

Vote 25

Agriculture

Amount to be appropriated	R916 719 000
Statutory appropriations	-
Responsible Minister	Minister of Agriculture and Land Affairs
Administering Department	Department of Agriculture
Accounting Officer	Director-General of Agriculture

Aim

The Department of Agriculture strives to lead agricultural development for economic growth and social development in South Africa and play a constructive role in agricultural development in Africa, providing national level leadership, national regulatory and coordination services, agricultural risk management, and support to targeted services.

Key objectives and programmes

The strategic role of the Department of Agriculture is to facilitate the transformation objectives for agricultural development, food security, the growth of the sector and the sustainable use of natural resources.

To achieve this, the Department provides support for the growth and deracialisation of the agricultural sector, poverty eradication and rural development, and for establishing farmer support programmes. These include access to technology, markets, finance, information and training. The Department also seeks to mitigate risk by formulating strategies for disaster management, quality assurance, food safety, and plant and animal health.

The Vote is comprised of eight programmes.

- *Administration* provides the Department with political and strategic leadership, and management and administration.
- *Farmer Support and Development* promotes stability, competitiveness, growth and transformation by developing policies governing farmer settlement, food security, rural development and finance, cooperatives, and agricultural risk management.
- *Agricultural Trade and Business Development* develops policies governing access to national and international markets, and promotes black economic empowerment in the sector.
- *Agricultural Research and Economic Analysis* provides the necessary information for developing and monitoring the agricultural sector.
- *Agricultural Production* promotes productivity and sustainability in agriculture.
- *Sustainable Resources Management and Use* develops, implements and monitors policies for the management and use of land and water resources in agriculture.
- *National Agricultural Regulatory Services* develops and monitors risk management policies for the control of animal and plant diseases, food safety and the use of genetically modified organisms.
- *Agricultural Communication, Planning and Evaluation* manages and coordinates projects, communication, education and international relations.

Strategic overview and policy developments: 1998/99 – 2004/05

Agriculture is a key sector in the South African economy and has the potential to play a central role in raising the living standards of the poor. The Department of Agriculture, in collaboration with the other spheres of Government, aims to establish an environment which creates opportunities for the agricultural sector to become prosperous and competitive, while ensuring its transformation and sustainability.

Since 1994, several processes have reversed the impact of discriminatory legislation, while other initiatives have been implemented to deregulate and liberalise the sector. The main policy shifts include:

- Liberalising agricultural trade and deregulating the marketing of agricultural products
- Implementing land reform policies and programmes
- Abolishing certain tax concessions and reducing direct subsidisation
- Reforming the institutions governing the sector
- Applying labour legislation in the sector

Although these changes have led to increased competitiveness in the sector, certain structural weaknesses still exist. To consolidate the gains, and address remaining weaknesses, the departments of Agriculture and Land Affairs, in collaboration with the National African Farmers Union and AgriSA, have developed a common long-term vision - 'A united and prosperous agricultural sector'. The medium-term goal is generating equitable access and participation in a globally competitive, profitable and sustainable agricultural sector.

Planning to achieve this goal will begin in 2002, and programmes embracing the following basic premises and values will be generated and implemented:

- Security of tenure for present and future participants in the sector
- Equitable access to resources
- Fair reward for effort, risk and innovation
- The sustainable use of natural and biological resources
- Market driven direct business activity and resource allocation
- Predictable and consistent policy environment

This vision implies the sustained, profitable participation of commercial agriculture in the agricultural economy, and also addresses the distortions created by policies implemented under apartheid.

The Department is transforming itself to ensure that it collaborates with other government spheres and departments, and the agricultural industry. The Department's medium-term objectives are:

- To guide and support equitable access to agricultural resources, and promote the participation of black people, women and youth in agriculture
- To enhance the sustainability, profitability and global competitiveness of the sector
- To ensure consumer confidence in agricultural products and services

Expenditure estimates

Table 25.1: Agriculture

Programme	Expenditure outcome					Medium-term expenditure estimate		
	Audited	Audited	Preliminary	Adjusted	Revised			
R thousand	1998/99	1999/00	2000/01	2001/02		2002/03	2003/04	2004/05
1 Administration	91 313	99 374	91 282	121 439	115 237	126 815	132 413	142 000
2 Farmer Support and Development	10 717	10 803	12 473	116 680	110 394	126 850	135 337	43 283
3 Agricultural Trade and Business Development	11 011	10 827	11 858	18 165	18 165	24 750	34 378	36 373
4 Agricultural Research and Economic Analysis	5 950	9 526	11 483	16 013	20 586	19 571	30 310	33 362
5 Agricultural Production	8 593	6 480	–	–	–	1 669	1 728	1 818
6 Sustainable Resources Management and Use	455 243	395 778	399 875	394 920	388 925	394 966	424 168	410 078
7 National Agricultural Regulatory Services	106 255	100 629	134 857	158 249	146 081	140 023	161 806	171 917
8 Agricultural Communication, Planning and Evaluation	47 930	42 280	61 500	73 896	69 764	82 075	90 655	97 301
Total	737 012	675 697	723 328	899 362	869 152	916 719	1 010 795	936 132
Change to 2001 Budget Estimate				124 185	93 975	98 026	92 845	

Economic classification

Current	677 051	623 892	672 186	734 000	706 271	741 508	860 854	866 697
Personnel	167 937	184 587	202 413	239 260	219 160	252 785	286 605	304 136
Transfer payments	372 596	319 105	294 066	316 507	316 507	289 764	314 754	294 119
Other current	136 518	120 200	175 707	178 233	170 604	198 959	259 495	268 442
Capital	59 961	51 805	51 142	165 362	162 881	175 211	149 941	69 435
Transfer payments	14 150	14 500	14 500	102 000	102 000	102 000	102 000	18 020
Acquisition of capital assets	45 811	37 305	36 642	63 362	60 881	73 211	47 941	51 415
Total	737 012	675 697	723 328	899 362	869 152	916 719	1 010 795	936 132

Standard items of expenditure

Personnel	167 937	184 587	202 413	248 775	228 675	263 009	286 605	304 136
Administrative	39 969	44 778	60 600	69 460	62 618	93 291	101 535	109 357
Inventories	22 787	20 449	31 350	27 979	27 118	33 116	34 917	37 406
Equipment	40 037	34 965	36 130	28 980	26 499	36 820	32 601	35 155
Land and buildings	5 774	2 340	512	14 114	14 114	14 679	15 340	16 260
Professional and special services	64 345	50 953	67 486	91 547	91 550	84 040	123 043	121 679
Transfer payments	386 746	333 605	308 566	418 507	418 507	391 764	416 754	312 139
Miscellaneous	9 417	4 020	16 271	–	71	–	–	–
Total	737 012	675 697	723 328	899 362	869 152	916 719	1 010 795	936 132

Expenditure trends

The budget for the Department has grown by an annual average of nearly 7 per cent from 1998/99 to 2001/02. However, beginning in 2001/02, the three-year annual allocation of R85 million, to restore and rehabilitate agricultural land and assets held by communities in the Northern Province and Mpumalanga after the floods of 2000, distorts this picture. Discounting this allocation, budget growth averages 3,4 per cent a year between 1998/99 and 2001/02, before falling to an average of 1,3 per cent a year in the medium term.

Over the past few years, the Department has phased out services and activities such as financial assistance and subsidies to farmers, the Agricultural Credit Board and the Agricultural Credit Committees. Services that have been either extended or implemented include farmer settlement

and development, human resource development within the industry, and the reform of cooperatives.

These activities have brought about an increase in spending in *Farmer Support and Development*. Discounting the flood relief allocation, this grows at an average of 36,5 per cent a year from R12,5 million in 2000/01 to R43,3 million in 2004/05. *Agricultural Communication, Planning and Evaluation* grows by 12,2 per cent a year from R61,5 million to R97,3 million over the same period.

Sustainable Resource Management and Use dominates spending on the Vote, consuming an average of about 49,0 per cent of the total budget over the medium term (despite growing at an annual average of 1,2 per cent). Spending on *Agricultural Research and Economic Analysis*, however, increases by an annual average of 17,5 per cent from 2001/02 to 2004/05, reflecting the importance the Department attaches to providing sound analyses of the sector.

The large once-off increase to *National Agricultural Regulatory Services* in 2001/02 is due to the rollover of R32,8 million from 2000/01. This was used to assist Onderstepoort Biological Products upgrade its buildings, to upgrade the Department's border post facilities, and to finalise the combating of foot-and-mouth disease.

The decline in the proportion of the budget consumed by transfer payments from 52,5 per cent in 1998/99 to 33,3 per cent in 2004/05 reflects the phasing out of the LandCare projects, which developed infrastructure and provided poverty relief. It also indicates the end of financial support given to Abakor Ltd and the sugar industry, and the augmentation of the Vaccine Production trading account.

Allocations to support poverty relief specifically Land Care and Food Security Programmes, amount to R35 million in 2002/03 and R50 million in 2003/04.

Departmental receipts

The bulk of departmental income is derived from interest and capital payments for loans extended. This includes loans to the Land Bank of South Africa, income from the sale of agricultural products produced on state owned land, and the receipt of monies paid in compliance with statutory provisions governing the registration, certification and inspection of certain facilities. Variations in annual receipts are explained by the timing of the repayment of loans, and factors affecting the income from the sale of agricultural products.

Table 25.2: Departmental receipts

	Revenue outcome			Adjusted appropriation	Medium-term revenue estimate		
	Audited 1998/99	Audited 1999/00	Preliminary outcome 2000/01		2002/03	2003/04	2004/05
R thousand							
Non-tax revenue	40 488	31 232	48 676	58 807	60 356	62 272	68 317
Property income	24 623	11 612	16 193	11 244	10 329	10 635	10 667
Sales of goods and services	15 855	19 617	32 460	46 000	48 765	50 205	56 169
Fines, penalties and forfeits	–	2	1	1	1	1	1
Voluntary transfers	–	–	–	460	460	480	600
Miscellaneous	10	1	22	1 102	801	951	880
Financial transactions (recovery of loans and advances)	29 449	11 755	33 444	9 693	6 335	10 641	11 399
Total departmental receipts	69 937	42 987	82 120	68 500	66 691	72 913	79 716

Programme 1: Administration

The *Administration* programme provides strategic leadership, overall management and corporate services through the activities of the Minister, Deputy Minister and senior management. It also provides financial, administrative and legal services, an internal audit function, human resource management, and secretariat services in support of inter-governmental relations. In addition, there is a component for agricultural debt collection.

Expenditure estimates

Table 25.3: Administration

Subprogramme	Expenditure outcome				Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome	Adjusted appropriation			
R thousand	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
Minister ¹	–	513	733	646	685	722	759
Deputy Minister ²	506	478	584	501	531	560	588
Management	8 831	9 369	10 226	12 852	17 021	18 036	19 553
Corporate Services	69 463	85 565	78 128	93 326	93 899	97 755	104 840
Capital Works	5 552	2 160	475	14 114	14 679	15 340	16 260
Special Functions: Theft and Losses	6 952	1 289	1 136	–	–	–	–
Agricultural Credit Board	9	–	–	–	–	–	–
Total	91 313	99 374	91 282	121 439	126 815	132 413	142 000
Change to 2001 Budget Estimate				(310)	998	1 542	

¹ Payable as from 1 April 2001. Salary: R516 812. Car allowance: R129 203.

² Payable as from 1 April 2001. Salary: R400 964. Car allowance: R100 241.

Economic classification

	75 051	86 264	87 265	102 268	106 682	111 532	119 829
Current							
Personnel	50 698	60 187	63 221	70 310	75 517	79 364	84 313
Transfer payments	–	–	–	–	–	–	–
Other current	24 353	26 077	24 044	31 958	31 165	32 168	35 516
Capital	16 262	13 110	4 017	19 171	20 133	20 881	22 171
Transfer payments	–	–	–	–	–	–	–
Acquisition of capital assets	16 262	13 110	4 017	19 171	20 133	20 881	22 171
Total	91 313	99 374	91 282	121 439	126 815	132 413	142 000

Standard items of expenditure

Personnel	50 698	60 187	63 221	70 310	75 517	79 364	84 313
Administrative	8 051	10 226	12 479	12 785	14 587	13 570	15 255
Inventories	2 429	1 921	3 425	4 007	4 229	4 541	4 824
Equipment	10 710	10 950	3 542	5 057	5 454	5 541	5 911
Land and buildings	5 552	2 160	475	14 114	14 679	15 340	16 260
Professional and special services	6 190	11 778	6 611	15 166	12 349	14 057	15 437
Transfer payments	–	–	–	–	–	–	–
Miscellaneous	7 683	2 152	1 529	–	–	–	–
Total	91 313	99 374	91 282	121 439	126 815	132 413	142 000

Policy developments

The Agricultural Debt Management Act (45 of 2001) replaced the Agricultural Credit Act (28 of 1966). The new Act deals with the collection, management and disbursement of agricultural debt, primarily from loans granted by the former Agricultural Credit Board. On 30 November 2001, outstanding debt owed by the 6 462 debtors amounted to R852,4 million and there was

R863 million in the account. The legislation enables Government to reinvest the monies collected in the agricultural sector.

Expenditure trends

Expenditure on *Administration* increases from R121,4 million in 2001/02 to R142,0 million in 2004/05. This is mainly because of increased personnel expenditure, and the shift of the capital building projects to this programme from the Department of Public Works.

Programme 2: Farmer Support and Development

Farmer Support and Development develops a range of policies for farmer settlement, food security and rural development. The policies aim to ensure the restructuring of the agricultural sector in a manner that promotes competitiveness, sustainability and growth, as well as representivity and transformation. Apart from a managerial subprogramme, the programme is organised into four subprogrammes:

- Farmer Settlement provides support for commercially viable farmers from previously disadvantaged communities.
- Financial Services and Cooperatives provides training and institutional support to cooperatives.
- Food Security and Rural Development develops policies on food security, manages early warning systems, and finances projects for achieving household food security.
- Agricultural Risk Management develops an agricultural disaster management system to ensure that agricultural enterprises recover, grow and develop after natural disasters. It includes giving assistance to recovery work following the 2000 floods.

Expenditure estimates

Table 25.4: Farmer Support and Development

Subprogramme	Expenditure outcome				Medium-term expenditure estimate		
	Audited	Audited	Preliminary	Adjusted			
R thousand	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
Management	330	304	555	802	865	890	938
Farmer Settlement	2 875	3 288	4 502	6 913	12 325	16 968	18 479
Financial Services and Cooperatives	2 948	3 377	4 443	6 847	8 998	12 601	9 765
Food Security and Rural Development	2 666	3 055	2 059	16 192	18 233	15 783	9 763
Agricultural Risk Management	399	457	914	85 926	86 429	89 095	4 338
Loans to Small and Beginner Farmers	1 499	322	-	-	-	-	-
Total	10 717	10 803	12 473	116 680	126 850	135 337	43 283
Change to 2001 Budget Estimate				85 000	85 392	85 215	
Economic classification							
Current	10 096	10 454	12 172	31 253	38 996	49 318	42 202
Personnel	4 240	4 646	6 728	11 601	11 290	11 818	12 540
Transfer payments	3 432	2 295	1 624	1 500	1 500	1 500	1 590
Other current	2 424	3 513	3 820	18 152	26 206	36 000	28 072
Capital	621	349	301	85 427	87 854	86 019	1 081
Transfer payments	-	-	-	85 000	85 000	85 000	-
Acquisition of capital assets	621	349	301	427	2 854	1 019	1 081
Total	10 717	10 803	12 473	116 680	126 850	135 337	43 283

Subprogramme	Expenditure outcome				Medium-term expenditure estimate		
	Audited	Audited	Preliminary	Adjusted			
	1998/99	1999/00	outcome				
R thousand	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
Standard items of expenditure							
Personnel	4 240	4 646	6 728	11 601	11 290	11 818	12 540
Administrative	872	1 256	1 588	2 536	7 410	5 740	6 437
Inventories	180	247	287	238	300	715	779
Equipment	621	349	301	427	2 854	1 019	1 081
Land and buildings	-	-	-	-	-	-	-
Professional and special services	1 306	1 933	1 893	15 378	18 496	29 545	20 856
Transfer payments	3 432	2 295	1 624	86 500	86 500	86 500	1 590
Miscellaneous	66	77	52	-	-	-	-
Total	10 717	10 803	12 473	116 680	126 850	135 337	43 283

Policy developments

A key focus for the Department of Agriculture is developing a comprehensive farmer support package for the beneficiaries of the Land Redistribution and Agricultural Development (LRAD) programme. The programme provides farmer settlement support, such as farmer training and training for rural agribusiness development. It also defines norms and standards for agricultural development finance.

A new area for policy development is managing risks associated with droughts, veld fires, climate change and agricultural diseases. Policy initiatives on the links between HIV/Aids and food security will also be introduced in the coming year.

Expenditure trends

Farmer Support and Development reflects a large increase from 2000/01 to 2003/04, coming from additional funding of R85 million per year for restoring agricultural land and assets lost by communities in the floods in the Northern Province and Mpumalanga in 2000. The Land Bank administers the Flood Relief Scheme 2000 on behalf of the Department.

Key outputs, indicators and targets

Farmer Support and Development

Subprogramme	Output	Output measure/indicator	Target
Farmer Settlement	Commercially viable farmers settled	Number settled	100 per province per year over the medium term
Financial Services and Cooperatives	Development Finance Bill drafted	Tabling of the Bill	31 March 2003
	Support packages for farmers	Access to resources by previously disadvantaged farmers	Increase in the number of farmers
	Establishment of viable cooperatives	Number of registered cooperatives	Sound management principles for 250 established cooperatives Register 30 new rural agricultural cooperatives

Subprogramme	Output	Output measure/indicator	Target
Financial Services and Cooperatives	Establishment of a rural financial services system	Agricultural and rural development financial policy, legislation and institutions in place	Policy and legislation to be presented to Cabinet in the second quarter of 2002/03
	Accredited training programmes in cooperative and financial management	Training programmes in management of farm finance, risk, cooperatives, as well as livestock and irrigation management Certificates issued to trainees	Training programmes designed in 2002 All beneficiaries of the Land Redistribution and Agricultural Development programme
Food Security and Rural Development	Policy and legislation on food security	Food security policy Draft legislation developed	Policy framework approved by April 2002 September 2002
	Integrated food security projects in targeted areas	Individuals, households, or groups participating in food security projects Number of completed and successful projects	Dependent on demand, and location (Baseline data not available for setting targets) 5 food security projects per district/rural development node implemented by June 2002
	Training programmes	Accredited courses to support food security and rural development developed and conducted	New curriculum developed and implemented in 2002
Agricultural Risk Management	Designing of disaster management schemes	Availability of disaster management schemes for floods, droughts, veld fires, frosts and disease	Disbursement of R170 million in flood relief between 2002/03 and 2003/04

Pilot projects under a special programme for food security were completed in the Eastern Cape, KwaZulu-Natal and the Northern Province.

Nearly 450 000 hectares of state owned land have been disposed of and allocated to farmer settlement through the Land Redistribution and Agricultural Development programme in the nine provinces.

Programme 3: Agricultural Trade and Business Development

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

- AgriBusiness Promotion and Industry Relations develops strategies for the growth of strategic agricultural industries, and promotes equity.
- Domestic Marketing develops and implements policies to improve domestic market access and promote trade.
- International Trade provides support for developing agricultural trade policy by negotiating and managing international trade agreements.
- The National Agricultural Marketing Council advises the Minister on statutory and regulatory measures which might be taken by the Department.

Expenditure estimates

Table 25.5: Agricultural Trade and Business Development

Subprogramme	Expenditure outcome				Medium-term expenditure estimate		
	Audited	Audited	Preliminary	Adjusted			
R thousand	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
Management	–	–	–	738	990	822	866
Agri-Business Promotion and Industry Relations	613	702	1 318	1 424	4 222	8 807	9 281
Domestic Marketing	1 014	908	983	4 339	7 911	10 854	11 395
International Trade	3 444	2 682	2 888	4 729	6 415	7 781	8 230
National Agricultural Marketing Council	5 940	6 535	6 669	6 935	5 212	6 114	6 601
Total	11 011	10 827	11 858	18 165	24 750	34 378	36 373
Change to 2001 Budget Estimate				–	2 028	1 641	

Economic classification

Current	10 875	10 673	11 773	17 839	24 061	33 898	35 868
Personnel	4 176	3 488	3 650	8 648	8 627	9 062	9 615
Transfer payments	5 940	6 535	6 669	6 935	5 212	6 114	6 601
Other current	759	650	1 454	2 256	10 222	18 722	19 652
Capital	136	154	85	326	689	480	505
Transfer payments	–	–	–	–	–	–	–
Acquisition of capital assets	136	154	85	326	689	480	505
Total	11 011	10 827	11 858	18 165	24 750	34 378	36 373

Standard items of expenditure

Personnel	4 176	3 488	3 650	8 648	8 627	9 062	9 615
Administrative	610	506	702	1 633	7 297	6 799	7 108
Inventories	28	43	83	87	155	228	219
Equipment	136	154	85	326	689	480	505
Land and buildings	–	–	–	–	–	–	–
Professional and special services	57	55	642	536	2 770	11 695	12 325
Transfer payments	5 940	6 535	6 669	6 935	5 212	6 114	6 601
Miscellaneous	64	46	27	–	–	–	–
Total	11 011	10 827	11 858	18 165	24 750	34 378	36 373

Policy developments

South Africa's entry into global markets has necessitated its involvement in negotiations to establish, implement and administer bilateral trade agreements. Implementing the trade agreements concluded with the European Union (EU) and Southern African Development Community (SADC) will be a key activity in this programme in 2002/03. It will also participate in multilateral trade negotiations in the World Trade Organisation (WTO), and bilateral negotiations with the Latin American common market.

Increased international trade has made it necessary to ensure that agricultural policies and regulations such as those for cross-boarder disease control, are organised to maximise their benefits and minimise their risks. Legislation, regulations and access control structures will be reviewed in 2002/03, because of the many challenges presented by the free flow of agricultural goods. At the same time, the Department is seeking to ensure that South African agriculture maximises the potential benefits it can derive from the opening up of trade opportunities.

Expenditure trends

Agricultural Trade and Business Development grows from R18,2 million in 2001/2002 to R36,4 million in 2004/05, with most of this growth concentrated in Domestic Marketing, and Agribusiness Promotion and Industry Relations. This reflects the increasing role of international agricultural trade and the crucial need for improved support to ensure empowerment and growth in agribusiness.

Key outputs, indicators and targets

Agricultural Trade and Business Development

Subprogramme	Output	Output measure/indicator	Target
Agribusiness Promotion and Industry Relations	Policy framework on agribusiness development	Policy and guidelines for agribusiness development	Finalised by September 2002
	Strategies to ensure growth and equity in targeted sectors	Documented norms and standards on agribusiness development	2 strategies each for: horticulture, industrial crops, livestock and grains/commodities June 2002
	Inventory of empowerment initiatives in agribusiness	Report on existing empowerment initiatives	
Domestic Marketing	'Broadening access to agriculture thrust' strategy implemented	Inventory of agricultural markets operating in the ex-homeland areas	Focus on Eastern Cape, Northern Province, KwaZulu-Natal and Free State
	Promotion of trade	Domestic market access for small farmers	20% increase in domestic market access
International Trade	Development of strategies and instruments to support export promotion	Earnings, volumes and market share of South African agricultural products	Increase value and volume, with focus on new areas outside the EU
		Participation in trade promotional activities	South African participation in all major international agricultural trade fairs by 2003
	Negotiation and management of trade agreements	Improved market access for agricultural products	Detailed SADC/WTO proposal in 2002 on development requirements
	Provision of information on strategic world markets	Effective information sharing system established	Incremental availability of strategic information
	Implementation of SADC trade protocol, South African Customs Union agreement and the South African Trade, Development and Cooperation Agreement	Value of earnings, volumes and market share of South African agricultural products Agreement implemented	Increase value, volume and market share Establishment of efficient systems for the administration of trade agreements

During 2001/02 the Department participated in WTO negotiations on agriculture and supported the South African delegation that participated in setting up the Doha round of WTO negotiations. In addition, a Wine and Spirits Agreement between the European Union and South Africa was concluded. A strategy for trade negotiations with the Latin American common market was also developed.

In conjunction with the United Nations' Food and Agriculture Organisation, the Department implemented a well-received project for training provincial extension officers in marketing.

Programme 4: Agricultural Research and Economic Analysis

Agricultural Research and Economic Analysis supports the establishment and management of national agriculture databases and provides for the collection and analysis of agricultural statistics. The programme monitors and evaluates the economic state and performance of the sector, producing quarterly forecasts and reports on sector trends. Apart from a management capability, it is composed of two subprogrammes:

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

Expenditure estimates

Table 25.6: Agricultural Research and Economic Analysis

Subprogramme	Expenditure outcome				Medium-term expenditure estimate		
	Audited	Audited	Preliminary	Adjusted			
R thousand	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
Management	371	445	970	872	937	967	1 020
Economic Analysis	1 793	1 598	1 627	4 639	5 659	8 369	8 879
Statistics	3 786	7 483	8 886	10 502	12 975	20 974	23 463
Total	5 950	9 526	11 483	16 013	19 571	30 310	33 362
Change to 2001 Budget Estimate				-	-	-	

Economic classification

Current	5 335	9 151	11 217	15 727	18 867	29 677	32 691
Personnel	4 536	4 519	5 130	7 760	7 918	8 309	8 821
Transfer payments	-	-	-	-	-	-	-
Other current	799	4 632	6 087	7 967	10 949	21 368	23 870
Capital	615	375	266	286	704	633	671
Transfer payments	-	-	-	-	-	-	-
Acquisition of capital assets	615	375	266	286	704	633	671
Total	5 950	9 526	11 483	16 013	19 571	30 310	33 362

Standard items of expenditure

Personnel	4 536	4 519	5 130	7 760	7 918	8 309	8 821
Administrative	576	708	775	2 199	2 120	4 095	5 560
Inventories	100	418	120	290	415	678	720
Equipment	615	375	266	286	704	633	671
Land and buildings	-	-	-	-	-	-	-
Professional and special services	60	3 433	5 146	5 478	8 414	16 595	17 590
Transfer payments	-	-	-	-	-	-	-
Miscellaneous	63	73	46	-	-	-	-
Total	5 950	9 526	11 483	16 013	19 571	30 310	33 362

Policy developments

The Department has identified the lack of a comprehensive and accurate statistical database on agriculture as the primary obstacle to effective the planning and implementation of development programmes. To strengthen its statistics management capacity to an appropriate level, it is currently developing the necessary systems. The Department has also identified a need for increased analytical skills. Working with national and international experts, in-house capacity will be built in collaboration with the provincial departments.

Expenditure trends

To address the capacity shortages identified the budget for the programme grows from R11,5 million to R33,4 million over the period 2000/01 to 2004/05, an annual average increase of over 30 per cent. The increase indicates the function's dependence on skills, the need for employing outside experts, and high levels of expenditure on professional and special services.

Key outputs, indicators and targets

Agricultural Research and Economic Analysis

Subprogramme	Output	Output measure/indicator	Target
Economic Analysis	Inventory on the quality, availability and utilisation of agricultural resources	Availability of reliable information on agricultural resources	First report by March 2003
	Econometric analysis of performance of agriculture	Further development of econometric models	Phase 1 by March 2003
	Farm and enterprise (commodity) economic/financial recording and analysis tools developed	Implementation of a computerised economic and financial record system and computerised farm enterprise budget generating programme	Modelling of typical farms, focusing on Land Redistribution and Agricultural Development areas in phase 1
Statistics	Crop forecasting system	Implementation of improved system	Phase 1 by March 2003
	Agricultural survey reports for 2000	2000 farm survey data available	July 2002
	Farm/farmer Register	Operational database	Phase 1 by April 2002
	Undertake an agricultural census	Census report	April 2004

A preliminary estimation of the supply function for meat products, determining the impact of importing live sheep, has been completed. Draft profiles have also been drawn for the cotton, potato and citrus industries. A sample survey covering about 15 000 households was conducted in collaboration with Statistics South Africa to form the basis of future reports. The survey contains baseline information on all types of farming throughout the country, including in the former homelands.

The National Agricultural Statistic Service of the United States Department of Agriculture provided technical assistance to improve the accuracy of monthly crop forecasts. The objective is to implement a system which predicts final harvests to within 5 per cent of actual levels.

Programme 5: Agricultural Production

Agricultural Production is a new programme, established in order to develop policies to enhance the sustainable production of agricultural products. It will work with the provinces and the Agricultural Research Council to identify and support strategic research and interventions to increase productivity and mitigate the effects of climate change and migratory pests. Apart from management, the subprogrammes include:

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

Expenditure estimates

Table 25.7: Agricultural Production

Subprogramme	Expenditure outcome				Medium-term expenditure estimate		
	Audited	Audited	Preliminary	Adjusted			
R thousand	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
Management	-	-	-	-	500	565	595
Animal and Aqua Production Systems	-	-	-	-	584	581	611
Plant Production Systems	-	-	-	-	585	582	612
Vaccine Production Trading Account	8 593	6 480	-	-	-	-	-
Total	8 593	6 480	-	-	1 669	1 728	1 818
Change to 2001 Budget Estimate					-	-	-

Economic classification

Current	8 593	6 480	-	-	1 639	1 696	1 786
Personnel	-	-	-	-	1 055	1 122	1 185
Transfer payments	8 593	6 480	-	-	-	-	-
Other current	-	-	-	-	584	574	601
Capital	-	-	-	-	30	32	32
Transfer payments	-	-	-	-	-	-	-
Acquisition of capital assets	-	-	-	-	30	32	32
Total	8 593	6 480	-	-	1 669	1 728	1 818

Standard items of expenditure

Personnel	-	-	-	-	1 055	1 122	1 185
Administrative	-	-	-	-	474	454	475
Inventories	-	-	-	-	40	44	46
Equipment	-	-	-	-	30	32	32
Land and buildings	-	-	-	-	-	-	-
Professional and special services	-	-	-	-	70	76	80
Transfer payments	8 593	6 480	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Total	8 593	6 480	-	-	1 669	1 728	1 818

Policy developments

The focus of activities in the first year will be on establishing an effective organisational structure and broad policy options for new agricultural issues, such as aquaculture and game farming. Priority will also be given to developing an integrated plant and animal health system that will enable farmers to farm in a sustainable manner.

Expenditure trends

Agricultural Production is a new, small programme, consuming less than 1,0 per cent of the annual budget. It is envisaged that the programme will grow as South African farmers develop the aquaculture and game farming sub-sectors.

Key outputs, indicators and targets

Agricultural Production

Subprogramme	Output	Output measure/indicator	Target
Animal and Aqua Production Systems	Policies on livestock production, aquaculture, game farming and animal welfare	Policy documents on livestock production and game farm management approved	July 2002
		Norms and standards that support effective animal and aqua production systems	March 2003
		Projects for livestock improvement targeting suitable priority rural nodes	4 pilot projects implemented in the medium term
Plant Production Systems	Policy on sustainable agriculture developed	Policy documents on organic farming, water scarce farming	March 2003
		Projects for plant production improvement, targeting suitable priority rural nodes	4 pilot projects implemented by March 2003

Programme 6: Sustainable Resources Management and Use

The *Sustainable Resources Management and Use* programme develops policies, norms and standards on the management and use of land and water resources in agriculture. Apart from the management function, the programme is organised into four subprogrammes:

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

Expenditure estimates

Table 25.8: Sustainable Resources Management and Use

Subprogramme	Expenditure outcome				Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome	Adjusted appropriation			
R thousand	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
Management	453	474	530	790	832	903	958
Water Use and Irrigation Development	44 754	49 406	42 676	52 191	52 972	56 047	59 170
Scientific Research and Development	–	–	–	–	744	928	981
Land Use and Soil Management	66 054	46 402	74 367	70 693	65 366	82 150	45 021
Agricultural Research Council ¹	302 556	294 093	276 878	271 246	275 052	284 140	303 948
Financial Support Measures	21 426	5 403	5 424	–	–	–	–
Sundry Support Measures: Abakor Ltd	20 000	–	–	–	–	–	–
Total	455 243	395 778	399 875	394 920	394 966	424 168	410 078
Change to 2001 Budget Estimate				4 485	5 475	4 000	

¹ Amount specifically and exclusively appropriated.

R thousand	Expenditure outcome				Medium-term expenditure estimate		
	Audited	Audited	Preliminary	Adjusted	2002/03	2003/04	2004/05
	1998/99	1999/00	outcome	appropriation			
			2000/01	2001/02			
Economic classification							
Current	428 161	366 943	365 697	348 534	346 725	396 949	381 227
Personnel	38 351	37 018	35 470	33 392	32 366	44 795	47 543
Transfer payments	354 631	303 795	285 773	285 221	283 052	307 140	285 928
Other current	35 179	26 130	44 454	29 921	31 307	45 014	47 756
Capital	27 082	28 835	34 178	46 386	48 241	27 219	28 851
Transfer payments	14 150	14 500	14 500	17 000	17 000	17 000	18 020
Acquisition of capital assets	12 932	14 335	19 678	29 386	31 241	10 219	10 831
Total	455 243	395 778	399 875	394 920	394 966	424 168	410 078

Standard items of expenditure

Personnel	38 351	37 018	35 470	42 907	42 590	44 795	47 543
Administrative	8 096	6 751	10 081	11 630	12 547	12 978	13 795
Inventories	14 889	11 310	15 161	14 763	16 975	17 432	18 477
Equipment	12 889	14 283	19 678	9 118	9 529	10 219	10 831
Land and buildings	43	52	-	-	-	-	-
Professional and special services	11 639	7 508	18 920	14 281	13 273	14 604	15 484
Transfer payments	368 781	318 295	300 273	302 221	300 052	324 140	303 948
Miscellaneous	555	561	292	-	-	-	-
Total	455 243	395 778	399 875	394 920	394 966	424 168	410 078

Policy developments

During 2002/03, the *Sustainable Resources Management and Use* will continue to support one of the major goals for agricultural policy reform: the conservation of natural resources.

Other areas of attention will include:

- Strengthening capacity and technological development in agriculture
- Exploring the implications for trade of emerging consumer concerns about environmental norms
- Implementing the environmental impact plans in accordance with the National Environmental Management Act (107 of 1998)

Expenditure trends

The most significant expenditure in *Sustainable Resources Management and Use* is the transfers to the Agricultural Research Council and the special allocation for infrastructure development. These consume 68,7 per cent of programme expenditure in 2001/02, increasing to 74,1 percent in 2004/05, and growing approximately three times faster than the budget of the programme as a whole.

National programmes currently being supported through allocations from the special allocation for poverty relief include the rehabilitation of irrigation schemes and LandCare. LandCare is a community based programme directed by the Department. Its goal is improving productivity through the sustainable use of natural resources resulting in greater food security, job-creation and a better quality of life for all. To fund these projects, R25 million per year has been made available from the special poverty relief allocation to the Land Use and Soil Management Subprogramme from 1998/99 to 2002/03, with a further R40 million in 2003/04. Continued funding of this programme will depend on the outcome of an independent assessment of its efficacy.

Key outputs, indicators and targets

Sustainable Resources Management and Use

Subprogramme	Output	Output measure/indicator	Target
Water Use and Irrigation Development	Key soil conservation structures	Hectares protected from soil erosion	Additional 5 000 ha protected per year
	Boreholes	Number of boreholes drilled	650 boreholes drilled per year
	Irrigation systems	Irrigation systems resuscitated/developed	5 schemes per year
Scientific Research and Development	Establishment of National Agricultural Research System	Bi-annual meetings of National Agricultural Research System	First meeting during May 2002
		Database on National Agricultural Research System participants and outputs	July 2002
		Performance assessment system for agricultural research established	October 2002
Land Use and Soil Management	Policies, legislation, systems of control for land use and management	Evaluation of LandCare	May 2002
		Sustainable agriculture policy	July 2002
	LandCare programme extended to Land Redistribution and Agricultural Development areas	Farmers applying sustainable land use practices	All areas of Land Redistribution and Agricultural Development settlement
	New enforcement system for sustainable land management	Technical manual developed	System introduced in 2003/04

A total of 118 boreholes have been drilled country wide; 35 were drilled on state owned land earmarked for the farmer settlement programme in the Moretele and Odi districts of the North West province. More than 150 key soil conservation structures (filling dongas, building retaining walls, soil erosion structures, and so on) have been erected in collaboration with the provincial departments. Of these, 76 were in KwaZulu-Natal, 48 in Mpumalanga, 30 in the North West and 1 in the Western Cape.

During 2001/02 the following control operations were successfully executed: 40 000 bands and 9 000 swarms of locusts, 190 quelia swarms, 14 blackfly operations in the lower Orange River and 8 each in the Gamtoos and Fish rivers in the Eastern Cape. In addition, 1 000 hectares in the Eastern Cape were cleared of opuntia and nasella infestations.

Programme 7: National Agricultural Regulatory Services

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

- Food Safety and Quality Assurance ensures that food control is coordinated and that products destined for human consumption are safe.
- The Genetic Resources subprogramme provides and regulates a national management system in support of the safe and sustainable use of genetic resources in agriculture, and offers leadership in the use of genetically modified products.
- Plant Health manages risks associated with plants and plant products.
- Animal Health manages risks associated with animals and animal products, and assists in the negotiation of protocols for the import and export of animals and animal products.
- Import - Export Control Services ensures that imported and exported goods are safe.

Expenditure estimates

Table 25.9: National Agricultural Regulatory Services

Subprogramme	Expenditure outcome				Medium-term expenditure estimate		
	Audited	Audited	Preliminary	Adjusted			
R thousand	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
Management	331	308	787	768	828	853	898
Food Safety and Quality Assurance	25 048	19 310	26 231	25 520	27 566	31 438	33 340
Genetic Resources	2 318	10 579	9 926	10 157	11 098	12 097	12 491
Plant Health	4 844	4 510	4 733	5 943	7 332	10 432	11 080
Animal Health	33 395	27 277	47 536	66 776	33 917	39 836	42 721
Import - Export Control Services	40 319	38 645	45 644	49 085	59 282	67 150	71 387
Total	106 255	100 629	134 857	158 249	140 023	161 806	171 917
Change to 2001 Budget Estimate				32 796	224	-	

Economic classification

Current	96 018	95 245	129 374	151 141	128 920	153 943	163 612
Personnel	51 109	61 432	62 663	77 986	82 928	97 375	103 227
Transfer payments	-	-	-	22 851	-	-	-
Other current	44 909	33 813	66 711	50 304	45 992	56 568	60 385
Capital	10 237	5 384	5 483	7 108	11 103	7 863	8 305
Transfer payments	-	-	-	-	-	-	-
Acquisition of capital assets	10 237	5 384	5 483	7 108	11 103	7 863	8 305
Total	106 255	100 629	134 857	158 249	140 023	161 806	171 917

Standard items of expenditure

Personnel	51 109	61 432	62 663	77 986	82 928	97 375	103 227
Administrative	8 354	10 090	16 465	16 050	19 645	24 403	25 688
Inventories	3 934	5 321	9 905	6 217	8 118	8 167	8 642
Equipment	10 062	5 258	5 446	7 108	11 103	7 863	8 305
Land and buildings	175	126	37	-	-	-	-
Professional and special services	31 848	17 496	26 210	28 037	18 229	23 998	26 055
Transfer payments	-	-	-	22 851	-	-	-
Miscellaneous	773	906	14 131	-	-	-	-
Total	106 255	100 629	134 857	158 249	140 023	161 806	171 917

Policy developments

Given recent experiences with communicable diseases affecting large proportions of agriculture in South Africa and around the world, improving and maintaining national agricultural regulatory systems remains the single biggest challenge for agricultural reform. Among the most critical issues are strengthening the veterinary services and putting in place a system to guarantee food safety for South African consumers. The Department aims to ensure that there are uniform norms and standards for animal and plant health, and related matters. To this end it is focusing on:

- Strengthening import and export controls
- Providing an early warning system to anticipate risks associated with agricultural products
- Improving the systems for registering all agricultural remedies and veterinary medicines to ensure their quality and efficacy
- Providing leadership to the provincial departments on all matters related to regulatory activities

Expenditure trends

Although the budget for *National Agricultural Regulatory Services* grows steadily from R134,9 million in 2000/01 to R171,9 million in 2004/05, fighting the outbreak of foot-and-mouth disease required a further once-off allocation of R9,9 million in 2001/02. This, together with an additional R13 million allocation for the improvement of border control mechanisms, and the rollover of funds for the upgrading of the Onderstepoort facility, meant that an additional R32,8 million was made available to the programme in 2001/02.

The Department places a high priority on the control services conducted at the various border posts and other points of entry. It therefore allocated additional funds to Import - Export Control Services, which grows at an annual average of 13,3 per cent over the medium term.

Key outputs, indicators and targets

National Agricultural Regulatory Services

Subprogramme	Output	Output measure/indicator	Target
Food Safety and Quality Assurance	Safe food for human consumption	Food complying with standards	100% compliance
	Availability of information	Guides, database, and awareness programmes available	March 2003
Genetic Resources	Healthy animal/plant genetic material	Characterised farm genetic resources database	March 2003
	Rehabilitated crop species	Strategies and guidelines on crops at risk of extinction	Regular monitoring
	Regulated trade in plant genetic material	Permits, certificates, protocols, and agreements in place	March 2003
Plant Health	Early warning systems	Database, surveys and contingency plans in place	March 2003
	Prevention of pest disease outbreaks	Incidents of pest outbreaks	No outbreaks
Animal Health	Policy on accreditation of laboratories	Availability of guidelines and policy in place	Phase 1 by March 2003
	Animal disease control fences	Controlled movement of diseased animals	No animal breakouts
	A reliable animal identification system	Traceable animals	Phase 1 by March 2003
Import and Export Control Services	Disease free imported/exported agricultural products	Number of warning notices, registration removals, legal actions, certificates issued	March 2003
	Improvement of ports of entry	Number of audits performed on quarantine stations	Regular monitoring
		Access control systems in place	March 2003

The outbreak of foot-and-mouth disease in KwaZulu-Natal, Mpumalanga and the Northern Province was successfully contained and managed, while outbreaks of Kanak Bunt were also successfully dealt with.

As a result of training, more tomato farmers are now able to participate in the local national markets and mango farmers are exporting their products successfully.

Programme 8: Agricultural Communication, Planning and Evaluation

Agricultural Communication, Planning and Evaluation consolidates the coordination and implementation of national programmes; reports on national programmes; and provides the capacity to undertake impact assessments of policies and projects. Apart from the management function it consists of six subprogrammes:

- Planning and Evaluation plans and coordinates identified projects in the Department.
- Agricultural Information Services provides agricultural news and information through publications and electronic media.
- International Relations facilitates, coordinates and supports bilateral and multilateral relations for South African agriculture, including paying membership fees to international organisations; and maintains agricultural offices in Brussels, Washington, Rome and Beijing.
- Agricultural Education and Training facilitates skills development in the agricultural sector.

- Grootfontein Agricultural Development Institute provides for the training and development of new and existing farmers.
- Information Management Systems provides information technology (IT) services to the Department.

Expenditure estimates

Table 25.10: Agricultural Communication, Planning and Evaluation

Subprogramme	Expenditure outcome				Medium-term expenditure estimate		
	Audited	Audited	Preliminary	Adjusted			
R thousand	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
Management	–	–	–	–	525	566	570
Planning and Evaluation	–	–	–	–	333	323	324
Agricultural Information Services	13 018	10 071	10 734	11 697	11 924	12 559	13 332
International Relations	15 127	17 527	16 786	23 225	29 390	33 549	34 516
Agricultural Education and Training	7 069	1 268	1 953	4 540	5 356	7 186	7 622
Grootfontein Agricultural Development Institute	–	–	16 689	18 749	18 509	19 604	23 046
Information Management Systems	12 716	13 414	15 338	15 685	16 038	16 868	17 891
Total	47 930	42 280	61 500	73 896	82 075	90 655	97 301
Change to 2001 Budget Estimate				2 214	3 909	447	

Economic classification

Current	42 922	38 682	54 688	67 238	75 618	83 841	89 482
Personnel	14 827	13 297	25 551	29 563	33 084	34 760	36 892
Transfer payments	–	–	–	–	–	–	–
Other current	28 095	25 385	29 137	37 675	42 534	49 081	52 590
Capital	5 008	3 598	6 812	6 658	6 457	6 814	7 819
Transfer payments	–	–	–	–	–	–	–
Acquisition of capital assets	5 008	3 598	6 812	6 658	6 457	6 814	7 819
Total	47 930	42 280	61 500	73 896	82 075	90 655	97 301

Standard items of expenditure

Personnel	14 827	13 297	25 551	29 563	33 084	34 760	36 892
Administrative	13 410	15 241	18 510	22 627	29 211	33 496	35 039
Inventories	1 227	1 189	2 369	2 377	2 884	3 112	3 699
Equipment	5 004	3 596	6 812	6 658	6 457	6 814	7 819
Land and buildings	4	2	–	–	–	–	–
Professional and special services	13 245	8 750	8 064	12 671	10 439	12 473	13 852
Transfer payments	–	–	–	–	–	–	–
Miscellaneous	213	205	194	–	–	–	–
Total	47 930	42 280	61 500	73 896	82 075	90 655	97 301

Policy developments

Since 1998 several new projects and initiatives were implemented to improve the dissemination of agricultural information. An agricultural communication policy will be drafted and will lead to the establishment of a national communication council. Further focal areas will be: developing an impact assessment strategy and international relations policies; forming a national council for agricultural relations; drafting an agricultural education and training policy; and developing an agricultural bursary scheme.

Short-term training courses will be developed and implemented at the Grootfontein Agricultural Development Institute (GADI) to equip emerging farmers with the necessary skills. Additional funds have been allocated for this.

Expenditure trends

The fastest growing subprogramme is International Relations which, as a result of the depreciation of the currency, sees growth averaging 14,1 per cent a year compared to the 9,6 per cent annual growth in the programme budget. The Grootfontein Agricultural Development Institute was allocated additional funding from 2001/02 in order to correct its base, and the budget of the Information Management Systems subprogramme was also increased to be in line with IT technology advancements.

Key outputs, indicators and targets

Agricultural Communication, Planning and Evaluation

Subprogramme	Output	Output measure/indicator	Target
Planning and Evaluation	Establish a project management office	Established and capacitated office	October 2002
	Conduct projects	Number of approved projects implemented	Depending on project funds and cycle
Agricultural Information Services	Agricultural communication strategy	Framework for effective information dissemination	July 2002
International Relations	Agricultural agreements, technical exchanges and trade opportunities	Increased presence in foreign markets	Brussels and Rome offices open by March 2003
Agricultural Education and Training	Facilitate and develop agricultural skills through training programmes	Number of individuals receiving training	Maximum number in relation to the allocated budget per year
Information Management Systems	Informed internal and external clients	Integrated, effective information system	March 2003
	Electronic data disaster recovery plan	Plan in place	December 2002

The Department has again successfully run the annual Female Farmer of the Year Competition to highlight the contribution of women in agriculture. In addition, a bursary scheme for the agricultural sector was drawn up for implementation during 2002/03.

Public entities reporting to the Minister

National Agricultural Marketing Council

The Marketing of Agricultural Products Act (47 of 1996), established the National Agricultural Marketing Council in January 1997 to advise the Minister of Agriculture and Land Affairs on marketing agricultural products. It facilitated the abolition of all agricultural marketing boards. Transfers to the National Agricultural Marketing Council form part of Programme 3 and amount to R6,9 million in 2001/02, declining to R6,6 million in 2004/05.

Agricultural Research Council

The Agricultural Research Council is established by the Agricultural Research Act (86 of 1990) to provide agricultural development, technology and support to the agricultural community. Transfer payments to the Council are included in Programme 6 and amount to R271,2 million in 2001/02, increasing to R304,0 million in 2004/05. The Council competes for supplementary research funding from the Innovation Fund on the Arts, Culture, Science and Technology Vote.

Land Bank

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

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

Onderstepoort Biological Products

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

Ncera Farms (Pty) Ltd

Ncera Farms (Pty) Ltd is a public company in which the Department is the sole shareholder. The project is managed to establish small and emerging farmers. Once the settlement of emerging farmers is finalised, the company will be closed. It is expected that this will be by March 2003.

Perishable Products Export Control Board

The Perishable Products Export Control Board is established in terms of the Perishable Products Export Control Board Act (9 of 1983). The purpose of the Board is to provide for the control of perishable products intended for export from South Africa and related matters. This is done through inspections and quality control, and providing technical, development, market intelligence and information services.

Annexure

Vote 25: Agriculture

Table 25.11: Summary of expenditure trends and estimates per programme

Table 25.12: Summary of expenditure trends and estimates per economic classification

Table 25.13: Summary of expenditure trends and estimates per standard item

Table 25.14: Summary of transfers and subsidies per programme

Table 25.15: Summary of personnel numbers and costs

Table 25.16: Summary of expenditure on training

Table 25.17: Summary of information and communications technology expenditure

Table 25.18: Summary of conditional grants to provinces

Table 25.11: Summary of expenditure trends and estimates per programme

	Expenditure outcome			Main appropriation	Adjustments appropriation			Revised estimate	Medium-term expenditure estimate				
	Audited	Audited	Preliminary outcome		Rollovers from 2000/01	Other adjustments	Adjusted appropriation		Current	Capital	Total		
	1998/99	1999/00	2000/01	2001/02			2002/03			2003/04	2004/05		
R thousand													
1 Administration	91 313	99 374	91 282	121 749	-	(310)	121 439	115 237	106 682	20 133	126 815	132 413	142 000
2 Farmer Support and Development	10 717	10 803	12 473	31 680	-	85 000	116 680	110 394	38 996	87 854	126 850	135 337	43 283
3 Agricultural Trade and Business Development	11 011	10 827	11 858	18 165	-	-	18 165	18 165	24 061	689	24 750	34 378	36 373
4 Agricultural Research and Economic Analysis	5 950	9 526	11 483	16 013	-	-	16 013	20 586	18 867	704	19 571	30 310	33 362
5 Agricultural Production	8 593	6 480	-	-	-	-	-	-	1 639	30	1 669	1 728	1 818
6 Sustainable Resources Management and Use	455 243	395 778	399 875	390 435	5 975	(1 490)	394 920	388 925	346 725	48 241	394 966	424 168	410 078
7 National Agricultural Regulatory Services	106 255	100 629	134 857	125 453	32 796	-	158 249	146 081	128 920	11 103	140 023	161 806	171 917
8 Agricultural Communication, Planning and Evaluation	47 930	42 280	61 500	71 682	-	2 214	73 896	69 764	75 618	6 457	82 075	90 655	97 301
Total	737 012	675 697	723 328	775 177	38 771	85 414	899 362	869 152	741 508	175 211	916 719	1 010 795	936 132
Change to 2001 Budget Estimate							124 185	93 975			98 026	92 845	

Table 25.12: Summary of expenditure trends and estimates per economic classification

	Expenditure outcome			Main appropriation	Adjustments appropriation			Revised estimate	Medium-term expenditure estimate				
	Audited 1998/99	Audited 1999/00	Preliminary outcome 2000/01		Rollovers from 2000/01	Other adjustments 2001/02	Adjusted appropriation		Current 2002/03	Capital 2002/03	Total 2002/03	2003/04	2004/05
R thousand													
Current	677 051	623 892	672 186	695 557	38 771	(328)	734 000	706 271	741 508	-	741 508	860 854	866 697
Personnel	167 937	184 587	202 413	239 260	-	-	239 260	219 160	252 785	-	252 785	286 605	304 136
Salaries and wages	122 998	134 962	147 998	174 711	-	-	174 711	160 129	182 306	-	182 306	216 955	217 440
Other	44 939	49 625	54 415	64 549	-	-	64 549	59 031	70 479	-	70 479	69 650	86 696
Transfer payments	372 596	319 105	294 066	287 681	28 826	-	316 507	316 507	289 764	-	289 764	314 754	294 119
Subsidies to business enterprises	1 933	1 973	1 624	1 500	-	-	1 500	1 500	1 500	-	1 500	1 500	1 590
Other levels of government													
social security funds	-	-	-	-	-	-	-	-	-	-	-	-	-
universities and technikons	-	-	-	-	-	-	-	-	-	-	-	-	-
extra-budgetary institutions	345 864	298 333	268 541	263 780	-	-	263 780	263 780	264 264	-	264 264	275 254	292 529
provincial government	24 799	18 799	23 901	22 401	5 975	-	28 376	28 376	24 000	-	24 000	38 000	-
local government	-	-	-	-	-	-	-	-	-	-	-	-	-
Households and non-profit institutions	-	-	-	-	22 851	-	22 851	22 851	-	-	-	-	-
Foreign countries and international credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	136 518	120 200	175 707	168 616	9 945	(328)	178 233	170 604	198 959	-	198 959	259 495	268 442
Capital	59 961	51 805	51 142	79 620	-	85 742	165 362	162 881	-	175 211	175 211	149 941	69 435
Transfer payments	14 150	14 500	14 500	17 000	-	85 000	102 000	102 000	-	102 000	102 000	102 000	18 020
Other levels of government	-	-	-	-	-	-	-	-	-	-	-	-	-
Other capital transfers	14 150	14 500	14 500	17 000	-	85 000	102 000	102 000	-	102 000	102 000	102 000	18 020
Movable capital	40 037	34 965	36 130	28 238	-	742	28 980	28 980	-	58 532	58 532	32 601	35 155
Motor vehicles (transport)	2 729	2 374	7 979	5 266	-	-	5 266	5 266	-	6 234	6 234	6 030	5 808
Equipment - Computers	20 611	12 920	7 757	12 444	-	742	13 186	13 186	-	16 456	16 456	15 275	16 781
Equipment - Other office equipment	3 127	4 952	3 217	4 103	-	-	4 103	4 103	-	5 467	5 467	4 213	4 526
Other	13 570	14 719	17 177	6 425	-	-	6 425	6 425	-	30 375	30 375	7 083	8 040
Fixed capital	5 774	2 340	512	34 382	-	-	34 382	31 901	-	14 679	14 679	15 340	16 260
Land	-	-	-	-	-	-	-	-	-	-	-	-	-
Buildings	5 774	2 340	512	14 114	-	-	14 114	14 114	-	14 679	14 679	15 340	16 260
Infrastructure	-	-	-	20 268	-	-	20 268	20 268	-	-	-	-	-
Other	-	-	-	-	-	-	-	(2 481)	-	-	-	-	-
Total	737 012	675 697	723 328	775 177	38 771	85 414	899 362	869 152	741 508	175 211	916 719	1 010 795	936 132

Table 25.13: Summary of expenditure trends and estimates per standard item

	Expenditure outcome			Main appropriation	Adjustments appropriation			Revised estimate	Medium-term expenditure estimate				
	Audited	Audited	Preliminary outcome		Rollovers from 2000/01	Other adjustments	Adjusted appropriation		Current	Capital	Total		
	1998/99	1999/00	2000/01	2001/02			2002/03			2003/04	2004/05		
R thousand													
Personnel	167 937	184 587	202 413	248 775	-	-	248 775	228 675	252 785	10 224	263 009	286 605	304 136
Administrative	39 969	44 778	60 600	69 855	-	(395)	69 460	62 618	89 304	3 987	93 291	101 535	109 357
Inventories	22 787	20 449	31 350	28 974	-	(995)	27 979	27 118	27 655	5 461	33 116	34 917	37 406
Equipment	40 037	34 965	36 130	28 238	-	742	28 980	26 499	-	36 820	36 820	32 601	35 155
Land and buildings	5 774	2 340	512	14 114	-	-	14 114	14 114	-	14 679	14 679	15 340	16 260
Professional and special services	64 345	50 953	67 486	80 540	9 945	1 062	91 547	91 550	82 000	2 040	84 040	123 043	121 679
Transfer payments	386 746	333 605	308 566	304 681	28 826	85 000	418 507	418 507	289 764	102 000	391 764	416 754	312 139
Miscellaneous	9 417	4 020	16 271	-	-	-	-	71	-	-	-	-	-
Total	737 012	675 697	723 328	775 177	38 771	85 414	899 362	869 152	741 508	175 211	916 719	1 010 795	936 132

Table 25.14: Summary of transfers and subsidies per programme

	Expenditure outcome				Adjusted appropriation	Medium-term expenditure estimate				
	Audited	Audited	Preliminary outcome	2001/02		Current	Capital	Total	2003/04	2004/05
	1998/99	1999/00	2000/01			2002/03				
R thousand										
2 Farmer Support and Development	3 432	2 295	1 624	86 500	1 500	85 000	86 500	86 500	1 590	
Farmer Settlement										
Financial Support Measures - Ncera	1 933	1 973	1 624	1 500	1 500	-	1 500	1 500	1 590	
Agricultural Risk Management										
Flood disasters	-	-	-	85 000	-	85 000	85 000	85 000	-	
Loans to Small and Beginner Farmers	1 499	322	-	-	-	-	-	-	-	
3 Agricultural Trade and Business Development	5 940	6 535	6 669	6 935	5 212	-	5 212	6 114	6 601	
National Agricultural Marketing Council	5 940	6 535	6 669	6 935	5 212	-	5 212	6 114	6 601	
5 Agricultural Production	8 593	6 480	-	-	-	-	-	-	-	
Vaccine Production Trading Account	8 593	6 480	-	-	-	-	-	-	-	
6 Sustainable Resources Management and Use	368 781	318 295	300 273	302 221	283 052	17 000	300 052	324 140	303 948	
Land Use and Soil Management										
Land Care Projects	24 799	18 799	17 971	30 975	25 000	-	25 000	40 000	-	
Agricultural Research Council ¹	302 556	294 093	276 878	271 246	258 052	17 000	275 052	284 140	303 948	
Financial Support Measures										
Subsidies to Farmers	21 426	5 403	5 424	-	-	-	-	-	-	
Sundry Support Measures: Abakor Ltd	20 000	-	-	-	-	-	-	-	-	
7 National Agricultural Regulatory Services	-	-	-	22 851	-	-	-	-	-	
Animal Health										
Onderstepoort Biological Products Ltd.	-	-	-	9 851	-	-	-	-	-	
National Interdepartmental Structure	-	-	-	13 000	-	-	-	-	-	
Total	386 746	333 605	308 566	418 507	289 764	102 000	391 764	416 754	312 139	

¹ Amount specifically and exclusively appropriated.

Table 25.15: Summary of personnel numbers and costs¹

Personnel numbers	1998/99	1999/00	2000/01	2001/02	2002/03
1 Administration	911	785	757	784	784
2 Farmer Support and Development	75	59	48	78	78
3 Agricultural Trade and Business Development	43	37	33	38	38
4 Agricultural Research and Economic Analysis	41	10	40	46	46
5 Agricultural Production	-	-	-	-	3
6 Sustainable Resources Management and Use	486	617	637	742	739
7 National Agricultural Regulatory Services	667	926	916	951	951
8 Agricultural Communication, Planning and Evaluation	112	357	358	359	359
Total	2 335	2 791	2 789	2 998	2 998
Total personnel cost (R thousand)	167 937	184 587	202 413	248 775	263 009
Unit cost (R thousand)	71.9	66.1	72.6	83.0	87.7

¹ Full-time equivalent

Table 25.16: Summary of expenditure on training

	Expenditure outcome		Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Preliminary outcome				
	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
R thousand						
1 Administration	833	1 061	1 106	1 164	1 290	1 357
2 Farmer Support and Development	-	-	-	65	-	-
3 Agricultural Trade and Business Development	-	-	-	163	-	-
4 Agricultural Research and Economic Analysis	49	146	152	160	177	186
6 Sustainable Resources Management and Use	354	455	474	499	553	582
7 National Agricultural Regulatory Services	778	522	544	573	635	669
8 Agricultural Communication, Planning and Evaluation	250	117	1 748	1 839	2 039	2 146
Total	2 264	2 301	4 024	4 463	4 694	4 940

Table 25.17: Summary of information and communications technology expenditure

R thousand	Adjusted	Medium-term expenditure estimate		
	appropriation	2001/02	2002/03	2003/04
1 Administration	4 729	5 124	5 171	5 526
Technology	3 722	3 976	3 943	4 217
Hardware	570	990	957	1 186
Software and licences	1 381	1 165	1 190	1 050
Audio-visual equipment	140	60	35	50
Systems	1 631	1 761	1 761	1 931
IT services	1 007	1 148	1 228	1 309
Consulting	1 007	1 148	1 228	1 309
Outsourcing	-	-	-	-
2 Farmer Support and Development	225	205	300	250
Technology	225	205	300	250
Hardware	200	185	270	228
Software and licences	25	20	30	22
Audio-visual equipment	-	-	-	-
Systems	-	-	-	-
IT services	-	-	-	-
Consulting	-	-	-	-
Outsourcing	-	-	-	-
3 Agricultural Trade and Business Development	200	175	100	105
Technology	200	175	100	105
Hardware	128	103	75	80
Software and licences	72	72	25	25
Audio-visual equipment	-	-	-	-
Systems	-	-	-	-
IT services	-	-	-	-
Consulting	-	-	-	-
Outsourcing	-	-	-	-

R thousand	Adjusted	Medium-term expenditure estimate		
	appropriation	2001/02	2002/03	2003/04
4 Agricultural Research and Economic Analysis	1 795	2 175	2 315	2 484
Technology	220	474	478	500
Hardware	176	400	404	425
Software and licences	44	74	74	75
Audio-visual equipment	-	-	-	-
Systems	-	-	-	-
IT services	1 575	1 701	1 837	1 984
Consulting	-	-	-	-
Outsourcing	1 575	1 701	1 837	1 984
5 Agricultural Production	-	20	22	10
Technology	-	20	22	10
Hardware	-	20	22	10
Software and licences	-	-	-	-
Audio-visual equipment	-	-	-	-
Systems	-	-	-	-
IT services	-	-	-	-
Consulting	-	-	-	-
Outsourcing	-	-	-	-
6 Sustainable Resources Management and Use	2 830	3 303	4 084	4 435
Technology	835	803	1 384	1 479
Hardware	660	585	884	949
Software and licences	95	87	250	270
Audio-visual equipment	80	131	250	260
Systems	-	-	-	-
IT services	1 995	2 500	2 700	2 956
Consulting	1 995	2 500	2 700	2 956
Outsourcing	-	-	-	-

R thousand	Adjusted	Medium-term expenditure estimate		
	appropriation	2002/03	2003/04	2004/05
	2001/02			
7 National Agricultural Regulatory Services	9 044	12 482	11 167	12 796
Technology	3 044	5 482	3 607	4 480
Hardware	688	1 901	873	1 173
Software and licences	45	770	450	495
Audio-visual equipment	-	263	284	312
Systems	2 311	2 548	2 000	2 500
IT services	6 000	7 000	7 560	8 316
Consulting	4 000	5 000	5 400	5 940
Outsourcing	2 000	2 000	2 160	2 376
8 Agricultural Communication, Planning and Evaluation	12 692	12 922	13 650	14 769
Technology	4 940	5 321	5 441	5 740
Hardware	3 000	3 086	3 240	3 402
Software and licences	1 500	2 080	2 163	2 271
Audio-visual equipment	400	119	-	-
Systems	40	36	38	67
IT services	7 752	7 601	8 209	9 029
Consulting	7 752	7 601	8 209	9 029
Outsourcing	-	-	-	-
Total	31 515	36 406	36 809	40 375

Table 25.18: Summary of conditional grants to provinces¹

R thousand	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
6 Sustainable Resources Management and Use							
Land Care Projects	24 799	18 799	23 901	28 376	24 000	38 000	-
Total	24 799	18 799	23 901	28 376	24 000	38 000	-

¹ Detail provided in the Division of Revenue Act, 2002.

