%                   | 0.4%                           |
| Entertainment   | 33                 | 34                 | 46                 | 48                     | 13.3%                   | —                              | 48                               | 48                 | 48                 | —                       | —                              |
| Fleet services (including government motor transport)                 | 1 759              | 1 954              | 1 871              | 2 195                  | 7.7%                    | 0.1%                           | 2 070                            | 2 220              | 2 320              | 1.9%                    | 0.1%                           |
| Inventory: Farming supplies   | —                  | —                  | —                  | 239                    | —                       | —                              | 251                              | 256                | 262                | 3.1%                    | —                              |
| Inventory: Food and food supplies                                     | 1 019              | 1 243              | 1 816              | 450                    | -23.8%                  | 0.1%                           | 472                              | 500                | 525                | 5.3%                    | —                              |
| Inventory: Fuel, oil and gas  | 154                | 196                | 209                | 209                    | 10.7%                   | —                              | 219                              | 225                | 230                | 3.2%                    | —                              |
| Inventory: Learner and teacher support material                       | —                  | —                  | —                  | 2                      | —                       | —                              | —                                | —                  | —                  | -100.0%                 | —                              |
| Inventory: Medicine   | 61                 | 57                 | 60                 | 79                     | 9.0%                    | —                              | 45                               | 46                 | 47                 | -15.9%                  | —                              |
| Consumable supplies   | 5 683              | 4 352              | 3 401              | 5 834                  | 0.9%                    | 0.4%                           | 4 070                            | 4 407              | 4 718              | -6.8%                   | 0.3%                           |
| Consumable: Stationery, printing and office supplies                  | 1 250              | 864                | 990                | 1 383                  | 3.4%                    | 0.1%                           | 1 275                            | 1 399              | 1 430              | 1.1%                    | 0.1%                           |
| Operating leases  | 60                 | 68                 | 78                 | 59                     | -0.6%                   | —                              | 49                               | 51                 | 53                 | -3.5%                   | —                              |
| Property payments   | 639                | 429                | 297                | 484                    | -8.8%                   | —                              | 418                              | 428                | 439                | -3.2%                   | —                              |
| Travel and subsistence  | 14 298             | 12 050             | 15 901             | 13 853                 | -1.0%                   | 1.1%                           | 14 692                           | 10 686             | 11 828             | -5.1%                   | 0.8%                           |
| Training and development  | 30 298             | 21 969             | 24 378             | 25 721                 | -5.3%                   | 1.9%                           | 35 070                           | 33 024             | 35 009             | 10.8%                   | 1.9%                           |
| Operating payments  | 415                | 490                | 738                | 1 238                  | 44.0%                   | 0.1%                           | 1 711                            | 1 974              | 2 118              | 19.6%                   | 0.1%                           |
| Venues and facilities   | 20 745             | 5 051              | 15 654             | 1 768                  | -56.0%                  | 0.8%                           | 2 646                            | 3 625              | 3 165              | 21.4%                   | 0.2%                           |
| Rental and hiring   | —                  | —                  | —                  | 126                    | —                       | —                              | 410                              | 440                | 470                | 55.1%                   | —                              |
| Interest and rent on land   | 22                 | 43                 | —                  | —                      | -100.0%                 | —                              | —                                | —                  | —                  | —                       | —                              |
| <b>Transfers and subsidies</b>  | <b>843 957</b>     | <b>1 059 997</b>   | <b>1 160 165</b>   | <b>1 333 315</b>       | <b>16.5%</b>            | <b>82.9%</b>                   | <b>1 396 241</b>                 | <b>1 392 950</b>   | <b>1 461 924</b>   | <b>3.1%</b>             | <b>82.1%</b>                   |
| Provinces and municipalities  | 828 921            | 1 039 671          | 1 137 055          | 1 301 339              | 16.2%                   | 81.2%                          | 1 367 061                        | 1 362 735          | 1 428 911          | 3.2%                    | 80.3%                          |
| Departmental agencies and accounts                                    | 10 224             | 12 638             | 14 577             | 18 327                 | 21.5%                   | 1.1%                           | 16 527                           | 16 095             | 17 962             | -0.7%                   | 1.0%                           |
| Higher education institutions   | —                  | 145                | 660                | 3 616                  | —                       | 0.1%                           | 4 750                            | 5 800              | 6 350              | 20.6%                   | 0.3%                           |
| Public corporations and private enterprises                           | 2 809              | 4 318              | 4 999              | 5 021                  | 21.4%                   | 0.3%                           | 3 621                            | 3 823              | 4 026              | -7.1%                   | 0.2%                           |
| Non-profit institutions   | 100                | 1 675              | 403                | 2 500                  | 192.4%                  | 0.1%                           | 2 660                            | 2 804              | 2 952              | 5.7%                    | 0.2%                           |
| Households  | 1 903              | 1 550              | 2 471              | 2 512                  | 9.7%                    | 0.2%                           | 1 622                            | 1 693              | 1 723              | -11.8%                  | 0.1%                           |
| <b>Payments for capital assets</b>                                    | <b>36 441</b>      | <b>40 294</b>      | <b>61 909</b>      | <b>37 777</b>          | <b>1.2%</b>             | <b>3.3%</b>                    | <b>40 519</b>                    | <b>41 869</b>      | <b>43 846</b>      | <b>5.1%</b>             | <b>2.4%</b>                    |
| Buildings and other fixed structures                                  | 34 639             | 36 042             | 54 140             | 32 678                 | -1.9%                   | 3.0%                           | 37 701                           | 39 467             | 41 285             | 8.1%                    | 2.2%                           |
| Machinery and equipment   | 1 789              | 4 232              | 7 769              | 5 091                  | 41.7%                   | 0.4%                           | 2 818                            | 2 402              | 2 561              | -20.5%                  | 0.2%                           |
| Biological assets   | 13                 | 20                 | —                  | —                      | -100.0%                 | —                              | —                                | —                  | —                  | —                       | —                              |
| Software and other intangible assets                                  | —                  | —                  | —                  | 8.0                    | —                       | —                              | —                                | —                  | —                  | -100.0%                 | —                              |
| <b>Payments for financial assets</b>                                  | <b>90.0</b>        | <b>40.0</b>        | <b>—</b>           | <b>—</b>               | <b>-100.0%</b>          | <b>—</b>                       | <b>—</b>                         | <b>—</b>           | <b>—</b>           | <b>—</b>                | <b>—</b>                       |
| <b>Total</b>  | <b>1 050 870.0</b> | <b>1 251 598.0</b> | <b>1 405 184.0</b> | <b>1 599 316.0</b>     | <b>15.0%</b>            | <b>100.0%</b>                  | <b>1 711 095.0</b>               | <b>1 718 832.0</b> | <b>1 768 669.0</b> | <b>3.4%</b>             | <b>100.0%</b>                  |
| <b>Proportion of total programme expenditure to vote expenditure</b>  | <b>27.4%</b>       | <b>25.5%</b>       | <b>24.2%</b>       | <b>25.9%</b>           |                         |                                | <b>25.6%</b>                     | <b>26.0%</b>       | <b>26.5%</b>       |                         |                                |

Table 26.11 Food Security and Agrarian Reform

| Details of transfers and subsidies  |         |           |           | Adjusted appropriation | Average growth rate (%) | Expenditure/total: Average (%) | Medium-term expenditure estimate |           |           | Average growth rate (%) | Expenditure/total: Average (%) |
|---|---------|-----------|-----------|------------------------|-------------------------|--------------------------------|----------------------------------|-----------|-----------|-------------------------|--------------------------------|
| Audited outcome   |         |           |           |                        |                         |                                |                                  |           |           |                         |                                |
| R thousand  | 2010/11 | 2011/12   | 2012/13   | 2013/14                | 2010/11                 | 2013/14                        | 2014/15                          | 2015/16   | 2016/17   | 2013/14                 | 2016/17                        |
| Provinces and municipalities  |         |           |           |                        |                         |                                |                                  |           |           |                         |                                |
| Provinces   |         |           |           |                        |                         |                                |                                  |           |           |                         |                                |
| Provincial Revenue Funds  |         |           |           |                        |                         |                                |                                  |           |           |                         |                                |
| Current   | 828 707 | 1 039 397 | 1 136 800 | 1 301 061              | 16.2%                   | 81.1%                          | 1 366 847                        | 1 362 521 | 1 428 696 | 3.2%                    | 80.3%                          |
| Comprehensive agricultural support programme grant: Infrastructure              | 554 769 | 680 507   | 762 094   | 905 746                | 17.8%                   | 54.7%                          | 949 591                          | 949 175   | 988 862   | 3.0%                    | 55.8%                          |
| Comprehensive agricultural support programme grant: Extension recovery plan     | 273 938 | 308 890   | 322 206   | 339 927                | 7.5%                    | 23.5%                          | 358 545                          | 343 873   | 368 143   | 2.7%                    | 20.7%                          |
| Comprehensive agricultural support programme grant: Colleges for infrastructure | –       | 50 000    | 52 500    | 55 388                 | –                       | 3.0%                           | 58 711                           | 69 473    | 71 691    | 9.0%                    | 3.8%                           |
| Provinces and municipalities  |         |           |           |                        |                         |                                |                                  |           |           |                         |                                |
| Municipalities  |         |           |           |                        |                         |                                |                                  |           |           |                         |                                |
| Municipal bank accounts   |         |           |           |                        |                         |                                |                                  |           |           |                         |                                |
| Current   | 214     | 274       | 255       | 278                    | 9.1%                    | –                              | 214                              | 214       | 215       | -8.2%                   | –                              |
| Vehicle licence fees  | 214     | 274       | 255       | 278                    | 9.1%                    | –                              | 214                              | 214       | 215       | -8.2%                   | –                              |
| Departmental agencies and accounts  |         |           |           |                        |                         |                                |                                  |           |           |                         |                                |
| Departmental agencies (non-business entities)                                   |         |           |           |                        |                         |                                |                                  |           |           |                         |                                |
| Current   | 10 224  | 12 638    | 14 577    | 18 327                 | 21.5%                   | 1.1%                           | 16 527                           | 16 095    | 17 962    | -0.7%                   | 1.0%                           |
| Communication   | –       | –         | 2         | –                      | –                       | –                              | –                                | –         | –         | –                       | –                              |
| Water Research Commission   | –       | –         | –         | 3 000                  | –                       | 0.1%                           | –                                | –         | –         | -100.0%                 | –                              |
| National Student Financial Aid Scheme   | 9 624   | 12 038    | 13 975    | 14 727                 | 15.2%                   | 0.9%                           | 15 927                           | 15 495    | 17 362    | 5.6%                    | 0.9%                           |
| Perishable Products Export Control Board  | 600     | 600       | 600       | 600                    | –                       | –                              | 600                              | 600       | 600       | –                       | –                              |
| Higher education institutions   |         |           |           |                        |                         |                                |                                  |           |           |                         |                                |
| Current   | –       | 145       | 660       | 3 616                  | –                       | 0.1%                           | 4 750                            | 5 800     | 6 350     | 20.6%                   | 0.3%                           |
| University of KwaZulu-Natal   | –       | 145       | 660       | 616                    | –                       | –                              | 750                              | 800       | 850       | 11.3%                   | –                              |
| University of Fort Hare   | –       | –         | –         | 3 000                  | –                       | 0.1%                           | 4 000                            | 5 000     | 5 500     | 22.4%                   | 0.3%                           |
| Public corporations and private enterprises                                     |         |           |           |                        |                         |                                |                                  |           |           |                         |                                |
| Public corporations   |         |           |           |                        |                         |                                |                                  |           |           |                         |                                |
| Other transfers to public corporations  |         |           |           |                        |                         |                                |                                  |           |           |                         |                                |
| Current   | 2 790   | 4 291     | 4 989     | 5 020                  | 21.6%                   | 0.3%                           | 3 620                            | 3 822     | 4 025     | -7.1%                   | 0.2%                           |
| Ncera Farms (Pty) Limited   | 2 790   | 4 291     | 4 989     | 5 020                  | 21.6%                   | 0.3%                           | 3 620                            | 3 822     | 4 025     | -7.1%                   | 0.2%                           |
| Public corporations and private enterprises                                     |         |           |           |                        |                         |                                |                                  |           |           |                         |                                |
| Private enterprises   |         |           |           |                        |                         |                                |                                  |           |           |                         |                                |
| Other transfers to private enterprises  |         |           |           |                        |                         |                                |                                  |           |           |                         |                                |
| Current   | 19      | 27        | 10        | 1                      | -62.5%                  | –                              | 1                                | 1         | 1         | –                       | –                              |
| Claims against the state  | 19      | 27        | 10        | –                      | -100.0%                 | –                              | –                                | –         | –         | –                       | –                              |
| Red Meat Industry Forum   | –       | –         | –         | 1                      | –                       | –                              | 1                                | 1         | 1         | –                       | –                              |
| Non-profit institutions   |         |           |           |                        |                         |                                |                                  |           |           |                         |                                |
| Current   | 100     | 1 675     | 403       | 2 500                  | 192.4%                  | 0.1%                           | 2 660                            | 2 804     | 2 952     | 5.7%                    | 0.2%                           |
| Colleges in the sector  | –       | 1 675     | 403       | 2 500                  | –                       | 0.1%                           | 2 660                            | 2 804     | 2 952     | 5.7%                    | 0.2%                           |
| Cape Agency for Sustainable and Integrated Development in Rural Areas           | 100     | –         | –         | –                      | -100.0%                 | –                              | –                                | –         | –         | –                       | –                              |
| Households  |         |           |           |                        |                         |                                |                                  |           |           |                         |                                |
| Social benefits   |         |           |           |                        |                         |                                |                                  |           |           |                         |                                |
| Current   | 698     | 286       | 344       | 137                    | -41.9%                  | –                              | 131                              | 132       | 132       | -1.2%                   | –                              |
| Employee social benefits  | 698     | 286       | 344       | 137                    | -41.9%                  | –                              | 131                              | 132       | 132       | -1.2%                   | –                              |
| Households  |         |           |           |                        |                         |                                |                                  |           |           |                         |                                |
| Other transfers to households   |         |           |           |                        |                         |                                |                                  |           |           |                         |                                |
| Current   | 1 205   | 1 264     | 2 127     | 2 375                  | 25.4%                   | 0.1%                           | 1 491                            | 1 561     | 1 591     | -12.5%                  | 0.1%                           |
| Bursaries for Non-employees   | 1 202   | 1 262     | 1 325     | 1 325                  | 3.3%                    | 0.1%                           | 1 391                            | 1 461     | 1 491     | 4.0%                    | 0.1%                           |
| Claims against the state  | 3       | 2         | 2         | –                      | -100.0%                 | –                              | –                                | –         | –         | –                       | –                              |
| Female farmer competition   | –       | –         | 800       | 1 050                  | –                       | –                              | 100                              | 100       | 100       | -54.3%                  | –                              |

## Personnel information

Table 26.12 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

| Number of posts estimated for 31 March 2014 |                        |   | Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment |       |           |                  |       |           |                                  |       |           |        |         |           |                         |                                 |                   | Number |        |
|---|------------------------|---|--|-------|-----------|------------------|-------|-----------|----------------------------------|-------|-----------|--------|---------|-----------|-------------------------|---------------------------------|-------------------|--------|--------|
| Salary level                                | Number of funded posts | Number of posts additional to the establishment | Actual   |       |           | Revised estimate |       |           | Medium-term expenditure estimate |       |           |        |         |           | Average growth rate (%) | Salary level/total: Average (%) |                   |        |        |
|   |                        |   | 2012/13  |       |           | 2013/14          |       |           | 2014/15                          |       | 2015/16   |        | 2016/17 |           |                         |                                 | 2013/14 - 2016/17 |        |        |
|   |                        |   | Number   | Cost  | Unit Cost | Number           | Cost  | Unit Cost | Number                           | Cost  | Unit Cost | Number | Cost    | Unit Cost |                         |                                 |                   | Number | Cost   |
| Food Security and Agrarian Reform           |                        |   | 427  | 100.3 | 0.2       | 476              | 117.8 | 0.2       | 476                              | 125.1 | 0.3       | 476    | 132.5   | 0.3       | 476                     | 139.7                           | 0.3               | -      | 100.0% |
| 1 – 6                                       | 272                    | 232   | 263  | 28.5  | 0.1       | 270              | 35.1  | 0.1       | 270                              | 37.3  | 0.1       | 270    | 39.3    | 0.1       | 270                     | 41.4                            | 0.2               | -      | 56.7%  |
| 7 – 10                                      | 144                    | 8   | 123  | 35.7  | 0.3       | 150              | 48.9  | 0.3       | 150                              | 51.8  | 0.3       | 150    | 55.2    | 0.4       | 150                     | 58.3                            | 0.4               | -      | 31.5%  |
| 11 – 12                                     | 44                     | -   | 31   | 23.1  | 0.7       | 42               | 21.5  | 0.5       | 42                               | 22.8  | 0.5       | 42     | 24.1    | 0.6       | 42                      | 25.4                            | 0.6               | -      | 8.8%   |
| 13 – 16                                     | 14                     | 2   | 10   | 13.1  | 1.3       | 14               | 12.3  | 0.9       | 14                               | 13.1  | 0.9       | 14     | 13.8    | 1.0       | 14                      | 14.6                            | 1.0               | -      | 2.9%   |

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

2. Rand million.

## Expenditure trends

The spending focus over the medium term will be on providing comprehensive agricultural support to 435 000 subsistence and 54 500 smallholder producers through the *Food Security* subprogramme, which is discussed in more detail in the section that follows. The focus will also be on enhancing yields and initiating reforms on underperforming farms by providing infrastructure development and extension services through the extension recovery plan of the comprehensive agricultural support programme grant in the *National Extension Support Services* subprogramme; and by upgrading and strengthening the 12 provincial and rural agricultural colleges through the *Sector Capacity Development* subprogramme.

Expenditure on transfers and subsidies from 2010/11 onwards increases significantly due to additional allocations for upgrading research infrastructure, facilities and equipment at the provincial and rural agricultural colleges and for increasing student intake. Expenditure in the *National Extension Support Services* subprogramme increased between 2010/11 and 2013/14 due to the introduction of the comprehensive agricultural support programme pillar to train and recruit provincial extension officers. The significant increase in expenditure on goods and services in 2013/14 was due to the once-off reclassification of funds from transfers to provincial and rural colleges to goods and services; and payments for capital assets, including computers, machinery and equipment and repairs and maintenance at colleges.

Spending is set to increase over the medium term due to improved conditions of service and in line with the expected increase in personnel from 419 to 476 as the department fills vacancies. The programme had 55 vacancies at the end of November 2013, mostly due to normal attrition and the length of time it takes to finalise the recruitment process. To give effect to Cabinet approved reductions, R187.6 million over the medium term is to be cut, mainly from the comprehensive agricultural support programme. The reductions have been made due to underspending.

### Subprogramme: Food Security

This subprogramme facilitates the provision of support to subsistence and smallholder producers, including technical infrastructure support services such as groundwater development and the establishment of foot and mouth disease fences; and provides national frameworks to promote sustainable household and national food security. In 2013/14, Cabinet approved the food and nutrition security policy and the Fetsa Tlala integrated food production intervention. By putting at least 1 million hectares into production, the intervention seeks to unlock agricultural potential, especially in communal areas, in line with the national development plan. Over the medium term, 70 per cent, or R1.7 billion, of the comprehensive agricultural support programme allocation to the infrastructure pillar is reprioritised to support the Fetsa Tlala food production programmes. In 2012/13, 15 043 smallholder producers were established and the integrated food security and nutrition production intervention was piloted in provinces to deal with the scourge of food insecurity, especially access to food at the household level. Over 39 225 hectares of land were put into production through the initiative and 139 671 subsistence and smallholder producers were supported through various programmes and support

packages in 2012/13. By the end of September 2013, approximately 59 583 subsistence and smallholder producers had benefited from these support packages. The subprogramme had 212 filled posts and 29 vacancies as at 30 November 2013.

## Expenditure estimates

**Table 26.13 Food Security**

| Economic classification   |           |           |           | Adjusted appropriation | Average growth rate (%) | Expenditure/total: Average (%) | Medium-term expenditure estimate |             |             | Average growth rate (%) | Expenditure/total: Average (%) |
|---|-----------|-----------|-----------|------------------------|-------------------------|--------------------------------|----------------------------------|-------------|-------------|-------------------------|--------------------------------|
| Audited outcome   |           |           |           |                        |                         |                                | 2014/15                          | 2015/16     | 2016/17     |                         |                                |
| R thousand  | 2010/11   | 2011/12   | 2012/13   | 2013/14                | 2010/11 - 2013/14       | 2010/11 - 2013/14              | 2014/15                          | 2015/16     | 2016/17     | 2013/14 - 2016/17       | 2013/14 - 2016/17              |
| Current payments  | 52 326    | 55 195    | 67 425    | 67 173                 | 8.7%                    | 7.3%                           | 69 883                           | 70 418      | 73 695      | 3.1%                    | 6.6%                           |
| Compensation of employees   | 31 027    | 34 877    | 36 760    | 48 380                 | 16.0%                   | 4.6%                           | 49 251                           | 51 240      | 54 337      | 3.9%                    | 4.8%                           |
| Goods and services  | 21 282    | 20 295    | 30 665    | 18 793                 | -4.1%                   | 2.7%                           | 20 632                           | 19 178      | 19 358      | 1.0%                    | 1.8%                           |
| of which:   |           |           |           |                        |                         |                                |                                  |             |             |                         |                                |
| Administration fees   | 32        | 75        | 69        | 208                    | 86.6%                   | —                              | 240                              | 258         | 272         | 9.4%                    | —                              |
| Advertising   | 192       | 54        | 2 438     | 254                    | 9.8%                    | 0.1%                           | 257                              | 297         | 304         | 6.2%                    | —                              |
| Assets less than the capitalisation threshold                         | 206       | 45        | 93        | 597                    | 42.6%                   | —                              | 687                              | 747         | 782         | 9.4%                    | 0.1%                           |
| Bursaries: Employees  | 254       | 235       | 145       | 360                    | 12.3%                   | —                              | 370                              | 408         | 438         | 6.8%                    | —                              |
| Catering: Departmental activities                                     | 75        | 6         | 12        | 175                    | 32.6%                   | —                              | 25                               | 25          | 25          | -47.7%                  | —                              |
| Communication   | 1 069     | 855       | 722       | 853                    | -7.2%                   | 0.1%                           | 1 055                            | 1 526       | 1 125       | 9.7%                    | 0.1%                           |
| Computer services   | 162       | 116       | 593       | 534                    | 48.8%                   | —                              | 2 100                            | 1 207       | 1 308       | 34.8%                   | 0.1%                           |
| Consultants and professional services: Business and advisory services | 114       | —         | —         | 9                      | -57.1%                  | —                              | 45                               | 20          | 20          | 30.5%                   | —                              |
| Consultants and professional services: Infrastructure and planning    | 2 003     | 1 329     | 1 149     | 583                    | -33.7%                  | 0.2%                           | 2 147                            | 2 707       | 2 895       | 70.6%                   | 0.2%                           |
| Consultants and professional services: Laboratory services            | —         | 5         | —         | 17                     | —                       | —                              | 20                               | 20          | 20          | 5.6%                    | —                              |
| Consultants and professional services: Legal costs                    | 32        | —         | —         | 4                      | -50.0%                  | —                              | —                                | —           | —           | -100.0%                 | —                              |
| Contractors   | 440       | 197       | 3         | 38                     | -55.8%                  | —                              | 6                                | 6           | 6           | -46.0%                  | —                              |
| Agency and support / outsourced services                              | 128       | 138       | 19        | 75                     | -16.3%                  | —                              | —                                | —           | —           | -100.0%                 | —                              |
| Entertainment   | 16        | 14        | 16        | 17                     | 2.0%                    | —                              | 17                               | 17          | 17          | —                       | —                              |
| Fleet services (including government motor transport)                 | 730       | 819       | 688       | 1 047                  | 12.8%                   | 0.1%                           | 725                              | 751         | 777         | -9.5%                   | 0.1%                           |
| Consumable supplies   | 3 804     | 3 362     | 2 034     | 3 894                  | 0.8%                    | 0.4%                           | 1 975                            | 2 291       | 2 211       | -17.2%                  | 0.2%                           |
| Consumable: Stationery, printing and office supplies                  | 224       | 146       | 149       | 260                    | 5.1%                    | —                              | 203                              | 211         | 219         | -5.6%                   | —                              |
| Operating leases  | 60        | 68        | —         | —                      | -100.0%                 | —                              | —                                | —           | —           | —                       | —                              |
| Property payments   | 356       | 372       | 245       | 174                    | -21.2%                  | —                              | 147                              | 147         | 148         | -5.3%                   | —                              |
| Travel and subsistence  | 8 416     | 7 437     | 8 161     | 7 856                  | -2.3%                   | 1.0%                           | 6 568                            | 4 577       | 4 715       | -15.6%                  | 0.6%                           |
| Training and development  | 538       | 457       | 34        | 456                    | -5.4%                   | —                              | 750                              | 744         | 746         | 17.8%                   | 0.1%                           |
| Operating payments  | 171       | 195       | 365       | 814                    | 68.2%                   | —                              | 680                              | 819         | 859         | 1.8%                    | 0.1%                           |
| Venues and facilities   | 2 260     | 4 370     | 13 730    | 462                    | -41.1%                  | 0.6%                           | 2 205                            | 1 960       | 2 001       | 63.0%                   | 0.2%                           |
| Rental and hiring   | —         | —         | —         | 106                    | —                       | —                              | 410                              | 440         | 470         | 64.3%                   | —                              |
| Interest and rent on land   | 17        | 23        | —         | —                      | -100.0%                 | —                              | —                                | —           | —           | —                       | —                              |
| Transfers and subsidies   | 558 071   | 685 344   | 768 247   | 917 733                | 18.0%                   | 88.4%                          | 958 261                          | 959 097     | 999 537     | 2.9%                    | 89.7%                          |
| Provinces and municipalities  | 554 955   | 680 729   | 762 305   | 905 997                | 17.7%                   | 87.6%                          | 949 791                          | 949 375     | 989 062     | 3.0%                    | 88.8%                          |
| Departmental agencies and accounts                                    | —         | —         | —         | 3 000                  | —                       | 0.1%                           | —                                | —           | —           | -100.0%                 | 0.1%                           |
| Higher education institutions   | —         | 145       | 660       | 3 616                  | —                       | 0.1%                           | 4 750                            | 5 800       | 6 350       | 20.6%                   | 0.5%                           |
| Public corporations and private enterprises                           | 2 807     | 4 306     | 4 999     | 5 020                  | 21.4%                   | 0.5%                           | 3 620                            | 3 822       | 4 025       | -7.1%                   | 0.4%                           |
| Non-profit institutions   | 100       | —         | —         | —                      | -100.0%                 | —                              | —                                | —           | —           | —                       | —                              |
| Households  | 209       | 164       | 283       | 100                    | -21.8%                  | —                              | 100                              | 100         | 100         | —                       | —                              |
| Payments for capital assets   | 36 049    | 39 558    | 32 464    | 34 351                 | -1.6%                   | 4.3%                           | 39 380                           | 41 146      | 42 964      | 7.7%                    | 3.7%                           |
| Buildings and other fixed structures                                  | 34 639    | 36 042    | 31 699    | 32 678                 | -1.9%                   | 4.1%                           | 37 701                           | 39 467      | 41 285      | 8.1%                    | 3.5%                           |
| Machinery and equipment   | 1 410     | 3 516     | 765       | 1 665                  | 5.7%                    | 0.2%                           | 1 679                            | 1 679       | 1 679       | 0.3%                    | 0.2%                           |
| Software and other intangible assets                                  | —         | —         | —         | 8.0                    | —                       | —                              | —                                | —           | —           | -100.0%                 | —                              |
| Payments for financial assets   | 87.0      | 31.0      | —         | —                      | -100.0%                 | —                              | —                                | —           | —           | —                       | —                              |
| Total   | 646 533.0 | 780 128.0 | 868 136.0 | 1 019 257.0            | 16.4%                   | 100.0%                         | 1 067 524.0                      | 1 070 661.0 | 1 116 196.0 | 3.1%                    | 100.0%                         |
| Proportion of total subprogramme expenditure to programme expenditure | 61.5%     | 62.3%     | 61.8%     | 63.7%                  |                         |                                | 62.4%                            | 62.3%       | 63.1%       |                         |                                |

## Personnel information

**Table 26.14 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

| Number of posts estimated for 31 March 2014 |   |   | Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment |      |           |                  |      |           |                                  |      |           |         |      |           |         |      |           | Number                  |                                 |                   |        |
|---|---|---|--|------|-----------|------------------|------|-----------|----------------------------------|------|-----------|---------|------|-----------|---------|------|-----------|-------------------------|---------------------------------|-------------------|--------|
| Number of funded posts                      | Number of posts additional to the establishment |   | Actual   |      |           | Revised estimate |      |           | Medium-term expenditure estimate |      |           |         |      |           |         |      |           | Average growth rate (%) | Salary level/total: Average (%) |                   |        |
|   |   |   | 2012/13  |      |           | 2013/14          |      |           | 2014/15                          |      |           | 2015/16 |      |           | 2016/17 |      |           |                         |                                 | 2013/14 - 2016/17 |        |
|   |   |   | Number   | Cost | Unit Cost | Number           | Cost | Unit Cost | Number                           | Cost | Unit Cost | Number  | Cost | Unit Cost | Number  | Cost | Unit Cost |                         |                                 |                   |        |
| Food Security                               |   |   | 244  | 6    | 214       | 36.8             | 0.2  | 241       | 48.4                             | 0.2  | 241       | 49.3    | 0.20 | 241       | 51.2    | 0.2  | 241       | 54.3                    | 0.2                             | -                 | 100.0% |
| Salary level                                |   |   |  |      |           |                  |      |           |                                  |      |           |         |      |           |         |      |           |                         |                                 |                   |        |
| 1 – 6                                       | 136   | – | 129  | 11.8 | 0.1       | 132              | 13.7 | 0.1       | 132                              | 14.0 | 0.11      | 132     | 14.5 | 0.1       | 132     | 15.3 | 0.1       | –                       | 54.8%                           |                   |        |
| 7 – 10                                      | 88  | – | 77   | 18.2 | 0.2       | 88               | 23.0 | 0.3       | 88                               | 23.4 | 0.27      | 88      | 24.2 | 0.3       | 88      | 25.9 | 0.3       | –                       | 36.5%                           |                   |        |
| 11 – 12                                     | 16  | 6 | 5  | 3.3  | 0.7       | 16               | 7.7  | 0.5       | 16                               | 7.9  | 0.49      | 16      | 8.3  | 0.5       | 16      | 8.8  | 0.6       | –                       | 6.6%                            |                   |        |
| 13 – 16                                     | 4   | – | 3  | 3.5  | 1.2       | 5                | 3.9  | 0.8       | 5                                | 4.0  | 0.80      | 5       | 4.2  | 0.9       | 5       | 4.5  | 0.9       | –                       | 2.1%                            |                   |        |

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

2. Rand million.

## Expenditure trends

The spending focus over the medium term will be on achieving food security by providing comprehensive production, equipment and management support to approximately 489 500 producers through various intervention programmes that provide assistance to subsistence and smallholder producers and processors. This will include the implementation of the Fetsa Tlala integrated food production intervention, which seeks to unlock agricultural potential, especially in communal areas, in line with the goals of the national development plan. This will be realised by providing support to subsistence and smallholder producers to put at least 329 008 hectares of underused land back into production over the medium term. Due to resource limitations, 70 per cent, or R1.7 billion, of the allocation to the comprehensive agricultural support programme's infrastructure pillar has been reprioritised to support the Fetsa Tlala food production programme. As part of the agricultural modernisation policy, resources will also be expended on providing farmers with demonstrations of the use of new and complex farming machinery and equipment.

Spending on compensation of employees is projected to increase over the medium term, mainly due to improved conditions of service. The number of personnel is expected to increase as the department fills the 29 posts vacant at the end of November 2013. This is expected to increase the staff complement to 241 in 2016/17. The vacancies were due to natural attrition, the scarcity of skilled personnel and delays in obtaining security clearances and verifying qualifications.

## Programme 4: Trade Promotion and Market Access

### Objectives

- Coordinate government food security initiatives by:
  - increasing international market access and trade for agricultural, forestry and fisheries products by conducting trade negotiations on an ongoing basis
  - providing marketing and enterprise development and support measures to agricultural, forestry and fisheries producers and entrepreneurs across the value chains of the industries on an ongoing basis, in order to improve the efficiency of producers in the agricultural, forestry and fisheries sectors over the medium term
  - ensuring the establishment of 9 commodity based cooperatives to support the products of smallholder farmers in accessing markets by 2016/17
  - expanding the implementation of the agriculture and forestry transformation charters to increase the equity ownership share of historically disadvantaged groups in the value chains of agriculture, forestry and fisheries industries over the medium term.



## Subprogrammes

- *Management* oversees and manages the programme. This subprogramme had a staff complement of 3 in 2013/14.
- *International Relations and Trade* facilitates, coordinates and supports international relations, and creates an enabling environment for enhancing regional integration and access to regional and international markets for agriculture, forestry and fisheries products. In 2012/13, trade negotiations, particularly with the World Trade Organisation and South African Customs Union, were held with a view to increasing market access for agriculture, forestry and fishery products. In 2013/14, bilateral meetings with Botswana, Tanzania, Namibia and Mozambique to implement agreements were held and implementation plans were reviewed. In addition, the Food and Agricultural Organisation implemented food security projects in Limpopo and KwaZulu-Natal and 18 masters students were sent to study in universities in China. The South Africa-Japan smallholder empowerment and promotion pilot project was also launched. Six provincial consultations on the implementation of the comprehensive African agricultural development programme had been conducted and a budget tracking exercise to calculate the percentage of the budget that goes towards agriculture had been initiated by the end of September 2013. This subprogramme had a staff complement of 82 in 2013/14.
- *Cooperatives and Rural Enterprises Development* provides leadership and support in the implementation of programmes and initiatives to ensure the promotion and participation of emerging businesses in the agriculture, forestry and fisheries sectors. In 2012/13, the AgriBEE Sector Charter was gazetted as Section 9(1) in terms of the Broad-Based Black Economic Empowerment Act (2003). The AgriBEE Fund was re-launched after its funds had been frozen and re-allocated to the Land and Agricultural Development Bank of South Africa. The fund has been expanded to include the forestry and fisheries sectors to support government undertakings to the sector codes under the ownership and management control elements of the AgriBEE scorecards. The organisation and capacitation of cooperatives will continue over the medium term. This subprogramme had a staff complement of 53 in 2013/14.
- *Agro-processing and Marketing* provides support measures aimed at increasing the access of producers to markets, and small and medium size entrepreneurs in the agriculture, forestry and fisheries sectors to agro-processing opportunities. The subprogramme also makes transfers to the National Agricultural Marketing Council. In 2012/13 and 2013/14, marketing information was provided to producers through a dedicated website and the Agriculture Produce Agents Act (1992), now ready for certification by state law advisors, was reviewed; marketing skills were provided to smallholder producers; and the value chain round table tool, as a mechanism to coordinate the value chain activities from production to trade of industries so as to improve their efficiency and competitiveness, was institutionalised and implemented. This subprogramme had a staff complement of 32 in 2013/14.

## Expenditure estimates

**Table 26.15 Trade Promotion and Market Access**

| Subprogramme                                  | Audited outcome |                |                | Adjusted appropriation | Average growth rate (%) | Expenditure/total: Average (%) | Medium-term expenditure estimate |                |                | Average growth rate (%) | Expenditure/total: Average (%) |
|---|-----------------|----------------|----------------|------------------------|-------------------------|--------------------------------|----------------------------------|----------------|----------------|-------------------------|--------------------------------|
| R thousand                                    | 2010/11         | 2011/12        | 2012/13        | 2013/14                | 2010/11 - 2013/14       | 2010/11 - 2013/14              | 2014/15                          | 2015/16        | 2016/17        | 2013/14 - 2016/17       | 2013/14 - 2016/17              |
| Management                                    | 1 268           | 1 846          | 1 829          | 2 672                  | 28.2%                   | 0.9%                           | 2 792                            | 2 918          | 3 073          | 4.8%                    | 1.0%                           |
| International Relations and Trade             | 85 436          | 89 790         | 103 589        | 123 856                | 13.2%                   | 50.0%                          | 117 156                          | 115 495        | 121 052        | -0.8%                   | 43.0%                          |
| Cooperatives and Rural Enterprise Development | 17 463          | 50 417         | 61 498         | 63 136                 | 53.5%                   | 23.9%                          | 118 014                          | 70 007         | 123 656        | 25.1%                   | 33.8%                          |
| Agro-processing and Marketing                 | 41 166          | 48 132         | 45 253         | 68 544                 | 18.5%                   | 25.2%                          | 56 261                           | 59 071         | 62 164         | -3.2%                   | 22.2%                          |
| <b>Total</b>                                  | <b>145 333</b>  | <b>190 185</b> | <b>212 169</b> | <b>258 208</b>         | <b>21.1%</b>            | <b>100.0%</b>                  | <b>294 223</b>                   | <b>247 491</b> | <b>309 945</b> | <b>6.3%</b>             | <b>100.0%</b>                  |
| Change to 2013 Budget estimate                |                 |                |                | 26 560                 |                         |                                | 58 190                           | 3 606          | 48 361         |                         |                                |

  

| Economic classification                       |               |               |                |                |              |              |                |                |                |             |              |
|---|---------------|---------------|----------------|----------------|--------------|--------------|----------------|----------------|----------------|-------------|--------------|
| <b>Current payments</b>                       | <b>83 586</b> | <b>90 918</b> | <b>113 117</b> | <b>138 777</b> | <b>18.4%</b> | <b>52.9%</b> | <b>132 235</b> | <b>139 599</b> | <b>147 280</b> | <b>2.0%</b> | <b>50.3%</b> |
| Compensation of employees                     | 48 698        | 58 495        | 67 452         | 80 990         | 18.5%        | 31.7%        | 88 507         | 93 597         | 98 096         | 6.6%        | 32.5%        |
| Goods and services                            | 34 884        | 32 413        | 45 665         | 57 787         | 18.3%        | 21.2%        | 43 728         | 46 002         | 49 184         | -5.2%       | 17.7%        |
| of which:                                     |               |               |                |                |              |              |                |                |                |             |              |
| Administration fees                           | 160           | 143           | 249            | 815            | 72.1%        | 0.2%         | 1 045          | 1 090          | 1 114          | 11.0%       | 0.4%         |
| Advertising                                   | 2 489         | 442           | 985            | 947            | -27.5%       | 0.6%         | 918            | 951            | 881            | -2.4%       | 0.3%         |
| Assets less than the capitalisation threshold | 205           | 134           | 190            | 339            | 18.3%        | 0.1%         | 207            | 227            | 253            | -9.3%       | 0.1%         |
| Bursaries: Employees                          | 167           | 237           | 444            | 445            | 38.6%        | 0.2%         | 559            | 583            | 606            | 10.8%       | 0.2%         |

Table 26.15 Trade Promotion and Market Access

| Economic classification                                       |           |           |           | Adjusted appropriation | Average growth rate (%) | Expenditure/total: Average (%) | Medium-term expenditure estimate |           |           | Average growth rate (%) | Expenditure/total: Average (%) |
|---|-----------|-----------|-----------|------------------------|-------------------------|--------------------------------|----------------------------------|-----------|-----------|-------------------------|--------------------------------|
| Audited outcome   |           |           |           |                        |                         |                                |                                  |           |           |                         |                                |
| R thousand  | 2010/11   | 2011/12   | 2012/13   | 2013/14                | 2010/11 - 2013/14       |                                | 2014/15                          | 2015/16   | 2016/17   | 2013/14 - 2016/17       |                                |
| Catering: Departmental activities                             | 136       | 355       | 370       | 507                    | 55.1%                   | 0.2%                           | 527                              | 541       | 652       | 8.7%                    | 0.2%                           |
| Communication   | 591       | 491       | 728       | 777                    | 9.5%                    | 0.3%                           | 1 094                            | 831       | 847       | 2.9%                    | 0.3%                           |
| Computer services   | 158       | 133       | 324       | 172                    | 2.9%                    | 0.1%                           | 1 194                            | 941       | 943       | 76.3%                   | 0.3%                           |
| Consultants and professional services:                        | 1         | 3 315     | 4 322     | 4 176                  | 1510.3%                 | 1.5%                           | 100                              | 1 861     | 2 089     | -20.6%                  | 0.7%                           |
| Business and advisory services                                |           |           |           |                        |                         |                                |                                  |           |           |                         |                                |
| Consultants and professional services:                        | 8 319     | 8 974     | 9 730     | 9 642                  | 5.0%                    | 4.5%                           | 10 975                           | 11 524    | 12 100    | 7.9%                    | 4.0%                           |
| Infrastructure and planning                                   |           |           |           |                        |                         |                                |                                  |           |           |                         |                                |
| Contractors   | 37        | 110       | 124       | 7                      | -42.6%                  | —                              | 5                                | 5         | 5         | -10.6%                  | —                              |
| Agency and support / outsourced services                      | 5 050     | 2 705     | 3 205     | 18 220                 | 53.4%                   | 3.6%                           | 4 138                            | 5 010     | 5 081     | -34.7%                  | 2.9%                           |
| Entertainment   | 26        | 44        | 50        | 51                     | 25.2%                   | —                              | 83                               | 83        | 83        | 17.6%                   | —                              |
| Fleet services (including government motor transport)         | 277       | 408       | 402       | 383                    | 11.4%                   | 0.2%                           | 865                              | 377       | 391       | 0.7%                    | 0.2%                           |
| Consumable supplies   | 537       | 201       | 435       | 536                    | -0.1%                   | 0.2%                           | 339                              | 427       | 431       | -7.0%                   | 0.2%                           |
| Consumable: Stationery, printing and office supplies          | 675       | 450       | 636       | 1 280                  | 23.8%                   | 0.4%                           | 1 644                            | 1 389     | 1 560     | 6.8%                    | 0.5%                           |
| Operating leases  | 3 263     | 3 693     | 5 395     | 4 086                  | 7.8%                    | 2.0%                           | 4 996                            | 4 248     | 4 808     | 5.6%                    | 1.6%                           |
| Property payments   | 18        | 16        | 39        | 15                     | -5.9%                   | —                              | 10                               | 10        | 10        | -12.6%                  | —                              |
| Travel and subsistence  | 10 905    | 8 244     | 11 889    | 11 330                 | 1.3%                    | 5.3%                           | 10 780                           | 11 020    | 12 337    | 2.9%                    | 4.1%                           |
| Training and development                                      | 333       | 151       | 760       | 1 328                  | 58.6%                   | 0.3%                           | 925                              | 1 122     | 1 143     | -4.9%                   | 0.4%                           |
| Operating payments  | 1 254     | 1 158     | 3 767     | 1 565                  | 7.7%                    | 1.0%                           | 2 261                            | 2 736     | 2 822     | 21.7%                   | 0.8%                           |
| Venues and facilities   | 283       | 999       | 1 621     | 1 162                  | 60.1%                   | 0.5%                           | 1 059                            | 1 022     | 1 024     | -4.1%                   | 0.4%                           |
| Rental and hiring   | —         | 10        | —         | 4                      | —                       | —                              | 4                                | 4         | 4         | —                       | —                              |
| Interest and rent on land                                     | 4         | 10        | —         | —                      | -100.0%                 | —                              | —                                | —         | —         | —                       | —                              |
| Transfers and subsidies                                       | 60 928    | 98 206    | 98 010    | 118 628                | 24.9%                   | 46.6%                          | 161 606                          | 107 563   | 162 319   | 11.0%                   | 49.6%                          |
| Provinces and municipalities                                  | 101       | 1         | 2         | 10                     | -53.7%                  | —                              | 20                               | 21        | 22        | 30.1%                   | —                              |
| Departmental agencies and accounts                            | 31 194    | 36 049    | 31 409    | 35 819                 | 4.7%                    | 16.7%                          | 37 830                           | 37 912    | 39 921    | 3.7%                    | 13.6%                          |
| Foreign governments and international organisations           | 29 629    | 31 903    | 32 001    | 45 919                 | 15.7%                   | 17.3%                          | 34 700                           | 28 938    | 29 978    | -13.2%                  | 12.6%                          |
| Public corporations and private enterprises                   | 1         | 30 008    | 34 454    | 36 878                 | 3228.6%                 | 12.6%                          | 89 056                           | 40 692    | 92 398    | 35.8%                   | 23.3%                          |
| Households  | 3         | 245       | 144       | 2                      | -12.6%                  | —                              | —                                | —         | —         | -100.0%                 | —                              |
| Payments for capital assets                                   | 777       | 1 029     | 1 042     | 803                    | 1.1%                    | 0.5%                           | 382                              | 329       | 346       | -24.5%                  | 0.2%                           |
| Machinery and equipment                                       | 777       | 1 029     | 1 042     | 773                    | -0.2%                   | 0.4%                           | 357                              | 304       | 321       | -25.4%                  | 0.2%                           |
| Biological assets   | —         | —         | —         | 5                      | —                       | —                              | —                                | —         | —         | -100.0%                 | —                              |
| Software and other intangible assets                          | —         | —         | —         | 25.0                   | —                       | —                              | 25.0                             | 25.0      | 25.0      | —                       | —                              |
| Payments for financial assets                                 | 42.0      | 32.0      | —         | —                      | -100.0%                 | —                              | —                                | —         | —         | —                       | —                              |
| Total   | 145 333.0 | 190 185.0 | 212 169.0 | 258 208.0              | 21.1%                   | 100.0%                         | 294 223.0                        | 247 491.0 | 309 945.0 | 6.3%                    | 100.0%                         |
| Proportion of total programme expenditure to vote expenditure | 3.8%      | 3.9%      | 3.6%      | 4.2%                   |                         |                                | 4.4%                             | 3.7%      | 4.6%      |                         |                                |

## Details of transfers and subsidies

|   |               |               |               |               |               |              |               |               |               |               |              |
|---|---------------|---------------|---------------|---------------|---------------|--------------|---------------|---------------|---------------|---------------|--------------|
| <b>Provinces and municipalities</b>                               |               |               |               |               |               |              |               |               |               |               |              |
| <b>Municipalities</b>   |               |               |               |               |               |              |               |               |               |               |              |
| <b>Municipal bank accounts</b>                                    |               |               |               |               |               |              |               |               |               |               |              |
| <b>Current</b>  | <b>101</b>    | <b>1</b>      | <b>2</b>      | <b>10</b>     | <b>-53.7%</b> | <b>—</b>     | <b>20</b>     | <b>21</b>     | <b>22</b>     | <b>30.1%</b>  | <b>—</b>     |
| Vehicle licence fees  | 101           | 1             | 2             | 10            | -53.7%        | —            | 20            | 21            | 22            | 30.1%         | —            |
| <b>Departmental agencies and accounts</b>                         |               |               |               |               |               |              |               |               |               |               |              |
| <b>Departmental agencies (non-business entities)</b>              |               |               |               |               |               |              |               |               |               |               |              |
| <b>Current</b>  | <b>31 194</b> | <b>36 049</b> | <b>31 409</b> | <b>35 819</b> | <b>4.7%</b>   | <b>16.7%</b> | <b>37 830</b> | <b>37 912</b> | <b>39 921</b> | <b>3.7%</b>   | <b>13.6%</b> |
| National Agricultural Marketing Council                           | 31 194        | 36 049        | 31 409        | 33 819        | 2.7%          | 16.4%        | 36 005        | 37 912        | 39 921        | 5.7%          | 13.3%        |
| Small Enterprise Development Agency                               | —             | —             | —             | 2 000         | —             | 0.2%         | 1 825         | —             | —             | -100.0%       | 0.3%         |
| <b>Foreign governments and international organisations</b>        |               |               |               |               |               |              |               |               |               |               |              |
| <b>Current</b>  | <b>29 629</b> | <b>31 903</b> | <b>32 001</b> | <b>45 919</b> | <b>15.7%</b>  | <b>17.3%</b> | <b>34 700</b> | <b>28 938</b> | <b>29 978</b> | <b>-13.2%</b> | <b>12.6%</b> |
| Consultative Group on International Agricultural Research         | 3 633         | 3 410         | 4 478         | 4 000         | 3.3%          | 1.9%         | 6 380         | 5 013         | 5 015         | 7.8%          | 1.8%         |
| International Union for the Protection of New Varieties of Plants | 383           | 447           | 464           | 600           | 16.1%         | 0.2%         | 530           | 535           | 537           | -3.6%         | 0.2%         |
| Commonwealth Agricultural Bureau International                    | —             | 137           | 162           | 414           | —             | 0.1%         | 210           | 212           | 215           | -19.6%        | 0.1%         |
| International Commission of Agricultural Engineering              | —             | —             | 85            | 100           | —             | —            | 100           | 105           | 110           | 3.2%          | —            |
| Food and Agriculture Organisation of the United Nations           | 23 583        | 23 695        | 14 819        | 20 083        | -5.2%         | 10.2%        | 19 000        | 20 000        | 21 000        | 1.5%          | 7.2%         |
| Foreign rates and taxes   | 138           | 79            | 120           | 152           | 3.3%          | 0.1%         | 558           | 572           | 577           | 56.0%         | 0.2%         |
| International Fund for Agricultural Development                   | —             | 2 750         | —             | 3 000         | —             | 0.7%         | 2 015         | —             | —             | -100.0%       | 0.5%         |
| International Cotton Advisory Council                             | 143           | 142           | 176           | 419           | 43.1%         | 0.1%         | 210           | 212           | 215           | -19.9%        | 0.1%         |
| International Dairy Federation                                    | 50            | 50            | 50            | 50            | —             | —            | 50            | 50            | 50            | —             | —            |

**Table 26.15 Trade Promotion and Market Access**

| Details of transfers and subsidies   |         |         |         | Adjusted appropriation | Average growth rate (%) | Expenditure/ total: Average (%) | Medium-term expenditure estimate |         |         | Average growth rate (%) | Expenditure/ total: Average (%) |
|--|---------|---------|---------|------------------------|-------------------------|---------------------------------|----------------------------------|---------|---------|-------------------------|---------------------------------|
| Audited outcome  |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| R thousand   | 2010/11 | 2011/12 | 2012/13 | 2013/14                | 2010/11 - 2013/14       |                                 | 2014/15                          | 2015/16 | 2016/17 | 2013/14 - 2016/17       |                                 |
| International Grains Council   | 126     | 126     | 154     | 160                    | 8.3%                    | 0.1%                            | 185                              | 186     | 188     | 5.5%                    | 0.1%                            |
| International Seed Testing Association   | 43      | 61      | 68      | 77                     | 21.4%                   | –                               | 80                               | 85      | 87      | 4.2%                    | –                               |
| International Organisation of Vine and Wine  | 455     | 575     | 583     | 566                    | 7.5%                    | 0.3%                            | 645                              | 650     | 660     | 5.3%                    | 0.2%                            |
| World Organisation for Animal Health   | 814     | 3       | 1 966   | 1 000                  | 7.1%                    | 0.5%                            | 1 221                            | 1 223   | 1 225   | 7.0%                    | 0.4%                            |
| Organisation for Economic Cooperation and Development                                  | 261     | 428     | 76      | 59                     | -39.1%                  | 0.1%                            | 65                               | 67      | 70      | 5.9%                    | –                               |
| International Union of Forestry Research Organisations                                 | –       | –       | –       | 21                     | –                       | –                               | 25                               | 28      | 29      | 11.4%                   | –                               |
| Centre for Coordination of Agricultural Research and Development for Southern Africa   | –       | –       | –       | 2 958                  | –                       | 0.4%                            | –                                | –       | –       | -100.0%                 | 0.3%                            |
| Food and Agriculture Organisation of the United Nations - World Forest Congress        | –       | –       | 8 800   | 10 260                 | –                       | 2.4%                            | 3 426                            | –       | –       | -100.0%                 | 1.2%                            |
| Food and Agriculture Organisation of the United Nations -African Solidarity Trust Fund | –       | –       | –       | 2 000                  | –                       | 0.2%                            | –                                | –       | –       | -100.0%                 | 0.2%                            |
| Public corporations and private enterprises  |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Public corporations  |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Other transfers to public corporations   |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Current  | –       | 30 000  | 34 265  | 36 878                 | –                       | 12.6%                           | 89 056                           | 40 692  | 92 398  | 35.8%                   | 23.3%                           |
| Forest Sector Charter Council  | –       | –       | 3 165   | 3 531                  | –                       | 0.8%                            | 3 708                            | 3 930   | 4 166   | 5.7%                    | 1.4%                            |
| Land and Agricultural Development Bank of South Africa                                 | –       | 30 000  | 31 100  | 33 347                 | –                       | 11.7%                           | 85 348                           | 36 762  | 88 232  | 38.3%                   | 22.0%                           |
| Public corporations and private enterprises  |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Private enterprises  |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Other transfers to private enterprises   |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Current  | 1       | 8       | 189     | –                      | -100.0%                 | –                               | –                                | –       | –       | –                       | –                               |
| Claims against the state   | 1       | 8       | 14      | –                      | -100.0%                 | –                               | –                                | –       | –       | –                       | –                               |
| Sasekisan Cooperative  | –       | –       | 100     | –                      | –                       | –                               | –                                | –       | –       | –                       | –                               |
| Bambanani Cooperative  | –       | –       | 50      | –                      | –                       | –                               | –                                | –       | –       | –                       | –                               |
| Metsimaholo Communal Property Cooperative  | –       | –       | 25      | –                      | –                       | –                               | –                                | –       | –       | –                       | –                               |
| Households   |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Social benefits  |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Current  | –       | 245     | 144     | 2                      | –                       | –                               | –                                | –       | –       | -100.0%                 | –                               |
| Employee social benefits   | –       | 245     | 144     | 2                      | –                       | –                               | –                                | –       | –       | -100.0%                 | –                               |
| Households   |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Other transfers to households  |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Current  | 3       | –       | –       | –                      | -100.0%                 | –                               | –                                | –       | –       | –                       | –                               |
| Claims against the state   | 3       | –       | –       | –                      | -100.0%                 | –                               | –                                | –       | –       | –                       | –                               |

## Personnel information

**Table 26.16 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

| Number of posts estimated for 31 March 2014 |                        |   | Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment |      |           |                  |      |           |                                  |      |           |         |      |           |                         |                                 | Number  |           |                   |
|---|------------------------|---|--|------|-----------|------------------|------|-----------|----------------------------------|------|-----------|---------|------|-----------|-------------------------|---------------------------------|---------|-----------|-------------------|
| Salary level                                | Number of funded posts | Number of posts additional to the establishment | Actual   |      |           | Revised estimate |      |           | Medium-term expenditure estimate |      |           |         |      |           | Average growth rate (%) | Salary level/total: Average (%) |         |           |                   |
|   |                        |   | 2012/13  |      |           | 2013/14          |      |           | 2014/15                          |      |           | 2015/16 |      |           |                         |                                 | 2016/17 |           |                   |
|   |                        |   | Number   | Cost | Unit Cost | Number           | Cost | Unit Cost | Number                           | Cost | Unit Cost | Number  | Cost | Unit Cost | Number                  |                                 | Cost    | Unit Cost | 2013/14 - 2016/17 |
| Trade Promotion and Market Access           |                        |   | 145  | 67.5 | 0.5       | 170              | 81.0 | 0.5       | 170                              | 88.5 | 0.5       | 170     | 93.6 | 0.6       | 170                     | 98.1                            | 0.6     | -         | 100.0%            |
| 1 – 6                                       | 31                     | -   | 27   | 4.1  | 0.2       | 31               | 5.8  | 0.2       | 31                               | 6.1  | 0.2       | 31      | 6.5  | 0.2       | 31                      | 6.8                             | 0.2     | -         | 18.2%             |
| 7 – 10                                      | 93                     | -   | 78   | 26.6 | 0.3       | 93               | 36.4 | 0.4       | 93                               | 38.7 | 0.4       | 93      | 40.8 | 0.4       | 93                      | 42.9                            | 0.5     | -         | 54.7%             |
| 11 – 12                                     | 34                     | -   | 30   | 23.6 | 0.8       | 34               | 21.6 | 0.6       | 34                               | 23.0 | 0.7       | 34      | 24.2 | 0.7       | 34                      | 25.5                            | 0.7     | -         | 20.0%             |
| 13 – 16                                     | 12                     | -   | 10   | 13.1 | 1.3       | 12               | 11.9 | 1.0       | 12                               | 12.7 | 1.1       | 12      | 13.4 | 1.1       | 12                      | 14.1                            | 1.2     | -         | 7.1%              |
| Other                                       | -                      | -   | -  | -    | -         | -                | 5.4  | -         | -                                | 8.1  | -         | -       | 8.8  | -         | -                       | 8.8                             | -       | -         | -                 |

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

2. Rand million.

## Expenditure trends

The spending focus over the medium term will be on enhancing market access and trade for agricultural, forestry and fisheries products by extending trade, marketing and enterprise development support measures to producers and entrepreneurs across the industries' value chains; and ensuring the establishment of and providing support to commodity groups and cooperatives. This will be done through funding the activities of the Land and Agricultural Development Bank of South Africa and the National Agricultural Marketing Council. An additional R50 million in 2014/15 and R50 million in 2016/17 is allocated to the Land and Agricultural Development Bank of South Africa for the retail emerging markets implementation model, which seeks to assist black emerging farmers to become established retail farmers through the provision of tailored financing solutions.

The allocation to the *Agro Processing and Marketing* subprogramme over the medium term is expected to provide 300 farmers with training on the basics of marketing and marketing information through a specially designed website and mobile phones. A certification programme will also be rolled out in partnership with the Perishable Products Export Control Board to ensure that fruit and vegetables produced by smallholder farmers and agro-processors meet food safety and quality requirements. In addition, R83 million over the medium term will be spent on facilitating bilateral and multilateral forums in pursuit of the goal of negotiating market access for agricultural, forestry and fisheries products, and fostering and maintaining good international relations.

The expenditure growth in the *Cooperatives and Rural Enterprise Development* subprogramme between 2010/11 and 2013/14 was due to the reinstatement of the agricultural broad-based black economic empowerment programme in 2011/12. The purpose of the programme is to support black emerging farmers to enter the commercial agriculture sector and to ensure that smallholder farmers' products access markets by 2016/17.

Over the medium term, spending on compensation of employees is projected to increase due to improved conditions of service. At the end of November 2013, there were 170 funded posts, of which 25 were vacant due to normal attrition and the length of time it takes to finalise the recruitment process.

## Programme 5: Forestry

### Objectives

- Contribute to improvement of food security and sustainable agrarian transformation by:
  - supporting 1 400 small scale forestry growers per year with training, technical and funding support, meaning that 4 200 smallholders will have been supported by 2016/17
  - rehabilitating 750 hectares of smallholder government irrigation schemes by 2016/17.
- Provide forestry livelihoods to rural communities by contributing tree saplings for general greening and fruit trees to communities to the value of R4.5 million per year until 2016/17.
- Ensure conservation, protection, rehabilitation and recovery of natural resources and sustainable practices within the agricultural and forest ecosystem by:
  - managing and protecting 61 000 hectares per year of plantation land from fires, pests and diseases, accumulating to management and protection of 183 000 hectares by 2016/17
  - planting 2 300 hectares per year of temporarily unplanted areas of the department's plantations
  - rehabilitating 1 500 hectares of state indigenous forests over the medium term
  - rehabilitating 90 000 hectares of land through the LandCare programme over the medium term.
- Ensure adaptation of the sector to climate change by implementing effective climate change adaptation programmes, conducting awareness campaigns, and providing training to small tree growers by 2016/17.

### Subprogrammes

- *Management* oversees and manages the programme. This subprogramme had a staff complement of 3 in 2013/14.
- *Forestry Operations* ensures sustainable management of state forests and other assets such as state nurseries, in order to optimise social and economic benefits in rural areas and to promote sector growth throughout

South Africa. In 2012/13, 1 361 small scale growers were trained as part of the capacity development plan; 1 985 silvicultural (weeding, pruning, coppice reduction and planting) jobs were created in category B and C plantations (typically plantations that are small, in poor condition, often government- or municipality owned, and in need of rehabilitation); and 61 000 hectares of plantations were protected by trained fire teams and forest patrols. In addition, 62 117 indigenous and fruit trees were distributed and planted in identified communities. In 2013/14, 1 096 small scale growers were assisted with technical advice and, by the end of September 2013, 293 silvicultural jobs had been created on category B and C plantations. In addition, 7 831 indigenous and fruit trees had been distributed and planted in identified communities. This subprogramme had a staff complement of 2 326 as at 30 November 2013.

- *Forestry Oversight and Regulation* provides leadership, advice and direction in the formulation of forestry development and regulation policies, strategies and frameworks and ensures the effective promotion and development of small scale and commercial forestry. A growth strategy aimed at refurbishing the 60 000 hectares of departmental plantations has been developed and 4 plantations have been targeted for Forest Stewardship Council certification, an international standard that assures that forests are managed sustainably. The outcome of an audit in KwaZulu-Natal revealed that the performance of Hlokozi plantation on the certification increased from 63 per cent in 2011/12 to 80 per cent in 2012/13. In 2013/14, 17 new fire protection associations covering 4.8 million hectares were registered, which brought the total number of fire protection associations in the country to 235, covering a space of almost 60 million hectares. This further promotes the protection of natural resources including land earmarked for food security. Furthermore, best practice guidelines focusing on the growers, sawmilling, honey production and charcoal production sub sectors have been developed to assist small, medium and micro enterprises (SMME). About 20 forestry advisors will be trained to provide extension services to SMMEs over the medium term. This subprogramme had a staff complement of 71 in 2013/14.
- *Natural Resources Management* facilitates the development of infrastructure and the sustainable use of natural resources through an enabling framework for the sustainable management of woodlands and indigenous forests, the efficient development and revitalisation of irrigation schemes and water use. The subprogramme also facilitates climate change mitigation and adaptation, risk and disaster management as well as promoting, regulating and coordinating the sustainable use of natural resources (land and water). In 2012/13, monthly advisories and daily warnings of extreme conditions for disaster risk mitigation and prevention were issued and weather and climate information reading seminars were conducted for farmers in Free State, North West and KwaZulu-Natal. In 2012/13, the department implemented measures for the prevention and mitigation of disaster risks that included research, awareness, capacity building, the construction of fire breaks and the prevention of the spread of pests and diseases in terms of the Agricultural Pests Act (1983). In addition, 500 hectares of indigenous state forests were rehabilitated. By September 2013, 396.2 hectares had been rehabilitated. In 2012/13, 155 hectares in the Makathini irrigation scheme were revitalised and by September 2013, 95 hectares had been revitalised in the Vaalharts irrigation scheme. Through the national LandCare programme, 22 459 hectares of land were rehabilitated in 2013/14 and 606 full time jobs were created through the expanded public works programme. This subprogramme had a staff complement of 732 in 2013/14.

## Expenditure estimates

**Table 26.17 Forestry**

| Subprogramme                      | Audited outcome |                |                  | Adjusted appropriation | Average growth rate (%) | Expenditure/total: Average (%) | Medium-term expenditure estimate |                  |                  | Average growth rate (%) | Expenditure/total: Average (%) |
|-----------------------------------|-----------------|----------------|------------------|------------------------|-------------------------|--------------------------------|----------------------------------|------------------|------------------|-------------------------|--------------------------------|
|                                   | 2010/11         | 2011/12        | 2012/13          |                        |                         |                                | 2014/15                          | 2015/16          | 2016/17          |                         |                                |
| R thousand                        |                 |                |                  |                        |                         |                                |                                  |                  |                  |                         |                                |
| Management                        | 4 097           | 4 652          | 1 953            | 3 007                  | -9.8%                   | 0.3%                           | 6 580                            | 6 908            | 4 380            | 13.4%                   | 0.4%                           |
| Forestry Operations               | 371 667         | 404 268        | 429 423          | 465 438                | 7.8%                    | 42.6%                          | 485 182                          | 509 773          | 537 725          | 4.9%                    | 39.5%                          |
| Forestry Oversight and Regulation | 44 225          | 38 142         | 46 221           | 55 358                 | 7.8%                    | 4.7%                           | 58 995                           | 60 588           | 63 836           | 4.9%                    | 4.7%                           |
| Natural Resources Management      | 241 516         | 437 650        | 714 188          | 659 820                | 39.8%                   | 52.4%                          | 814 166                          | 656 141          | 673 401          | 0.7%                    | 55.4%                          |
| <b>Total</b>                      | <b>661 505</b>  | <b>884 712</b> | <b>1 191 785</b> | <b>1 183 623</b>       | <b>21.4%</b>            | <b>100.0%</b>                  | <b>1 364 923</b>                 | <b>1 233 410</b> | <b>1 279 342</b> | <b>2.6%</b>             | <b>100.0%</b>                  |
| Change to 2013 Budget estimate    |                 |                |                  | (851)                  |                         |                                | 179 001                          | (13 107)         | (24 423)         |                         |                                |

Table 26.17 Forestry

| Economic classification   |           |           |             | Adjusted appropriation | Average growth rate (%) | Expenditure/total: Average (%) | Medium-term expenditure estimate |             |             | Average growth rate (%) | Expenditure/total: Average (%) |
|---|-----------|-----------|-------------|------------------------|-------------------------|--------------------------------|----------------------------------|-------------|-------------|-------------------------|--------------------------------|
| Audited outcome   |           |           |             |                        |                         |                                |                                  |             |             |                         |                                |
| R thousand  | 2010/11   | 2011/12   | 2012/13     | 2013/14                | 2010/11 - 2013/14       |                                | 2014/15                          | 2015/16     | 2016/17     | 2013/14 - 2016/17       |                                |
| Current payments  | 518 859   | 581 266   | 591 947     | 690 239                | 10.0%                   | 60.7%                          | 737 809                          | 773 357     | 820 107     | 5.9%                    | 59.7%                          |
| Compensation of employees   | 407 683   | 433 760   | 455 606     | 510 195                | 7.8%                    | 46.1%                          | 529 028                          | 555 195     | 591 723     | 5.1%                    | 43.2%                          |
| Goods and services  | 110 305   | 147 348   | 135 476     | 178 883                | 17.5%                   | 14.6%                          | 207 612                          | 216 934     | 227 092     | 8.3%                    | 16.4%                          |
| of which:   |           |           |             |                        |                         |                                |                                  |             |             |                         |                                |
| Administration fees   | 563       | 627       | 430         | 1 220                  | 29.4%                   | 0.1%                           | 1 743                            | 1 884       | 1 953       | 17.0%                   | 0.1%                           |
| Advertising   | 3 490     | 3 943     | 4 431       | 1 645                  | -22.2%                  | 0.3%                           | 4 134                            | 4 727       | 4 610       | 41.0%                   | 0.3%                           |
| Assets less than the capitalisation threshold                         | 1 126     | 674       | 732         | 5 620                  | 70.9%                   | 0.2%                           | 6 939                            | 7 357       | 7 557       | 10.4%                   | 0.5%                           |
| Bursaries: Employees  | 271       | 442       | 651         | 1 056                  | 57.4%                   | 0.1%                           | 1 197                            | 1 364       | 1 419       | 10.4%                   | 0.1%                           |
| Catering: Departmental activities                                     | 832       | 637       | 440         | 1 659                  | 25.9%                   | 0.1%                           | 1 942                            | 2 022       | 2 079       | 7.8%                    | 0.2%                           |
| Communication   | 5 342     | 5 308     | 5 044       | 5 443                  | 0.6%                    | 0.5%                           | 7 020                            | 7 291       | 7 418       | 10.9%                   | 0.5%                           |
| Computer services   | 840       | 665       | 529         | 4 844                  | 79.3%                   | 0.2%                           | 7 642                            | 6 229       | 5 328       | 3.2%                    | 0.5%                           |
| Consultants and professional services: Business and advisory services | 641       | 4 449     | 4 069       | 4 730                  | 94.7%                   | 0.4%                           | 13 715                           | 16 615      | 19 745      | 61.0%                   | 1.1%                           |
| Consultants and professional services: Infrastructure and planning    | 781       | 1 471     | 117         | 549                    | -11.1%                  | 0.1%                           | 4 205                            | 4 458       | 5 272       | 112.6%                  | 0.3%                           |
| Consultants and professional services: Legal costs                    | 307       | 402       | 224         | 283                    | -2.7%                   | —                              | 575                              | 621         | 665         | 32.9%                   | —                              |
| Contractors   | 5 502     | 2 573     | 2 832       | 11 944                 | 29.5%                   | 0.6%                           | 20 240                           | 20 748      | 23 532      | 25.4%                   | 1.5%                           |
| Agency and support / outsourced services                              | 14 132    | 27 557    | 15 504      | 26 178                 | 22.8%                   | 2.1%                           | 40 497                           | 45 080      | 47 903      | 22.3%                   | 3.2%                           |
| Entertainment   | 33        | 36        | 44          | 53                     | 17.1%                   | —                              | 50                               | 50          | 50          | -1.9%                   | —                              |
| Fleet services (including government motor transport)                 | 969       | 1 991     | 2 156       | 3 140                  | 48.0%                   | 0.2%                           | 7 189                            | 7 804       | 8 561       | 39.7%                   | 0.5%                           |
| Inventory: Farming supplies   | —         | —         | —           | 8 900                  | —                       | 0.2%                           | —                                | —           | —           | -100.0%                 | 0.2%                           |
| Inventory: Other supplies   | —         | —         | —           | 10                     | —                       | —                              | 10                               | 10          | 10          | —                       | —                              |
| Consumable supplies   | 15 338    | 29 795    | 28 323      | 36 260                 | 33.2%                   | 2.8%                           | 28 191                           | 30 511      | 32 081      | -4.0%                   | 2.5%                           |
| Consumable: Stationery, printing and office supplies                  | 2 663     | 3 801     | 1 853       | 4 750                  | 21.3%                   | 0.3%                           | 5 180                            | 5 304       | 5 560       | 5.4%                    | 0.4%                           |
| Operating leases  | 968       | 142       | 2           | 228                    | -38.2%                  | —                              | 53                               | 54          | 55          | -37.7%                  | —                              |
| Property payments   | 4 272     | 5 089     | 8 940       | 14 558                 | 50.5%                   | 0.8%                           | 10 216                           | 9 993       | 10 468      | -10.4%                  | 0.9%                           |
| Transport provided: Departmental activity                             | 551       | —         | —           | —                      | -100.0%                 | —                              | —                                | —           | —           | —                       | —                              |
| Travel and subsistence  | 45 140    | 45 058    | 46 272      | 34 657                 | -8.4%                   | 4.4%                           | 34 438                           | 33 511      | 32 041      | -2.6%                   | 2.7%                           |
| Training and development  | 2 159     | 1 592     | 1 394       | 4 095                  | 23.8%                   | 0.2%                           | 3 604                            | 3 866       | 4 111       | 0.1%                    | 0.3%                           |
| Operating payments  | 1 582     | 3 057     | 3 886       | 4 060                  | 36.9%                   | 0.3%                           | 2 864                            | 3 001       | 3 126       | -8.3%                   | 0.3%                           |
| Venues and facilities   | 2 803     | 7 649     | 7 603       | 2 251                  | -7.0%                   | 0.5%                           | 5 814                            | 4 258       | 3 363       | 14.3%                   | 0.3%                           |
| Rental and hiring   | —         | 390       | —           | 750                    | —                       | —                              | 154                              | 176         | 185         | -37.3%                  | —                              |
| Interest and rent on land   | 871       | 158       | 865         | 1 161                  | 10.1%                   | 0.1%                           | 1 169                            | 1 228       | 1 292       | 3.6%                    | 0.1%                           |
| Transfers and subsidies   | 110 078   | 252 306   | 540 475     | 430 499                | 57.6%                   | 34.0%                          | 582 175                          | 413 830     | 411 747     | -1.5%                   | 36.3%                          |
| Provinces and municipalities  | 104 568   | 207 500   | 509 825     | 412 930                | 58.1%                   | 31.5%                          | 562 325                          | 394 463     | 400 766     | -1.0%                   | 35.0%                          |
| Departmental agencies and accounts                                    | —         | —         | 3 008       | 3 000                  | —                       | 0.2%                           | 3 000                            | 3 000       | 3 000       | —                       | 0.2%                           |
| Higher education institutions   | —         | —         | 4 017       | 2 192                  | —                       | 0.2%                           | 2 322                            | 2 462       | 2 609       | 6.0%                    | 0.2%                           |
| Public corporations and private enterprises                           | 1 524     | 3 076     | 68          | —                      | -100.0%                 | 0.1%                           | —                                | —           | —           | —                       | —                              |
| Non-profit institutions   | —         | 3 400     | 3 500       | 10 169                 | —                       | 0.4%                           | 14 263                           | 13 628      | 5 084       | -20.6%                  | 0.9%                           |
| Households  | 3 986     | 38 330    | 20 057      | 2 208                  | -17.9%                  | 1.6%                           | 265                              | 277         | 288         | -49.3%                  | 0.1%                           |
| Payments for capital assets   | 32 568    | 51 072    | 59 264      | 62 885                 | 24.5%                   | 5.2%                           | 44 939                           | 46 223      | 47 488      | -8.9%                   | 4.0%                           |
| Buildings and other fixed structures                                  | —         | 2 383     | 123         | 20                     | —                       | 0.1%                           | —                                | —           | —           | -100.0%                 | —                              |
| Machinery and equipment   | 32 568    | 48 689    | 59 141      | 62 348                 | 24.2%                   | 5.2%                           | 44 187                           | 45 394      | 46 620      | -9.2%                   | 3.9%                           |
| Biological assets   | —         | —         | —           | 499                    | —                       | —                              | 752                              | 829         | 868         | 20.3%                   | 0.1%                           |
| Software and other intangible assets                                  | —         | —         | —           | 18.0                   | —                       | —                              | —                                | —           | —           | -100.0%                 | —                              |
| Payments for financial assets   | —         | 68.0      | 99.0        | —                      | —                       | —                              | —                                | —           | —           | —                       | —                              |
| Total   | 661 505.0 | 884 712.0 | 1 191 785.0 | 1 183 623.0            | 21.4%                   | 100.0%                         | 1 364 923.0                      | 1 233 410.0 | 1 279 342.0 | 2.6%                    | 100.0%                         |
| Proportion of total programme expenditure to vote expenditure         | 17.3%     | 18.0%     | 20.5%       | 19.1%                  |                         |                                | 20.4%                            | 18.6%       | 19.2%       |                         |                                |

## Details of transfers and subsidies

|   |                |                |                |                |              |              |                |                |                |              |              |
|---|----------------|----------------|----------------|----------------|--------------|--------------|----------------|----------------|----------------|--------------|--------------|
| <b>Provinces and municipalities</b>   |                |                |                |                |              |              |                |                |                |              |              |
| <b>Provinces</b>  |                |                |                |                |              |              |                |                |                |              |              |
| <b>Provincial Revenue Funds</b>   |                |                |                |                |              |              |                |                |                |              |              |
| <b>Current</b>  | <b>104 502</b> | <b>207 332</b> | <b>509 790</b> | <b>412 251</b> | <b>58.0%</b> | <b>31.5%</b> | <b>561 598</b> | <b>393 722</b> | <b>400 016</b> | <b>-1.0%</b> | <b>34.9%</b> |
| Land care programme grant: Poverty relief and infrastructure development                    | 54 502         | 57 772         | 111 599        | 108 997        | 26.0%        | 8.5%         | 67 837         | 68 158         | 71 519         | -13.1%       | 6.3%         |
| Comprehensive agricultural support programme grant: Agricultural disaster management grant  | 50 000         | 149 560        | —              | —              | -100.0%      | 5.1%         | —              | —              | —              | —            | —            |
| Comprehensive agricultural support programme grant: Disasters: Flood damaged infrastructure | —              | —              | 398 191        | 303 254        | —            | 17.9%        | 493 761        | 325 564        | 328 497        | 2.7%         | 28.7%        |

Table 26.17 Forestry

| Details of transfers and subsidies            |         |         |         | Adjusted appropriation | Average growth rate (%) | Expenditure/ total: Average (%) | Medium-term expenditure estimate |         |         | Average growth rate (%) | Expenditure/ total: Average (%) |
|---|---------|---------|---------|------------------------|-------------------------|---------------------------------|----------------------------------|---------|---------|-------------------------|---------------------------------|
| Audited outcome                               |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| R thousand                                    | 2010/11 | 2011/12 | 2012/13 | 2013/14                | 2010/11 - 2013/14       |                                 | 2014/15                          | 2015/16 | 2016/17 | 2013/14 - 2016/17       |                                 |
| Provinces and municipalities                  |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Municipalities                                |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Municipal bank accounts                       |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Current                                       | 66      | 168     | 35      | 679                    | 117.5%                  | –                               | 727                              | 741     | 750     | 3.4%                    | 0.1%                            |
| Vehicle licence fees                          | 66      | 68      | 35      | 79                     | 6.2%                    | –                               | 127                              | 141     | 150     | 23.8%                   | –                               |
| Forestry Arbor City Awards                    | –       | 100     | –       | 600                    | –                       | –                               | 600                              | 600     | 600     | –                       | –                               |
| Departmental agencies and accounts            |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Departmental agencies (non-business entities) |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Current                                       | –       | –       | 3 008   | 3 000                  | –                       | 0.2%                            | 3 000                            | 3 000   | 3 000   | –                       | 0.2%                            |
| Communication                                 | –       | –       | 8       | –                      | –                       | –                               | –                                | –       | –       | –                       | –                               |
| Water Research Commission                     | –       | –       | 3 000   | 3 000                  | –                       | 0.2%                            | 3 000                            | 3 000   | 3 000   | –                       | 0.2%                            |
| Higher education institutions                 |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Current                                       | –       | –       | 4 017   | 2 192                  | –                       | 0.2%                            | 2 322                            | 2 462   | 2 609   | 6.0%                    | 0.2%                            |
| University of Pretoria                        | –       | –       | 4 017   | 2 192                  | –                       | 0.2%                            | 2 322                            | 2 462   | 2 609   | 6.0%                    | 0.2%                            |
| Public corporations and private enterprises   |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Public corporations                           |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Other transfers to public corporations        |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Current                                       | –       | 3 042   | –       | –                      | –                       | 0.1%                            | –                                | –       | –       | –                       | –                               |
| Forest Sector Charter Council                 | –       | 3 042   | –       | –                      | –                       | 0.1%                            | –                                | –       | –       | –                       | –                               |
| Public corporations and private enterprises   |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Private enterprises                           |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Other transfers to private enterprises        |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Current                                       | 1 524   | 34      | 68      | –                      | -100.0%                 | –                               | –                                | –       | –       | –                       | –                               |
| Claims against the state                      | 1 524   | 34      | 68      | –                      | -100.0%                 | –                               | –                                | –       | –       | –                       | –                               |
| Non-profit institutions                       |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Current                                       | –       | 3 400   | 3 500   | 10 169                 | –                       | 0.4%                            | 14 263                           | 13 628  | 5 084   | -20.6%                  | 0.9%                            |
| International Wildland Fire Conference        | –       | 100     | –       | –                      | –                       | –                               | –                                | –       | –       | –                       | –                               |
| Forestry South Africa                         | –       | 3 200   | 3 500   | 5 788                  | –                       | 0.3%                            | 6 024                            | 4 419   | 4 684   | -6.8%                   | 0.4%                            |
| Food and Trees for Africa                     | –       | –       | –       | 300                    | –                       | –                               | 400                              | 400     | 400     | 10.1%                   | –                               |
| Lima Rural Development Foundation             | –       | –       | –       | 4 081                  | –                       | 0.1%                            | 7 839                            | 8 809   | –       | -100.0%                 | 0.4%                            |
| Centre for International Forestry Research    | –       | 100     | –       | –                      | –                       | –                               | –                                | –       | –       | –                       | –                               |
| Households                                    |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Social benefits                               |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Current                                       | 3 455   | 5 441   | 6 230   | 2 208                  | -13.9%                  | 0.4%                            | 265                              | 277     | 288     | -49.3%                  | 0.1%                            |
| Employee social benefits                      | 3 455   | 5 441   | 6 230   | 2 208                  | -13.9%                  | 0.4%                            | 265                              | 277     | 288     | -49.3%                  | 0.1%                            |
| Households                                    |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Other transfers to households                 |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Current                                       | 531     | 32 889  | 13 827  | –                      | -100.0%                 | 1.2%                            | –                                | –       | –       | –                       | –                               |
| Claims against the state                      | 531     | 8       | 10      | –                      | -100.0%                 | –                               | –                                | –       | –       | –                       | –                               |
| Avian influenza                               | –       | 32 881  | 13 817  | –                      | –                       | 1.2%                            | –                                | –       | –       | –                       | –                               |

## Personnel information

Table 26.18 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

| Number of posts estimated for 31 March 2014 |                        |   | Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment |       |           |                  |       |           |                                  |       |           |        |         |           | Number                  |                                 |                   |           |        |
|---|------------------------|---|--|-------|-----------|------------------|-------|-----------|----------------------------------|-------|-----------|--------|---------|-----------|-------------------------|---------------------------------|-------------------|-----------|--------|
| Salary level                                | Number of funded posts | Number of posts additional to the establishment | Actual   |       |           | Revised estimate |       |           | Medium-term expenditure estimate |       |           |        |         |           | Average growth rate (%) | Salary level/total: Average (%) |                   |           |        |
|   |                        |   | 2012/13  |       |           | 2013/14          |       |           | 2014/15                          |       | 2015/16   |        | 2016/17 |           |                         |                                 | 2013/14 - 2016/17 |           |        |
|   |                        |   | Number   | Cost  | Unit Cost | Number           | Cost  | Unit Cost | Number                           | Cost  | Unit Cost | Number | Cost    | Unit Cost | Number                  | Cost                            |                   | Unit Cost |        |
| Forestry                                    |                        |   |  |       |           |                  |       |           |                                  |       |           |        |         |           |                         |                                 |                   |           |        |
| Salary level                                | 3 166                  | 23  | 2 771  | 455.6 | 0.2       | 3 132            | 510.2 | 0.2       | 3 132                            | 529.0 | 0.2       | 3 132  | 555.2   | 0.2       | 3 132                   | 591.7                           | 0.2               | –         | 100.0% |
| 1 – 6                                       | 2 628                  | 20  | 2 323  | 260.6 | 0.1       | 2 591            | 314.6 | 0.1       | 2 591                            | 322.9 | 0.1       | 2 591  | 337.9   | 0.1       | 2 591                   | 360.8                           | 0.1               | –         | 82.7%  |
| 7 – 10                                      | 453                    | –   | 373  | 126.9 | 0.3       | 457              | 146.7 | 0.3       | 457                              | 154.1 | 0.3       | 457    | 162.4   | 0.4       | 457                     | 173.1                           | 0.4               | –         | 14.6%  |
| 11 – 12                                     | 70                     | 1   | 60   | 48.2  | 0.8       | 69               | 36.5  | 0.5       | 69                               | 38.8  | 0.6       | 69     | 40.9    | 0.6       | 69                      | 43.1                            | 0.6               | –         | 2.2%   |
| 13 – 16                                     | 15                     | 2   | 15   | 20.0  | 1.3       | 15               | 12.4  | 0.8       | 15                               | 13.2  | 0.9       | 15     | 13.9    | 0.9       | 15                      | 14.7                            | 1.0               | –         | 0.5%   |

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

2. Rand million.

## Expenditure trends

The spending focus over the medium term will be on enhancing South Africa's commercial and indigenous forests by managing state forests and other assets in a sustainable way through the *Forestry Operations* subprogramme, and implementing the LandCare programme in the *Natural Resource Management* subprogramme. This is expected to create 2 700 full time jobs through various LandCare projects over the medium term, rehabilitate flood damaged infrastructure, and prevent and mitigate disaster risks. A national integrated forest protection strategy has been developed to prevent and mitigate losses from fires, which have had a significant impact on fibre and food security. R4.9 million was spent in 2013/14 in the *Forestry Oversight and Regulation* subprogramme to implement the strategy. This spending is also expected to rehabilitate 2 300 hectares of state owned plantations to temporary unplanted areas each year over the medium term, which is set to result in the creation of 7 200 jobs over this period. The implementation of the flood assistance scheme has begun in the 6 provinces affected by floods, with an additional R209 million allocated in transfers to provinces and municipalities in the *Natural Resources Management* subprogramme over the medium term.

To support the protection of environmental assets, the *Forestry Operation subprogramme* invested an estimated R8 million in greening initiatives. In addition, Eastern Cape was prioritised for the expansion of community owned forests through afforestation with the department assisting communities to obtain afforestation licences, which are critical to advancing previously disadvantaged communities' participation in industrial forestry. In 2013/14, R4.2 million was spent on environmental impact assessments of 13 000 hectares of community based plantation.

The increase in expenditure on consultants, agency support and outsourced services over the medium term is for third party audits of biological assets, the disaster risk management information system and specialised skills as the programme has difficulty in recruiting skilled personnel. This is the main cause of the 411 vacant posts in the programme at the end of November 2013.

To give effect to Cabinet approved budget reductions, R13.5 million over the medium term is to be reduced in expenditure on travel and subsistence. The reduction is not expected to have an adverse effect on service delivery, as personnel in the programme have been encouraged to use video conferencing instead of travelling to meetings and limits have been placed on the number of delegates going on overseas trips.

## Programme 6: Fisheries

### Objectives

- Promote the conservation and sustainable use of marine resources and the recovery of depleted fish stocks by:
  - implementing the stock recovery strategy for hake, abalone, West Coast rock lobster and line fish by 2016/17
  - conducting annual fishery specific research to inform the setting of total allowable catches and total allowable efforts in 22 fishing sectors per year until 2016/17
  - implementing the small scale fisheries policy by 2014/15.
- Grow the fisheries sector by broadening the scope of the aquaculture sub-sector through the implementation of the national aquaculture strategic framework by 2013/14 and providing support to 40 fish farms by 2016/17.
- Improve compliance with and enforcement of the Marine Living Resources Act (1998) through implementing the integrated fisheries security strategy over the medium term.

### Subprogrammes

- *Management* oversees and manages the programme. This subprogramme had a staff complement of 3 in 2013/14.
- *Aquaculture* provides public support and integrated management to promote aquaculture growth and fisheries development. This subprogramme had a staff complement of 104 in 2013/14.



- *Monitoring Control and Surveillance* protects and promotes the sustainable use of marine living resources. This subprogramme had a staff complement of 259 in 2013/14.
- *Marine Resources Management* manages and regulates marine living resources. This subprogramme had a staff complement of 53 in 2013/14.
- *Fisheries Research and Development* conducts research to promote the sustainable use and development of fisheries resources and ecosystems. This subprogramme had a staff complement of 123 in 2013/14.
- *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, permits and application fees and the proceeds from the sale of confiscated fish and fish products. This subprogramme's budget is transferred in full to the Marine Living Resources Fund.

## Expenditure estimates

**Table 26.19 Fisheries**

| Subprogramme   | Audited outcome  |                  |                  | Adjusted appropriation | Average growth rate (%) | Expenditure/total: Average (%) | Medium-term expenditure estimate |                  |                  | Average growth rate (%) | Expenditure/total: Average (%) |
|--|------------------|------------------|------------------|------------------------|-------------------------|--------------------------------|----------------------------------|------------------|------------------|-------------------------|--------------------------------|
|  | 2010/11          | 2011/12          | 2012/13          |                        |                         |                                | 2014/15                          | 2015/16          | 2016/17          |                         |                                |
| R thousand   | 2010/11          | 2011/12          | 2012/13          | 2013/14                | 2010/11                 | 2013/14                        | 2014/15                          | 2015/16          | 2016/17          | 2013/14                 | 2016/17                        |
| Management   | 143              | 104              | 925              | 1 607                  | 124.0%                  | 0.2%                           | 2 065                            | 2 168            | 2 283            | 12.4%                   | 0.5%                           |
| Aquaculture  | 23 692           | 24 976           | 28 739           | 29 747                 | 7.9%                    | 7.0%                           | 32 373                           | 33 836           | 35 629           | 6.2%                    | 7.4%                           |
| Monitoring Control and Surveillance                                  | 54 287           | 63 963           | 68 226           | 73 597                 | 10.7%                   | 17.0%                          | 69 772                           | 73 427           | 77 326           | 1.7%                    | 16.6%                          |
| Marine Resources Management  | 14 242           | 15 072           | 17 382           | 17 634                 | 7.4%                    | 4.2%                           | 18 648                           | 19 164           | 20 180           | 4.6%                    | 4.3%                           |
| Fisheries Research and Development                                   | 38 649           | 46 664           | 52 693           | 57 606                 | 14.2%                   | 12.8%                          | 53 587                           | 56 049           | 59 012           | 0.8%                    | 12.8%                          |
| Marine Living Resources Fund   | 128 100          | 201 173          | 316 365          | 253 545                | 25.6%                   | 58.8%                          | 251 331                          | 258 623          | 268 441          | 1.9%                    | 58.4%                          |
| <b>Total</b>   | <b>259 113</b>   | <b>351 952</b>   | <b>484 330</b>   | <b>433 736</b>         | <b>18.7%</b>            | <b>100.0%</b>                  | <b>427 776</b>                   | <b>443 267</b>   | <b>462 871</b>   | <b>2.2%</b>             | <b>100.0%</b>                  |
| Change to 2013 Budget estimate                                       |                  |                  |                  | (300)                  |                         |                                | (19 156)                         | (24 772)         | (20 000)         |                         |                                |
| <b>Economic classification</b>                                       |                  |                  |                  |                        |                         |                                |                                  |                  |                  |                         |                                |
| <b>Current payments</b>  | <b>130 845</b>   | <b>150 254</b>   | <b>166 678</b>   | <b>180 171</b>         | <b>11.3%</b>            | <b>41.1%</b>                   | <b>176 445</b>                   | <b>184 644</b>   | <b>194 430</b>   | <b>2.6%</b>             | <b>41.6%</b>                   |
| Compensation of employees  | 130 845          | 150 254          | 166 678          | 180 171                | 11.3%                   | 41.1%                          | 176 445                          | 184 644          | 194 430          | 2.6%                    | 41.6%                          |
| <b>Transfers and subsidies</b>                                       | <b>128 268</b>   | <b>201 698</b>   | <b>317 652</b>   | <b>253 565</b>         | <b>25.5%</b>            | <b>58.9%</b>                   | <b>251 331</b>                   | <b>258 623</b>   | <b>268 441</b>   | <b>1.9%</b>             | <b>58.4%</b>                   |
| Departmental agencies and accounts                                   | 128 100          | 201 173          | 316 365          | 253 545                | 25.6%                   | 58.8%                          | 251 331                          | 258 623          | 268 441          | 1.9%                    | 58.4%                          |
| Households   | 168              | 525              | 1 287            | 20                     | -50.8%                  | 0.1%                           | –                                | –                | –                | -100.0%                 | –                              |
| <b>Total</b>   | <b>259 113.0</b> | <b>351 952.0</b> | <b>484 330.0</b> | <b>433 736.0</b>       | <b>18.7%</b>            | <b>100.0%</b>                  | <b>427 776.0</b>                 | <b>443 267.0</b> | <b>462 871.0</b> | <b>2.2%</b>             | <b>100.0%</b>                  |
| <b>Proportion of total programme expenditure to vote expenditure</b> | <b>6.8%</b>      | <b>7.2%</b>      | <b>8.3%</b>      | <b>7.0%</b>            |                         |                                | <b>6.4%</b>                      | <b>6.7%</b>      | <b>6.9%</b>      |                         |                                |
| <b>Details of transfers and subsidies</b>                            |                  |                  |                  |                        |                         |                                |                                  |                  |                  |                         |                                |
| <b>Departmental agencies and accounts</b>                            |                  |                  |                  |                        |                         |                                |                                  |                  |                  |                         |                                |
| <b>Departmental agencies (non-business entities)</b>                 |                  |                  |                  |                        |                         |                                |                                  |                  |                  |                         |                                |
| <b>Current</b>   | <b>128 100</b>   | <b>201 173</b>   | <b>316 365</b>   | <b>253 545</b>         | <b>25.6%</b>            | <b>58.8%</b>                   | <b>251 331</b>                   | <b>258 623</b>   | <b>268 441</b>   | <b>1.9%</b>             | <b>58.4%</b>                   |
| Marine Living Resources Fund   | 128 100          | 201 173          | 316 365          | 253 545                | 25.6%                   | 58.8%                          | 251 331                          | 258 623          | 268 441          | 1.9%                    | 58.4%                          |
| <b>Households</b>  |                  |                  |                  |                        |                         |                                |                                  |                  |                  |                         |                                |
| <b>Social benefits</b>   |                  |                  |                  |                        |                         |                                |                                  |                  |                  |                         |                                |
| <b>Current</b>   | <b>168</b>       | <b>525</b>       | <b>1 043</b>     | <b>20</b>              | <b>-50.8%</b>           | <b>0.1%</b>                    | <b>–</b>                         | <b>–</b>         | <b>–</b>         | <b>-100.0%</b>          | <b>–</b>                       |
| Employee social benefits   | 168              | 525              | 1 043            | 20                     | -50.8%                  | 0.1%                           | –                                | –                | –                | -100.0%                 | –                              |
| <b>Households</b>  |                  |                  |                  |                        |                         |                                |                                  |                  |                  |                         |                                |
| <b>Other transfers to households</b>                                 |                  |                  |                  |                        |                         |                                |                                  |                  |                  |                         |                                |
| <b>Current</b>   | <b>–</b>         | <b>–</b>         | <b>244</b>       | <b>–</b>               | <b>–</b>                | <b>–</b>                       | <b>–</b>                         | <b>–</b>         | <b>–</b>         | <b>–</b>                | <b>–</b>                       |
| Claims against the state   | –                | –                | 244              | –                      | –                       | –                              | –                                | –                | –                | –                       | –                              |

## Personnel information

**Table 26.20 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

| Number of posts estimated for 31 March 2014 |                        |   | Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment |       |           |                  |       |           |                                  |       |           |         |       |           |         |       |           | Number                  |                                 |                   |
|---|------------------------|---|--|-------|-----------|------------------|-------|-----------|----------------------------------|-------|-----------|---------|-------|-----------|---------|-------|-----------|-------------------------|---------------------------------|-------------------|
| Salary level                                | Number of funded posts | Number of posts additional to the establishment | Actual   |       |           | Revised estimate |       |           | Medium-term expenditure estimate |       |           |         |       |           |         |       |           | Average growth rate (%) | Salary level/total: Average (%) |                   |
|   |                        |   | 2012/13  |       |           | 2013/14          |       |           | 2014/15                          |       |           | 2015/16 |       |           | 2016/17 |       |           |                         |                                 | 2013/14 - 2016/17 |
|   |                        |   | Number   | Cost  | Unit Cost | Number           | Cost  | Unit Cost | Number                           | Cost  | Unit Cost | Number  | Cost  | Unit Cost | Number  | Cost  | Unit Cost |                         |                                 |                   |
| Fisheries                                   |                        |   | Number   | Cost  | Unit Cost | Number           | Cost  | Unit Cost | Number                           | Cost  | Unit Cost | Number  | Cost  | Unit Cost | Number  | Cost  | Unit Cost |                         |                                 |                   |
| Salary level                                | 603                    | 23  | 510  | 166.7 | 0.3       | 542              | 180.2 | 0.3       | 542                              | 176.4 | 0.3       | 542     | 184.6 | 0.3       | 542     | 194.4 | 0.4       | –                       | 100.0%                          |                   |
| 1 – 6                                       | 140                    | 16  | 117  | 19.7  | 0.2       | 116              | 22.8  | 0.2       | 116                              | 22.8  | 0.2       | 116     | 24.1  | 0.2       | 116     | 25.4  | 0.2       | –                       | 21.4%                           |                   |
| 7 – 10                                      | 353                    | 6   | 310  | 79.2  | 0.3       | 349              | 106.0 | 0.3       | 349                              | 102.2 | 0.3       | 349     | 106.4 | 0.3       | 349     | 112.0 | 0.3       | –                       | 64.4%                           |                   |
| 11 – 12                                     | 92                     | 1   | 69   | 50.0  | 0.7       | 59               | 31.4  | 0.5       | 59                               | 31.5  | 0.5       | 59      | 33.2  | 0.6       | 59      | 34.9  | 0.6       | –                       | 10.9%                           |                   |
| 13 – 16                                     | 18                     | –   | 14   | 17.9  | 1.3       | 18               | 19.9  | 1.1       | 18                               | 19.9  | 1.1       | 18      | 21.0  | 1.2       | 18      | 22.1  | 1.2       | –                       | 3.3%                            |                   |

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

2. Rand million.

## Expenditure trends

The spending focus over the medium term will be on enhancing the economic potential of South Africa's fishery sector through the sustainable use of marine living resources and the creation of 3 550 jobs in coastal and rural communities through the Working for Fisheries programme. The spending focus will also be on performing annual fishery specific research to inform the process of setting the total allowable catches in 22 fishing sectors per year until 2016/17. This includes continuing with the finalisation and implementation of the small scale fisheries policy in 2014/15 and improving compliance with and enforcement of the Marine Living Resources Act (1998) by finalising the development and implementation of the integrated fisheries security strategy from 2014/15 onwards. This is reflected in the significant allocations to expenditure on compensation of the employees who perform these functions and transfers payments to the Marine Living Resources Fund over the medium term.

The significant increase in expenditure in the *Marine Living Resources Fund* subprogramme between 2010/11 and 2013/14 was due to the transfer of the Working for Fisheries programme from the Department of Environmental Affairs to this programme. The increases in subsequent years represent the additional allocation to the fund for expenditure on the operation, repairs and maintenance of the vessels. Spending on compensation of employees also increased over the same period and is expected to increase over the medium term due to improvements to conditions of services. The programme had a funded establishment of 603 posts and 23 were additional to the establishment at the end of November 2013. Of these, 542 were filled and 61 were vacant, due to normal attrition and the length of time it takes to finalise the recruitment process. These posts were in the process of being filled.

To give effect to Cabinet approved budget reductions the transfer to the Marine Living Resources Fund was reduced by R45 million over the medium term. The reduction is not expected to have an adverse effect on service delivery, as personnel in the fund have been encouraged to use video conferencing instead of travelling to meetings and limits have been placed on the number of delegates going on overseas trips.

## Public entities and other agencies

### Agricultural Research Council

#### Mandate and goals

The Agricultural Research Council was established by the Agricultural Research Act (1990) and is the main agricultural research institution in South Africa. The council's primary mandate in terms of the act is to conduct research and development, and effect the transfer of technology in order to promote agriculture and industry, contribute to a better quality of life and facilitate and ensure natural resource conservation.

The council's new strategic goals over the medium term are to:

- improve the productivity, production, competitiveness and sustainability of crop based agriculture and livestock based agriculture
- develop and use new technologies and information that will enhance the development of improved productivity and sustainability in agriculture
- conduct research and translate research results to support agrarian transformation and improve the efficiency and competitiveness of the agricultural sector
- promote good governance, financial sustainability and a high performing and visible organisation.

## Selected performance indicators

**Table 26.21 Agricultural Research Council**

| Indicator  | Programme/Activity/Objective                 | Outcome  | Past    |         |         | Current | Projections |         |         |
|--|--|--|---------|---------|---------|---------|-------------|---------|---------|
|  |  |  | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15     | 2015/16 | 2016/17 |
| Number of peer-reviewed scientific publications per year   | Agro-processing, food technology and safety  | Outcome 7: Vibrant, equitable and sustainable rural communities with food security for all | 168     | 178     | 268     | 252     | 332         | 234     | 254     |
| Number of intellectual property registered per year  | Smallholder agricultural development         | Outcome 10: Environmental assets and   | 21      | 15      | 12      | 13      | 14          | 22      | 12      |
| Number of agriculture technologies licences transferred per year <sup>1</sup>                    | Smallholder agricultural development         | natural resources that are well protected and continually enhanced                         | –       | 23      | 51      | 23      | 27          | 30      | 35      |
| Number of Agricultural enterprises supported through intellectual property per year <sup>2</sup> | Smallholder agricultural development         |  | –       | –       | –       | –       | 3           | 4       | 5       |
| Number of trained farmers per year <sup>1</sup>  | Training and extension                       | Outcome 7: Vibrant, equitable and sustainable rural communities with food security for all | –       | 1 480   | 5 389   | 9 878   | 9 454       | 10 474  | 11 105  |
| Number of commercial farmers supported per year <sup>3</sup>                                     | Agricultural economics and commercialisation |  | –       | –       | 6 107   | 6 310   | 16 115      | 17 120  | 19 125  |
| Number of smallholder farmers supported per year <sup>3</sup>                                    | Agricultural economics and commercialisation |  | –       | –       | 6 006   | 6 207   | 6 650       | 1 303   | 2 303   |
| Number of information dissemination events per year <sup>1</sup>                                 | Training and extension                       |  | –       | 986     | 1 212   | 1 113   | 1 311       | 1 455   | 1 526   |

1. This indicator was only introduced in 2011/12.

2. This indicator was measured from 2014/15.

3. This indicator was introduced in 2012/13.

## Programmes/activities/objectives

**Table 26.22 Agricultural Research Council**

|  | Audited outcome |                |                  | Revised estimate | Average growth rate (%) | Expenditure/total: Average (%) | Medium-term expenditure estimate |                  |                  | Average growth rate (%) | Expenditure/total: Average (%) |
|--|-----------------|----------------|------------------|------------------|-------------------------|--------------------------------|----------------------------------|------------------|------------------|-------------------------|--------------------------------|
|  | 2010/11         | 2011/12        | 2012/13          |                  |                         |                                | 2014/15                          | 2015/16          | 2016/17          |                         |                                |
| R thousand                                   | 2010/11         | 2011/12        | 2012/13          | 2013/14          | 2010/11 - 2013/14       |                                | 2014/15                          | 2015/16          | 2016/17          | 2013/14 - 2016/17       |                                |
| Administration                               | 105 452         | 115 311        | 188 527          | 141 798          | 10.4%                   | 14.2%                          | 155 735                          | 171 017          | 181 282          | 8.5%                    | 13.4%                          |
| Crop production, improvement and protection  | 162 233         | 162 276        | 216 060          | 269 464          | 18.4%                   | 20.7%                          | 268 612                          | 282 008          | 296 771          | 3.3%                    | 23.0%                          |
| Animal health, improvement and protection    | 162 295         | 169 193        | 226 312          | 272 265          | 18.8%                   | 21.2%                          | 280 840                          | 295 389          | 310 852          | 4.5%                    | 23.9%                          |
| Natural resource management                  | 113 563         | 119 572        | 169 038          | 203 349          | 21.4%                   | 15.4%                          | 209 913                          | 220 633          | 232 183          | 4.5%                    | 17.9%                          |
| Mechanization and engineering                | –               | –              | –                | 14 229           | –                       | 0.3%                           | 14 689                           | 15 439           | 16 247           | 4.5%                    | 1.2%                           |
| Agro- processing, food technology and safety | 162 233         | 172 441        | 171 079          | 57 867           | -29.1%                  | 15.5%                          | 59 735                           | 62 785           | 66 072           | 4.5%                    | 5.1%                           |
| Small-holder agricultural development        | –               | –              | –                | 56 499           | –                       | 1.2%                           | 58 323                           | 61 301           | 64 510           | 4.5%                    | 5.0%                           |
| Agricultural economics and commercialisation | 105 390         | 115 302        | –                | 30 952           | -33.5%                  | 7.3%                           | 31 951                           | 33 582           | 35 340           | 4.5%                    | 2.7%                           |
| Training and extension                       | –               | –              | –                | 17 651           | –                       | 0.4%                           | 18 235                           | 19 151           | 20 154           | 4.5%                    | 1.6%                           |
| Other projects                               | –               | –              | 44 317           | 136 543          | –                       | 3.9%                           | 171 052                          | –                | –                | -100.0%                 | 6.2%                           |
| <b>Total expense</b>                         | <b>811 165</b>  | <b>854 095</b> | <b>1 015 333</b> | <b>1 200 618</b> | <b>14.0%</b>            | <b>100.0%</b>                  | <b>1 269 084</b>                 | <b>1 161 306</b> | <b>1 223 411</b> | <b>0.6%</b>             | <b>100.0%</b>                  |

## Expenditure estimates

**Table 26.23 Agricultural Research Council**

| Statement of financial performance                   | Audited outcome |                  |                  | Revised estimate | Average growth rate (%) | Expenditure/total: Average (%) | Medium-term estimate |                  |                  | Average growth rate (%) | Expenditure/total: Average (%) |
|--|-----------------|------------------|------------------|------------------|-------------------------|--------------------------------|----------------------|------------------|------------------|-------------------------|--------------------------------|
|  | 2010/11         | 2011/12          | 2012/13          |                  |                         |                                | 2014/15              | 2015/16          | 2016/17          |                         |                                |
| R thousand   | 2010/11         | 2011/12          | 2012/13          | 2013/14          | 2010/11 - 2013/14       |                                | 2014/15              | 2015/16          | 2016/17          | 2013/14 - 2016/17       |                                |
| <b>Revenue</b>                                       |                 |                  |                  |                  |                         |                                |                      |                  |                  |                         |                                |
| <b>Non-tax revenue</b>                               | <b>280 360</b>  | <b>312 124</b>   | <b>356 525</b>   | <b>368 236</b>   | 9.5%                    | 31.3%                          | <b>391 211</b>       | <b>414 537</b>   | <b>435 371</b>   | 5.7%                    | 31.1%                          |
| Sale of goods and services other than capital assets | 249 191         | 275 698          | 317 858          | 344 136          | 11.4%                   | 28.1%                          | 364 785              | 386 672          | 409 871          | 6.0%                    | 29.1%                          |
| of which:  |                 |                  |                  |                  |                         |                                |                      |                  |                  |                         |                                |
| Sales by market establishment                        | 249 191         | 275 698          | 317 858          | 344 136          | 11.4%                   | 28.1%                          | 364 785              | 386 672          | 409 871          | 6.0%                    | 29.1%                          |
| Other non-tax revenue                                | 31 169          | 36 426           | 38 667           | 24 100           | -8.2%                   | 3.2%                           | 26 426               | 27 865           | 25 500           | 1.9%                    | 2.0%                           |
| <b>Transfers received</b>                            | <b>590 168</b>  | <b>666 015</b>   | <b>747 384</b>   | <b>909 268</b>   | 15.5%                   | 68.7%                          | <b>956 785</b>       | <b>829 326</b>   | <b>874 970</b>   | -1.3%                   | 68.9%                          |
| <b>Total revenue</b>                                 | <b>870 528</b>  | <b>978 139</b>   | <b>1 103 909</b> | <b>1 277 504</b> | 13.6%                   | 100.0%                         | <b>1 347 996</b>     | <b>1 243 863</b> | <b>1 310 342</b> | 0.8%                    | 100.0%                         |
| <b>Expenses</b>                                      |                 |                  |                  |                  |                         |                                |                      |                  |                  |                         |                                |
| <b>Current expenses</b>                              | <b>811 165</b>  | <b>854 096</b>   | <b>1 015 332</b> | <b>1 200 619</b> | 14.0%                   | 100.0%                         | <b>1 269 085</b>     | <b>1 161 306</b> | <b>1 223 410</b> | 0.6%                    | 100.0%                         |
| Compensation of employees                            | 492 200         | 518 344          | 611 756          | 690 381          | 11.9%                   | 59.8%                          | 738 854              | 720 444          | 764 274          | 3.4%                    | 60.1%                          |
| Goods and services                                   | 298 146         | 313 926          | 379 761          | 478 138          | 17.1%                   | 37.7%                          | 496 687              | 405 641          | 422 154          | -4.1%                   | 37.1%                          |
| Depreciation   | 20 814          | 21 820           | 23 794           | 32 100           | 15.5%                   | 2.5%                           | 33 544               | 35 222           | 36 983           | 4.8%                    | 2.8%                           |
| Interest, dividends and rent on land                 | 5               | 6                | 21               | –                | -100.0%                 | 0.0%                           | –                    | –                | –                | –                       | –                              |
| <b>Total expenses</b>                                | <b>811 165</b>  | <b>854 096</b>   | <b>1 015 332</b> | <b>1 200 619</b> | 14.0%                   | 100.0%                         | <b>1 269 085</b>     | <b>1 161 306</b> | <b>1 223 410</b> | 0.6%                    | 100.0%                         |
| <b>Surplus/(Deficit)</b>                             | <b>59 363</b>   | <b>124 044</b>   | <b>88 577</b>    | <b>76 884</b>    | 9.0%                    |                                | <b>78 911</b>        | <b>82 556</b>    | <b>86 931</b>    | 4.2%                    |                                |
| <b>Statement of financial position</b>               |                 |                  |                  |                  |                         |                                |                      |                  |                  |                         |                                |
| Carrying value of assets                             | 666 041         | 728 993          | 783 827          | 874 628          | 9.5%                    | 62.3%                          | 992 281              | 1 064 421        | 1 129 248        | 8.9%                    | 66.0%                          |
| of which:  |                 |                  |                  |                  |                         |                                |                      |                  |                  |                         |                                |
| Acquisition of assets                                | 38 724          | 90 531           | 110 990          | 109 081          | 41.2%                   | 6.8%                           | 150 384              | 108 788          | 103 416          | -1.8%                   | 7.7%                           |
| Investments  | 2 158           | 2 432            | 3 849            | 2 032            | -2.0%                   | 0.2%                           | 2 032                | 2 143            | 2 143            | 1.8%                    | 0.1%                           |
| Inventory  | 11 485          | 11 840           | 10 438           | 13 179           | 4.7%                    | 1.0%                           | 13 904               | 14 668           | 15 402           | 5.3%                    | 0.9%                           |
| Receivables and prepayments                          | 64 915          | 71 987           | 77 018           | 86 845           | 10.2%                   | 6.1%                           | 93 621               | 98 771           | 103 342          | 6.0%                    | 6.2%                           |
| Cash and cash equivalents                            | 163 448         | 457 359          | 496 724          | 450 195          | 40.2%                   | 30.4%                          | 401 521              | 385 856          | 392 701          | -4.5%                   | 26.7%                          |
| Non-current assets held for sale                     | –               | 217              | 484              | –                | –                       | 0.0%                           | –                    | –                | –                | –                       | –                              |
| <b>Total assets</b>                                  | <b>908 047</b>  | <b>1 272 828</b> | <b>1 372 340</b> | <b>1 426 878</b> | 16.3%                   | 100.0%                         | <b>1 503 358</b>     | <b>1 565 860</b> | <b>1 642 835</b> | 4.8%                    | 100.0%                         |
| Accumulated surplus/(deficit)                        | 506 923         | 630 967          | 719 958          | 796 864          | 16.3%                   | 53.4%                          | 875 841              | 958 451          | 1 045 439        | 9.5%                    | 59.7%                          |
| Capital and reserves                                 | 2 368           | 2 368            | 2 368            | 2 368            | –                       | 0.2%                           | 2 368                | 2 368            | 2 368            | –                       | 0.2%                           |
| Capital reserve fund                                 | 108 905         | 109 593          | 109 593          | 109 593          | 0.2%                    | 9.1%                           | 109 593              | 109 593          | 109 593          | –                       | 7.2%                           |
| Deferred income                                      | 43 474          | 87 334           | 192 597          | 192 597          | 64.2%                   | 9.8%                           | 192 597              | 192 597          | 192 597          | –                       | 12.6%                          |
| Trade and other payables                             | 148 421         | 368 660          | 240 652          | 256 363          | 20.0%                   | 20.2%                          | 247 970              | 233 780          | 224 766          | -4.3%                   | 15.8%                          |
| Provisions   | 97 955          | 73 906           | 107 172          | 69 094           | -11.0%                  | 7.3%                           | 74 989               | 69 071           | 68 072           | -0.5%                   | 4.6%                           |
| <b>Total equity and liabilities</b>                  | <b>908 046</b>  | <b>1 272 828</b> | <b>1 372 340</b> | <b>1 426 878</b> | 16.3%                   | 100.0%                         | <b>1 503 358</b>     | <b>1 565 860</b> | <b>1 642 835</b> | 4.8%                    | 100.0%                         |

## Personnel information

**Table 26.24 Agricultural Research Council**

| Number of posts estimated for 31 March 2014 |       | Number and cost <sup>1</sup> of personnel posts filled / planned for on funded establishment |   |         |      |           |                  |      |           |                                  |      |           |         |      |           |         | Number |           |                         |                                 |                   |
|---|-------|--|---|---------|------|-----------|------------------|------|-----------|----------------------------------|------|-----------|---------|------|-----------|---------|--------|-----------|-------------------------|---------------------------------|-------------------|
|   |       | Number of funded posts   | Number of posts on approved establishment | Actual  |      |           | Revised estimate |      |           | Medium-term expenditure estimate |      |           |         |      |           |         |        |           | Average growth rate (%) | Salary level/total: Average (%) |                   |
|   |       |  |   | 2012/13 |      |           | 2013/14          |      |           | 2014/15                          |      |           | 2015/16 |      |           | 2016/17 |        |           |                         |                                 | 2013/14 - 2016/17 |
|   |       |  |   | Number  | Cost | Unit Cost | Number           | Cost | Unit Cost | Number                           | Cost | Unit Cost | Number  | Cost | Unit Cost | Number  | Cost   | Unit Cost |                         |                                 |                   |
| Salary level                                | 3 225 | 3 225  | 3 109                                     | 611.8   | 0.2  | 3 225     | 690.4            | 0.2  | 3 234     | 738.9                            | 0.2  | 2 885     | 720.4   | 0.2  | 2 890     | 764.3   | 0.3    | 3.4%      | 100.0%                  |                                 |                   |
| 1 – 6                                       | 1 859 | 1 859  | 1 830                                     | 157.5   | 0.1  | 1 859     | 167.3            | 0.1  | 1 868     | 181.5                            | 0.1  | 1 562     | 156.1   | 0.1  | 1 562     | 167.2   | 0.1    | -0.0%     | 55.9%                   |                                 |                   |
| 7 – 10                                      | 759   | 759  | 899                                       | 232.3   | 0.3  | 759       | 188.4            | 0.2  | 759       | 200.1                            | 0.3  | 759       | 210.5   | 0.3  | 759       | 221.6   | 0.3    | 5.6%      | 24.9%                   |                                 |                   |
| 11 – 12                                     | 527   | 527  | 310                                       | 160.1   | 0.5  | 527       | 259.4            | 0.5  | 527       | 277.1                            | 0.5  | 484       | 269.5   | 0.6  | 484       | 281.1   | 0.6    | 2.7%      | 16.5%                   |                                 |                   |
| 13 – 16                                     | 77    | 77   | 67  | 56.2    | 0.8  | 77        | 69.2             | 0.9  | 77        | 73.7                             | 1.0  | 77        | 77.6    | 1.0  | 82        | 87.2    | 1.1    | 8.0%      | 2.6%                    |                                 |                   |
| 17 – 22                                     | 3     | 3  | 3   | 5.7     | 1.9  | 3         | 6.0              | 2.0  | 3         | 6.4                              | 2.1  | 3         | 6.8     | 2.3  | 3         | 7.1     | 2.4    | 5.7%      | 0.1%                    |                                 |                   |

1. Rand million.

## Expenditure trends

The Agricultural Research Council's main source of revenue is government transfers, supplemented by its own revenue generated from project contracts, research and development contracts, as well as income earned from intellectual property, the sale of farm products, and the interest on cash balances and investments. The council's own revenue increased between 2010/11 and 2013/14 mainly due to research contracts signed with the Department of Rural Development and Land Reform, and is expected to grow over the medium term with the focus on driving good relationships with the current client base and generating revenue from its own intellectual property.

The council's spending focus over the medium term will be on crop production, animal production and health, the management of natural resources, and research and development.

Expenditure increased significantly between 2010/11 and 2013/14 due to the allocation of funds for the economic competitive support package projects. These projects were ring fenced for research in crop production, the production of animal vaccines, extension services for smallholder farmers, university research, and the maintenance of national collections and gene banks. The increase in expenditure over this period is also due to contractual projects entered into with the Department of Rural Development and Land Reform to provide farming training to the youth and young farming entrepreneurs. Over the medium term, expenditure on compensation of employees is the largest component of the council's spending and is expected to increase marginally over this period to provide for improved conditions of service.

Expenditure on goods and services is set to decrease over the medium term due to the discontinuation of projects funded from the economic competitive support package, as well as the implementation of the Cabinet approved reduction of R120 million on goods and services. The reduction will pose a challenge for the council in carrying out its mandate and achieving its targets, and has led to the revision of some performance targets. The entity plans to implement cost effectiveness measures to ensure activities and strategic goals are not affected.

At the end of November 2013, the entity had 3 225 employees, comprised of permanent employees, long term contractors (including executives), and other contractors. The council also has 888 vacancies, due to normal attrition and the length of time it takes to finalise the recruitment process.

## Marine Living Resources Fund

### Mandate and goals

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

The fund's main strategic goals over the medium term are to:

- conduct fishery specific research to inform the setting of total allowable catches, and total allowable effort, in 22 fishing sectors
- implement the stock recovery strategy for hake, abalone, West Coast rock lobster and line fish
- allocate rights to the small scale fisheries sector
- broaden the scope of the aquaculture sector by supporting 20 fish farms by 2016/17
- develop and implement a proactive stakeholder engagement strategy
- set transformation targets for the allocation of new fishing rights
- achieve better compliance, monitoring and enforcement efforts
- facilitate the creation of job opportunities in coastal and rural communities through the implementation of projects under the Working for Fisheries programme.

## Selected performance indicators

**Table 26.25 Marine Living Resources Fund**

| Indicator   | Programme/Activity/Objective                   | Outcome   | Past    |         |         | Current | Projections |         |         |
|---|--|---|---------|---------|---------|---------|-------------|---------|---------|
|   |  |   | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15     | 2015/16 | 2016/17 |
| Number of research projects conducted on the feasibility of South Africa's aquaculture species per year     | Sustainable environmental management           | Outcome 10: Environmental assets and natural resources that are well protected and continually enhanced | 2       | 2       | 2       | 2       | 2           | 2       | 2       |
| Number of aquaculture (fish farming) pilots projects launched per year                                      | Improved access to affordable and diverse food | Outcome 7: Vibrant, equitable and sustainable rural communities with food security for all              | 1       | 3       | 5       | 5       | 15          | 15      | 20      |
| Number of jobs created with the alternative livelihoods programme per year                                  | Improved access to affordable and diverse food |   | 978     | 1 100   | 1 000   | 1 100   | 1 150       | 1 200   | 1 200   |
| Number of annual assessments conducted to determine the state of resources in the fisheries sector per year | Sustainable environment management             | Outcome 10: Environmental assets and natural resources that are well protected and continually enhanced | 22      | 22      | 22      | 22      | 22          | 22      | 22      |

## Programmes/activities/objectives

**Table 26.26 Marine Living Resources Fund**

|   | Audited outcome |                |                |                | Revised estimate | Average growth rate (%) | Expenditure/total: Average (%) | Medium-term expenditure estimate |                |                | Average growth rate (%) | Expenditure/total: Average (%) |
|---|-----------------|----------------|----------------|----------------|------------------|-------------------------|--------------------------------|----------------------------------|----------------|----------------|-------------------------|--------------------------------|
|   | 2010/11         | 2011/12        | 2012/13        | 2013/14        |                  |                         |                                | 2014/15                          | 2015/16        | 2016/17        |                         |                                |
| R thousand                              |                 |                |                |                |                  |                         |                                |                                  |                |                |                         |                                |
| Administration                          | 53 985          | 41 550         | 59 187         | 50 383         |                  | -2.3%                   | 14.5%                          | 52 674                           | 51 741         | 53 600         | 2.1%                    | 12.0%                          |
| Marine resources management             | 10 122          | 11 332         | 5 381          | 12 313         |                  | 6.7%                    | 2.6%                           | 12 794                           | 11 138         | 11 064         | -3.5%                   | 2.7%                           |
| Aquaculture and economic development    | 80 978          | 64 213         | 88 780         | 165 172        |                  | 26.8%                   | 25.7%                          | 87 681                           | 92 485         | 95 654         | -16.6%                  | 24.2%                          |
| Marine resources research               | 84 696          | 119 804        | 56 494         | 155 686        |                  | 22.5%                   | 26.3%                          | 112 865                          | 119 950        | 122 158        | -7.8%                   | 28.8%                          |
| Monitoring, compliance and surveillance | 97 849          | 139 758        | 59 187         | 201 877        |                  | 27.3%                   | 30.9%                          | 125 317                          | 124 809        | 129 414        | -13.8%                  | 32.3%                          |
| <b>Total expense</b>                    | <b>327 630</b>  | <b>376 657</b> | <b>269 029</b> | <b>585 431</b> |                  | <b>21.3%</b>            | <b>100.0%</b>                  | <b>391 331</b>                   | <b>400 123</b> | <b>411 890</b> | <b>-11.1%</b>           | <b>100.0%</b>                  |

## Expenditure estimates

**Table 26.27 Marine Living Resources Fund**

| Statement of financial performance                   |          |          |         | Revised estimate | Average growth rate (%) | Expenditure/total: Average (%) | Medium-term estimate |         |         | Average growth rate (%) | Expenditure/total: Average (%) |
|--|----------|----------|---------|------------------|-------------------------|--------------------------------|----------------------|---------|---------|-------------------------|--------------------------------|
| Audited outcome                                      |          |          |         |                  |                         |                                |                      |         |         |                         |                                |
| R thousand   | 2010/11  | 2011/12  | 2012/13 | 2013/14          | 2010/11 - 2013/14       |                                | 2014/15              | 2015/16 | 2016/17 | 2013/14 - 2016/17       |                                |
| Revenue  |          |          |         |                  |                         |                                |                      |         |         |                         |                                |
| Non-tax revenue                                      | 136 974  | 168 407  | 146 189 | 133 827          | -0.8%                   | 43.4%                          | 140 000              | 141 500 | 143 449 | 2.3%                    | 32.2%                          |
| Sale of goods and services other than capital assets | 129 997  | 159 822  | 134 141 | 107 000          | -6.3%                   | 39.9%                          | 108 000              | 108 500 | 109 449 | 0.8%                    | 24.9%                          |
| of which:  |          |          |         |                  |                         |                                |                      |         |         |                         |                                |
| Administrative fees                                  | 103 310  | 107 319  | 112 945 | 107 000          | 1.2%                    | 31.8%                          | 108 000              | 108 500 | 109 449 | 0.8%                    | 24.9%                          |
| Other sales  | 26 687   | 52 503   | 21 196  | —                | -100.0%                 | 8.1%                           | —                    | —       | —       | —                       | —                              |
| Other non-tax revenue                                | 6 977    | 8 585    | 12 048  | 26 827           | 56.7%                   | 3.5%                           | 32 000               | 33 000  | 34 000  | 8.2%                    | 7.3%                           |
| Transfers received                                   | 142 510  | 181 789  | 127 059 | 451 604          | 46.9%                   | 56.6%                          | 251 331              | 258 623 | 268 441 | -15.9%                  | 67.8%                          |
| Total revenue  | 279 484  | 350 196  | 273 248 | 585 431          | 27.9%                   | 100.0%                         | 391 331              | 400 123 | 411 890 | -11.1%                  | 100.0%                         |
| Expenses   |          |          |         |                  |                         |                                |                      |         |         |                         |                                |
| Current expenses                                     | 327 630  | 376 657  | 269 029 | 585 431          | 21.3%                   | 100.0%                         | 391 331              | 400 123 | 411 890 | -11.1%                  | 100.0%                         |
| Goods and services                                   | 297 275  | 345 864  | 237 812 | 557 424          | 23.3%                   | 91.5%                          | 361 331              | 370 123 | 378 890 | -12.1%                  | 93.0%                          |
| Depreciation   | 30 355   | 30 793   | 31 217  | 28 007           | -2.6%                   | 8.5%                           | 30 000               | 30 000  | 33 000  | 5.6%                    | 7.0%                           |
| Total expenses                                       | 327 630  | 376 657  | 269 029 | 585 431          | 21.3%                   | 100.0%                         | 391 331              | 400 123 | 411 890 | -11.1%                  | 100.0%                         |
| Surplus/(Deficit)                                    | (48 146) | (26 461) | 4 219   | —                | -100.0%                 |                                | —                    | —       | —       | —                       |                                |
| Statement of financial position                      |          |          |         |                  |                         |                                |                      |         |         |                         |                                |
| Carrying value of assets                             | 485 254  | 462 614  | 437 532 | 427 210          | -4.2%                   | 77.3%                          | 411 205              | 394 200 | 376 195 | -4.2%                   | 81.3%                          |
| of which:  |          |          |         |                  |                         |                                |                      |         |         |                         |                                |
| Acquisition of assets                                | 12 554   | 8 165    | 6 950   | 17 680           | 12.1%                   | 2.0%                           | 14 000               | 13 000  | 15 000  | -5.3%                   | 3.0%                           |
| Inventory  | 2 797    | 2 185    | 3 690   | —                | -100.0%                 | 0.3%                           | —                    | —       | —       | —                       | —                              |
| Receivables and prepayments                          | 13 935   | 11 455   | 12 516  | 11 651           | -5.8%                   | 2.1%                           | 14 065               | 11 000  | 11 000  | -1.9%                   | 2.4%                           |
| Cash and cash equivalents                            | 77 691   | 104 880  | 260 630 | 67 076           | -4.8%                   | 20.3%                          | 66 000               | 85 380  | 102 695 | 15.3%                   | 16.3%                          |
| Total assets   | 579 677  | 581 134  | 714 368 | 505 937          | -4.4%                   | 100.0%                         | 491 270              | 490 580 | 489 890 | -1.1%                   | 100.0%                         |
| Accumulated surplus/(deficit)                        | 497 291  | 470 661  | 474 883 | 474 883          | -1.5%                   | 81.8%                          | 474 883              | 474 883 | 474 883 | —                       | 96.1%                          |
| Capital reserve fund                                 | 51 146   | 71 428   | 193 790 | —                | -100.0%                 | 12.1%                          | —                    | —       | —       | —                       | —                              |
| Deferred income                                      | 3 458    | 2 878    | 2 766   | 2 077            | -15.6%                  | 0.5%                           | 1 387                | 697     | 7       | -85.0%                  | 0.2%                           |
| Trade and other payables                             | 27 782   | 36 167   | 42 932  | 28 977           | 1.4%                    | 5.7%                           | 15 000               | 15 000  | 15 000  | -19.7%                  | 3.7%                           |
| Total equity and liabilities                         | 579 677  | 581 134  | 714 371 | 505 937          | -4.4%                   | 100.0%                         | 491 270              | 490 580 | 489 890 | -1.1%                   | 100.0%                         |

## Expenditure trends

The Marine Living Resources Fund's main source of revenue is transfers received from the department, which increased between 2010/11 and 2013/14, due to an additional allocation of R71.8 million for the Working for Fisheries projects, which will see 3 550 jobs created in the rural coastal communities over the medium term. Over the same period, the fund's own revenue increased mainly due to the increase in the sale of confiscated fish and fish products, recreational permits, application fees and harbour fees. Revenue from sales of goods and services other than capital assets is also expected to increase due to an increase in application fees and levies. Interest earned is expected to remain constant in comparison to 2013/14, as it is expected that monies received from transfers will be spent without unnecessary delays.

As part of the protection of South Africa's fishing stocks, the fund's spending focus over the medium term will be in the marine resources research and the monitoring compliance and surveillance programmes on: conducting scientific surveys and research in 22 fisheries; creating 3 550 jobs in coastal and rural communities through the implementation of labour intensive projects such as anti-poaching, catch data monitors, and the development of fish processing facilities; and broadening the scope of the aquaculture sector by creating 15 aquaculture pilot projects by 2016/17.

Expenditure on goods and services for vessel operations and expanded public works programme projects is set to increase over the medium term due to the return to the fund of the fisheries patrol and research function that the South African Navy had previously taken over. It will also be a result of an increase in expanded public works programme projects intended to enhance the department's capacity to protect marine species and the coastline, and to improve employment opportunities for rural coastal communities.

The expenditure increase between 2010/11 and 2013/14 was due to the implementation of Working for Fisheries projects, which created over 4 178 jobs in rural coastal communities. The expenditure decrease between

2011/12 and 2012/13 was the result of the transfer of a vessel and its associated costs to the Department of Environmental Affairs and of Cabinet approved budget reduction of R45 million over the medium term. The reductions will be effected on non-core goods and services and will not have a negative impact on service delivery. The fund is managed by the department's staff, so compensation of employees is funded by the department through the subprogrammes.

## National Agricultural Marketing Council

### Mandate and goals

The National Agricultural Marketing Council was established in terms of the Marketing of Agricultural Products Act (1996) to provide strategic advice to the Minister of Agriculture, Forestry and Fisheries on all agricultural marketing issues, improve market efficiency and market access by all participants, optimise export earnings, and improve the viability of the agricultural sector.

The strategic goals of the council over the medium term are to:

- increase market access for all market participants
- promote efficiency in the marketing of agricultural products
- optimise export earnings from agricultural products and enhance the viability of the agricultural sector
- conduct quality research in support of agricultural marketing decision making
- formulate recommendations to the Minister of Agriculture, Forestry and Fisheries in support of an effectual agricultural marketing system
- provide development programmes that will link smallholder farmers to markets.

### Selected performance indicators

**Table 26.28 National Agricultural Marketing Council**

| Indicator  | Programme/ Activity/Objective                           | Outcomes   | Past    |         |         | Current | Projections |         |         |
|--|---|--|---------|---------|---------|---------|-------------|---------|---------|
|  |   |  | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15     | 2015/16 | 2016/17 |
| Number of agro-food chains and section 7 investigation reports published per year                          | Enhancement of the viability of the agricultural sector | Outcome 7: Vibrant, equitable and sustainable rural communities with food security for all | 9       | 10      | 11      | 12      | 15          | 16      | 18      |
| Number of quarterly food price trend reports published per year  | Enhancement of the viability of the agricultural sector |  | 4       | 4       | 4       | 4       | 4           | 4       | 4       |
| Number of annual food cost reviews published per year  | Enhancement of the viability of the agricultural sector |  | 1       | 1       | 1       | 1       | 1           | 1       | 1       |
| Number of annual food cost trends reports published per year   | Enhancement of the viability of the agricultural sector |  | 4       | 4       | 6       | 6       | 6           | 6       | 6       |
| Number of statutory measures undertaken per year   | Promotion of the viability of the agricultural sector   |  | 18      | 21      | 25      | 28      | 30          | 32      | 35      |
| Number of marketing schemes designed and implemented per year aimed at providing markets for black farmers | To increase market access of all market participants    |  | 2       | 2       | 4       | 4       | 4           | 4       | 4       |
| Number of black owned agribusinesses attending local and international trade shows per year                | To increase market access of all market participants    |  | 88      | 120     | 150     | 180     | 200         | 200     | 220     |

### Programmes/activities/objectives

**Table 26.29 National Agricultural Marketing Council**

|                                      | Audited outcome |               |               | Revised estimate | Average growth rate (%) | Expenditure/ total: Average (%) | Medium-term expenditure estimate |               |               | Average growth rate (%) | Expenditure/ total: Average (%) |
|--------------------------------------|-----------------|---------------|---------------|------------------|-------------------------|---------------------------------|----------------------------------|---------------|---------------|-------------------------|---------------------------------|
|                                      | 2010/11         | 2011/12       | 2012/13       |                  |                         |                                 | 2014/15                          | 2015/16       | 2016/17       |                         |                                 |
| R thousand                           |                 |               |               |                  |                         |                                 |                                  |               |               |                         |                                 |
| Administration                       | 15 736          | 16 023        | 15 647        | 17 415           | 3.4%                    | 45.0%                           | 18 393                           | 18 713        | 19 705        | 4.2%                    | 49.1%                           |
| Markets and economic research centre | 11 254          | 11 271        | 13 469        | 9 941            | -4.1%                   | 31.7%                           | 11 658                           | 12 331        | 12 972        | 9.3%                    | 30.9%                           |
| Statutory measures                   | 2 138           | 2 091         | 2 214         | 2 027            | -1.8%                   | 5.9%                            | 2 116                            | 2 393         | 2 517         | 7.5%                    | 6.0%                            |
| Agricultural trusts                  | 2 473           | 4 042         | 4 006         | 2 172            | -4.2%                   | 8.7%                            | 1 521                            | 1 663         | 1 749         | -7.0%                   | 4.7%                            |
| Agribusiness development             | 3 082           | 3 158         | 3 302         | 3 114            | 0.3%                    | 8.8%                            | 3 217                            | 3 767         | 3 963         | 8.4%                    | 9.3%                            |
| <b>Total expense</b>                 | <b>34 683</b>   | <b>36 585</b> | <b>38 638</b> | <b>34 669</b>    | <b>-0.0%</b>            | <b>100.0%</b>                   | <b>36 905</b>                    | <b>38 867</b> | <b>40 906</b> | <b>5.7%</b>             | <b>100.0%</b>                   |



## Expenditure estimates

Table 26.30 National Agricultural Marketing Council

| Statement of financial performance   |         |         |         | Revised estimate | Average growth rate (%) | Expenditure/total: Average (%) |         |         |         | Average growth rate (%) | Expenditure/total: Average (%) |
|--------------------------------------|---------|---------|---------|------------------|-------------------------|--------------------------------|---------|---------|---------|-------------------------|--------------------------------|
| Audited outcome                      |         |         |         |                  |                         |                                |         |         |         |                         |                                |
| R thousand                           | 2010/11 | 2011/12 | 2012/13 | 2013/14          | 2010/11 - 2013/14       |                                | 2014/15 | 2015/16 | 2016/17 | 2013/14 - 2016/17       |                                |
| Revenue                              |         |         |         |                  |                         |                                |         |         |         |                         |                                |
| Non-tax revenue                      | 2 491   | 1 492   | 5 334   | 850              | -30.1%                  | 7.1%                           | 900     | 954     | 985     | 5.0%                    | 2.4%                           |
| Other non-tax revenue                | 2 491   | 1 492   | 5 334   | 850              | -30.1%                  | 7.1%                           | 900     | 954     | 985     | 5.0%                    | 2.4%                           |
| Transfers received                   | 31 194  | 36 049  | 31 409  | 33 819           | 2.7%                    | 92.9%                          | 36 005  | 37 912  | 39 921  | 5.7%                    | 97.6%                          |
| Total revenue                        | 33 685  | 37 541  | 36 743  | 34 669           | 1.0%                    | 100.0%                         | 36 905  | 38 866  | 40 906  | 5.7%                    | 100.0%                         |
| Expenses                             |         |         |         |                  |                         |                                |         |         |         |                         |                                |
| Current expenses                     | 34 683  | 36 585  | 38 638  | 34 669           | -0.0%                   | 100.0%                         | 36 905  | 38 867  | 40 906  | 5.7%                    | 100.0%                         |
| Compensation of employees            | 20 917  | 22 848  | 22 430  | 21 399           | 0.8%                    | 60.6%                          | 24 760  | 26 482  | 27 859  | 9.2%                    | 66.3%                          |
| Goods and services                   | 13 210  | 13 241  | 15 600  | 12 541           | -1.7%                   | 37.7%                          | 11 400  | 11 592  | 12 217  | -0.9%                   | 31.7%                          |
| Depreciation                         | 532     | 458     | 576     | 694              | 9.3%                    | 1.6%                           | 707     | 749     | 788     | 4.3%                    | 1.9%                           |
| Interest, dividends and rent on land | 24      | 38      | 32      | 35               | 13.4%                   | 0.1%                           | 38      | 44      | 42      | 6.3%                    | 0.1%                           |
| Total expenses                       | 34 683  | 36 585  | 38 638  | 34 669           | -0.0%                   | 100.0%                         | 36 905  | 38 867  | 40 906  | 5.7%                    | 100.0%                         |
| Surplus/(Deficit)                    | (998)   | 956     | (1 895) | -                | -100.0%                 |                                | -       | (1)     | -       | -                       |                                |
| Statement of financial position      |         |         |         |                  |                         |                                |         |         |         |                         |                                |
| Carrying value of assets             | 1 458   | 1 500   | 781     | 1 540            | 1.8%                    | 33.8%                          | 1 600   | 1 602   | 1 650   | 2.3%                    | 39.5%                          |
| of which:                            |         |         |         |                  |                         |                                |         |         |         |                         |                                |
| Acquisition of assets                | 281     | 386     | 356     | 102              | -28.7%                  | 7.2%                           | 109     | 114     | 120     | 5.6%                    | 2.8%                           |
| Inventory                            | 38      | 55      | 13      | 66               | 20.2%                   | 1.1%                           | 28      | 30      | 32      | -21.4%                  | 1.0%                           |
| Receivables and prepayments          | 262     | 662     | 39      | 663              | 36.3%                   | 10.2%                          | 262     | 350     | 300     | -23.2%                  | 9.7%                           |
| Cash and cash equivalents            | 1 606   | 1 902   | 3 363   | 1 902            | 5.8%                    | 54.9%                          | 2 100   | 2 000   | 2 070   | 2.9%                    | 49.9%                          |
| Total assets                         | 3 364   | 4 119   | 4 196   | 4 171            | 7.4%                    | 100.0%                         | 3 990   | 3 982   | 4 052   | -1.0%                   | 100.0%                         |
| Accumulated surplus/(deficit)        | 1 542   | 2 498   | 1 542   | 1 542            | -                       | 45.1%                          | 1 542   | 1 542   | 1 542   | -                       | 38.1%                          |
| Finance lease                        | 121     | 174     | 220     | 170              | 12.0%                   | 4.3%                           | 155     | 180     | 250     | 13.7%                   | 4.7%                           |
| Deferred income                      | 531     | 292     | 531     | 350              | -13.0%                  | 11.0%                          | 300     | 360     | 300     | -5.0%                   | 8.1%                           |
| Trade and other payables             | 1 170   | 1 155   | 1 903   | 2 109            | 21.7%                   | 39.7%                          | 1 993   | 1 900   | 1 960   | -2.4%                   | 49.1%                          |
| Total equity and liabilities         | 3 364   | 4 119   | 4 196   | 4 171            | 7.4%                    | 100.0%                         | 3 990   | 3 982   | 4 052   | -1.0%                   | 100.0%                         |

## Personnel information

Table 26.31 National Agricultural Marketing Council

| Number of posts estimated for 31 March 2014 |                        |   | Number and cost <sup>1</sup> of personnel posts filled / planned for on funded establishment |      |           |                  |      |           |                                  |      |           |        |         |           |                         |                                 |                   | Number |        |
|---|------------------------|---|--|------|-----------|------------------|------|-----------|----------------------------------|------|-----------|--------|---------|-----------|-------------------------|---------------------------------|-------------------|--------|--------|
| Salary level                                | Number of funded posts | Number of posts on approved establishment | Actual   |      |           | Revised estimate |      |           | Medium-term expenditure estimate |      |           |        |         |           | Average growth rate (%) | Salary level/total: Average (%) |                   |        |        |
|   |                        |   | 2012/13  |      |           | 2013/14          |      |           | 2014/15                          |      | 2015/16   |        | 2016/17 |           |                         |                                 | 2013/14 - 2016/17 |        |        |
|   |                        |   | Number   | Cost | Unit Cost | Number           | Cost | Unit Cost | Number                           | Cost | Unit Cost | Number | Cost    | Unit Cost |                         |                                 |                   | Number | Cost   |
|   |                        |   | 46   | 22.4 | 0.5       | 46               | 21.4 | 0.5       | 46                               | 24.8 | 0.5       | 46     | 26.5    | 0.6       | 46                      | 27.9                            | 0.6               | 9.2%   | 100.0% |
| 1 – 6                                       | 8                      | 8   | 8  | 0.7  | 0.1       | 8                | 0.7  | 0.1       | 8                                | 0.8  | 0.1       | 8      | 0.8     | 0.1       | 8                       | 0.9                             | 0.1               | 5.7%   | 17.4%  |
| 7 – 10                                      | 2                      | 2   | 2  | 0.6  | 0.3       | 2                | 0.6  | 0.3       | 2                                | 0.7  | 0.3       | 2      | 0.7     | 0.3       | 2                       | 0.7                             | 0.4               | 5.7%   | 4.3%   |
| 11 – 12                                     | 28                     | 28  | 28   | 14.4 | 0.5       | 28               | 12.9 | 0.5       | 28                               | 15.8 | 0.6       | 28     | 17.0    | 0.6       | 28                      | 17.8                            | 0.6               | 11.4%  | 60.9%  |
| 13 – 16                                     | 8                      | 8   | 8  | 6.7  | 0.8       | 8                | 7.1  | 0.9       | 8                                | 7.6  | 0.9       | 8      | 8.0     | 1.0       | 8                       | 8.4                             | 1.1               | 5.7%   | 17.4%  |

1. Rand million.

## Expenditure trends

The spending focus of the National Agricultural Marketing Council over the medium term will be on capacitating the department's knowledge management and policy making ability and its market intelligence food price monitoring, input cost monitoring, trade probes, fruit trade flow, and food cost review publications. Spending will also be directed to the national red meat development project, which focuses on custom feeding programmes, auction coordination and farmer training; developing agribusiness programmes that will link farmers to markets through 12 marketing schemes that will be implemented over the medium term; and assisting 620 black owned agribusinesses to attend local and international trade shows. The main contributors to increases in expenditure are compensation of employees, and goods and services. Goods and services spending relates mainly to travel and subsistence on projects such as national red meat development, and to research and agribusiness activities which have provided market access to black farmers.

Over the medium term, expenditure on compensation of employees is set to increase due to improved conditions of service, while the number of employees is expected to remain constant at 46 over this period. Over the same period, the council has budgeted R1.1 million for consultants who provide specialised skills such as IT support services, including support for the Pastel evolution system and VIP system support.

## Ncera Farms

### Mandate and strategic goals

Ncera Farms (Pty) Ltd is a public company listed in schedule 3B of the Public Finance Management Act (1999), with the Department of Agriculture, Forestry and Fisheries as the sole shareholder. Its mandate is to provide extension, mechanical services, and training and agricultural support services to the farmers settled on Ncera farmland, as well as the neighbouring communities.

The strategic goals of Ncera Farms focus on livestock and crop production with a view to supporting local farmers and communities, and to developing partnerships with other stakeholders, entities and institutions.

### Selected performance indicators

Table 26.32 Ncera Farms

| Indicator  | Programme/ Activity/Objective                                 | Outcome  | Past           |                |         | Current        | Projections    |         |                |
|--|---|--|----------------|----------------|---------|----------------|----------------|---------|----------------|
|  |   |  | 2010/11        | 2011/12        | 2012/13 |                | 2014/15        | 2015/16 | 2016/17        |
| Number of hectares of land under contract ploughing per year   | Livestock, training, goats, contract ploughing and vegetables | Outcome 7: Vibrant, equitable and sustainable rural communities with food security for all | 65ha           | 45ha           | 45ha    | 50ha           | 50ha           | 55ha    | 55ha           |
| Number of hectares of land used for vegetable production (tomatoes, cabbage, spinach, potatoes and butternut) per year | Livestock, training, goats, contract ploughing and vegetables |  | — <sup>1</sup> | 61ha           | 5ha     | 5ha            | 5ha            | 5ha     | 5ha            |
| Number of goats to be purchased per year   | Livestock, training, goats, contract ploughing and vegetables |  | — <sup>1</sup> | — <sup>1</sup> | 216     | — <sup>2</sup> | — <sup>2</sup> | 160     | — <sup>2</sup> |

1. No past data, as this is a new indicator

2. Ncera Farms does not anticipate buying goats in 2013/14, 2014/15 and 2016/17, as they expect more kids to be born. This is to avoid having excess stock on hand.

### Programmes/activities/objectives

Table 26.33 Ncera Farms

|   | Audited outcome |              |              | Revised estimate | Average growth rate (%) | Expenditure/ total: Average (%) | Medium-term expenditure estimate |              |              | Average growth rate (%) | Expenditure/ total: Average (%) |
|---|-----------------|--------------|--------------|------------------|-------------------------|---------------------------------|----------------------------------|--------------|--------------|-------------------------|---------------------------------|
|   | 2010/11         | 2011/12      | 2012/13      |                  |                         |                                 | 2014/15                          | 2015/16      | 2016/17      |                         |                                 |
| R thousand  |                 |              |              |                  |                         |                                 |                                  |              |              |                         |                                 |
| Administration  | 2 614           | 5 554        | 5 124        | 3 279            | 7.8%                    | 89.5%                           | 3 505                            | 3 800        | 3 932        | 6.2%                    | 96.9%                           |
| To ensure that the workshop runs effectively and efficiently            | 144             | 300          | 156          | 30               | -40.7%                  | 3.2%                            | 32                               | 33           | 35           | 5.3%                    | 0.9%                            |
| To produce and sell vegetables to the market and locally                | 52              | 60           | 28           | —                | -100.0%                 | 0.8%                            | 5                                | 6            | 6            | —                       | 0.1%                            |
| To produce healthy livestock for breeding and income generation purpose | 539             | 459          | 44           | 75               | -48.2%                  | 6.6%                            | 79                               | 83           | 87           | 5.1%                    | 2.2%                            |
| <b>Total expense</b>  | <b>3 349</b>    | <b>6 373</b> | <b>5 352</b> | <b>3 384</b>     | <b>0.3%</b>             | <b>100.0%</b>                   | <b>3 621</b>                     | <b>3 922</b> | <b>4 060</b> | <b>6.3%</b>             | <b>100.0%</b>                   |

## Expenditure estimates

Table 26.34 Ncera Farms

| Statement of financial performance                   |                 |              |              |                  | Average growth rate (%) | Expenditure/total: Average (%) |                      |              |              | Average growth rate (%) | Expenditure/total: Average (%) |
|--|-----------------|--------------|--------------|------------------|-------------------------|--------------------------------|----------------------|--------------|--------------|-------------------------|--------------------------------|
|  | Audited outcome |              |              | Revised estimate |                         |                                | Medium-term estimate |              |              |                         |                                |
| R thousand   | 2010/11         | 2011/12      | 2012/13      | 2013/14          | 2010/11 - 2013/14       |                                | 2014/15              | 2015/16      | 2016/17      | 2013/14 - 2016/17       |                                |
| <b>Revenue</b>                                       |                 |              |              |                  |                         |                                |                      |              |              |                         |                                |
| <b>Non-tax revenue</b>                               | <b>1 076</b>    | <b>2 127</b> | <b>174</b>   | <b>28</b>        | -70.4%                  | 16.3%                          | <b>8</b>             | <b>9</b>     | <b>9</b>     | -31.5%                  | 0.4%                           |
| Sale of goods and services other than capital assets | 834             | 2 083        | 129          | 20               | -71.2%                  | 14.3%                          | —                    | —            | —            | -100.0%                 | 0.1%                           |
| <i>of which:</i>                                     |                 |              |              |                  |                         |                                |                      |              |              |                         |                                |
| Administrative fees                                  | —               | 2 083        | —            | —                | —                       | 8.1%                           | —                    | —            | —            | —                       | —                              |
| Sales by market establishment                        | 834             | —            | 129          | 20               | -71.2%                  | 6.2%                           | —                    | —            | —            | -100.0%                 | 0.1%                           |
| Other non-tax revenue                                | 242             | 44           | 45           | 8                | -67.9%                  | 2.0%                           | 8                    | 9            | 9            | 4.0%                    | 0.2%                           |
| <b>Transfers received</b>                            | <b>2 790</b>    | <b>4 291</b> | <b>4 989</b> | <b>3 389</b>     | <b>6.7%</b>             | <b>83.7%</b>                   | <b>3 620</b>         | <b>3 822</b> | <b>4 025</b> | <b>5.9%</b>             | <b>99.6%</b>                   |
| <b>Total revenue</b>                                 | <b>3 866</b>    | <b>6 418</b> | <b>5 163</b> | <b>3 417</b>     | <b>-4.0%</b>            | <b>100.0%</b>                  | <b>3 628</b>         | <b>3 831</b> | <b>4 034</b> | <b>5.7%</b>             | <b>100.0%</b>                  |
| <b>Expenses</b>                                      |                 |              |              |                  |                         |                                |                      |              |              |                         |                                |
| <b>Current expenses</b>                              | <b>3 349</b>    | <b>6 373</b> | <b>5 352</b> | <b>3 384</b>     | <b>0.3%</b>             | <b>100.0%</b>                  | <b>3 621</b>         | <b>3 800</b> | <b>4 060</b> | <b>6.3%</b>             | <b>100.0%</b>                  |
| Compensation of employees                            | 1 508           | 2 282        | 3 184        | 3 088            | 27.0%                   | 57.9%                          | 3 137                | 3 243        | 3 383        | 3.1%                    | 86.6%                          |
| Goods and services                                   | 1 719           | 3 981        | 1 953        | 191              | -51.9%                  | 39.0%                          | 410                  | 472          | 592          | 45.8%                   | 11.0%                          |
| Depreciation   | 101             | 110          | 215          | 105              | 1.3%                    | 3.0%                           | 74                   | 85           | 85           | -6.8%                   | 2.4%                           |
| Interest, dividends and rent on land                 | 21              | —            | —            | —                | -100.0%                 | 0.2%                           | —                    | —            | —            | —                       | —                              |
| <b>Total expenses</b>                                | <b>3 349</b>    | <b>6 373</b> | <b>5 352</b> | <b>3 384</b>     | <b>0.3%</b>             | <b>100.0%</b>                  | <b>3 621</b>         | <b>3 800</b> | <b>4 060</b> | <b>6.3%</b>             | <b>100.0%</b>                  |
| <b>Surplus/(Deficit)</b>                             | <b>517</b>      | <b>45</b>    | <b>(189)</b> | <b>33</b>        | <b>-60.0%</b>           |                                | <b>7</b>             | <b>31</b>    | <b>(26)</b>  | <b>-192.4%</b>          |                                |
| <b>Statement of financial position</b>               |                 |              |              |                  |                         |                                |                      |              |              |                         |                                |
| Carrying value of assets                             | 1 830           | 2 344        | 2 263        | 2 232            | 6.8%                    | 59.2%                          | 2 100                | 2 050        | 1 980        | -3.9%                   | 66.3%                          |
| <i>of which:</i>                                     |                 |              |              |                  |                         |                                |                      |              |              |                         |                                |
| Acquisition of assets                                | —               | 649          | 201          | —                | —                       | 5.3%                           | —                    | —            | —            | —                       | —                              |
| Inventory  | 1 307           | 79           | 536          | 560              | -24.6%                  | 17.0%                          | 950                  | 1 200        | 1 280        | 31.7%                   | 31.4%                          |
| Receivables and prepayments                          | 18              | 20           | 9            | —                | -100.0%                 | 0.3%                           | —                    | —            | —            | —                       | —                              |
| Cash and cash equivalents                            | 715             | 1 690        | 960          | 283              | -26.6%                  | 23.5%                          | —                    | —            | —            | -100.0%                 | 2.3%                           |
| <b>Total assets</b>                                  | <b>3 870</b>    | <b>4 133</b> | <b>3 768</b> | <b>3 075</b>     | <b>-7.4%</b>            | <b>100.0%</b>                  | <b>3 050</b>         | <b>3 250</b> | <b>3 260</b> | <b>2.0%</b>             | <b>100.0%</b>                  |
| Accumulated surplus/(deficit)                        | (35 909)        | 46 756       | (45 144)     | (48 533)         | 10.6%                   | -643.3%                        | (52 153)             | (55 975)     | (60 065)     | 7.4%                    | -1 713.3%                      |
| Capital and reserves                                 | 39 666          | (42 954)     | 48 757       | 51 528           | 9.1%                    | 738.9%                         | 55 133               | 59 165       | 63 275       | 7.1%                    | 1 811.2%                       |
| Trade and other payables                             | 113             | 331          | 154          | 80               | -10.9%                  | 4.4%                           | 70                   | 60           | 50           | -14.5%                  | 2.1%                           |
| <b>Total equity and liabilities</b>                  | <b>3 870</b>    | <b>4 133</b> | <b>3 767</b> | <b>3 075</b>     | <b>-7.4%</b>            | <b>100.0%</b>                  | <b>3 050</b>         | <b>3 250</b> | <b>3 260</b> | <b>2.0%</b>             | <b>100.0%</b>                  |

## Personnel information

Table 26.35 Ncera Farms

| Number of posts estimated for 31 March 2014 |                        |   | Number and cost <sup>1</sup> of personnel posts filled / planned for on funded establishment |      |           |                  |      |           |                                  |      |           |         |      |           |                         |                                 |         | Number |           |                   |
|---|------------------------|---|--|------|-----------|------------------|------|-----------|----------------------------------|------|-----------|---------|------|-----------|-------------------------|---------------------------------|---------|--------|-----------|-------------------|
| Salary level                                | Number of funded posts | Number of posts on approved establishment | Actual   |      |           | Revised estimate |      |           | Medium-term expenditure estimate |      |           |         |      |           | Average growth rate (%) | Salary level/total: Average (%) |         |        |           |                   |
|   |                        |   | 2012/13  |      |           | 2013/14          |      |           | 2014/15                          |      |           | 2015/16 |      |           |                         |                                 | 2016/17 |        |           | 2013/14 - 2016/17 |
|   |                        |   | Number   | Cost | Unit Cost | Number           | Cost | Unit Cost | Number                           | Cost | Unit Cost | Number  | Cost | Unit Cost |                         |                                 | Number  | Cost   | Unit Cost |                   |
|   |                        |   |  |      |           |                  |      |           |                                  |      |           |         |      |           |                         |                                 |         |        |           |                   |
|   | 33                     | 33  | 33   | 3.2  | 0.1       | 32               | 3.1  | 0.1       | 29                               | 3.1  | 0.1       | 25      | 3.2  | 0.1       | 23                      | 3.4                             | 0.1     | 3.1%   | 100.0%    |                   |
| 1 – 6                                       | 31                     | 31  | 31   | 1.8  | 0.1       | 30               | 1.5  | 0.1       | 27                               | 1.4  | 0.1       | 23      | 1.4  | 0.1       | 21                      | 1.5                             | 0.1     | -1.0%  | 81.5%     |                   |
| 13 – 16                                     | 2                      | 2   | 2  | 1.4  | 0.7       | 2                | 1.6  | 0.8       | 2                                | 1.7  | 0.8       | 2       | 1.8  | 0.9       | 2                       | 1.9                             | 1.0     | 6.7%   | 18.5%     |                   |

1. Rand million.

## Expenditure trends

Revenue for Ncera Farms consists mainly of transfers from the department. This constitutes 99.6 per cent of total revenue over the medium term. Between 2010/11 and 2012/13, revenue was also generated from the sale of livestock and vegetables, but that service has since been discontinued in line with the change in strategic focus from selling produce to training farmers.

The spending focus of the entity over the medium term is on supporting local farmers by purchasing 160 goats and increasing vegetable production on 5 hectares of land with a view to supporting local farmers, and ploughing 55 hectares of production land for the surrounding communities; and on developing partnerships with other stakeholders and institutions as part of a historical community based farming initiative. Expenditure on

compensation of employees is the largest item of expenditure, covering the cost of 33 employees. The entity had one vacant post at the end of November 2013, due to natural attrition. Spending on compensation of employees is expected to increase marginally over the medium term due to provisions for improved conditions of service and other inflation related adjustments.

## Onderstepoort Biological Products

### Mandate and Strategic goals

Onderstepoort Biological Products was established by the Onderstepoort Biological Products Incorporation Act (1999). The company's mandate is to prevent and control animal diseases that impact on food security, human health, and livelihoods.

The company's strategic goals over the medium term are to:

- invest in new product development, such as safer and affordable vaccines, to meet new market needs due to climate change and new and emerging diseases
- invest in process development capacity to take new products to market
- improve strategic partnerships to leverage research, development and funding capacities within the national systems of innovation.

For the company to increase the production of, and introduce, new viral and bacterial vaccines over the medium term, it will build a new good manufacturing practice facility to improve manufacturing efficiency, reduce the production input costs, and ensure that vaccines remain affordable in the market. In collaboration with the department the company will secure a supply of vaccines, constituting 80 per cent of its current portfolio, that generate no profit to the organisation but are critical in limiting the spread of diseases such as Rift Valley fever, African horse sickness and lumpy skin, which affect the local livestock sector.

### Selected performance indicators

**Table 26.36 Onderstepoort Biological Products**

| Indicator   | Programme/Activity/Objective       | Outcome  | Past         |              |              | Current      | Projections  |            |              |
|---|------------------------------------|--|--------------|--------------|--------------|--------------|--------------|------------|--------------|
|   |                                    |  | 2010/11      | 2011/12      | 2012/13      | 2013/14      | 2014/15      | 2015/16    | 2016/17      |
| Number of publications supporting the company's vaccines per year | Research and development           | Outcome 7: Vibrant, equitable and sustainable rural communities with food security for all | 4            | 4            | 3            | 4            | 5            | 5          | 6            |
| Number of 'products' vaccines per year                            | Effective and efficient production |  | 84 million   | 67 million   | 78 million   | 80 million   | 85 million   | 87 million | 123 million  |
| Number of doses of vaccines (various products) produced per year  | Effective and efficient production |  | 83 million   | 57 million   | 78 million   | 80 million   | 85 million   | 87 million | 123 million  |
| Percentage of cost of sales over sales per year                   | Financial performance              |  | 34% (R54.5m) | 30% (R34.4m) | 36% (R50.2m) | 33% (R52.1m) | 30% (R49.7m) | 30% (R55m) | 30% (R58.3m) |
| Number of new or improved products per year                       | Effective and efficient production |  | 4            | 1            | 3            | 1            | 1            | 1          | 1            |
| Training costs per year   | Human capital development          |  | R700 000     | R1 200 000   | R1 200 000   | R1 310 000   | R1 441 000   | R1 534 000 | R 1 626 040  |

### Programmes/activities/objectives

**Table 26.37 Onderstepoort Biological Products**

|                      | Audited outcome |                |                | Revised estimate | Average growth rate (%) | Expenditure/total: Average (%) | Medium-term expenditure estimate |                |                | Average growth rate (%) | Expenditure/total: Average (%) |
|----------------------|-----------------|----------------|----------------|------------------|-------------------------|--------------------------------|----------------------------------|----------------|----------------|-------------------------|--------------------------------|
|                      | 2010/11         | 2011/12        | 2012/13        |                  |                         |                                | 2014/15                          | 2015/16        | 2016/17        |                         |                                |
| R thousand           |                 |                |                |                  |                         |                                |                                  |                |                |                         |                                |
| Administration       | 61 347          | 55 295         | 53 600         | 49 064           | -7.2%                   | 44.6%                          | 52 295                           | 55 740         | 59 085         | 6.4%                    | 41.5%                          |
| <b>Total expense</b> | <b>148 551</b>  | <b>114 539</b> | <b>122 295</b> | <b>109 456</b>   | <b>-9.7%</b>            | <b>100.0%</b>                  | <b>125 746</b>                   | <b>143 934</b> | <b>144 766</b> | <b>9.8%</b>             | <b>41.5%</b>                   |

## Expenditure estimates

**Table 26.38 Onderstepoort Biological Products**

| Statement of financial performance                   |         |         |          | Revised estimate | Average growth rate (%) | Expenditure/total: Average (%) |         |           |           | Average growth rate (%) | Expenditure/total: Average (%) |
|--|---------|---------|----------|------------------|-------------------------|--------------------------------|---------|-----------|-----------|-------------------------|--------------------------------|
| Audited outcome                                      |         |         |          |                  |                         |                                |         |           |           |                         |                                |
| R thousand   | 2010/11 | 2011/12 | 2012/13  | 2013/14          | 2010/11 - 2013/14       |                                | 2014/15 | 2015/16   | 2016/17   | 2013/14 - 2016/17       |                                |
| Revenue  |         |         |          |                  |                         |                                |         |           |           |                         |                                |
| Non-tax revenue                                      | 167 086 | 108 192 | 94 940   | 92 852           | -17.8%                  | 84.3%                          | 135 485 | 145 939   | 152 077   | 17.9%                   | 57.5%                          |
| Sale of goods and services other than capital assets | 160 193 | 98 402  | 89 032   | 81 338           | -20.2%                  | 78.1%                          | 125 000 | 133 000   | 139 650   | 19.7%                   | 52.3%                          |
| of which:  |         |         |          |                  |                         |                                |         |           |           |                         |                                |
| Sales by market establishment                        | 160 193 | 98 402  | 89 032   | 81 338           | -20.2%                  | 78.1%                          | 125 000 | 133 000   | 139 650   | 19.7%                   | 52.3%                          |
| Other non-tax revenue                                | 6 893   | 9 790   | 5 908    | 11 514           | 18.7%                   | 6.1%                           | 10 485  | 12 939    | 12 427    | 2.6%                    | 5.2%                           |
| Transfers received                                   | 2 976   | 2 959   | 2 959    | 102 974          | 225.9%                  | 15.0%                          | 144 104 | 279 469   | –         | -100.0%                 | 42.5%                          |
| Total revenue  | 170 062 | 111 151 | 100 855  | 195 826          | 4.8%                    | 100.0%                         | 279 589 | 425 409   | 152 077   | -8.1%                   | 100.0%                         |
| Expenses   |         |         |          |                  |                         |                                |         |           |           |                         |                                |
| Current expenses                                     | 140 555 | 114 084 | 122 295  | 109 456          | -8.0%                   | 98.6%                          | 125 746 | 143 934   | 144 766   | 9.8%                    | 100.0%                         |
| Compensation of employees                            | 61 347  | 55 295  | 53 600   | 49 064           | -7.2%                   | 44.6%                          | 52 295  | 55 740    | 59 085    | 6.4%                    | 41.5%                          |
| Goods and services                                   | 70 780  | 50 452  | 59 492   | 52 003           | -9.8%                   | 47.0%                          | 64 005  | 77 470    | 74 422    | 12.7%                   | 50.9%                          |
| Depreciation   | 8 428   | 8 337   | 9 203    | 8 389            | -0.2%                   | 7.0%                           | 9 446   | 10 723    | 11 259    | 10.3%                   | 7.6%                           |
| Total expenses                                       | 148 551 | 114 538 | 122 295  | 109 456          | -9.7%                   | 100.0%                         | 125 746 | 143 934   | 144 766   | 9.8%                    | 100.0%                         |
| Surplus/(Deficit)                                    | 21 511  | (3 387) | (21 440) | 86 369           | 58.9%                   |                                | 153 843 | 281 475   | 7 311     | -56.1%                  |                                |
| Statement of financial position                      |         |         |          |                  |                         |                                |         |           |           |                         |                                |
| Carrying value of assets                             | 62 281  | 74 234  | 84 905   | 210 302          | 50.0%                   | 39.8%                          | 363 315 | 630 729   | 1 239 129 | 80.6%                   | 67.2%                          |
| of which:  |         |         |          |                  |                         |                                |         |           |           |                         |                                |
| Acquisition of assets                                | 3 452   | 20 430  | 20 536   | 96 500           | 203.5%                  | 12.2%                          | 127 500 | 268 400   | –         | -100.0%                 | 19.1%                          |
| Inventory  | 19 288  | 25 175  | 18 932   | 22 328           | 5.0%                    | 8.5%                           | 23 445  | 24 617    | 25 848    | 5.0%                    | 3.7%                           |
| Receivables and prepayments                          | 11 305  | 16 783  | 9 113    | 12 464           | 3.3%                    | 5.0%                           | 13 087  | 13 741    | 14 428    | 5.0%                    | 2.1%                           |
| Cash and cash equivalents                            | 150 617 | 99 715  | 108 553  | 87 658           | -16.5%                  | 44.9%                          | 200 355 | 353 688   | 205 000   | 32.7%                   | 27.0%                          |
| Taxation   | 4 024   | 4 070   | 8 616    | –                | -100.0%                 | 1.8%                           | –       | –         | –         | –                       | –                              |
| Total assets   | 247 516 | 219 977 | 230 120  | 332 752          | 10.4%                   | 100.0%                         | 600 202 | 1 022 776 | 1 484 406 | 64.6%                   | 100.0%                         |
| Statement of financial position                      |         |         |          |                  |                         |                                |         |           |           |                         |                                |
| Accumulated surplus/(deficit)                        | 173 556 | 170 168 | 148 728  | 157 256          | -3.2%                   | 64.8%                          | 177 047 | 199 384   | 722 144   | 66.2%                   | 36.2%                          |
| Capital and reserves                                 | 1       | 1       | 1        | 1                | –                       | 0.0%                           | 1       | 1         | 1         | –                       | 0.0%                           |
| Capital reserve fund                                 | 35 734  | 32 776  | 63 964   | 27 576           | -8.3%                   | 16.4%                          | 25 335  | 23 094    | 24 249    | -4.2%                   | 4.1%                           |
| Deferred income                                      | –       | –       | –        | 121 066          | –                       | 9.1%                           | 369 653 | 770 722   | 693 650   | 78.9%                   | 55.0%                          |
| Trade and other payables                             | 17 643  | 17 032  | 17 427   | 24 319           | 11.3%                   | 7.4%                           | 25 506  | 26 781    | 40 172    | 18.2%                   | 4.2%                           |
| Taxation   | 9 804   | –       | –        | –                | -100.0%                 | 1.0%                           | –       | –         | –         | –                       | –                              |
| Provisions   | 10 777  | –       | –        | 2 534            | -38.3%                  | 1.3%                           | 2 660   | 2 793     | 4 190     | 18.2%                   | 0.4%                           |
| Total equity and liabilities                         | 247 515 | 219 977 | 230 120  | 332 752          | 10.4%                   | 100.0%                         | 600 202 | 1 022 776 | 1 484 405 | 64.6%                   | 100.0%                         |
| Contingent liabilities                               | –       | –       | –        | –                |                         |                                | –       | –         | 0.4       |                         |                                |

## Personnel information

**Table 26.39 Onderstepoort Biological Products**

| Number of posts estimated for 31 March 2014 |                        | Number and cost <sup>1</sup> of personnel posts filled / planned for on funded establishment |         |      |           |                  |      |           |                                  |      |           |         |      |           |                         |                                 | Number  |       |           |                   |
|---|------------------------|--|---------|------|-----------|------------------|------|-----------|----------------------------------|------|-----------|---------|------|-----------|-------------------------|---------------------------------|---------|-------|-----------|-------------------|
| Salary level                                | Number of funded posts | Number of posts on approved establishment  | Actual  |      |           | Revised estimate |      |           | Medium-term expenditure estimate |      |           |         |      |           | Average growth rate (%) | Salary level/total: Average (%) |         |       |           |                   |
|   |                        |  | 2012/13 |      |           | 2013/14          |      |           | 2014/15                          |      |           | 2015/16 |      |           |                         |                                 | 2016/17 |       |           | 2013/14 - 2016/17 |
|   |                        |  | Number  | Cost | Unit Cost | Number           | Cost | Unit Cost | Number                           | Cost | Unit Cost | Number  | Cost | Unit Cost |                         |                                 | Number  | Cost  | Unit Cost |                   |
|   |                        |  |         |      |           |                  |      |           |                                  |      |           |         |      |           |                         |                                 |         |       |           |                   |
|   | 228                    | 239  | 197     | 53.6 | 0.3       | 189              | 49.1 | 0.3       | 195                              | 52.3 | 0.3       | 198     | 55.7 | 0.3       | 198                     | 59.1                            | 0.3     | 6.4%  | 100.0%    |                   |
| 1 – 6                                       | 84                     | 89   | 78      | 8.3  | 0.1       | 76               | 8.3  | 0.1       | 79                               | 9.1  | 0.1       | 81      | 10.1 | 0.1       | 81                      | 10.7                            | 0.1     | 8.8%  | 40.6%     |                   |
| 7 – 10                                      | 91                     | 94   | 78      | 18.4 | 0.2       | 72               | 16.4 | 0.2       | 79                               | 18.4 | 0.2       | 69      | 16.5 | 0.2       | 69                      | 17.5                            | 0.3     | 2.2%  | 37.1%     |                   |
| 11 – 12                                     | 41                     | 41   | 33      | 21.0 | 0.6       | 28               | 12.5 | 0.4       | 26                               | 14.4 | 0.6       | 36      | 17.3 | 0.5       | 27                      | 12.0                            | 0.4     | -1.3% | 15.0%     |                   |
| 13 – 16                                     | 12                     | 15   | 8       | 6.0  | 0.7       | 13               | 11.9 | 0.9       | 11                               | 10.4 | 0.9       | 12      | 11.8 | 1.0       | 21                      | 18.9                            | 0.9     | 16.7% | 7.3%      |                   |

1. Rand million.

## Expenditure trends

Revenue for Onderstepoort Biological Products is generated mainly from the sale and supply of livestock vaccines. Revenue decreased between 2010/11 and 2012/13 due to a breakdown in production equipment and

the poor availability of products. In 2010/11 the company generated R160 million in revenue, mainly from the sales of vaccines to curb the outbreak of Rift Valley fever. Revenue is projected to increase over the medium term due to the anticipated launch of new products and the company's entry into new markets. The revenue generated is used to fund the operations of the business. The company does not receive any operational budget transfers from the department.

The spending focus over the medium term will be on building and modernising the vaccine production facility to good manufacturing practice standards in order to improve the quality of vaccines. R54 million was spent in 2013/14 on the Tshwane animal health cluster research projects, and on the design phase for the construction of the new vaccine production facility, together with the services of a construction project manager for this facility. The entity's employees could not be used to perform this function as the project required a dedicated individual to enable the upgrading of facilities to improve the production yield from 67 million doses of vaccines in 2011/12 to 100 million doses in 2016/17.

Expenditure decreased between 2010/11 and 2013/14 because of a reduction in spending on compensation of employees as a result of staff resignations. The decrease in spending on goods and services over the same period is due to low production caused by negative perceptions around the Rift Valley fever clone 13.

Over the medium term, spending on compensation of employees is expected to grow due to the filling of vacancies and improved conditions of service. The company has 189 staff members from the total establishment of 228 funded posts. The company expects to fill 9 vacancies over the medium term. The research and development division has been understaffed for a number of years. However, 5 researchers were appointed in October 2013 and a chief scientific officer in November 2013. These appointments accelerated the implementation of the Tshwane animal health cluster research projects, which had already spent R54 million by the middle of 2013/14. The company will spend over R27 million on research projects to improve the current vaccines and develop new vaccines, and to produce 11 vaccine publications.

As part of cost saving measures over the medium term, the company has entered an agreement with a distributor to distribute products to clients using established, reliable and efficient channels. This will result in savings on courier costs and on packing material to the value of about R1.5 million and R400 000. The savings will be allocated to other priority areas.

## **Perishable Products Export Control Board**

### **Mandate and Strategic goals**

The Perishable Products Export Control Board is mandated by the Department of Agriculture, Forestry and Fisheries in terms of two acts. The Perishable Products Export Control Act (1983) requires the board to ensure the orderly export of perishable agricultural products, and to monitor the proper maintenance of a continuous cold chain for exports, while the Agricultural Products Standard Act (1990) requires the board to monitor minimum quality standards of perishable products for export.

The strategic goals of the board over the medium term are to:

- enhance the credibility of the South African export certificate
- support the export competitiveness of South Africa's perishable product industries
- strengthen the board's capacity as a credible source of Perishable Products Export information in the agriculture sector
- support government in ensuring confidence in quality assurance and food safety systems for local perishable product markets
- support government in developing systems to ensure compliance with South African food safety and quality standards for imported perishable products.

## Selected performance indicators

**Table 26.40 Perishable Products Export Control Board**

| Indicator  | Programme/Activity/ Objective  | Outcome  | Past           |                |                | Current | Projected |         |         |
|--|--|--|----------------|----------------|----------------|---------|-----------|---------|---------|
|  |  |  | 2010/11        | 2011/12        | 2012/13        | 2013/14 | 2014/15   | 2015/16 | 2016/17 |
| Number of consistent application of standards undertaken per year  | Strengthen the capacity to provide a professional suite of services to customers | Outcome 7: Vibrant, equitable and sustainable rural communities with food security for all | — <sup>1</sup> | — <sup>1</sup> | — <sup>1</sup> | 8       | 6         | 6       | 6       |
| Number of annual depot and port audits undertaken per year   | Strengthen the capacity to provide a professional suite of services to customers |  | — <sup>1</sup> | — <sup>1</sup> | — <sup>1</sup> | 20      | 20        | 20      | 20      |
| Number of reliable laboratory results (mycotoxin analytical programme proficiency testing results as indicated by z-scores) per year | Support the export competitiveness of South African perishable products          |  | — <sup>1</sup> | — <sup>1</sup> | — <sup>1</sup> | 2       | 2         | 2       | 2       |
| Number of analysts trained on maximum residue level analysis per year  | Strengthen capacity to provide a professional suite of services                  |  | — <sup>1</sup> | — <sup>1</sup> | — <sup>1</sup> | 2       | 2         | 2       | 1       |

1. There is no historical data, as these indicators are new.

## Programmes/activities/objectives

**Table 26.41 Perishable Products Export Control Board**

|                         | Audited outcome |         |         | Revised estimate | Average growth rate (%) |         | Medium-term expenditure estimate |         |         | Average growth rate (%) |         | Expenditure/ total: Average (%) |
|-------------------------|-----------------|---------|---------|------------------|-------------------------|---------|----------------------------------|---------|---------|-------------------------|---------|---------------------------------|
|                         | 2010/11         | 2011/12 | 2012/13 |                  | 2010/11 - 2013/14       | 2013/14 | 2014/15                          | 2015/16 | 2016/17 | 2013/14 - 2016/17       | 2016/17 |                                 |
| R thousand              | 40 380          | 50 601  | 49 083  | 53 242           | 9.7%                    | 25.0%   | 64 406                           | 70 122  | 76 356  | 12.8%                   | 25.0%   |                                 |
| Administration          | 103 372         | 129 539 | 125 651 | 136 300          | 9.7%                    | 64.0%   | 164 879                          | 179 511 | 195 471 | 12.8%                   | 64.0%   |                                 |
| Statutory operations    | 8 076           | 10 120  | 9 817   | 10 648           | 9.7%                    | 5.0%    | 10 306                           | 11 219  | 12 217  | 4.7%                    | 4.3%    |                                 |
| Harmonisation programme | 6 461           | 8 096   | 7 853   | 8 519            | 9.7%                    | 4.0%    | 12 877                           | 14 020  | 15 267  | 21.5%                   | 4.7%    |                                 |
| Laboratory              | 3 230           | 4 048   | 3 927   | 4 259            | 9.7%                    | 2.0%    | 5 153                            | 5 611   | 6 108   | 12.8%                   | 2.0%    |                                 |
| Development             | 161 519         | 202 405 | 196 330 | 212 969          | 9.7%                    | 100.0%  | 257 622                          | 280 483 | 305 420 | 12.8%                   | 100.0%  |                                 |
| <b>Total expense</b>    |                 |         |         |                  |                         |         |                                  |         |         |                         |         |                                 |

## Expenditure estimates

**Table 26.42 Perishable Products Export Control Board**

| Statement of financial performance                   | Audited outcome |          |         | Revised estimate | Average growth rate (%) |         | Medium-term estimate |         |         | Average growth rate (%) |         | Expenditure/ total: Average (%) |
|--|-----------------|----------|---------|------------------|-------------------------|---------|----------------------|---------|---------|-------------------------|---------|---------------------------------|
|  | 2010/11         | 2011/12  | 2012/13 |                  | 2010/11 - 2013/14       | 2013/14 | 2014/15              | 2015/16 | 2016/17 | 2013/14 - 2016/17       | 2016/17 |                                 |
| R thousand   |                 |          |         |                  |                         |         |                      |         |         |                         |         |                                 |
| <b>Revenue</b>                                       |                 |          |         |                  |                         |         |                      |         |         |                         |         |                                 |
| <b>Non-tax revenue</b>                               | 173 835         | 185 489  | 194 488 | 206 992          | 6.0%                    | 99.8%   | 247 220              | 274 038 | 304 820 | 13.8%                   | 99.8%   |                                 |
| Sale of goods and services other than capital assets | 167 214         | 178 653  | 189 265 | 200 839          | 6.3%                    | 96.5%   | 241 866              | 268 538 | 299 020 | 14.2%                   | 97.5%   |                                 |
| of which:  |                 |          |         |                  |                         |         |                      |         |         |                         |         |                                 |
| Administrative fees                                  | 167 214         | 178 653  | 189 265 | 200 839          | 6.3%                    | 96.5%   | 241 866              | 268 538 | 299 020 | 14.2%                   | 97.5%   |                                 |
| Other non-tax revenue                                | 6 621           | 6 836    | 5 223   | 6 153            | -2.4%                   | 3.3%    | 5 354                | 5 500   | 5 800   | -2.0%                   | 2.3%    |                                 |
| <b>Transfers received</b>                            | —               | 600      | 600     | 600              | —                       | 0.2%    | 600                  | 600     | 600     | —                       | 0.2%    |                                 |
| <b>Total revenue</b>                                 | 173 835         | 186 089  | 195 088 | 207 592          | 6.1%                    | 100.0%  | 247 820              | 274 638 | 305 420 | 13.7%                   | 100.0%  |                                 |
| <b>Expenses</b>                                      |                 |          |         |                  |                         |         |                      |         |         |                         |         |                                 |
| <b>Current expenses</b>                              | 161 519         | 202 405  | 196 330 | 212 969          | 9.7%                    | 100.0%  | 257 622              | 280 483 | 305 420 | 12.8%                   | 100.0%  |                                 |
| Compensation of employees                            | 113 219         | 137 703  | 135 326 | 136 383          | 6.4%                    | 67.8%   | 178 097              | 180 623 | 198 144 | 13.3%                   | 65.6%   |                                 |
| Goods and services                                   | 46 081          | 62 993   | 59 463  | 74 073           | 17.1%                   | 31.2%   | 75 950               | 96 069  | 103 260 | 11.7%                   | 33.1%   |                                 |
| Depreciation   | 2 192           | 1 685    | 1 528   | 2 499            | 4.5%                    | 1.0%    | 3 565                | 3 779   | 4 005   | 17.0%                   | 1.3%    |                                 |
| Interest, dividends and rent on land                 | 27              | 24       | 13      | 14               | -20.1%                  | 0.0%    | 10                   | 11      | 11      | -6.4%                   | 0.0%    |                                 |
| <b>Total expenses</b>                                | 161 519         | 202 405  | 196 330 | 212 969          | 9.7%                    | 100.0%  | 257 622              | 280 483 | 305 420 | 12.8%                   | 100.0%  |                                 |
| <b>Surplus/(Deficit)</b>                             | 12 316          | (16 316) | (1 242) | (5 377)          | -175.9%                 |         | (9 801)              | (5 845) | —       | -100.0%                 |         |                                 |

**Table 26.42 Perishable Products Export Control Board**

| Statement of financial position     | Audited outcome |                |                | Revised estimate | Average growth rate (%) | Expenditure/total: Average (%) | Medium-term estimate |                |                | Average growth rate (%) | Expenditure/total: Average (%) |
|-------------------------------------|-----------------|----------------|----------------|------------------|-------------------------|--------------------------------|----------------------|----------------|----------------|-------------------------|--------------------------------|
|                                     | 2010/11         | 2011/12        | 2012/13        |                  |                         |                                | 2014/15              | 2015/16        | 2016/17        |                         |                                |
| R thousand                          |                 |                |                |                  |                         |                                |                      |                |                |                         |                                |
| Carrying value of assets            | 16 201          | 15 966         | 17 250         | 21 638           | 10.1%                   | 12.8%                          | 23 174               | 24 820         | 25 316         | 5.4%                    | 17.3%                          |
| of which:                           |                 |                |                |                  |                         |                                |                      |                |                |                         |                                |
| Acquisition of assets               | 2 768           | 1 462          | 2 834          | 1 500            | -18.5%                  | 1.5%                           | 4 500                | 2 500          | 1 500          | –                       | 1.8%                           |
| Investments                         | 76 990          | 78 146         | 70 130         | 39 979           | -19.6%                  | 47.6%                          | 43 979               | 47 697         | 51 382         | 8.7%                    | 33.3%                          |
| Receivables and prepayments         | 21 477          | 20 810         | 25 344         | 24 886           | 5.0%                    | 16.7%                          | 27 253               | 28 545         | 28 901         | 5.1%                    | 20.0%                          |
| Cash and cash equivalents           | 41 328          | 23 788         | 12 944         | 51 392           | 7.5%                    | 22.8%                          | 39 751               | 34 277         | 35 872         | -11.3%                  | 29.4%                          |
| <b>Total assets</b>                 | <b>155 996</b>  | <b>138 710</b> | <b>125 668</b> | <b>137 895</b>   | <b>-4.0%</b>            | <b>100.0%</b>                  | <b>134 157</b>       | <b>135 338</b> | <b>141 472</b> | <b>0.9%</b>             | <b>100.0%</b>                  |
| Accumulated surplus/(deficit)       | –               | (16 316)       | (1 242)        | (5 377)          | –                       | -4.2%                          | (9 801)              | (5 845)        | –              | -100.0%                 | -3.9%                          |
| Capital and reserves                | 14 522          | 14 522         | 14 772         | 14 772           | 0.6%                    | 10.6%                          | 14 772               | 14 772         | 14 772         | –                       | 10.8%                          |
| Capital reserve fund                | 95 283          | 95 284         | 78 717         | 77 475           | -6.7%                   | 62.6%                          | 72 098               | 62 297         | 56 452         | -10.0%                  | 49.0%                          |
| Trade and other payables            | 40 207          | 33 506         | 25 443         | 37 409           | -2.4%                   | 24.5%                          | 42 781               | 49 067         | 54 865         | 13.6%                   | 33.5%                          |
| Provisions                          | 5 985           | 11 715         | 7 978          | 9 734            | 17.6%                   | 6.5%                           | 10 425               | 11 165         | 11 500         | 5.7%                    | 7.8%                           |
| <b>Total equity and liabilities</b> | <b>155 997</b>  | <b>138 711</b> | <b>125 668</b> | <b>134 013</b>   | <b>-4.9%</b>            | <b>100.0%</b>                  | <b>130 275</b>       | <b>131 456</b> | <b>137 589</b> | <b>0.9%</b>             | <b>97.2%</b>                   |

## Personnel information

**Table 26.43 Perishable Products Export Control Board**

| Number of posts estimated for 31 March 2014 |                        |   | Number and cost <sup>1</sup> of personnel posts filled / planned for on funded establishment |       |           |                  |       |           |                                  |       |           |        |         |           |                         |                                 | Number            |       |        |
|---|------------------------|---|--|-------|-----------|------------------|-------|-----------|----------------------------------|-------|-----------|--------|---------|-----------|-------------------------|---------------------------------|-------------------|-------|--------|
| Salary level                                | Number of funded posts | Number of posts on approved establishment | Actual   |       |           | Revised estimate |       |           | Medium-term expenditure estimate |       |           |        |         |           | Average growth rate (%) | Salary level/total: Average (%) |                   |       |        |
|   |                        |   | 2012/13  |       |           | 2013/14          |       |           | 2014/15                          |       | 2015/16   |        | 2016/17 |           |                         |                                 | 2013/14 - 2016/17 |       |        |
|   |                        |   | Number   | Cost  | Unit Cost | Number           | Cost  | Unit Cost | Number                           | Cost  | Unit Cost | Number | Cost    | Unit Cost |                         |                                 |                   |       |        |
|   |                        |   |  |       |           |                  |       |           |                                  |       |           |        |         |           |                         |                                 |                   |       |        |
| 352   |                        | 352                                       | 353  | 135.3 | 0.4       | 352              | 136.4 | 0.4       | 402                              | 178.1 | 0.4       | 406    | 180.6   | 0.4       | 401                     | 198.1                           | 0.5               | 13.3% | 100.0% |
| 1 – 6                                       | 37                     | 37  | 37   | 6.0   | 0.2       | 37               | 6.7   | 0.2       | 37                               | 7.6   | 0.2       | 37     | 7.9     | 0.2       | 37                      | 8.4                             | 0.2               | 8.0%  | 9.5%   |
| 7 – 10                                      | 233                    | 233                                       | 233  | 73.3  | 0.3       | 233              | 75.1  | 0.3       | 273                              | 109.5 | 0.4       | 272    | 104.1   | 0.4       | 277                     | 123.3                           | 0.4               | 18.0% | 67.5%  |
| 11 – 12                                     | 64                     | 64  | 64   | 37.7  | 0.6       | 64               | 37.6  | 0.6       | 74                               | 43.6  | 0.6       | 74     | 44.1    | 0.6       | 64                      | 41.5                            | 0.6               | 3.3%  | 17.7%  |
| 13 – 16                                     | 18                     | 18  | 19   | 18.3  | 1.0       | 18               | 17.0  | 0.9       | 18                               | 17.3  | 1.0       | 23     | 24.4    | 1.1       | 23                      | 24.9                            | 1.1               | 13.6% | 5.2%   |

1. Rand million.

## Expenditure trends

The Perishable Products Export Control Board generates revenue from services rendered through the inspection of perishable products destined for export markets, and laboratory fees received. Revenue generated is allocated to the core business activities of the board. Revenue increases from R173.8 million in 2010/11 to R305.4 million in 2016/17 across the seven-year period, mainly due to inflationary increases on levies and growth in the product volumes inspected.

The board's spending focus over the medium term will be on issuing export certificates; conducting 60 annual depot and port audits; and supporting government in developing systems to ensure that imported perishable products comply with South African food safety and quality standards through the consistent application of the standards.

As the board is a service oriented entity, the main cost drivers are compensation of employees and goods and services. Over the medium term, spending on compensation of employees is set to increase due to improvements in conditions of service and the need for an increased multi-skilled work force for the statutory operation programme and for inspection activities. To achieve this, the entity increased the number of inspectors from 226 in 2010/11 to 259 in 2013/14, and intends to increase the number of inspectors to 285 by 2016/17. This will result in 60 annual report and port audits being undertaken over the medium term. At the end of November 2013, the board had an establishment of 352 funded posts, of which 350 were filled. The vacant posts are as a result of resignations. The entity's establishment is expected to increase to 401 posts by 2016/17 to provide the capacity to comply with the department's aim of a 2 per cent increase in sampling to detect, identify and quantify aflatoxins in all perishable products intended for export.

Expenditure on consultant services decreased between 2010/11 and 2013/14 due to cost cutting measures the entity implemented. However, expenditure on this item is expected to increase over the medium term, from



R4.3 million in 2014/15 to R5 million in 2016/17. This expenditure mainly caters for the development and maintenance of the IT tablet infrastructure. The entity plans to implement further cost effectiveness measures over the medium term, which is expected to generate savings of R75 000 year. The measures include continually reviewing programmes, policies and strategies; scaling down on international travel by sending a minimum number of representatives overseas and participating in more locally organised conferences; and using an online recruitment tool.

## Additional tables

**Table 26.A Summary of expenditure trends and estimates per programme and economic classification**

| Programme                                       | Appropriation    |                  | Audited outcome  | Appropriation    |              |                  | Revised estimate |
|---|------------------|------------------|------------------|------------------|--------------|------------------|------------------|
|   | Main             | Adjusted         |                  | Main             | Adjustments  | Adjusted         |                  |
| R thousand                                      | 2012/13          |                  | 2012/13          | 2013/14          |              |                  | 2013/14          |
| Administration                                  | 612 935          | 626 995          | 647 240          | 663 949          | 6 931        | 670 880          | 670 880          |
| Agricultural Production, Health and Food Safety | 1 891 603        | 1 889 874        | 1 874 832        | 2 066 145        | (29 626)     | 2 036 519        | 2 036 519        |
| Food Security and Agrarian Reform               | 1 408 635        | 1 410 855        | 1 402 877        | 1 597 735        | 1 581        | 1 599 316        | 1 599 316        |
| Trade Promotion and Market Access               | 212 033          | 209 429          | 212 169          | 231 648          | 26 560       | 258 208          | 258 208          |
| Forestry  | 1 261 775        | 1 242 696        | 1 191 785        | 1 184 474        | (851)        | 1 183 623        | 1 183 623        |
| Fisheries                                       | 411 791          | 489 078          | 484 330          | 434 036          | (300)        | 433 736          | 433 736          |
| <b>Total</b>                                    | <b>5 798 772</b> | <b>5 868 927</b> | <b>5 813 233</b> | <b>6 177 987</b> | <b>4 295</b> | <b>6 182 282</b> | <b>6 182 282</b> |

  

| Economic classification                             |                  |                  |                  |                  |                 |                  |                  |
|---|------------------|------------------|------------------|------------------|-----------------|------------------|------------------|
| <b>Current payments</b>                             | <b>2 250 622</b> | <b>2 233 226</b> | <b>2 149 579</b> | <b>2 421 410</b> | <b>(25 596)</b> | <b>2 395 814</b> | <b>2 395 814</b> |
| Compensation of employees                           | 1 502 560        | 1 473 784        | 1 419 116        | 1 655 977        | (52 721)        | 1 603 256        | 1 603 256        |
| Goods and services                                  | 746 424          | 758 991          | 729 591          | 763 373          | 28 024          | 791 397          | 791 397          |
| Interest and rent on land                           | 1 638            | 451              | 872              | 2 060            | (899)           | 1 161            | 1 161            |
| <b>Transfers and subsidies</b>                      | <b>3 419 065</b> | <b>3 488 938</b> | <b>3 492 953</b> | <b>3 658 083</b> | <b>(18 734)</b> | <b>3 639 349</b> | <b>3 639 349</b> |
| Provinces and municipalities                        | 2 066 912        | 2 066 970        | 2 062 818        | 2 148 470        | 4 445           | 2 152 915        | 2 152 915        |
| Departmental agencies and accounts                  | 1 271 365        | 1 311 717        | 1 310 004        | 1 313 132        | (43 515)        | 1 269 617        | 1 269 617        |
| Higher education institutions                       | 5 800            | 4 960            | 4 677            | 6 992            | (1 184)         | 5 808            | 5 808            |
| Foreign governments and international organisations | 22 540           | 23 440           | 32 001           | 33 659           | 12 260          | 45 919           | 45 919           |
| Public corporations and private enterprises         | 37 382           | 39 663           | 40 024           | 137 768          | 1 631           | 139 399          | 139 399          |
| Non-profit institutions                             | 13 251           | 13 251           | 11 227           | 16 237           | 4 081           | 20 318           | 20 318           |
| Households  | 1 815            | 28 937           | 32 202           | 1 825            | 3 548           | 5 373            | 5 373            |
| <b>Payments for capital assets</b>                  | <b>129 085</b>   | <b>146 763</b>   | <b>169 446</b>   | <b>98 494</b>    | <b>48 625</b>   | <b>147 119</b>   | <b>147 119</b>   |
| Buildings and other fixed structures                | 36 860           | 40 445           | 57 778           | 38 432           | (734)           | 37 698           | 37 698           |
| Machinery and equipment                             | 91 837           | 105 953          | 111 285          | 59 184           | 48 454          | 107 638          | 107 638          |
| Biological assets                                   | 310              | 327              | –                | 663              | (159)           | 504              | 504              |
| Software and other intangible assets                | 78               | 38               | 383              | 215              | 1 064           | 1 279            | 1 279            |
| <b>Payments for financial assets</b>                | <b>–</b>         | <b>–</b>         | <b>1 255</b>     | <b>–</b>         | <b>–</b>        | <b>–</b>         | <b>–</b>         |
| <b>Total</b>  | <b>5 798 772</b> | <b>5 868 927</b> | <b>5 813 233</b> | <b>6 177 987</b> | <b>4 295</b>    | <b>6 182 282</b> | <b>6 182 282</b> |

**Table 26.B Summary of expenditure on training**

|  | Audited outcome |           |           | Adjusted appropriation | Medium-term expenditure estimate |           |           |
|--|-----------------|-----------|-----------|------------------------|----------------------------------|-----------|-----------|
|  | 2010/11         | 2011/12   | 2012/13   |                        | 2014/15                          | 2015/16   | 2016/17   |
| Compensation of employees (R thousand)       | 1 189 923       | 1 320 738 | 1 419 116 | 1 603 256              | 1 697 911                        | 1 833 428 | 1 934 616 |
| Training expenditure (R thousand)            | 37 740          | 29 107    | 32 074    | 49 168                 | 55 284                           | 55 777    | 58 820    |
| Training spend as percentage of compensation | 3.2%            | 2.2%      | 2.3%      | 3.1%                   | 3.3%                             | 3.0%      | 3.0%      |
| Total number trained (headcount)             | 1 456           | 1 109     | 1 163     | 1 582                  |                                  |           |           |
| <i>of which:</i>                             |                 |           |           |                        |                                  |           |           |
| Employees receiving bursaries (headcount)    | 238             | 1 027     | 125       | 627                    |                                  |           |           |
| Learnerships (headcount)                     | 27              | 27        | 35        | 23                     |                                  |           |           |
| Internships (headcount)                      | 218             | 218       | 269       | 234                    |                                  |           |           |
| Households receiving bursaries (R thousand)  | 10 328          | 11 700    | 15 300    | 16 052                 | 17 318                           | 16 956    | 18 853    |
| Households receiving bursaries (headcount)   | 235             | 267       | 405       | 109                    |                                  |           |           |

**Table 26.C Summary of conditional grants to provinces and municipalities<sup>1</sup>**

| R thousand  | Audited outcome  |                  |                  | Adjusted appropriation | Medium-term expenditure estimate |                  |                  |
|---|------------------|------------------|------------------|------------------------|----------------------------------|------------------|------------------|
|   | 2010/11          | 2011/12          | 2012/13          |                        | 2014/15                          | 2015/16          | 2016/17          |
| <b>Conditional grants to provinces</b>  |                  |                  |                  |                        |                                  |                  |                  |
| <b>Agricultural Production, Health and Food Safety</b>                                      |                  |                  |                  |                        |                                  |                  |                  |
| Ilima/Letsema projects grant  | 192 500          | 405 000          | 415 798          | 438 456                | 460 625                          | 481 814          | 507 350          |
| <b>Food Security and Agrarian Reform</b>  |                  |                  |                  |                        |                                  |                  |                  |
| Comprehensive agricultural support programme grant: Infrastructure                          | 554 769          | 680 507          | 762 094          | 905 746                | 949 591                          | 949 175          | 988 862          |
| Comprehensive agricultural support programme grant: Extension recovery plan                 | 273 938          | 308 890          | 322 206          | 339 927                | 358 545                          | 343 873          | 368 143          |
| Comprehensive agricultural support programme grant: Colleges for infrastructure             | –                | 50 000           | 52 500           | 55 388                 | 58 711                           | 69 473           | 71 691           |
| <b>Forestry</b>   |                  |                  |                  |                        |                                  |                  |                  |
| Land care programme grant: Poverty relief and infrastructure development                    | 54 502           | 57 772           | 111 599          | 108 997                | 67 837                           | 68 158           | 71 519           |
| Comprehensive agricultural support programme grant: Agricultural disaster management grant  | 50 000           | 149 560          | –                | –                      | –                                | –                | –                |
| Comprehensive agricultural support programme grant: Disasters: Flood damaged infrastructure | –                | –                | 398 191          | 303 254                | 493 761                          | 325 564          | 328 497          |
| <b>Total</b>  | <b>1 125 709</b> | <b>1 651 729</b> | <b>2 062 388</b> | <b>2 151 768</b>       | <b>2 389 070</b>                 | <b>2 238 057</b> | <b>2 336 062</b> |

1. Detail provided in the Division of Revenue Act (2014).

Table 26.D Summary of donor funding

| Donor  | Project  | Departmental programme                          | Period of commitment | Amount committed | Main economic classification                | Spending focus  | Audited outcome |              |              | Estimate     | Medium-term expenditure estimate |            |            |
|--|--|---|----------------------|------------------|---|---|-----------------|--------------|--------------|--------------|----------------------------------|------------|------------|
| R thousand   |  |   |                      |                  |   |   | 2010/11         | 2011/12      | 2012/13      | 2013/14      | 2014/15                          | 2015/16    | 2016/17    |
| <b>Foreign</b>   |  |   |                      |                  |   |   |                 |              |              |              |                                  |            |            |
| <b>In cash</b>   |  |   |                      |                  |   |   |                 |              |              |              |                                  |            |            |
| Department of Trade and Industry                               | School milk feeding scheme   | Agricultural Production, Health and Food Safety | 24 months            | 2 500            | Non-profit institutions                     | School nutrition programme  | 1 250           | 1 250        | –            | –            | –                                | –          | –          |
| European Union   | South African pesticides initiative programme II   | Agricultural Production, Health and Food Safety | 24 months            | 15 000           | Departmental agencies and accounts          | Implementation of the South African pesticide initiative programme        | 15 000          | –            | –            | –            | –                                | –          | –          |
| International Centre for Genetic Engineering and Biotechnology | Biosafety workshop   | Food Security and Agrarian Reform               | 12 months            | 158              | Goods and services                          | Covering of travelling expenses   | –               | 140          | –            | –            | –                                | –          | –          |
| National Research Foundation                                   | South Africa-Germany research cooperation programme  | Fisheries                                       | 36 months            | 300              | Departmental agencies and accounts          | Research into ocean acidification from increased levels of carbon dioxide | –               | 128          | 133          | 40           | –                                | –          | –          |
| United States Agency for International Development             | Response of vegetation, soil, animals and water cycle to different management regimes: Victoria Falls area, Zimbabwe | Agricultural Production, Health and Food Safety | 48 months            | 529              | Public corporations and private enterprises | Running and administrative costs  | –               | –            | 84           | 98           | 89                               | 124        | 134        |
| <b>Local</b>   |  |   |                      |                  |   |   |                 |              |              |              |                                  |            |            |
| <b>In cash</b>   |  |   |                      |                  |   |   |                 |              |              |              |                                  |            |            |
| Department of Trade and Industry                               | Smallholder establishment programme  | Food Security and Agrarian Reform               | 36 months            | 27 070           | Goods and services                          | Establishment of a new commercially oriented smallholder farmer programme | –               | –            | 1 109        | 7 627        | –                                | –          | –          |
| <b>Total</b>   |  |   |                      | <b>45 557</b>    |   |   | <b>16 250</b>   | <b>1 518</b> | <b>1 326</b> | <b>7 765</b> | <b>89</b>                        | <b>124</b> | <b>134</b> |

**Table 26.E Summary of expenditure on infrastructure**

| Project name   | Service delivery outputs  | Current project stage | Total project cost | Audited outcome |         |         | Adjusted appropriation | Medium-term expenditure estimate |         |         |
|--|---|-----------------------|--------------------|-----------------|---------|---------|------------------------|----------------------------------|---------|---------|
| R thousand   |   |                       |                    | 2010/11         | 2011/12 | 2012/13 | 2013/14                | 2014/15                          | 2015/16 | 2016/17 |
| <b>Departmental infrastructure</b>                       |   |                       |                    |                 |         |         |                        |                                  |         |         |
| Drilling of boreholes                                    | Siting, drilling and testing of boreholes for small scale farmers identified in priority projects by provinces        | Various               | 200 000            | 6 000           | 7 199   | 8 328   | 9 133                  | 9 133                            | 9 571   | 10 014  |
| Foot and mouth disease border fence                      | Repair and construction of foot and mouth disease fence in priority areas identified by the animal health directorate | Various               | 250 000            | 31 763          | 23 995  | 21 878  | 23 702                 | 28 568                           | 29 896  | 31 271  |
| Durban   | Site clearance  | Feasibility           | 17 663             | 100             | 193     | 110     | 100                    | –                                | –       | –       |
| Western Cape: Stellenbosch                               | Construction of additional office accommodation   | Hand over             | 16 325             | 1 700           | 684     | 218     | –                      | –                                | –       | –       |
| Northern Cape: Upington                                  | Upgrading of offices, storeroom and construction of evaporation pan and laboratory                                    | Feasibility           | 3 000              | –               | –       | –       | 400                    | 500                              | 500     | 500     |
| Western Cape: Stellenbosch                               | Construction of agrochemical store  | Hand over             | 1 400              | 1 400           | 593     | 398     | –                      | –                                | –       | –       |
| Grootfontein Agricultural Development Institute          | Minor upgrading and repairs   | Hand over             | 44 000             | –               | –       | 1 289   | –                      | –                                | –       | –       |
| Western Cape: Cape Town                                  | Sniffer dog kennels   | Identification        | 3 886              | –               | –       | –       | 200                    | 300                              | 300     | 300     |
| Gauteng: Pretoria  | Upgrading of reception areas: Agriculture Place, Harvest House and Sefala   | Design                | 1 500              | –               | –       | –       | 800                    | 600                              | 600     | 600     |
| Limpopo: Umthali municipal district                      | Construction of a seed bank Mutale (Project on hold pending the finalisation of site clearance for construction)      | On hold               | 2 000              | –               | –       | –       | –                      | 400                              | 400     | 400     |
| Eastern Cape: Sterkspruit                                | Construction of a seed bank: Mutale (Project on hold pending the finalisation of site clearance for construction)     | On hold               | 2 000              | –               | –       | –       | –                      | 400                              | 400     | 400     |
| Western Cape: Stellenbosch: Plant Health Laboratory      | Alterations to Polka Draai Road entrance, terms of traffic regulations  | Design                | 590                | –               | –       | –       | –                      | 250                              | 250     | 250     |
| Mpumalanga: Skukuza: Alterations to offices/laboratories | Upgrading of existing buildings and laboratories  | Design                | 1 500              | –               | –       | 200     | 290                    | 150                              | 150     | 150     |
| Western Cape: Stellenbosch                               | Upgrading of electrical substation  | Design                | 1 700              | –               | –       | –       | 350                    | 300                              | 300     | 300     |
| Gauteng: Pretoria  | Revamping of parking area at Harvest House  | Design                | 2 324              | –               | –       | –       | 300                    | 200                              | 200     | 200     |
| Gauteng: Pretoria  | Feasibility study on the installation of central air conditioning system at Agriculture Place                         | Design                | 500                | –               | –       | –       | 300                    | 300                              | 300     | 300     |
| Gauteng: Pretoria  | Replacement of leaking roof at Sefala building  | Design                | –                  | –               | –       | –       | 400                    | 200                              | 200     | 200     |
| Western Cape: Cape Town                                  | Minor capital projects along the coast line of RSA  | Design                | 1 000              | –               | –       | –       | 200                    | 300                              | 300     | 300     |
| KwaZulu-Natal: Durban                                    | Construction of animal quarantine station (Project placed on hold pending completion of the site clearance)           | On hold               | 94 000             | –               | –       | –       | 1 000                  | 800                              | 800     | 800     |
| Western Cape: Stellenbosch: Plant Health Laboratory      | Upgrade and maintenance of building and laboratory facility (Glasshouses and tunnels)                                 | Feasibility           | 54 600             | –               | –       | –       | 3 500                  | 22 500                           | 28 600  | 30 116  |
| Gauteng: Roodeplaat                                      | Repair and installation of the infrastructure at the Plant Genetic Resources Centre                                   | Feasibility           | 5 000              | –               | –       | 311     | 250                    | –                                | –       | –       |
| Western Cape: Cape Town                                  | Repair and maintenance of fisheries harbours along the coast line   | Design                | 1 000              | –               | –       | –       | 100                    | –                                | –       | –       |

**Table 26.E Summary of expenditure on infrastructure**

| Project name   | Service delivery outputs   | Current project stage | Total project cost | Audited outcome |                |                | Adjusted appropriation | Medium-term expenditure estimate |                |                |
|--|--|-----------------------|--------------------|-----------------|----------------|----------------|------------------------|----------------------------------|----------------|----------------|
| Western Cape: Cape Town: Sea Point   | Upgrade student centre and laboratories at Sea Point                                 | Pre-feasibility       | 800                | –               | –              | –              | 160                    | –                                | –              | –              |
| Site Clearance and acquisition: construction of seed banks: Feasibility study report | Site Clearance and acquisition: construction of seed banks: Feasibility study report | Feasibility           | 500                | –               | –              | –              | 150                    | 300                              | 300            | 300            |
| Gauteng: Pretoria: Sefala building   | Repair and maintenance   | Hand over             | –                  | –               | –              | 1 125          | –                      | –                                | –              | –              |
| Gauteng: Pretoria: Harvest House   | Repair and maintenance   | Various               | –                  | –               | –              | 60             | –                      | –                                | –              | –              |
| Gauteng: Pretoria: Agriculture Place   | Repair and maintenance   | Various               | –                  | –               | –              | 652            | –                      | –                                | –              | –              |
| Pretoria: 110 Hamilton building  | Repair and maintenance   | Various               | –                  | –               | –              | 1 068          | –                      | –                                | –              | –              |
| Multi-locking systems  | Installation of multi-locking systems in various forestry offices                    | Various               | –                  | –               | –              | 2 265          | –                      | –                                | –              | –              |
| Various maintenance and repair projects  | Various maintenance and repair projects  | Identification        | –                  | –               | –              | –              | 16 971                 | 6 011                            | 5 859          | 6 327          |
| Spitskop Conservation Area   | Maintenance and repair of existing soil conservation structures                      | Various               | 6 409              | 935             | 5 474          | –              | –                      | –                                | –              | –              |
| Stellenbosch: Upgrading of existing buildings  | Upgrading  | Tender                | 9 009              | 6 200           | 2 809          | –              | –                      | –                                | –              | –              |
| Middelburg: Upgrading of existing buildings  | Upgrading  | Tender                | 11 681             | 3 500           | 8 181          | –              | –                      | –                                | –              | –              |
| Pretoria: Upgrading of Agriculture Place   | Upgrading  | Construction          | 4 600              | 2 100           | 2 500          | –              | –                      | –                                | –              | –              |
| Pretoria: Upgrading of Sefala Building   | Upgrading  | Construction          | 7 086              | 5 000           | 2 086          | –              | –                      | –                                | –              | –              |
| Pretoria, Rodeplaas: Upgrading of offices/laboratories                               | Upgrading  | Feasibility           | 150                | –               | 150            | –              | –                      | –                                | –              | –              |
| Kempton Park: Animal quarantine station  | Maintenance and repair   | Feasibility           | 5 000              | –               | 70             | –              | –                      | –                                | –              | –              |
| Milnerton: Animal quarantine station   | Upgrading  | Feasibility           | 7 000              | –               | 70             | –              | –                      | –                                | –              | –              |
| <b>Infrastructure transfers to other spheres, agencies and departments</b>           |  |                       |                    |                 |                |                |                        |                                  |                |                |
| Animal production, health and improvement  | Vaccine for foot and mouth disease   | Various               | 149 122            | –               | 43 859         | 105 263        | –                      | –                                | –              | –              |
| Comprehensive agricultural support programme grant: Flood damaged infrastructure     | Damaged agricultural infrastructure repaired and soil rehabilitation undertaken      | Various               | 1 844 972          | –               | –              | 398 191        | 298 959                | 493 761                          | 325 564        | 328 497        |
| Onderstepoort Biological Products  | Building and facility for vaccine production   | Various               | 492 400            | –               | –              | –              | 96 500                 | 127 500                          | 268 400        | –              |
| Agriculture Research Council: Maintenance of infrastructure                          | Research and development   | Various               | 84 056             | –               | –              | 13 853         | 14 615                 | 17 661                           | 18 474         | 19 453         |
| Crop Production, Improvement and Protection  | Research and development   | Various               | 63 000             | 16 534          | 46 466         | –              | –                      | –                                | –              | –              |
| Animal Production, Health and Improvement  | Research and development   | Various               | 58 769             | 20 387          | 38 382         | –              | –                      | –                                | –              | –              |
| Natural Resource Management  | Research and development   | Various               | 26 277             | 4 209           | 22 068         | –              | –                      | –                                | –              | –              |
| Mechanisation and Engineering  | Research and development   | Various               | 16 065             | 1 232           | 14 833         | –              | –                      | –                                | –              | –              |
| Agro – processing, food technology and safety  | Research and development   | Various               | 6 470              | –               | 6 470          | –              | –                      | –                                | –              | –              |
| Administration and Corporate Affairs   | Research and development   | Various               | 56 323             | 20 190          | 36 133         | –              | –                      | –                                | –              | –              |
| <b>Total</b>   |  |                       | <b>3 553 677</b>   | <b>121 250</b>  | <b>262 215</b> | <b>555 209</b> | <b>468 380</b>         | <b>710 134</b>                   | <b>691 364</b> | <b>430 678</b> |







# BUDGET 2014

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## ESTIMATES OF NATIONAL EXPENDITURE

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