

# 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**

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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	-1	-1	-1	-1	4	4	4
Number of surveillances on animal diseases conducted per year	Agricultural Production, Health and Food Safety		-1	-1	2	2	2	2	2
Number of surveillances on plant diseases conducted per year	Agricultural Production, Health and Food Safety		-1	-1	-1	1	1	1	1
Number of veterinary clinics provided to improve animal health in rural areas per year	Agricultural Production, Health and Food Safety		-1	-1	-1	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		-1	-1	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		-1	-1	-1	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		-1	-1	-1	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	-1	-1	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	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	2013/14	Revised estimate			2014/15	2015/16	2016/17		
R million												
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%
<b>Total</b>	<b>3 830.0</b>	<b>4 905.3</b>	<b>5 813.2</b>	<b>6 182.3</b>	<b>6 182.3</b>	<b>17.3%</b>	<b>100.0%</b>	<b>6 692.4</b>	<b>6 621.2</b>	<b>6 674.2</b>	<b>2.6%</b>	<b>100.0%</b>
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	Audited outcome			Adjusted appropriation	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		
	R million					2010/11 - 2013/14						
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%
<b>Transfers and subsidies</b>	<b>1 983.7</b>	<b>2 800.5</b>	<b>3 493.0</b>	<b>3 639.3</b>	<b>3 639.3</b>	<b>22.4%</b>	<b>57.5%</b>	<b>4 035.4</b>	<b>3 832.4</b>	<b>3 771.4</b>	<b>1.2%</b>	<b>58.4%</b>
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%
<b>Payments for capital assets</b>	<b>111.3</b>	<b>132.0</b>	<b>169.4</b>	<b>147.1</b>	<b>147.1</b>	<b>9.7%</b>	<b>2.7%</b>	<b>101.6</b>	<b>97.0</b>	<b>100.4</b>	<b>-11.9%</b>	<b>1.7%</b>
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%
<b>Payments for financial assets</b>	<b>0.3</b>	<b>0.3</b>	<b>1.3</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>3 830.0</b>	<b>4 905.3</b>	<b>5 813.2</b>	<b>6 182.3</b>	<b>6 182.3</b>	<b>17.3%</b>	<b>100.0%</b>	<b>6 692.4</b>	<b>6 621.2</b>	<b>6 674.2</b>	<b>2.6%</b>	<b>100.0%</b>

## Personnel information

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

Agriculture, Forestry and Fisheries	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		
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					2013/14	2014/15	2015/16		
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

R thousand	Audited outcome			Adjusted estimate 2013/14	Revised estimate	Average growth rate (%) 2010/11 - 2013/14	Receipt/total: Average (%)	Medium-term receipts estimate			Average growth rate (%) 2013/14 - 2016/17	Receipt/total: Average (%)
	2010/11	2011/12	2012/13					2014/15	2015/16	2016/17		
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%
<b>Total</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>

## Programme 1: Administration

### Expenditure estimates

Table 26.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation 2013/14	Average growth rate (%) 2010/11 - 2013/14	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%) 2013/14 - 2016/17	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%
<b>Total</b>	<b>478 812</b>	<b>582 019</b>	<b>644 933</b>	<b>670 880</b>	<b>11.9%</b>	<b>100.0%</b>	<b>694 570</b>	<b>725 558</b>	<b>763 904</b>	<b>4.4%</b>	<b>100.0%</b>
Change to 2013 Budget estimate				6 931			(20 587)	(24 384)	(28 900)		

#### Economic classification

<b>Current payments</b>	<b>440 274</b>	<b>553 143</b>	<b>620 580</b>	<b>649 462</b>	<b>13.8%</b>	<b>95.2%</b>	<b>670 373</b>	<b>699 840</b>	<b>736 396</b>	<b>4.3%</b>	<b>96.5%</b>
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:	12 652	20 429	15 994	16 630	9.5%	2.8%	3 888	3 288	2 815	-44.7%	0.9%
Business and advisory services											
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	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				2013/14	2010/11 - 2013/14	2014/15		
R thousand											
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%	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>7 241</b>	<b>2 075</b>	<b>7 930</b>	<b>8 783</b>	<b>6.6%</b>	<b>1.1%</b>	<b>16 795</b>	<b>18 426</b>	<b>20 029</b>	<b>31.6%</b>	<b>2.2%</b>
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%	-
<b>Payments for capital assets</b>	<b>31 213</b>	<b>26 703</b>	<b>16 395</b>	<b>12 635</b>	<b>-26.0%</b>	<b>3.7%</b>	<b>7 402</b>	<b>7 292</b>	<b>7 479</b>	<b>-16.0%</b>	<b>1.2%</b>
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%	-
<b>Payments for financial assets</b>	<b>84.0</b>	<b>98.0</b>	<b>28.0</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>478 812.0</b>	<b>582 019.0</b>	<b>644 933.0</b>	<b>670 880.0</b>	<b>11.9%</b>	<b>100.0%</b>	<b>694 570.0</b>	<b>725 558.0</b>	<b>763 904.0</b>	<b>4.4%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>12.5%</b>	<b>11.9%</b>	<b>11.1%</b>	<b>10.9%</b>			<b>10.4%</b>	<b>11.0%</b>	<b>11.4%</b>		

## Details of transfers and subsidies

<b>Provinces and municipalities</b>											
<b>Municipalities</b>											
<b>Municipal bank accounts</b>											
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%	-
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
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%
<b>Public corporations and private enterprises</b>											
<b>Public corporations</b>											
<b>Other transfers to public corporations</b>											
Current	1 653	-	-	-	-100.0%	0.1%	-	-	-	-	-
Forest Sector Charter Council	1 653	-	-	-	-100.0%	0.1%	-	-	-	-	-
<b>Public corporations and private enterprises</b>											
<b>Private enterprises</b>											
<b>Other transfers to private enterprises</b>											
Current	1 335	151	164	-	-100.0%	0.1%	-	-	-	-	-
Claims against the state	1 335	151	164	-	-100.0%	0.1%	-	-	-	-	-
<b>Non-profit institutions</b>											
<b>Current</b>											
Mandulo Foundation	-	-	73	-	-	-	-	-	-	-	-
<b>Households</b>											
<b>Social benefits</b>											
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%	-
<b>Households</b>											
<b>Other transfers to households</b>											
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
Administration	Salary level	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
	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 (%)
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
R thousand											
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

	390 794	445 692	474 147	508 941	9.2%	26.8%	564 113	610 412	641 232	8.0%	27.1%
<b>Current payments</b>											
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	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	2013/14				2014/15	2015/16	2016/17		
R thousand												
<i>Inventory: Farming supplies</i>	–	–	–	105	–	–	54	54	54	-19.9%	–	
<i>Inventory: Medicine</i>	8 308	597	5 957	2 856	-29.9%	0.3%	1 841	1 841	1 845	-13.6%	0.1%	
<i>Inventory: Other supplies</i>	–	–	–	20	–	–	18	18	8	-26.3%	–	
<i>Consumable supplies</i>	7 706	12 893	12 464	21 288	40.3%	0.8%	7 015	8 866	8 516	-26.3%	0.5%	
<i>Consumable: Stationery, printing and office supplies</i>	4 066	3 702	3 330	6 151	14.8%	0.3%	7 243	4 887	5 587	-3.2%	0.3%	
<i>Operating leases</i>	362	134	161	527	13.3%	–	1 244	692	896	19.4%	–	
<i>Property payments</i>	1 921	3 778	2 677	2 606	10.7%	0.2%	988	984	982	-27.8%	0.1%	
<i>Travel and subsistence</i>	31 860	45 145	32 044	27 285	-5.0%	2.0%	23 292	27 555	27 406	0.1%	1.2%	
<i>Training and development</i>	2 278	2 406	1 435	9 281	59.7%	0.2%	5 411	6 682	6 889	-9.5%	0.3%	
<i>Operating payments</i>	2 354	4 025	4 090	5 136	29.7%	0.2%	7 801	6 173	6 467	8.0%	0.3%	
<i>Venues and facilities</i>	1 280	802	1 040	577	-23.3%	0.1%	1 431	970	1 043	21.8%	–	
<i>Rental and hiring</i>	–	383	52	83	–	–	32	33	35	-25.0%	–	
<i>Interest and rent on land</i>	62	154	–	–	-100.0%	–	–	–	–	–	–	
<b>Transfers and subsidies</b>	<b>833 275</b>	<b>1 186 177</b>	<b>1 368 721</b>	<b>1 494 559</b>	<b>21.5%</b>	<b>71.9%</b>	<b>1 627 286</b>	<b>1 640 991</b>	<b>1 446 928</b>	<b>-1.1%</b>	<b>72.4%</b>	
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%	–	
<b>Payments for capital assets</b>	<b>10 302</b>	<b>12 877</b>	<b>30 836</b>	<b>33 019</b>	<b>47.4%</b>	<b>1.3%</b>	<b>8 397</b>	<b>1 248</b>	<b>1 274</b>	<b>-66.2%</b>	<b>0.5%</b>	
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%	–	
<b>Payments for financial assets</b>	<b>36.0</b>	<b>111.0</b>	<b>1 128.0</b>	<b>–</b>	<b>-100.0%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	
<b>Total</b>	<b>1 234 407.0</b>	<b>1 644 857.0</b>	<b>1 874 832.0</b>	<b>2 036 519.0</b>	<b>18.2%</b>	<b>100.0%</b>	<b>2 199 796.0</b>	<b>2 252 651.0</b>	<b>2 089 434.0</b>	<b>0.9%</b>	<b>100.0%</b>	
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>32.2%</b>	<b>33.5%</b>	<b>32.3%</b>	<b>32.9%</b>			<b>32.9%</b>	<b>34.0%</b>	<b>31.3%</b>			

## 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		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				2013/14	2014/15	2015/16		
R thousand												
<b>Households</b>												
<b>Social benefits</b>												
<b>Current</b>		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%	-
<b>Households</b>												
<b>Other transfers to households</b>												
<b>Current</b>		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			
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			
Agricultural Production, Health and Food Safety		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 (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2010/11	2011/12	2012/13		2013/14	2010/11 - 2013/14	2014/15	2015/16	2016/17	2013/14 - 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	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	2013/14				2014/15	2015/16	2016/17		
R thousand												
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%	-	-	-	-	-	-	
<b>Transfers and subsidies</b>	<b>199 102</b>	<b>412 020</b>	<b>423 124</b>	<b>446 146</b>	<b>30.9%</b>	<b>85.8%</b>	<b>470 632</b>	<b>491 821</b>	<b>517 357</b>	<b>5.1%</b>	<b>87.1%</b>	
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%	-	
<b>Payments for capital assets</b>	<b>941</b>	<b>767</b>	<b>610</b>	<b>900</b>	<b>-1.5%</b>	<b>0.2%</b>	<b>130</b>	<b>130</b>	<b>130</b>	<b>-47.5%</b>	<b>0.1%</b>	
Machinery and equipment	941	767	610	900	-1.5%	0.2%	130	130	130	-47.5%	0.1%	
Payments for financial assets	-	21.0	-	-	-	-	-	-	-	-	-	
<b>Total</b>	<b>255 189.0</b>	<b>473 092.0</b>	<b>488 946.0</b>	<b>507 605.0</b>	<b>25.8%</b>	<b>100.0%</b>	<b>541 047.0</b>	<b>567 191.0</b>	<b>596 138.0</b>	<b>5.5%</b>	<b>100.0%</b>	
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		
<b>Plant Production and Health</b>																			
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 2013/14	Average growth rate (%) 2010/11 - 2013/14	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%) 2013/14 - 2016/17	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
R thousand											
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	Audited outcome			Adjusted appropriation 2013/14	Average growth rate (%) 2010/11 - 2013/14	Expenditure/total: Average (%) 2010/11 - 2013/14	Medium-term expenditure estimate			Average growth rate (%) 2013/14 - 2016/17	Expenditure/total: Average (%) 2013/14 - 2016/17
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
R thousand											
<b>Provinces and municipalities</b>											
<b>Provinces</b>											
<b>Provincial Revenue Funds</b>											
<b>Current</b>	<b>828 707</b>	<b>1 039 397</b>	<b>1 136 800</b>	<b>1 301 061</b>	<b>16.2%</b>	<b>81.1%</b>	<b>1 366 847</b>	<b>1 362 521</b>	<b>1 428 696</b>	<b>3.2%</b>	<b>80.3%</b>
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%
<b>Provinces and municipalities</b>											
<b>Municipalities</b>											
<b>Municipal bank accounts</b>											
<b>Current</b>	<b>214</b>	<b>274</b>	<b>255</b>	<b>278</b>	<b>9.1%</b>	<b>-</b>	<b>214</b>	<b>214</b>	<b>215</b>	<b>-8.2%</b>	<b>-</b>
Vehicle licence fees	214	274	255	278	9.1%	-	214	214	215	-8.2%	-
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>10 224</b>	<b>12 638</b>	<b>14 577</b>	<b>18 327</b>	<b>21.5%</b>	<b>1.1%</b>	<b>16 527</b>	<b>16 095</b>	<b>17 962</b>	<b>-0.7%</b>	<b>1.0%</b>
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	-	-
<b>Higher education institutions</b>											
<b>Current</b>	<b>-</b>	<b>145</b>	<b>660</b>	<b>3 616</b>	<b>-</b>	<b>0.1%</b>	<b>4 750</b>	<b>5 800</b>	<b>6 350</b>	<b>20.6%</b>	<b>0.3%</b>
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%
<b>Public corporations and private enterprises</b>											
<b>Public corporations</b>											
<b>Other transfers to public corporations</b>											
<b>Current</b>	<b>2 790</b>	<b>4 291</b>	<b>4 989</b>	<b>5 020</b>	<b>21.6%</b>	<b>0.3%</b>	<b>3 620</b>	<b>3 822</b>	<b>4 025</b>	<b>-7.1%</b>	<b>0.2%</b>
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%
<b>Public corporations and private enterprises</b>											
<b>Private enterprises</b>											
<b>Other transfers to private enterprises</b>											
<b>Current</b>	<b>19</b>	<b>27</b>	<b>10</b>	<b>1</b>	<b>-62.5%</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>-</b>
Claims against the state	19	27	10	-	-100.0%	-	-	-	-	-	-
Red Meat Industry Forum	-	-	-	1	-	-	1	1	1	-	-
<b>Non-profit institutions</b>											
<b>Current</b>	<b>100</b>	<b>1 675</b>	<b>403</b>	<b>2 500</b>	<b>192.4%</b>	<b>0.1%</b>	<b>2 660</b>	<b>2 804</b>	<b>2 952</b>	<b>5.7%</b>	<b>0.2%</b>
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%	-	-	-	-	-	-
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	<b>698</b>	<b>286</b>	<b>344</b>	<b>137</b>	<b>-41.9%</b>	<b>-</b>	<b>131</b>	<b>132</b>	<b>132</b>	<b>-1.2%</b>	<b>-</b>
Employee social benefits	698	286	344	137	-41.9%	-	131	132	132	-1.2%	-
<b>Households</b>											
<b>Other transfers to households</b>											
<b>Current</b>	<b>1 205</b>	<b>1 264</b>	<b>2 127</b>	<b>2 375</b>	<b>25.4%</b>	<b>0.1%</b>	<b>1 491</b>	<b>1 561</b>	<b>1 591</b>	<b>-12.5%</b>	<b>0.1%</b>
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		
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			
<b>Food Security and Agrarian Reform</b>																			
Salary level	474	242	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	Audited outcome			Adjusted appropriation 2013/14	Average growth rate (%) 2010/11 - 2013/14	Expenditure/total: Average (%) 2010/11 - 2013/14	Medium-term expenditure estimate			Average growth rate (%) 2013/14 - 2016/17	Expenditure/total: Average (%) 2013/14 - 2016/17
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
R thousand											
<b>Current payments</b>	<b>52 326</b>	<b>55 195</b>	<b>67 425</b>	<b>67 173</b>	<b>8.7%</b>	<b>7.3%</b>	<b>69 883</b>	<b>70 418</b>	<b>73 695</b>	<b>3.1%</b>	<b>6.6%</b>
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%
<i>of which:</i>											
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%	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>558 071</b>	<b>685 344</b>	<b>768 247</b>	<b>917 733</b>	<b>18.0%</b>	<b>88.4%</b>	<b>958 261</b>	<b>959 097</b>	<b>999 537</b>	<b>2.9%</b>	<b>89.7%</b>
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	-	-
<b>Payments for capital assets</b>	<b>36 049</b>	<b>39 558</b>	<b>32 464</b>	<b>34 351</b>	<b>-1.6%</b>	<b>4.3%</b>	<b>39 380</b>	<b>41 146</b>	<b>42 964</b>	<b>7.7%</b>	<b>3.7%</b>
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%	-
<b>Payments for financial assets</b>	<b>87.0</b>	<b>31.0</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>646 533.0</b>	<b>780 128.0</b>	<b>868 136.0</b>	<b>1 019 257.0</b>	<b>16.4%</b>	<b>100.0%</b>	<b>1 067 524.0</b>	<b>1 070 661.0</b>	<b>1 116 196.0</b>	<b>3.1%</b>	<b>100.0%</b>
<b>Proportion of total subprogramme expenditure to programme expenditure</b>	<b>61.5%</b>	<b>62.3%</b>	<b>61.8%</b>	<b>63.7%</b>			<b>62.4%</b>	<b>62.3%</b>	<b>63.1%</b>		

## 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
<b>Food Security</b>																			
Salary level	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%
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 (%)
	2010/11	2011/12	2012/13	2013/14				2014/15	2015/16	2016/17		
R thousand												
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

	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17		
<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%
<i>of which:</i>											
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	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	2013/14				2010/11 - 2013/14	2014/15	2015/16		
R thousand												
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: Business and advisory services	1	3 315	4 322	4 176	1510.3%	1.5%	100	1 861	2 089	-20.6%	0.7%	
Consultants and professional services: Infrastructure and planning	8 319	8 974	9 730	9 642	5.0%	4.5%	10 975	11 524	12 100	7.9%	4.0%	
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%	-	-	-	-	-	-	
<b>Transfers and subsidies</b>	<b>60 928</b>	<b>98 206</b>	<b>98 010</b>	<b>118 628</b>	<b>24.9%</b>	<b>46.6%</b>	<b>161 606</b>	<b>107 563</b>	<b>162 319</b>	<b>11.0%</b>	<b>49.6%</b>	
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%	-	
<b>Payments for capital assets</b>	<b>777</b>	<b>1 029</b>	<b>1 042</b>	<b>803</b>	<b>1.1%</b>	<b>0.5%</b>	<b>382</b>	<b>329</b>	<b>346</b>	<b>-24.5%</b>	<b>0.2%</b>	
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	-	-	
<b>Payments for financial assets</b>	<b>42.0</b>	<b>32.0</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>145 333.0</b>	<b>190 185.0</b>	<b>212 169.0</b>	<b>258 208.0</b>	<b>21.1%</b>	<b>100.0%</b>	<b>294 223.0</b>	<b>247 491.0</b>	<b>309 945.0</b>	<b>6.3%</b>	<b>100.0%</b>	
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>3.8%</b>	<b>3.9%</b>	<b>3.6%</b>	<b>4.2%</b>			<b>4.4%</b>	<b>3.7%</b>	<b>4.6%</b>			

## 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											
R thousand	Audited outcome			Adjusted appropriation 2013/14	Average growth rate (%) 2010/11 - 2013/14	Expenditure/total: Average (%) 2010/11 - 2013/14	Medium-term expenditure estimate			Average growth rate (%) 2013/14 - 2016/17	Expenditure/total: Average (%) 2013/14 - 2016/17
	2010/11	2011/12	2012/13				2014/15	2015/16	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%
<b>Public corporations and private enterprises</b>											
<b>Public corporations</b>											
<b>Other transfers to public corporations</b>											
<b>Current</b>	-	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%
<b>Public corporations and private enterprises</b>											
<b>Private enterprises</b>											
<b>Other transfers to private enterprises</b>											
<b>Current</b>	1	8	189	-	-100.0%	-	-	-	-	-	-
Claims against the state	1	8	14	-	-100.0%	-	-	-	-	-	-
Sasekisani Cooperative	-	-	100	-	-	-	-	-	-	-	-
Bambanani Cooperative	-	-	50	-	-	-	-	-	-	-	-
Metsimaholo Communal Property Cooperative	-	-	25	-	-	-	-	-	-	-	-
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	-	245	144	2	-	-	-	-	-	-100.0%	-
Employee social benefits	-	245	144	2	-	-	-	-	-	-100.0%	-
<b>Households</b>											
<b>Other transfers to households</b>											
<b>Current</b>	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					
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						
<b>Trade Promotion and Market Access</b>		170	-	-	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%	
<b>Salary level</b>																						
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	-	-	-	

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

<sup>2</sup> 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	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				2013/14	2010/11 - 2013/14	2014/15		
R thousand											
<b>Current payments</b>	<b>518 859</b>	<b>581 266</b>	<b>591 947</b>	<b>690 239</b>	<b>10.0%</b>	<b>60.7%</b>	<b>737 809</b>	<b>773 357</b>	<b>820 107</b>	<b>5.9%</b>	<b>59.7%</b>
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%
<b>Transfers and subsidies</b>	<b>110 078</b>	<b>252 306</b>	<b>540 475</b>	<b>430 499</b>	<b>57.6%</b>	<b>34.0%</b>	<b>582 175</b>	<b>413 830</b>	<b>411 747</b>	<b>-1.5%</b>	<b>36.3%</b>
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%
<b>Payments for capital assets</b>	<b>32 568</b>	<b>51 072</b>	<b>59 264</b>	<b>62 885</b>	<b>24.5%</b>	<b>5.2%</b>	<b>44 939</b>	<b>46 223</b>	<b>47 488</b>	<b>-8.9%</b>	<b>4.0%</b>
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%	-
<b>Payments for financial assets</b>	<b>-</b>	<b>68.0</b>	<b>99.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>661 505.0</b>	<b>884 712.0</b>	<b>1 191 785.0</b>	<b>1 183 623.0</b>	<b>21.4%</b>	<b>100.0%</b>	<b>1 364 923.0</b>	<b>1 233 410.0</b>	<b>1 279 342.0</b>	<b>2.6%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>17.3%</b>	<b>18.0%</b>	<b>20.5%</b>	<b>19.1%</b>			<b>20.4%</b>	<b>18.6%</b>	<b>19.2%</b>		

## Details of transfers and subsidies

Provinces and municipalities											
Provinces											
Provincial Revenue Funds											
Current	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17	2010/11 - 2013/14	2014/15 - 2016/17
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	Audited outcome			Adjusted appropriation 2013/14	Average growth rate (%) 2010/11 - 2013/14	Expenditure/total: Average (%) 2013/14	Medium-term expenditure estimate			Average growth rate (%) 2013/14 - 2016/17	Expenditure/total: Average (%) 2013/14 - 2016/17
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
	R thousand										
<b>Provinces and municipalities</b>											
<b>Municipalities</b>											
<b>Municipal bank accounts</b>											
<b>Current</b>	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	-	-
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	-	-	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%
<b>Higher education institutions</b>											
<b>Current</b>	-	-	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%
<b>Public corporations and private enterprises</b>											
<b>Public corporations</b>											
<b>Other transfers to public corporations</b>											
<b>Current</b>	-	3 042	-	-	-	0.1%	-	-	-	-	-
Forest Sector Charter Council	-	3 042	-	-	-	0.1%	-	-	-	-	-
<b>Public corporations and private enterprises</b>											
<b>Private enterprises</b>											
<b>Other transfers to private enterprises</b>											
<b>Current</b>	1 524	34	68	-	-100.0%	-	-	-	-	-	-
Claims against the state	1 524	34	68	-	-100.0%	-	-	-	-	-	-
<b>Non-profit institutions</b>											
<b>Current</b>	-	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	-	-	-	-	-	-	-	-	-
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	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%
<b>Households</b>											
<b>Other transfers to households</b>											
<b>Current</b>	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>

Salary level	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	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost							
Forestry	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 2013/14	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2010/11	2011/12	2012/13		2010/11	2013/14	2014/15	2015/16	2016/17	2013/14	2016/17
R thousand											
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				
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					
<b>Fisheries</b>																			
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 natural resources that are well protected and continually enhanced	21	15	12	13	14	22	12
Number of agriculture technologies licences transferred per year <sup>1</sup>	Smallholder agricultural development		-	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				2013/14	2010/11 - 2013/14	2014/15		
R thousand											
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				2013/14	2010/11 - 2013/14	2014/15		
R thousand											
<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**

Salary level	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				
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
	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	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		
R thousand											
<b>Revenue</b>											
<b>Non-tax revenue</b>	<b>136 974</b>	<b>168 407</b>	<b>146 189</b>	<b>133 827</b>	-0.8%	43.4%	<b>140 000</b>	<b>141 500</b>	<b>143 449</b>	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%
<b>Transfers received</b>	<b>142 510</b>	<b>181 789</b>	<b>127 059</b>	<b>451 604</b>	<b>46.9%</b>	<b>56.6%</b>	<b>251 331</b>	<b>258 623</b>	<b>268 441</b>	<b>-15.9%</b>	<b>67.8%</b>
<b>Total revenue</b>	<b>279 484</b>	<b>350 196</b>	<b>273 248</b>	<b>585 431</b>	<b>27.9%</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>
<b>Expenses</b>											
<b>Current expenses</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>
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%
<b>Total expenses</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>
<b>Surplus/(Deficit)</b>	<b>(48 146)</b>	<b>(26 461)</b>	<b>4 219</b>	<b>-</b>	<b>-100.0%</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Statement of financial position</b>											
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%
<b>Total assets</b>	<b>579 677</b>	<b>581 134</b>	<b>714 368</b>	<b>505 937</b>	<b>-4.4%</b>	<b>100.0%</b>	<b>491 270</b>	<b>490 580</b>	<b>489 890</b>	<b>-1.1%</b>	<b>100.0%</b>
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%
<b>Total equity and liabilities</b>	<b>579 677</b>	<b>581 134</b>	<b>714 371</b>	<b>505 937</b>	<b>-4.4%</b>	<b>100.0%</b>	<b>491 270</b>	<b>490 580</b>	<b>489 890</b>	<b>-1.1%</b>	<b>100.0%</b>

## 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**

R thousand	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		
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	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				2013/14	2014/15	2015/16		
	R thousand				2010/11 - 2013/14					2013/14 - 2016/17	
<b>Revenue</b>											
<b>Non-tax revenue</b>	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%
<b>Transfers received</b>	31 194	36 049	31 409	33 819	2.7%	92.9%	36 005	37 912	39 921	5.7%	97.6%
<b>Total revenue</b>	33 685	37 541	36 743	34 669	1.0%	100.0%	36 905	38 866	40 906	5.7%	100.0%
<b>Expenses</b>											
<b>Current expenses</b>	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%
<b>Total expenses</b>	34 683	36 585	38 638	34 669	-0.0%	100.0%	36 905	38 867	40 906	5.7%	100.0%
<b>Surplus/(Deficit)</b>	(998)	956	(1 895)	-	-100.0%		-	(1)	-	-	
<b>Statement of financial position</b>											
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%
<b>Total assets</b>	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%
<b>Total equity and liabilities</b>	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

Salary level	Number of funded posts	Number of posts on approved establishment	Number and cost <sup>1</sup> of personnel posts filled / planned for on funded establishment															Number	
			Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2012/13		Unit Cost	2013/14		Unit Cost	2014/15		Unit Cost	2015/16		Unit Cost			2016/17		2013/14 - 2016/17
			Number	Cost		Number	Cost		Number	Cost		Number	Cost		Number	Cost			
	46	46	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	2013/14	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

R thousand	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		
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	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				2013/14	2014/15	2015/16		
	R thousand				2010/11 - 2013/14						
<b>Revenue</b>											
<b>Non-tax revenue</b>	1 076	2 127	174	28	-70.4%	16.3%	8	9	9	-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%
of which:											
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%
of which:											
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

Salary level	Number of funded posts	Number of posts estimated for 31 March 2014	Number of posts on approved establishment	Number and cost <sup>1</sup> of personnel posts filled / planned for on funded establishment													Number		
				Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)		
				2012/13		Unit Cost	2013/14		Unit Cost	2014/15		Unit Cost	2015/16		Unit Cost			2016/17	
				Number	Cost		Number	Cost		Number	Cost		Number	Cost		Number	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				2013/14	2014/15	2015/16		
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	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	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				2013/14	2014/15	2015/16		
	R thousand				2010/11 - 2013/14					2013/14 - 2016/17	
<b>Revenue</b>											
<b>Non-tax revenue</b>	<b>167 086</b>	<b>108 192</b>	<b>94 940</b>	<b>92 852</b>	-17.8%	84.3%	<b>135 485</b>	<b>145 939</b>	<b>152 077</b>	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%
<b>Transfers received</b>	<b>2 976</b>	<b>2 959</b>	<b>2 959</b>	<b>102 974</b>	<b>225.9%</b>	<b>15.0%</b>	<b>144 104</b>	<b>279 469</b>	<b>-</b>	<b>-100.0%</b>	<b>42.5%</b>
<b>Total revenue</b>	<b>170 062</b>	<b>111 151</b>	<b>100 855</b>	<b>195 826</b>	<b>4.8%</b>	<b>100.0%</b>	<b>279 589</b>	<b>425 409</b>	<b>152 077</b>	<b>-8.1%</b>	<b>100.0%</b>
<b>Expenses</b>											
<b>Current expenses</b>	<b>140 555</b>	<b>114 084</b>	<b>122 295</b>	<b>109 456</b>	<b>-8.0%</b>	<b>98.6%</b>	<b>125 746</b>	<b>143 934</b>	<b>144 766</b>	<b>9.8%</b>	<b>100.0%</b>
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%
<b>Total expenses</b>	<b>148 551</b>	<b>114 538</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>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>21 511</b>	<b>(3 387)</b>	<b>(21 440)</b>	<b>86 369</b>	<b>58.9%</b>		<b>153 843</b>	<b>281 475</b>	<b>7 311</b>	<b>-56.1%</b>	
<b>Statement of financial position</b>											
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%	-	-	-	-	-
<b>Total assets</b>	<b>247 516</b>	<b>219 977</b>	<b>230 120</b>	<b>332 752</b>	<b>10.4%</b>	<b>100.0%</b>	<b>600 202</b>	<b>1 022 776</b>	<b>1 484 406</b>	<b>64.6%</b>	<b>100.0%</b>
<b>Statement of financial position</b>											
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%
<b>Total equity and liabilities</b>	<b>247 515</b>	<b>219 977</b>	<b>230 120</b>	<b>332 752</b>	<b>10.4%</b>	<b>100.0%</b>	<b>600 202</b>	<b>1 022 776</b>	<b>1 484 405</b>	<b>64.6%</b>	<b>100.0%</b>
<b>Contingent liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>			<b>-</b>	<b>-</b>	<b>0.4</b>		

## Personnel information

Table 26.39 Onderstepoort Biological Products

Salary level	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				
			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	-1	-1	-1	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		-1	-1	-1	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		-1	-1	-1	2	2	2	2
Number of analysts trained on maximum residue level analysis per year	Strengthen capacity to provide a professional suite of services		-1	-1	-1	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		2013/14	2010/11 - 2013/14	2014/15	2015/16	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		2013/14	2010/11 - 2013/14	2014/15	2015/16	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				2013/14	2010/11 - 2013/14	2014/15		
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**

Salary level	Number of funded posts	Number of posts on approved establishment	Number and cost <sup>1</sup> of personnel posts filled / planned for on funded establishment															Number	
			Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2012/13		Unit Cost	2013/14		Unit Cost	2014/15		Unit Cost	2015/16		Unit Cost			2016/17		Unit Cost
			Number	Cost		Number	Cost		Number	Cost		Number	Cost		Number	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**

	2 250 622	2 233 226	2 149 579	2 421 410	(25 596)	2 395 814	2 395 814
<b>Current payments</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		2013/14	2014/15	2015/16
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		2013/14	2014/15	2015/16
<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 2013/14	Medium-term expenditure estimate		
							2010/11	2011/12	2012/13		2014/15	2015/16	2016/17
R thousand													
<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		
				2010/11	2011/12	2012/13		2013/14	2014/15	2015/16
R thousand										
<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	-	-	-	-
Groofterfontein 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, Rodeplaai: 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**  
**ESTIMATES OF NATIONAL EXPENDITURE**

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**national treasury**

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**REPUBLIC OF SOUTH AFRICA**