

# 2016 BUDGET

ESTIMATES OF NATIONAL EXPENDITURE

AGRICULTURE, FORESTRY  
AND FISHERIES

VOTE 24



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA



# **Estimates of National Expenditure**

## **2016**

**National Treasury**

**Republic of South Africa**

24 February 2016



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The 2016 Estimates of National Expenditure 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 2016 ENE, the 2016 ENE e-publications contain more comprehensive coverage of goods and services, transfers and subsidies, and programme specific personnel expenditure. Budget information is also provided for the public entities that are not shown in detail in the abridged publication. The abridged version of the ENE contains one additional table at the end of a chapter that shows expenditure on infrastructure, whereas the vote ENE e-publications' additional tables also contain information on conditional grants to provinces and municipalities, public private partnerships and donor funding. Expenditure information at the level of service delivery is also included, where appropriate.

# Foreword

The 2016 Budget is tabled at a time when both global and domestic economic conditions continue to be difficult. Government is unwavering in its commitment to stay the course of sound fiscal management in the face of this challenging environment. The approach of using the expenditure ceiling as a fiscal anchor, which was adopted in 2012, serves us well. To achieve the fiscal adjustment necessary, the expenditure level has been reduced and further revenue enhancement measures are introduced in the 2016 MTEF period.

Over the 2016 MTEF period expenditure is R3.73 trillion and will grow at an average annual rate of 7.5 per cent. Spending growth is slower than prior to 2008, but it still remains above the projected inflation rate. During consultations in the budget preparation process trade-offs in financing different policy objectives were carefully examined and culminated in recommendations on how institutional policies, practices and organisational arrangements would be adjusted in line with the national development plan and the 2014-2019 medium term strategic framework on the one hand, and in a manner consistent with fiscal consolidation, on the other hand.

For the 2016 MTEF period, budget amendments were effected through the reprioritisation of existing funding within the lowered expenditure ceiling, with movements away from areas of lower priority to key priorities. Labour-intensive departments received substantial funding for compensation of employees, owing to spending pressures related to the 2015 public sector wage agreement. In the case of departments which historically underspend on their wage bill, the budgets for compensation of employees have been reduced accordingly. A ceiling is put on compensation of employees budgets of national departments through the 2016 Appropriation Act. Resources cannot be diverted from frontline services for the wage bill.

Further reductions have been effected on goods and services budgets. In some cases departments have been asked to provide evidence of service delivery performance before funding can be appropriated to programmes under their specific votes. These provisional allocations, pending programme viability and verifiable record of good performance, total R17.8 billion in 2018/19. Given these measures, government service delivery will not be negatively affected even as spending growth is curtailed.

The financial information and key performance indicators in the institutional budget plans set out in the Estimates of National Expenditure, provide Parliament and the public with the information to hold government accountable against its 14 outcomes, set out in its medium term strategic framework.

The budget process is ably directed by the Ministers' Committee on the Budget, supported by a devoted Medium Term Expenditure Committee of Directors-General in central government departments. As the National Treasury team we are eternally grateful for their guidance and hard work. We are also indebted to the Budget Council, the Budget Forum and our national and provincial counterparts for making what is otherwise an impossible task, seem easier. The presentation of this budget is the product of all their collective efforts.



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



# Introduction

## **The Estimates of National Expenditure publications**

The Estimates of National Expenditure (ENE) publications provide comprehensive information on how institutions have spent their budgets in previous years, and how institutions plan to spend the resources allocated to them over the upcoming three-year medium term expenditure framework (MTEF) period. Key performance indicators are included for each national government vote and entity reporting to the same executive authority, showing what institutions aim to achieve by spending their budget allocations in a particular manner. This information is based on government's 2014-2019 medium term strategic framework (MTSF), particularly as it is expressed in institutional strategic and annual performance plans, and in annual reports. Coupled with financial information, performance information provides Parliament and the public with the necessary facts to hold government accountable against the 14 outcomes set out in the 2014-2019 medium term strategic framework.

Each chapter in the abridged 2016 ENE publication relates to a specific budget vote. A separate, more detailed, e-publication is also available for each vote. These e-publications provide more detailed information than the relevant chapter in the abridged ENE, including on goods and services, transfers and subsidies, as well as on programme specific personnel expenditure. Budget information is also provided for the public entities that are not shown in detail in the abridged publication. Each chapter in the abridged ENE publication has a summary table showing expenditure on infrastructure, whereas the vote ENE e-publications' additional tables also contain summaries of expenditure on conditional grants to provinces and municipalities, departmental public private partnerships and information on donor funding. In some e-publications more detailed information at the level of site service delivery is also included.

In addition, a separate 2016 ENE Overview e-publication is also available summarising the ENE information across votes. The 2016 ENE Overview contains a narrative explanation and summary tables; a description of the budgeting approach; and it also has a write-up on how to interpret 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 24

## Agriculture, Forestry and Fisheries

### Budget summary

| R million                                       | 2016/17        |                  |                         |                             | 2017/18        | 2018/19        |
|---|----------------|------------------|-------------------------|-----------------------------|----------------|----------------|
|   | Total          | Current payments | Transfers and subsidies | Payments for capital assets | Total          | Total          |
| <b>MTEF allocation</b>                          |                |                  |                         |                             |                |                |
| Administration                                  | 788.1          | 731.8            | 18.4                    | 37.8                        | 803.2          | 839.9          |
| Agricultural Production, Health and Food Safety | 1 953.4        | 634.6            | 1 316.8                 | 2.1                         | 2 183.2        | 2 292.6        |
| Food Security and Agrarian Reform               | 1 889.7        | 255.0            | 1 597.4                 | 37.3                        | 2 018.0        | 2 090.6        |
| Trade Promotion and Market Access               | 297.6          | 133.2            | 163.9                   | 0.6                         | 264.8          | 275.4          |
| Forestry and Natural Resources Management       | 945.6          | 744.6            | 157.9                   | 43.0                        | 961.4          | 1 002.5        |
| Fisheries                                       | 458.6          | 216.8            | 241.8                   | –                           | 475.7          | 498.0          |
| <b>Total expenditure estimates</b>              | <b>6 333.0</b> | <b>2 716.1</b>   | <b>3 496.1</b>          | <b>120.8</b>                | <b>6 706.3</b> | <b>6 999.0</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, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities and expenditure information at the level of service delivery, where appropriate.*

### Vote purpose

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 includes value chains, inputs, production and consumption in the agriculture, forestry and fishery 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 Products Standards Act (1990), and the Conservation of Agricultural Resources Act (1993).

### Selected performance indicators

**Table 24.1 Performance indicators by programme and related outcome**

| Indicator   | Programme                                       | Outcome  | Past    |         |         | Current | Projections |         |         |
|---|---|--|---------|---------|---------|---------|-------------|---------|---------|
|   |   |  | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17     | 2017/18 | 2018/19 |
| Number of animal and plant improvement schemes for prioritised value chain commodities monitored per year | Agricultural Production, Health and Food Safety | Outcome 7: Comprehensive rural development and land reform | –1      | –1      | 4       | 4       | 4           | 4       | 4       |
| Number of surveillances on animal diseases conducted per year   | Agricultural Production, Health and Food Safety |  | 2       | 2       | 2       | 2       | 2           | 2       | 1       |
| Number of surveillances on plant diseases conducted per year  | Agricultural Production, Health and Food Safety |  | –1      | 1       | 1       | 1       | 1           | 1       | 1       |
| Number of mobile veterinary clinics provided to improve animal health in rural areas per year             | Agricultural Production, Health and Food Safety |  | –1      | 27      | 41      | 18      | 10          | –2      | –2      |
| Number of veterinary graduates deployed for the compulsory veterinary services programme per year         | Agricultural Production, Health and Food Safety |  | –1      | –1      | –1      | 140     | 140         | 150     | 150     |

**Table 24.1 Performance indicators by programme and related outcome**

| Indicator   | Programme                                 | Outcome  | Past           |                     |                | Current          | Projections            |                        |                        |
|---|---|--|----------------|---------------------|----------------|------------------|------------------------|------------------------|------------------------|
|   |   |  | 2012/13        | 2013/14             | 2014/15        | 2015/16          | 2016/17                | 2017/18                | 2018/19                |
| Number of subsistence and smallholder producers supported per year  | Food Security and Agrarian Reform         | Outcome 7: Comprehensive rural development and land reform                     | 139 671        | 56 000 <sup>3</sup> | 156 500        | 145 000          | 145 000                | 145 000                | 145 000                |
| Number of hectares in underutilised areas cultivated in communal areas per year   | Food Security and Agrarian Reform         |  | 105 040 ha     | 154 211 ha          | 107 151 ha     | 120 000 ha       | 120 000 ha             | 120 000 ha             | 120 000 ha             |
| Number of jobs created through the comprehensive agricultural support programme and Ilima/Letsema funded projects per year        | Food Security and Agrarian Reform         |  | - <sup>1</sup> | - <sup>1</sup>      | 10 000         | 15 000           | 20 000                 | 20 000                 | 20 000                 |
| Number of agro-processing entrepreneurs trained on processing norms and standards per year  | Trade Promotion and Market Access         |  | - <sup>1</sup> | - <sup>1</sup>      | - <sup>1</sup> | - <sup>1</sup>   | 12                     | 14                     | 18                     |
| Number of hectares of land restored through reforestation and land rehabilitation per year  | Forestry and Natural Resources Management |  | 46 779 ha      | 40 941 ha           | 30 500 ha      | 30 500 ha        | 16 300 ha <sup>4</sup> | 16 300 ha <sup>4</sup> | 16 300 ha <sup>4</sup> |
| Number of jobs created through the refurbishment of category B and C plantations for the expanded public works programme per year | Forestry and Natural Resources Management | Outcome 4: Decent employment through inclusive economic growth                 | 1 719          | 1 987               | 2 400          | 2 400            | 2 400                  | 2 400                  | 2 400                  |
| Number of hectares of temporary unplanted areas planted per year  | Forestry and Natural Resources Management | Outcome 10: Protect and enhance our environmental assets and natural resources | - <sup>1</sup> | 12 925 ha           | 2 300 ha       | 2 300 ha         | 1 725 ha <sup>5</sup>  | 1 725 ha <sup>5</sup>  | 1 725 ha <sup>5</sup>  |
| Number of full time equivalent LandCare jobs created per year   | Forestry and Natural Resources Management | Outcome 4: Decent employment through inclusive economic growth                 | 908            | 1 431               | 900            | 800 <sup>6</sup> | 800 <sup>6</sup>       | 800 <sup>6</sup>       | 800 <sup>6</sup>       |

1. No historical data is available as these indicators were not measured in these years.

2. No targets for 2017/18 and 2018/19 as no more mobile clinics will be procured since rural areas have been fully capacitated with animal clinics.

3. In 2013/14, the target was measured in terms of number of households.

4. Targets have been revised down as most of the work has been done on land rehabilitation. Funds for this have been reprioritised to fund shortfalls in compensation of employees.

5. Target slightly reduced as more hectares have been planted to reduce temporary unplanted areas. Funds have also been reprioritised.

6. Targets have been revised due to the reprioritisation of funds.

## Expenditure analysis

Over the medium term, the Department of Agriculture, Forestry and Fisheries will prioritise improving food security, creating jobs, and increasing the contribution of the agriculture sector to GDP. Subsistence and smallholder farmers are a focus within all of these priorities, which are informed by the national development plan's broad vision of eliminating poverty and reducing inequality by 2030. The department's work supports this broad vision by contributing directly to outcome 4 (decent employment through inclusive economic growth), outcome 7 (comprehensive rural development and land reform), and outcome 10 (protect and enhance our environmental assets and natural resources) of the 2014-2019 medium term strategic framework. In addition, the president's 2015 9-point plan to ignite growth and create jobs includes the revitalisation of agriculture and agro-processing value chains.

The department's compensation of employees budget has been decreased by R149.3 million for 2017/18 and R233.9 million for 2018/19 as part of the Cabinet approved budget reductions to lower the national aggregate expenditure ceiling. After consultation with the Department of Public Service and Administration and National Treasury, the department will develop and implement a plan to manage its personnel expenditure within its reduced personnel budget.

### Improving food security

The department promotes food security by supporting food producers through the following channels: the Micro Agricultural Financial Institutions of South Africa, which provides agricultural production loans to smallholder operators in the agriculture, forestry and fishery sectors; the comprehensive agricultural support programme grant, which provides post-settlement support to targeted beneficiaries of land reform and redistribution, as well as to other producers who have acquired land privately and are engaged in domestic value-adding enterprises or exporting agricultural produce; and the Ilima/Letsema projects grant, which provides production inputs to subsistence and smallholder farmers.

The comprehensive agricultural support programme grant has been decreased by R150 million over the medium term to meet government's immediate national priorities. The grant will fund less infrastructure as a result of the decrease. R60 million of the grant that would usually go to provinces will be retained in the national department

for the monitoring and evaluation of provinces' use of the grant over the medium term, including project plans and grant indicators, and project reports. The department is committed to ensuring that subsistence and smallholder farmers are enabled to enter the mainstream agricultural economy.

The Ilima/Letsema projects grant has a budget of R1.6 billion over the medium term to support 145 000 subsistence and smallholder farmers per year.

Government's 2012-2017 food security initiative, Fetsa Tlala, is aimed at the production of staple foods on fallow land that has the potential for agricultural production. R2.8 billion over the medium term has been reprioritised to Fetsa Tlala from the infrastructure allocation of the comprehensive agricultural support programme grant. The reprioritisation is a response to the shift in farmers' needs, from infrastructure to production inputs such as fertilisers, seeds, and small production equipment, as food security becomes a major priority. The department will support subsistence and smallholder farmers with these inputs and advice, aiming to get 1 million hectares of land in rural areas producing food for subsistence consumption by 2030. The department aims to get approximately 120 000 hectares under productive use in each year of the medium term to benefit 145 000 subsistence and smallholder producers. This joint spending through the Ilima/Letsema projects grant and Fetsa Tlala of R4.4 billion over the medium term represents 21.5 per cent of the department's total budget.

The current drought in KwaZulu-Natal, Free State, North West, Limpopo and Mpumalanga is expected to lead to an increase in the cost of food. In addition to funds offered by provincial departments of agriculture to farmers affected by the drought, the department has set aside about R205 million for drought relief in 2015/16. These funds will support interventions such as drilling boreholes, moving some cattle herds to state farms, and water carting. Most of the funds will be mobilised from the comprehensive agricultural support programme grant and the Ilima/Letsema projects grant.

In 2013, the department identified fisheries as key to addressing food security. In addition, the industry is in need of transformation to become more equitable. The department's 2012 small scale fisheries policy and the Marine Living Resources Amendment Act (2014) support both these priorities. A total of R117 million over the medium term is budgeted in the *Aquaculture* subprogramme. This will fund fishing equipment and training to harvest fish for subsistence consumption in fishing communities in rural and coastal areas. South Africa's aquaculture sector has been given a boost through its inclusion in Operation Phakisa in 2014, and R40 million of the R125 million budget will fund 24 aquaculture projects over the medium term. (Aquaculture refers to breeding, rearing, and harvesting plants and animals in all types of water environments.) The projects are expected to increase current production of 4 000 tonnes of fish per year to 20 000 tonnes per year over the period, significantly contributing to food production. In addition, 210 000 jobs are expected to be created by 2030.

### **Creating jobs**

The agricultural policy action plan, approved by Cabinet in March 2015, will promote the revitalisation of agriculture and agro-processing value chains in priority commodities such as maize, soyabeans, poultry and red meat. These commodities have been identified in the national development plan as having high growth potential and high labour absorption capacity, hence contributing to creating 1 million jobs by 2030.

The LandCare programme aims to promote sustainable land and soil management practices, prevent land degradation and desertification in rural areas and contribute to job creation. The programme is projected to create 2 400 full time equivalent jobs in rehabilitating 48 900 hectares of land over the medium term, and 4 725 jobs in planting 5 175 hectares to refurbish industrial plantations and community woodlots. The total LandCare grant allocation is R220.7 million over the medium term. Planned work also includes reducing the spread of invasive alien plants, fencing and protecting agricultural land against degradation, conserving water resources, and combating the loss of topsoil.

The expanded public works programme's Working for Fisheries projects encourage communities to responsibly manage and conserve aquatic environments through, for example, cleaning fishing harbours and conducting harbour patrols. The department transfers R242 million for these projects to the Marine Living Resources Fund. 1 695 full time equivalent jobs are expected to be created in the fishery sector over the medium term.

## Increasing the contribution of the agriculture sector to GDP

According to official 2013 statistics, agriculture directly contributes about 2.5 per cent to GDP and indirectly a further 12 per cent through related manufacturing and processing. South Africa is a net exporter of agricultural products, but these are mainly primary products and the country is a net importer of processed products. By 2018/19, the department will introduce a strategy for replacing imports with locally produced products, guided by the 2015 agriculture policy action plan. As local agricultural production increases, jobs will be created and agriculture's contribution to GDP will increase.

The department will provide extension services (farming advice) and financial support to 145 000 subsistence and smallholder farmers through a projected R1.1 billion conditional grant to provinces over the medium term, intended to boost production. Access to financial resources for these farmers will also be expanded through an allocation of R50 million in 2016/17 to the Land and Agricultural Bank of South Africa's retail emerging markets programme, which aims to support 10 000 black emerging farmers with low interest loans. This non-financial and financial support will boost agricultural production.

The department introduced the primary animal health care programme in 2011/12 to support the health of smallholders' animals. This will contribute to productivity and food security. The programme has delivered 96 veterinary mobile clinics in remote rural areas, and will include compulsory community service for veterinarians from 2016/17. Over the medium term, a projected 140 veterinarian graduates per year will be deployed to rural areas at a cost of R124 million in 2016/17, increasing to R138.3million in 2017/18, budgeted for in the *Animal Production and Health* subprogramme of the *Agricultural Production, Health and Food Safety* programme.

## Expenditure trends

**Table 24.2 Vote expenditure trends by programme and economic classification**

| Programmes   |                |                        |                 |                |                        |                 |                |                        |                 |                |                        |                  |                                   |  |
|--|----------------|------------------------|-----------------|----------------|------------------------|-----------------|----------------|------------------------|-----------------|----------------|------------------------|------------------|-----------------------------------|--|
| 1. Administration                                  |                |                        |                 |                |                        |                 |                |                        |                 |                |                        |                  |                                   |  |
| 2. Agricultural Production, Health and Food Safety |                |                        |                 |                |                        |                 |                |                        |                 |                |                        |                  |                                   |  |
| 3. Food Security and Agrarian Reform               |                |                        |                 |                |                        |                 |                |                        |                 |                |                        |                  |                                   |  |
| 4. Trade Promotion and Market Access               |                |                        |                 |                |                        |                 |                |                        |                 |                |                        |                  |                                   |  |
| 5. Forestry and Natural Resources Management       |                |                        |                 |                |                        |                 |                |                        |                 |                |                        |                  |                                   |  |
| 6. Fisheries                                       |                |                        |                 |                |                        |                 |                |                        |                 |                |                        |                  |                                   |  |
| Programme  | Annual budget  | Adjusted appropriation | Audited outcome | Annual budget  | Adjusted appropriation | Audited outcome | Annual budget  | Adjusted appropriation | Audited outcome | Annual budget  | Adjusted appropriation | Revised estimate | Outcome/Annual budget/Average (%) | Outcome/Adjusted appropriation/Average (%) |
| R million  | 2012/13        |                        |                 | 2013/14        |                        |                 | 2014/15        |                        |                 | 2015/16        |                        |                  | 2012/13 - 2015/16                 |  |
| Programme 1  | 612.9          | 624.6                  | 644.9           | 663.9          | 670.9                  | 681.6           | 694.6          | 718.9                  | 738.4           | 729.9          | 739.4                  | 729.4            | 103.4%                            | 101.5%                                     |
| Programme 2  | 1 891.6        | 1 889.9                | 1 874.8         | 2 066.1        | 2 036.5                | 2 000.9         | 2 199.8        | 2 187.1                | 2 183.7         | 2 134.8        | 2 144.5                | 2 144.5          | 98.9%                             | 99.3%                                      |
| Programme 3  | 1 408.6        | 1 413.3                | 1 405.2         | 1 597.7        | 1 599.3                | 1 590.1         | 1 711.1        | 1 711.7                | 1 656.3         | 1 930.3        | 1 919.4                | 1 919.4          | 98.8%                             | 98.9%                                      |
| Programme 4  | 212.0          | 209.4                  | 212.2           | 231.6          | 258.2                  | 256.3           | 294.2          | 298.3                  | 307.0           | 238.2          | 233.9                  | 233.9            | 103.4%                            | 101.0%                                     |
| Programme 5  | 1 261.8        | 1 242.7                | 1 191.8         | 1 184.5        | 1 183.6                | 1 144.7         | 1 364.9        | 1 348.7                | 1 303.6         | 906.6          | 906.2                  | 906.2            | 96.4%                             | 97.1%                                      |
| Programme 6  | 411.8          | 489.1                  | 484.3           | 434.0          | 433.7                  | 437.7           | 427.8          | 427.8                  | 439.8           | 443.3          | 465.3                  | 465.3            | 106.4%                            | 100.6%                                     |
| <b>Total</b>                                       | <b>5 798.8</b> | <b>5 868.9</b>         | <b>5 813.2</b>  | <b>6 178.0</b> | <b>6 182.3</b>         | <b>6 111.3</b>  | <b>6 692.4</b> | <b>6 692.4</b>         | <b>6 628.9</b>  | <b>6 383.0</b> | <b>6 408.8</b>         | <b>6 398.8</b>   | <b>99.6%</b>                      | <b>99.2%</b>                               |
| Change to 2015 Budget estimate                     |                |                        |                 |                |                        |                 |                |                        |                 | 25.7           |                        |                  |                                   |  |
| Economic classification                            |                |                        |                 |                |                        |                 |                |                        |                 |                |                        |                  |                                   |  |
| <b>Current payments</b>                            | <b>2 250.6</b> | <b>2 234.3</b>         | <b>2 149.6</b>  | <b>2 421.4</b> | <b>2 395.8</b>         | <b>2 271.8</b>  | <b>2 555.3</b> | <b>2 509.3</b>         | <b>2 394.0</b>  | <b>2 586.3</b> | <b>2 536.9</b>         | <b>2 536.9</b>   | <b>95.3%</b>                      | <b>96.7%</b>                               |
| Compensation of employees                          | 1 502.6        | 1 473.8                | 1 419.1         | 1 656.0        | 1 603.3                | 1 525.0         | 1 697.9        | 1 698.4                | 1 661.6         | 1 737.8        | 1 763.0                | 1 763.0          | 96.6%                             | 97.4%                                      |
| Goods and services of which:                       | 746.4          | 759.0                  | 729.6           | 763.4          | 791.4                  | 746.4           | 856.2          | 809.5                  | 732.1           | 847.0          | 772.3                  | 772.3            | 92.8%                             | 95.2%                                      |
| Administrative fees                                | 60.7           | 61.0                   | 60.0            | 70.6           | 4.5                    | 3.2             | 57.9           | 4.9                    | 3.5             | 4.4            | 6.6                    | 6.6              | 37.9%                             | 95.4%                                      |
| Advertising  | 9.7            | 20.5                   | 19.2            | 12.0           | 9.9                    | 22.2            | 25.0           | 23.2                   | 26.5            | 15.2           | 13.2                   | 13.2             | 131.1%                            | 121.5%                                     |
| Minor assets                                       | 44.3           | 31.8                   | 2.8             | 43.8           | 70.5                   | 6.7             | 134.3          | 79.4                   | 6.9             | 67.1           | 10.8                   | 10.8             | 9.3%                              | 14.1%                                      |
| Audit costs: External                              | 12.2           | 10.7                   | 8.6             | 12.0           | 11.9                   | 9.9             | 13.4           | 13.4                   | 10.4            | 14.4           | 14.4                   | 14.4             | 83.3%                             | 85.9%                                      |
| Bursaries: Employees                               | 4.1            | 5.1                    | 3.0             | 6.8            | 5.6                    | 2.7             | 6.0            | 4.8                    | 2.7             | 5.5            | 4.7                    | 4.7              | 59.0%                             | 65.1%                                      |
| Catering: Departmental activities                  | 3.2            | 2.5                    | 3.1             | 3.5            | 3.4                    | 1.3             | 3.7            | 0.4                    | 0.8             | 0.7            | 0.9                    | 0.9              | 54.9%                             | 84.0%                                      |
| Communication                                      | 28.5           | 27.2                   | 26.6            | 26.6           | 25.7                   | 26.6            | 27.6           | 24.6                   | 27.8            | 27.2           | 23.4                   | 23.4             | 94.9%                             | 103.4%                                     |
| Computer services                                  | 33.2           | 28.9                   | 40.9            | 32.8           | 34.7                   | 43.3            | 51.1           | 29.4                   | 35.4            | 32.3           | 20.4                   | 20.4             | 93.7%                             | 123.5%                                     |
| Consultants: Business and advisory services        | 37.1           | 42.5                   | 30.0            | 28.6           | 29.1                   | 34.0            | 22.9           | 23.7                   | 20.5            | 15.2           | 41.4                   | 41.4             | 121.3%                            | 92.1%                                      |

Table 24.2 Vote expenditure trends by programme and economic classification

| Economic classification                               | 2012/13        |                        |                 | 2013/14        |                        |                 | 2014/15        |                        |                 | 2015/16        |                        |                  | 2012/13 - 2015/16                 |  |
|---|----------------|------------------------|-----------------|----------------|------------------------|-----------------|----------------|------------------------|-----------------|----------------|------------------------|------------------|-----------------------------------|--|
|   | Annual budget  | Adjusted appropriation | Audited outcome | Annual budget  | Adjusted appropriation | Audited outcome | Annual budget  | Adjusted appropriation | Audited outcome | Annual budget  | Adjusted appropriation | Revised estimate | Outcome/Annual budget Average (%) | Outcome/Adjusted appropriation Average (%) |
| R million   |                |                        |                 |                |                        |                 |                |                        |                 |                |                        |                  |                                   |  |
| Infrastructure and planning services                  | 17.6           | 14.2                   | 12.5            | 14.4           | 12.2                   | 13.0            | 17.4           | 13.4                   | 7.0             | 18.0           | 4.1                    | 4.1              | 54.2%                             | 83.3%                                      |
| Laboratory services                                   | 0.7            | 0.6                    | 1.3             | 1.2            | 0.6                    | 0.6             | 1.4            | 0.5                    | 0.2             | 0.8            | 0.5                    | 0.5              | 63.5%                             | 114.5%                                     |
| Legal services  | 0.9            | 1.3                    | 2.4             | 1.8            | 1.5                    | 3.7             | 1.6            | 2.0                    | 8.5             | 4.1            | 4.0                    | 4.0              | 220.4%                            | 212.1%                                     |
| Contractors   | 35.0           | 22.8                   | 9.7             | 14.3           | 16.7                   | 23.6            | 22.4           | 28.3                   | 24.2            | 27.2           | 15.2                   | 15.2             | 73.6%                             | 87.7%                                      |
| Agency and support/outsourced services                | 59.1           | 51.7                   | 69.6            | 68.7           | 62.4                   | 53.3            | 58.1           | 41.2                   | 30.7            | 42.7           | 60.6                   | 60.6             | 93.7%                             | 99.2%                                      |
| Entertainment   | 0.5            | 0.5                    | 0.4             | 0.5            | 0.5                    | 0.5             | 0.5            | 0.4                    | 0.8             | 0.3            | 0.3                    | 0.3              | 109.9%                            | 116.9%                                     |
| Fleet services (including government motor transport) | 9.4            | 11.9                   | 16.3            | 8.2            | 13.0                   | 18.5            | 16.3           | 17.6                   | 18.5            | 18.2           | 20.2                   | 20.2             | 140.9%                            | 117.2%                                     |
| Inventory: Farming supplies                           | -              | -                      | -               | -              | 9.2                    | 14.6            | 0.3            | 10.4                   | 7.7             | 16.3           | 6.4                    | 6.4              | 172.8%                            | 110.2%                                     |
| Inventory: Food and food supplies                     | 1.7            | 1.2                    | 1.8             | 1.8            | 0.5                    | 0.4             | 0.5            | 0.4                    | 0.5             | 0.5            | 0.5                    | 0.5              | 70.3%                             | 126.0%                                     |
| Inventory: Fuel, oil and gas                          | 8.0            | 0.5                    | 0.2             | 32.1           | 0.2                    | 0.1             | 0.2            | 0.2                    | 0.3             | 0.2            | 0.2                    | 0.2              | 1.9%                              | 64.8%                                      |
| Inventory: Learner and teacher support material       | 0.3            | -                      | -               | 0.6            | 0.0                    | 0.1             | -              | -                      | -               | -              | -                      | -                | 5.6%                              | 2 550.0%                                   |
| Inventory: Materials and supplies                     | 7.2            | -                      | -               | 5.2            | -                      | -               | -              | -                      | 0.0             | -              | 0.0                    | 0.0              | 0.5%                              | 271.4%                                     |
| Inventory: Medical supplies                           | 2.6            | -                      | -               | 1.2            | -                      | -               | -              | 0.0                    | -               | 9.0            | -                      | -                | -                                 | -  |
| Inventory: Medicine                                   | 1.1            | 1.1                    | 6.0             | 19.9           | 2.9                    | 6.1             | 1.9            | 1.7                    | 1.0             | 14.4           | 1.2                    | 1.2              | 38.5%                             | 208.3%                                     |
| Inventory: Other supplies                             | -              | -                      | -               | 51.9           | 0.0                    | 0.0             | 0.0            | 0.0                    | 0.1             | 0.0            | 0.0                    | 0.0              | 0.3%                              | 201.4%                                     |
| Consumable supplies                                   | 60.8           | 89.9                   | 47.3            | -              | 66.5                   | 41.6            | 41.4           | 54.6                   | 42.6            | 59.1           | 74.5                   | 74.5             | 127.7%                            | 72.2%                                      |
| Consumables: Stationery, printing and office supplies | 20.8           | 24.2                   | 11.2            | 21.0           | 18.4                   | 12.6            | 19.6           | 20.1                   | 10.7            | 26.2           | 22.2                   | 22.2             | 64.7%                             | 66.8%                                      |
| Operating leases                                      | 58.1           | 66.5                   | 85.9            | 71.5           | 71.4                   | 85.7            | 67.3           | 53.7                   | 84.5            | 53.3           | 53.8                   | 53.8             | 123.9%                            | 126.3%                                     |
| Rental and hiring                                     | 0.2            | 0.2                    | 0.1             | 1.5            | 1.0                    | 5.0             | 0.7            | 0.3                    | 0.1             | 0.1            | 0.1                    | 0.1              | 207.6%                            | 344.5%                                     |
| Property payments                                     | 37.6           | 37.2                   | 38.1            | 37.2           | 119.0                  | 112.6           | 64.3           | 151.5                  | 144.3           | 149.8          | 152.5                  | 152.5            | 154.9%                            | 97.2%                                      |
| Travel and subsistence                                | 125.3          | 119.8                  | 143.1           | 104.3          | 114.7                  | 119.3           | 109.6          | 118.9                  | 128.6           | 159.8          | 140.0                  | 140.0            | 106.4%                            | 107.6%                                     |
| Training and development                              | 35.9           | 41.6                   | 29.0            | 36.9           | 43.6                   | 31.9            | 49.3           | 49.8                   | 36.4            | 36.7           | 30.8                   | 30.8             | 80.7%                             | 77.3%                                      |
| Operating payments                                    | 11.2           | 15.7                   | 17.4            | 10.1           | 15.4                   | 15.5            | 20.2           | 23.5                   | 20.3            | 17.6           | 19.9                   | 19.9             | 123.7%                            | 98.1%                                      |
| Venues and facilities                                 | 19.3           | 28.1                   | 43.1            | 22.4           | 26.4                   | 37.8            | 21.3           | 17.1                   | 30.7            | 10.6           | 29.3                   | 29.3             | 191.5%                            | 139.7%                                     |
| Interest and rent on land                             | 1.6            | 1.5                    | 0.9             | 2.1            | 1.2                    | 0.4             | 1.2            | 1.4                    | 0.3             | 1.5            | 1.5                    | 1.5              | 47.6%                             | 55.1%                                      |
| <b>Transfers and subsidies</b>                        | <b>3 419.1</b> | <b>3 488.9</b>         | <b>3 493.0</b>  | <b>3 658.1</b> | <b>3 639.3</b>         | <b>3 637.9</b>  | <b>4 035.4</b> | <b>4 047.7</b>         | <b>4 028.7</b>  | <b>3 700.5</b> | <b>3 694.9</b>         | <b>3 694.9</b>   | <b>100.3%</b>                     | <b>99.9%</b>                               |
| Provinces and municipalities                          | 2 066.9        | 2 067.0                | 2 062.8         | 2 148.5        | 2 152.9                | 2 149.7         | 2 390.1        | 2 390.1                | 2 363.3         | 2 189.2        | 2 172.6                | 2 172.6          | 99.5%                             | 99.6%                                      |
| Departmental agencies and accounts                    | 1 271.4        | 1 311.7                | 1 310.0         | 1 313.1        | 1 269.6                | 1 266.6         | 1 354.6        | 1 354.6                | 1 354.2         | 1 132.5        | 1 138.1                | 1 138.1          | 99.9%                             | 99.9%                                      |
| Higher education institutions                         | 5.8            | 5.0                    | 4.7             | 7.0            | 5.8                    | 2.8             | 7.1            | 7.0                    | 3.0             | 7.8            | 3.3                    | 3.3              | 49.8%                             | 65.4%                                      |
| Foreign governments and international organisations   | 22.5           | 23.4                   | 32.0            | 33.7           | 45.9                   | 46.4            | 34.7           | 38.7                   | 38.8            | 29.5           | 32.4                   | 32.4             | 124.2%                            | 106.5%                                     |
| Public corporations and private enterprises           | 37.4           | 39.7                   | 40.0            | 137.8          | 139.4                  | 140.1           | 220.2          | 222.0                  | 222.3           | 312.9          | 314.7                  | 314.7            | 101.3%                            | 100.2%                                     |
| Non-profit institutions                               | 13.3           | 13.3                   | 11.2            | 16.2           | 20.3                   | 19.0            | 26.9           | 26.8                   | 25.2            | 26.7           | 25.9                   | 25.9             | 97.8%                             | 94.2%                                      |
| Households  | 1.8            | 28.9                   | 32.2            | 1.8            | 5.4                    | 13.2            | 1.9            | 8.4                    | 21.9            | 1.9            | 7.9                    | 7.9              | 1 013.8%                          | 148.5%                                     |
| <b>Payments for capital assets</b>                    | <b>129.1</b>   | <b>145.7</b>           | <b>169.4</b>    | <b>98.5</b>    | <b>147.1</b>           | <b>200.2</b>    | <b>101.6</b>   | <b>135.4</b>           | <b>206.0</b>    | <b>96.2</b>    | <b>176.9</b>           | <b>166.9</b>     | <b>174.5%</b>                     | <b>122.7%</b>                              |
| Buildings and other fixed structures                  | 36.9           | 40.4                   | 57.8            | 38.4           | 37.7                   | 55.7            | 42.7           | 41.3                   | 48.0            | 42.5           | 48.6                   | 41.6             | 126.6%                            | 120.9%                                     |
| Machinery and equipment                               | 91.8           | 104.9                  | 111.3           | 59.2           | 107.6                  | 143.0           | 58.2           | 93.9                   | 157.5           | 53.2           | 128.2                  | 125.2            | 204.7%                            | 123.5%                                     |
| Biological assets                                     | 0.3            | 0.3                    | -               | 0.7            | 0.5                    | 0.1             | 0.8            | 0.2                    | -               | 0.5            | 0.2                    | 0.2              | 10.8%                             | 20.8%                                      |
| Software and other intangible assets                  | 0.1            | 0.0                    | 0.4             | 0.2            | 1.3                    | 1.4             | 0.0            | 0.1                    | 0.4             | -              | -                      | -                | 699.7%                            | 162.8%                                     |
| <b>Payments for financial assets</b>                  | <b>-</b>       | <b>-</b>               | <b>1.3</b>      | <b>-</b>       | <b>-</b>               | <b>1.4</b>      | <b>-</b>       | <b>-</b>               | <b>0.2</b>      | <b>-</b>       | <b>-</b>               | <b>-</b>         | <b>-</b>                          | <b>-</b>                                   |
| <b>Total</b>  | <b>5 798.8</b> | <b>5 868.9</b>         | <b>5 813.2</b>  | <b>6 178.0</b> | <b>6 182.3</b>         | <b>6 111.3</b>  | <b>6 692.4</b> | <b>6 692.4</b>         | <b>6 628.9</b>  | <b>6 383.0</b> | <b>6 408.8</b>         | <b>6 398.8</b>   | <b>99.6%</b>                      | <b>99.2%</b>                               |

## Expenditure estimates

Table 24.3 Vote expenditure estimates by programme and economic classification

| Programme   | Revised estimate | Average growth rate (%) | Expenditure/Total: Average (%) | Medium-term expenditure estimate |         |         | Average growth rate (%) | Expenditure/Total: Average (%) |
|-------------|------------------|-------------------------|--------------------------------|----------------------------------|---------|---------|-------------------------|--------------------------------|
|             |                  |                         |                                | 2016/17                          | 2017/18 | 2018/19 |                         |                                |
| R million   |                  |                         |                                |                                  |         |         |                         |                                |
| Programme 1 | 729.4            | 5.3%                    | 11.2%                          | 788.1                            | 803.2   | 839.9   | 4.8%                    | 12.0%                          |
| Programme 2 | 2 144.5          | 4.3%                    | 32.9%                          | 1 953.4                          | 2 183.2 | 2 292.6 | 2.3%                    | 32.4%                          |
| Programme 3 | 1 919.4          | 10.7%                   | 26.3%                          | 1 889.7                          | 2 018.0 | 2 090.6 | 2.9%                    | 29.9%                          |

Table 24.3 Vote expenditure estimates by programme and economic classification

| Programme   | Revised estimate | Average growth rate (%) | Expenditure/Total: Average (%) | Medium-term expenditure estimate |                |                | Average growth rate (%) | Expenditure/Total: Average (%) |
|---|------------------|-------------------------|--------------------------------|----------------------------------|----------------|----------------|-------------------------|--------------------------------|
|   | 2015/16          | 2012/13 - 2015/16       | 2015/16                        | 2016/17                          | 2017/18        | 2018/19        | 2015/16 - 2018/19       | 2015/16 - 2018/19              |
| R million   |                  |                         |                                |                                  |                |                |                         |                                |
| Programme 4   | 233.9            | 3.8%                    | 4.0%                           | 297.6                            | 264.8          | 275.4          | 5.6%                    | 4.1%                           |
| Programme 5   | 906.2            | -10.0%                  | 18.2%                          | 945.6                            | 961.4          | 1 002.5        | 3.4%                    | 14.4%                          |
| Programme 6   | 465.3            | -1.6%                   | 7.3%                           | 458.6                            | 475.7          | 498.0          | 2.3%                    | 7.2%                           |
| <b>Total</b>  | <b>6 398.8</b>   | <b>2.9%</b>             | <b>100.0%</b>                  | <b>6 333.0</b>                   | <b>6 706.3</b> | <b>6 999.0</b> | <b>3.0%</b>             | <b>100.0%</b>                  |
| Change to 2015 Budget estimate                        |                  |                         |                                | (9.6)                            | (71.2)         | (129.2)        |                         |                                |
| <b>Economic classification</b>                        |                  |                         |                                |                                  |                |                |                         |                                |
| <b>Current payments</b>                               | <b>2 536.9</b>   | <b>4.3%</b>             | <b>37.5%</b>                   | <b>2 716.1</b>                   | <b>2 817.6</b> | <b>2 891.1</b> | <b>4.5%</b>             | <b>41.5%</b>                   |
| Compensation of employees                             | 1 763.0          | 6.2%                    | 25.5%                          | 2 055.4                          | 2 129.2        | 2 201.9        | 7.7%                    | 30.8%                          |
| Goods and services                                    | 772.3            | 0.6%                    | 11.9%                          | 659.7                            | 687.0          | 687.8          | -3.8%                   | 10.6%                          |
| of which:   |                  |                         |                                |                                  |                |                |                         |                                |
| Administrative fees                                   | 6.6              | -52.4%                  | 0.3%                           | 5.1                              | 5.7            | 6.2            | -2.2%                   | 0.1%                           |
| Advertising   | 13.2             | -13.5%                  | 0.3%                           | 10.3                             | 11.2           | 11.8           | -3.8%                   | 0.2%                           |
| Minor assets  | 10.8             | -30.3%                  | 0.1%                           | 15.4                             | 12.2           | 7.7            | -10.5%                  | 0.2%                           |
| Audit costs: External                                 | 14.4             | 10.5%                   | 0.2%                           | 15.8                             | 14.3           | 15.2           | 1.7%                    | 0.2%                           |
| Bursaries: Employees                                  | 4.7              | -2.6%                   | 0.1%                           | 5.7                              | 6.6            | 5.7            | 6.3%                    | 0.1%                           |
| Catering: Departmental activities                     | 0.9              | -30.1%                  | 0.0%                           | 0.3                              | 0.3            | 0.4            | -24.8%                  | 0.0%                           |
| Communication   | 23.4             | -4.9%                   | 0.4%                           | 24.3                             | 25.1           | 24.9           | 2.1%                    | 0.4%                           |
| Computer services                                     | 20.4             | -10.9%                  | 0.6%                           | 18.5                             | 18.8           | 19.6           | -1.4%                   | 0.3%                           |
| Consultants: Business and advisory services           | 41.4             | -0.9%                   | 0.5%                           | 8.6                              | 8.2            | 8.1            | -41.9%                  | 0.3%                           |
| Infrastructure and planning services                  | 4.1              | -33.9%                  | 0.1%                           | 17.4                             | 18.5           | 19.8           | 69.1%                   | 0.2%                           |
| Laboratory services                                   | 0.5              | -4.7%                   | 0.0%                           | 0.2                              | 0.2            | 0.2            | -26.0%                  | 0.0%                           |
| Legal services  | 4.0              | 44.5%                   | 0.1%                           | 4.1                              | 1.9            | 2.0            | -20.2%                  | 0.0%                           |
| Contractors   | 15.2             | -12.6%                  | 0.3%                           | 24.5                             | 22.6           | 19.7           | 8.9%                    | 0.3%                           |
| Agency and support/outourced services                 | 60.6             | 5.4%                    | 0.9%                           | 50.1                             | 50.8           | 51.5           | -5.2%                   | 0.8%                           |
| Entertainment   | 0.3              | -10.6%                  | 0.0%                           | 0.4                              | 0.4            | 0.5            | 10.7%                   | 0.0%                           |
| Fleet services (including government motor transport) | 20.2             | 19.4%                   | 0.3%                           | 15.8                             | 15.9           | 17.6           | -4.6%                   | 0.3%                           |
| Inventory: Clothing material and accessories          | -                | -                       | -                              | 0.9                              | 1.0            | 0.9            | -                       | 0.0%                           |
| Inventory: Farming supplies                           | 6.4              | -                       | 0.1%                           | 8.2                              | 9.4            | 9.6            | 14.6%                   | 0.1%                           |
| Inventory: Food and food supplies                     | 0.5              | -23.4%                  | 0.0%                           | 1.3                              | 1.4            | 0.9            | 20.1%                   | 0.0%                           |
| Inventory: Fuel, oil and gas                          | 0.2              | -22.8%                  | 0.0%                           | 1.1                              | 1.1            | 1.2            | 69.7%                   | 0.0%                           |
| Inventory: Materials and supplies                     | 0.0              | -                       | 0.0%                           | 1.5                              | 1.5            | 0.8            | 230.0%                  | 0.0%                           |
| Inventory: Medical supplies                           | -                | -                       | -                              | -                                | 1.5            | 1.5            | -                       | 0.0%                           |
| Inventory: Medicine                                   | 1.2              | 4.3%                    | 0.1%                           | 1.4                              | 9.4            | 8.9            | 94.5%                   | 0.1%                           |
| Inventory: Other supplies                             | 0.0              | -                       | 0.0%                           | 0.3                              | 2.3            | 2.0            | 391.2%                  | 0.0%                           |
| Consumable supplies                                   | 74.5             | -6.1%                   | 0.8%                           | 48.8                             | 49.7           | 40.7           | -18.2%                  | 0.8%                           |
| Consumables: Stationery, printing and office supplies | 22.2             | -2.8%                   | 0.2%                           | 23.8                             | 25.5           | 22.8           | 0.9%                    | 0.4%                           |
| Operating leases                                      | 53.8             | -6.8%                   | 1.2%                           | 47.2                             | 35.2           | 26.6           | -20.9%                  | 0.6%                           |
| Rental and hiring                                     | 0.1              | -14.1%                  | 0.0%                           | 1.7                              | 1.9            | 2.0            | 173.2%                  | 0.0%                           |
| Property payments                                     | 152.5            | 60.1%                   | 1.8%                           | 138.6                            | 162.2          | 175.6          | 4.8%                    | 2.4%                           |
| Travel and subsistence                                | 140.0            | 5.3%                    | 2.1%                           | 112.7                            | 110.7          | 122.8          | -4.3%                   | 1.8%                           |
| Training and development                              | 30.8             | -9.5%                   | 0.5%                           | 28.1                             | 33.7           | 34.3           | 3.6%                    | 0.5%                           |
| Operating payments                                    | 19.9             | 8.2%                    | 0.3%                           | 18.3                             | 18.4           | 16.6           | -5.8%                   | 0.3%                           |
| Venues and facilities                                 | 29.3             | 1.5%                    | 0.6%                           | 9.4                              | 9.3            | 9.9            | -30.4%                  | 0.2%                           |
| Interest and rent on land                             | 1.5              | 1.2%                    | 0.0%                           | 1.0                              | 1.3            | 1.4            | -2.6%                   | 0.0%                           |
| <b>Transfers and subsidies</b>                        | <b>3 694.9</b>   | <b>1.9%</b>             | <b>59.5%</b>                   | <b>3 496.1</b>                   | <b>3 766.4</b> | <b>3 975.4</b> | <b>2.5%</b>             | <b>56.5%</b>                   |
| Provinces and municipalities                          | 2 172.6          | 1.7%                    | 35.1%                          | 2 203.5                          | 2 335.6        | 2 465.1        | 4.3%                    | 34.7%                          |
| Departmental agencies and accounts                    | 1 138.1          | -4.6%                   | 20.3%                          | 1 129.6                          | 1 310.1        | 1 383.9        | 6.7%                    | 18.8%                          |
| Higher education institutions                         | 3.3              | -12.6%                  | 0.1%                           | 8.5                              | 9.2            | 10.0           | 44.8%                   | 0.1%                           |
| Foreign governments and international organisations   | 32.4             | 11.4%                   | 0.6%                           | 34.5                             | 36.3           | 37.6           | 5.1%                    | 0.5%                           |
| Public corporations and private enterprises           | 314.7            | 99.5%                   | 2.9%                           | 98.3                             | 50.8           | 53.8           | -44.5%                  | 2.0%                           |
| Non-profit institutions                               | 25.9             | 25.0%                   | 0.3%                           | 19.4                             | 22.1           | 22.5           | -4.5%                   | 0.3%                           |
| Households  | 7.9              | -35.1%                  | 0.3%                           | 2.2                              | 2.3            | 2.5            | -32.3%                  | 0.1%                           |
| <b>Payments for capital assets</b>                    | <b>166.9</b>     | <b>4.6%</b>             | <b>3.0%</b>                    | <b>120.8</b>                     | <b>122.3</b>   | <b>132.5</b>   | <b>-7.4%</b>            | <b>2.1%</b>                    |
| Buildings and other fixed structures                  | 41.6             | 1.0%                    | 0.8%                           | 67.4                             | 66.3           | 74.3           | 21.3%                   | 0.9%                           |
| Machinery and equipment                               | 125.2            | 6.1%                    | 2.2%                           | 53.3                             | 55.8           | 58.1           | -22.6%                  | 1.1%                           |
| Biological assets                                     | 0.2              | -19.9%                  | 0.0%                           | 0.1                              | 0.1            | 0.1            | -10.1%                  | 0.0%                           |
| Software and other intangible assets                  | -                | -100.0%                 | 0.0%                           | 0.1                              | 0.1            | 0.1            | -                       | 0.0%                           |
| <b>Total</b>  | <b>6 398.8</b>   | <b>2.9%</b>             | <b>100.0%</b>                  | <b>6 333.0</b>                   | <b>6 706.3</b> | <b>6 999.0</b> | <b>3.0%</b>             | <b>100.0%</b>                  |

## Personnel information

**Table 24.4 Vote personnel numbers and cost by salary level and programme<sup>1</sup> prior to Cabinet approved reduction, effective from 2017/18<sup>2</sup>; budget reductions and aggregate baseline total**

| Programmes   |   |   |  |                |            |                  |                |            |                                  |                |            |              |                |            |                         |                                 |                   |             |               |
|--|---|---|--|----------------|------------|------------------|----------------|------------|----------------------------------|----------------|------------|--------------|----------------|------------|-------------------------|---------------------------------|-------------------|-------------|---------------|
| 1. Administration                                  |   |   |  |                |            |                  |                |            |                                  |                |            |              |                |            |                         |                                 |                   |             |               |
| 2. Agricultural Production, Health and Food Safety |   |   |  |                |            |                  |                |            |                                  |                |            |              |                |            |                         |                                 |                   |             |               |
| 3. Food Security and Agrarian Reform               |   |   |  |                |            |                  |                |            |                                  |                |            |              |                |            |                         |                                 |                   |             |               |
| 4. Trade Promotion and Market Access               |   |   |  |                |            |                  |                |            |                                  |                |            |              |                |            |                         |                                 |                   |             |               |
| 5. Forestry and Natural Resources Management       |   |   |  |                |            |                  |                |            |                                  |                |            |              |                |            |                         |                                 |                   |             |               |
| 6. Fisheries                                       |   |   |  |                |            |                  |                |            |                                  |                |            |              |                |            |                         |                                 |                   |             |               |
| Agriculture, Forestry and Fisheries                | Number of posts estimated for 31 March 2016 |   | Number and cost <sup>3</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 (%) |                   |             |               |
|  |   |   | 2014/15  |                |            | 2015/16          |                |            | 2016/17                          |                | 2017/18    |              | 2018/19        |            |                         |                                 | 2015/16 - 2018/19 |             |               |
|  |   |   | Number   | Cost           | Unit Cost  | Number           | Cost           | Unit Cost  | Number                           | Cost           | Unit Cost  | Number       | Cost           | Unit Cost  |                         |                                 |                   |             |               |
| Salary level                                       | 6 622                                       | 291   | 5 685  | 1 661.6        | 0.3        | 6 331            | 1 763.0        | 0.3        | 6 481                            | 2 055.4        | 0.3        | 6 481        | 2 278.0        | 0.4        | 6 481                   | 2 434.9                         | 0.4               | 0.8%        | 100.0%        |
| 1 – 6  | 3 774                                       | 261   | 3 266  | 546.5          | 0.2        | 3 513            | 550.4          | 0.2        | 3 513                            | 609.2          | 0.2        | 3 513        | 673.8          | 0.2        | 3 513                   | 723.5                           | 0.2               | –           | 54.5%         |
| 7 – 10   | 2 226                                       | 2   | 1 920  | 710.8          | 0.4        | 2 224            | 748.4          | 0.3        | 2 224                            | 834.6          | 0.4        | 2 224        | 929.5          | 0.4        | 2 224                   | 993.2                           | 0.4               | –           | 34.5%         |
| 11 – 12  | 487   | 20  | 393  | 284.3          | 0.7        | 467              | 314.0          | 0.7        | 617                              | 445.7          | 0.7        | 617          | 490.0          | 0.8        | 617                     | 521.0                           | 0.8               | 9.7%        | 9.0%          |
| 13 – 16  | 133   | 8   | 104  | 115.7          | 1.1        | 125              | 146.0          | 1.2        | 125                              | 161.5          | 1.3        | 125          | 180.0          | 1.4        | 125                     | 192.3                           | 1.5               | –           | 1.9%          |
| Other  | 2   | –   | 2  | 4.3            | 2.1        | 2                | 4.2            | 2.1        | 2                                | 4.4            | 2.2        | 2            | 4.6            | 2.3        | 2                       | 4.9                             | 2.5               | –           | 0.0%          |
| <b>Programme</b>                                   | <b>6 622</b>                                | <b>291</b>                                      | <b>5 685</b>   | <b>1 661.6</b> | <b>0.3</b> | <b>6 331</b>     | <b>1 763.0</b> | <b>0.3</b> | <b>6 481</b>                     | <b>2 055.4</b> | <b>0.3</b> | <b>6 481</b> | <b>2 278.0</b> | <b>0.4</b> | <b>6 481</b>            | <b>2 434.9</b>                  | <b>0.4</b>        | <b>0.8%</b> | <b>100.0%</b> |
| Programme 1  | 1 178                                       | 10  | 1 015  | 362.0          | 0.4        | 1 168            | 385.7          | 0.3        | 1 168                            | 434.6          | 0.4        | 1 168        | 483.6          | 0.4        | 1 168                   | 516.2                           | 0.4               | –           | 18.1%         |
| Programme 2  | 1 485                                       | 7   | 1 322  | 401.7          | 0.3        | 1 478            | 437.3          | 0.3        | 1 628                            | 591.8          | 0.4        | 1 628        | 658.0          | 0.4        | 1 628                   | 703.5                           | 0.4               | 3.3%        | 24.7%         |
| Programme 3  | 695   | 247   | 395  | 120.9          | 0.3        | 448              | 133.3          | 0.3        | 448                              | 156.8          | 0.3        | 448          | 177.1          | 0.4        | 448                     | 189.5                           | 0.4               | –           | 7.0%          |
| Programme 4  | 170   | 4   | 141  | 97.8           | 0.7        | 166              | 92.8           | 0.6        | 166                              | 101.6          | 0.6        | 166          | 114.2          | 0.7        | 166                     | 121.6                           | 0.7               | –           | 2.6%          |
| Programme 5  | 2 513                                       | 3   | 2 322  | 491.2          | 0.2        | 2 510            | 507.4          | 0.2        | 2 510                            | 553.7          | 0.2        | 2 510        | 605.7          | 0.2        | 2 510                   | 648.0                           | 0.3               | –           | 39.0%         |
| Programme 6  | 581   | 20  | 490  | 188.0          | 0.4        | 561              | 206.6          | 0.4        | 561                              | 216.8          | 0.4        | 561          | 239.4          | 0.4        | 561                     | 256.1                           | 0.5               | –           | 8.7%          |
| <b>Reduction</b>                                   | <b>–</b>                                    | <b>–</b>  | <b>–</b>   | <b>–</b>       | <b>–</b>   | <b>–</b>         | <b>–</b>       | <b>–</b>   | <b>–</b>                         | <b>–</b>       | <b>–</b>   | <b>–</b>     | <b>(148.8)</b> | <b>–</b>   | <b>–</b>                | <b>(232.9)</b>                  | <b>–</b>          | <b>–</b>    | <b>–</b>      |
| <b>Total</b>                                       | <b>6 622</b>                                | <b>291</b>                                      | <b>5 685</b>   | <b>1 661.6</b> | <b>0.3</b> | <b>6 331</b>     | <b>1 763.0</b> | <b>0.3</b> | <b>6 481</b>                     | <b>2 055.4</b> | <b>0.3</b> | <b>–</b>     | <b>2 129.2</b> | <b>–</b>   | <b>–</b>                | <b>2 201.9</b>                  | <b>–</b>          | <b>–</b>    | <b>–</b>      |

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

2. The department's compensation of employees budget has been reduced by R381.7 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

## Departmental receipts

**Table 24.5 Departmental receipts by economic classification**

| R thousand  | Audited outcome   |                |                | Adjusted estimate | Revised estimate | Average growth rate (%) | Receipt item/ Total: Average (%) | Medium-term receipts estimate |                |                   | Average growth rate (%) | Receipt item/ Total: Average (%) |
|---|-------------------|----------------|----------------|-------------------|------------------|-------------------------|----------------------------------|-------------------------------|----------------|-------------------|-------------------------|----------------------------------|
|   | 2012/13           | 2013/14        | 2014/15        |                   |                  |                         |                                  | 2016/17                       | 2017/18        | 2018/19           |                         |                                  |
|   | 2012/13 - 2015/16 |                |                | 2012/13 - 2015/16 |                  |                         | 2012/13 - 2015/16                |                               |                | 2015/16 - 2018/19 |                         |                                  |
| <b>Departmental receipts</b>                              | <b>198 029</b>    | <b>809 584</b> | <b>191 652</b> | <b>206 326</b>    | <b>206 326</b>   | <b>1.4%</b>             | <b>100.0%</b>                    | <b>216 643</b>                | <b>227 476</b> | <b>238 850</b>    | <b>5.0%</b>             | <b>100.0%</b>                    |
| <b>Sales of goods and services produced by department</b> | <b>153 648</b>    | <b>153 690</b> | <b>163 186</b> | <b>164 632</b>    | <b>164 632</b>   | <b>2.3%</b>             | <b>45.2%</b>                     | <b>172 863</b>                | <b>181 506</b> | <b>190 582</b>    | <b>5.0%</b>             | <b>79.8%</b>                     |
| Sales by market establishments                            | 3 224             | 2 953          | 2 370          | 3 255             | 3 255            | 0.3%                    | 0.8%                             | 3 417                         | 3 588          | 3 767             | 5.0%                    | 1.6%                             |
| of which:   |                   |                |                |                   |                  |                         |                                  |                               |                |                   |                         |                                  |
| Dwellings   | 2 937             | 2 452          | 1 959          | 2 468             | 2 468            | -5.6%                   | 0.7%                             | 2 591                         | 2 721          | 2 857             | 5.0%                    | 1.2%                             |
| Rental parking: Covered and open                          | 278               | 289            | 313            | 383               | 383              | 11.3%                   | 0.1%                             | 402                           | 422            | 443               | 5.0%                    | 0.2%                             |
| Wool and skin   | 9                 | 212            | 98             | 404               | 404              | 255.4%                  | 0.1%                             | 424                           | 445            | 467               | 4.9%                    | 0.2%                             |
| Administrative fees                                       | 110 464           | 114 491        | 129 749        | 119 279           | 119 279          | 2.6%                    | 33.7%                            | 125 242                       | 131 505        | 138 081           | 5.0%                    | 57.8%                            |
| of which:   |                   |                |                |                   |                  |                         |                                  |                               |                |                   |                         |                                  |
| Farm feeds registration                                   | 9 515             | 6 295          | 6 485          | 11 518            | 11 518           | 6.6%                    | 2.4%                             | 12 094                        | 12 699         | 13 334            | 5.0%                    | 5.6%                             |
| Plant breeders right                                      | 2 518             | 2 543          | 2 834          | 5 288             | 5 288            | 28.1%                   | 0.9%                             | 5 552                         | 5 830          | 6 122             | 5.0%                    | 2.6%                             |
| Stock remedy  | 1 473             | 1 020          | 8 045          | 6 825             | 6 825            | 66.7%                   | 1.2%                             | 7 166                         | 7 524          | 7 900             | 5.0%                    | 3.3%                             |
| Inspection fees: Statutory services                       | 60 948            | 70 245         | 73 190         | 55 648            | 55 648           | -3.0%                   | 18.5%                            | 58 430                        | 61 352         | 64 420            | 5.0%                    | 27.0%                            |
| Other   | 36 010            | 34 388         | 39 195         | 40 000            | 40 000           | 3.6%                    | 10.6%                            | 42 000                        | 44 100         | 46 305            | 5.0%                    | 19.4%                            |
| Other sales   | 39 960            | 36 246         | 31 067         | 42 098            | 42 098           | 1.8%                    | 10.6%                            | 44 204                        | 46 413         | 48 734            | 5.0%                    | 20.4%                            |
| of which:   |                   |                |                |                   |                  |                         |                                  |                               |                |                   |                         |                                  |
| Service rendered:   | 1 610             | 1 687          | 1 736          | 2 232             | 2 232            | 11.5%                   | 0.5%                             | 2 344                         | 2 461          | 2 584             | 5.0%                    | 1.1%                             |
| Boarding services: Private                                |                   |                |                |                   |                  |                         |                                  |                               |                |                   |                         |                                  |
| Service rendered:   | 1 657             | 1 368          | 1 425          | 1 715             | 1 715            | 1.2%                    | 0.4%                             | 1 801                         | 1 891          | 1 986             | 5.0%                    | 0.8%                             |
| Commission insurance                                      |                   |                |                |                   |                  |                         |                                  |                               |                |                   |                         |                                  |
| Service rendered: Course fees                             | 1 195             | 1 079          | 1 036          | 2 115             | 2 115            | 21.0%                   | 0.4%                             | 2 221                         | 2 332          | 2 449             | 5.0%                    | 1.0%                             |
| Laboratory services: Plant                                | 942               | 963            | 629            | 2 656             | 2 656            | 41.3%                   | 0.4%                             | 2 789                         | 2 928          | 3 074             | 5.0%                    | 1.3%                             |
| Other   | 34 556            | 31 149         | 26 241         | 33 380            | 33 380           | -1.1%                   | 8.9%                             | 35 049                        | 36 801         | 38 641            | 5.0%                    | 16.2%                            |
| of which:   |                   |                |                |                   |                  |                         |                                  |                               |                |                   |                         |                                  |
| Waste paper   | 41                | 28             | 44             | 50                | 50               | 6.8%                    | –                                | 53                            | 56             | 59                | 5.7%                    | –                                |

**Table 24.5 Departmental receipts by economic classification**

| Departmental receipts                            | Audited outcome |                |                | Adjusted estimate | Revised estimate | Average growth rate (%) | Receipt item/ Total: Average (%) | Medium-term receipts estimate |                   |                | Average growth rate (%) | Receipt item/ Total: Average (%) |
|--|-----------------|----------------|----------------|-------------------|------------------|-------------------------|----------------------------------|-------------------------------|-------------------|----------------|-------------------------|----------------------------------|
|  | 2012/13         | 2013/14        | 2014/15        |                   |                  |                         |                                  | 2015/16                       | 2012/13 - 2015/16 | 2016/17        |                         |                                  |
| R thousand                                       |                 |                |                |                   |                  |                         |                                  |                               |                   |                |                         |                                  |
| Transfers received                               | 169             | 173            | 727            | 400               | 400              | 33.3%                   | 0.1%                             | 420                           | 441               | 463            | 5.0%                    | 0.2%                             |
| Fines, penalties and forfeits                    | 44              | 49             | 33             | 29                | 29               | -13.0%                  | -                                | 30                            | 31                | 32             | 3.3%                    | -                                |
| Interest, dividends and rent on land             | 8 871           | 8 236          | 6 727          | 17 629            | 17 629           | 25.7%                   | 2.9%                             | 18 511                        | 19 437            | 20 409         | 5.0%                    | 8.5%                             |
| Interest   | 8 148           | 6 992          | 5 565          | 14 456            | 14 456           | 21.1%                   | 2.5%                             | 15 179                        | 15 938            | 16 735         | 5.0%                    | 7.0%                             |
| Rent on land                                     | 723             | 1 244          | 1 162          | 3 173             | 3 173            | 63.7%                   | 0.4%                             | 3 332                         | 3 499             | 3 674          | 5.0%                    | 1.5%                             |
| Sales of capital assets                          | 7 018           | 757            | 1 034          | 1 176             | 1 176            | -44.9%                  | 0.7%                             | 1 235                         | 1 297             | 1 362          | 5.0%                    | 0.6%                             |
| Transactions in financial assets and liabilities | 28 238          | 646 651        | 19 901         | 22 410            | 22 410           | -7.4%                   | 51.0%                            | 23 531                        | 24 708            | 25 943         | 5.0%                    | 10.9%                            |
| <b>Total</b>                                     | <b>198 029</b>  | <b>809 584</b> | <b>191 652</b> | <b>206 326</b>    | <b>206 326</b>   | <b>1.4%</b>             | <b>100.0%</b>                    | <b>216 643</b>                | <b>227 476</b>    | <b>238 850</b> | <b>5.0%</b>             | <b>100.0%</b>                    |

## Programme 1: Administration

### Programme purpose

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

### Expenditure trends and estimates

**Table 24.6 Administration expenditure trends and estimates by subprogramme and economic classification**

| Subprogramme  | Audited outcome |                |                | Adjusted appropriation | Average growth rate (%) | Expenditure/ Total: Average (%) | Medium-term expenditure estimate |                   |                | Average growth rate (%) | Expenditure/ Total: Average (%) |               |
|---|-----------------|----------------|----------------|------------------------|-------------------------|---------------------------------|----------------------------------|-------------------|----------------|-------------------------|---------------------------------|---------------|
|   | 2012/13         | 2013/14        | 2014/15        |                        |                         |                                 | 2015/16                          | 2012/13 - 2015/16 | 2016/17        |                         |                                 | 2017/18       |
| R thousand  |                 |                |                |                        |                         |                                 |                                  |                   |                |                         |                                 |               |
| Ministry  | 28 432          | 28 611         | 38 029         | 35 398                 | 35 398                  | 7.6%                            | 4.7%                             | 39 610            | 37 688         | 39 235                  | 3.5%                            | 4.8%          |
| Department Management                                   | 24 621          | 18 862         | 22 860         | 23 613                 | 23 613                  | -1.4%                           | 3.2%                             | 29 912            | 28 942         | 30 044                  | 8.4%                            | 3.5%          |
| Financial Administration                                | 122 581         | 133 112        | 158 624        | 170 165                | 170 165                 | 11.6%                           | 20.8%                            | 196 384           | 197 440        | 207 579                 | 6.8%                            | 24.3%         |
| Internal Audit  | 6 075           | 4 963          | 4 015          | 7 011                  | 7 011                   | 4.9%                            | 0.8%                             | 9 413             | 9 632          | 10 000                  | 12.6%                           | 1.1%          |
| Corporate Services                                      | 148 445         | 170 285        | 169 990        | 163 341                | 163 341                 | 3.2%                            | 23.3%                            | 171 216           | 177 913        | 184 424                 | 4.1%                            | 22.0%         |
| Stakeholder Relations, Communication and Legal Services | 76 139          | 92 777         | 90 410         | 76 555                 | 76 555                  | 0.2%                            | 12.0%                            | 74 704            | 77 139         | 80 191                  | 1.6%                            | 9.7%          |
| Policy, Planning, Monitoring and Evaluation             | 72 568          | 65 897         | 72 079         | 83 663                 | 83 663                  | 4.9%                            | 10.5%                            | 81 699            | 83 802         | 87 269                  | 1.4%                            | 10.6%         |
| Office Accommodation                                    | 166 072         | 167 076        | 182 434        | 179 672                | 179 672                 | 2.7%                            | 24.8%                            | 185 115           | 190 622        | 201 115                 | 3.8%                            | 23.9%         |
| <b>Total</b>  | <b>644 933</b>  | <b>681 583</b> | <b>738 441</b> | <b>739 418</b>         | <b>739 418</b>          | <b>4.7%</b>                     | <b>100.0%</b>                    | <b>788 053</b>    | <b>803 178</b> | <b>839 857</b>          | <b>4.3%</b>                     | <b>100.0%</b> |
| Change to 2015  |                 |                |                | 9 471                  |                         |                                 |                                  | 22 724            | 913            | (8 959)                 |                                 |               |
| Budget estimate   |                 |                |                |                        |                         |                                 |                                  |                   |                |                         |                                 |               |
| <b>Economic classification</b>                          |                 |                |                |                        |                         |                                 |                                  |                   |                |                         |                                 |               |
| <b>Current payments</b>                                 | <b>620 580</b>  | <b>657 245</b> | <b>701 191</b> | <b>697 211</b>         | <b>697 211</b>          | <b>4.0%</b>                     | <b>95.4%</b>                     | <b>731 812</b>    | <b>748 892</b> | <b>777 468</b>          | <b>3.7%</b>                     | <b>93.2%</b>  |
| Compensation of employees                               | 281 550         | 311 579        | 361 984        | 385 670                | 385 670                 | 11.1%                           | 47.8%                            | 434 619           | 452 102        | 466 955                 | 6.6%                            | 54.9%         |
| Goods and services                                      | 339 023         | 345 666        | 339 207        | 311 541                | 311 541                 | -2.8%                           | 47.6%                            | 297 193           | 296 790        | 310 513                 | -0.1%                           | 38.4%         |
| of which:   |                 |                |                |                        |                         |                                 |                                  |                   |                |                         |                                 |               |
| Administrative fees                                     | 58 874          | 1 719          | 989            | 1 897                  | 1 897                   | -68.2%                          | 2.3%                             | 2 171             | 2 405          | 2 721                   | 12.8%                           | 0.3%          |
| Advertising   | 5 652           | 8 440          | 13 762         | 7 181                  | 7 181                   | 8.3%                            | 1.2%                             | 6 334             | 6 721          | 7 202                   | 0.1%                            | 0.9%          |
| Minor assets  | 607             | 2 162          | 1 289          | 2 740                  | 2 740                   | 65.3%                           | 0.2%                             | 2 301             | 2 706          | 2 496                   | -3.1%                           | 0.3%          |
| Audit costs: External                                   | 8 592           | 9 918          | 9 772          | 14 054                 | 14 054                  | 17.8%                           | 1.5%                             | 15 752            | 14 303         | 15 181                  | 2.6%                            | 1.9%          |
| Bursaries: Employees                                    | 965             | 1 148          | 1 182          | 1 921                  | 1 921                   | 25.8%                           | 0.2%                             | 2 408             | 2 778          | 2 708                   | 12.1%                           | 0.3%          |
| Catering: Departmental activities                       | 2 122           | 497            | 397            | 343                    | 343                     | -45.5%                          | 0.1%                             | 329               | 344            | 362                     | 1.8%                            | -             |
| Communication   | 15 600          | 15 406         | 15 612         | 9 547                  | 9 547                   | -15.1%                          | 2.0%                             | 11 013            | 10 957         | 11 107                  | 5.2%                            | 1.3%          |
| Computer services                                       | 36 652          | 42 701         | 30 220         | 18 931                 | 18 931                  | -19.8%                          | 4.6%                             | 15 957            | 16 251         | 17 093                  | -3.3%                           | 2.2%          |
| Consultants: Business and advisory services             | 15 994          | 9 755          | 5 446          | 6 343                  | 6 343                   | -26.5%                          | 1.3%                             | 3 428             | 2 662          | 2 487                   | -26.8%                          | 0.5%          |
| Infrastructure and planning services                    | 1               | -              | -              | -                      | -                       | -100.0%                         | -                                | -                 | -              | -                       | -                               | -             |
| Legal services  | 1 350           | 685            | 657            | 458                    | 458                     | -30.3%                          | 0.1%                             | 610               | 369            | 413                     | -3.4%                           | 0.1%          |
| Contractors   | 2 405           | 1 471          | 958            | 1 636                  | 1 636                   | -12.1%                          | 0.2%                             | 1 608             | 2 395          | 2 657                   | 17.5%                           | 0.3%          |
| Agency and support/outsourced services                  | 12 289          | 8 033          | 3 445          | 4 014                  | 4 014                   | -31.1%                          | 1.0%                             | 5 817             | 6 203          | 6 541                   | 17.7%                           | 0.7%          |
| Entertainment   | 210             | 245            | 211            | 230                    | 230                     | 3.1%                            | -                                | 283               | 306            | 339                     | 13.8%                           | -             |
| Fleet services (including government motor transport)   | 3 906           | 3 675          | 3 489          | 3 455                  | 3 455                   | -4.0%                           | 0.5%                             | 3 502             | 3 122          | 3 413                   | -0.4%                           | 0.4%          |
| Inventory: Clothing material and accessories            | -               | -              | -              | -                      | -                       | -                               | -                                | 30                | 32             | 34                      | -                               | -             |
| Inventory: Materials and supplies                       | -               | -              | -              | 20                     | 20                      | -                               | -                                | -                 | -              | -                       | -100.0%                         | -             |
| Consumable supplies                                     | 2 696           | 1 186          | 1 577          | 3 065                  | 3 065                   | 4.4%                            | 0.3%                             | 2 555             | 2 570          | 2 976                   | -1.0%                           | 0.4%          |
| Consumables: Stationery, printing and office supplies   | 4 355           | 4 845          | 3 892          | 5 834                  | 5 834                   | 10.2%                           | 0.7%                             | 5 842             | 8 872          | 11 214                  | 24.3%                           | 1.0%          |
| Operating leases  | 80 288          | 76 835         | 74 885         | 48 776                 | 48 776                  | -15.3%                          | 10.0%                            | 44 065            | 31 712         | 23 100                  | -22.1%                          | 4.7%          |
| Rental and hiring                                       | 41              | 4 672          | 21             | 10                     | 10                      | -37.5%                          | 0.2%                             | 10                | 165            | 170                     | 157.1%                          | -             |
| Property payments                                       | 26 167          | 92 722         | 110 951        | 127 627                | 127 627                 | 69.6%                           | 12.7%                            | 117 221           | 136 837        | 149 642                 | 5.4%                            | 16.8%         |
| Travel and subsistence                                  | 37 034          | 26 734         | 32 108         | 35 035                 | 35 035                  | -1.8%                           | 4.7%                             | 41 273            | 30 385         | 32 703                  | -2.3%                           | 4.4%          |
| Training and development                                | 1 060           | 3 959          | 4 176          | 3 754                  | 3 754                   | 52.4%                           | 0.5%                             | 2 594             | 2 288          | 2 823                   | -9.1%                           | 0.4%          |
| Operating payments                                      | 4 965           | 3 265          | 3 716          | 3 530                  | 3 530                   | -10.7%                          | 0.6%                             | 3 449             | 3 901          | 4 109                   | 5.2%                            | 0.5%          |
| Venues and facilities                                   | 17 198          | 25 593         | 20 452         | 11 140                 | 11 140                  | -13.5%                          | 2.7%                             | 8 641             | 8 506          | 9 022                   | -6.8%                           | 1.2%          |
| Interest and rent on land                               | 7               | -              | -              | -                      | -                       | -100.0%                         | -                                | -                 | -              | -                       | -                               | -             |

**Table 24.6 Administration expenditure trends and estimates by subprogramme and economic classification**

| Economic classification  | Audited outcome |                |                | Adjusted appropriation | Average growth rate (%) |                   | Medium-term expenditure estimate |                |                | Average growth rate (%) |               | Expenditure/ Total: Average (%) |
|--|-----------------|----------------|----------------|------------------------|-------------------------|-------------------|----------------------------------|----------------|----------------|-------------------------|---------------|---------------------------------|
|  | 2012/13         | 2013/14        | 2014/15        |                        | 2015/16                 | 2012/13 - 2015/16 | 2016/17                          | 2017/18        | 2018/19        | 2015/16 - 2018/19       |               |                                 |
| R thousand   |                 |                |                |                        |                         |                   |                                  |                |                |                         |               |                                 |
| <b>Transfers and subsidies</b>   | <b>7 930</b>    | <b>9 214</b>   | <b>18 767</b>  | <b>23 243</b>          | <b>43.1%</b>            | <b>2.1%</b>       | <b>18 402</b>                    | <b>19 073</b>  | <b>20 470</b>  | <b>-4.1%</b>            | <b>2.6%</b>   |                                 |
| Provinces and municipalities   | 45              | 50             | 48             | 57                     | 8.2%                    | -                 | 40                               | 40             | 41             | -10.4%                  | -             |                                 |
| Departmental agencies and accounts   | 1 593           | 8 697          | 16 373         | 22 605                 | 142.1%                  | 1.8%              | 18 362                           | 19 033         | 20 429         | -3.3%                   | 2.5%          |                                 |
| Public corporations and private enterprises                                | 164             | 180            | 76             | -                      | -100.0%                 | -                 | -                                | -              | -              | -                       | -             |                                 |
| Non-profit institutions  | 73              | -              | -              | -                      | -100.0%                 | -                 | -                                | -              | -              | -                       | -             |                                 |
| Households   | 6 055           | 287            | 2 270          | 581                    | -54.2%                  | 0.3%              | -                                | -              | -              | -100.0%                 | -             |                                 |
| <b>Payments for capital assets</b>   | <b>16 395</b>   | <b>15 045</b>  | <b>18 479</b>  | <b>18 964</b>          | <b>5.0%</b>             | <b>2.5%</b>       | <b>37 839</b>                    | <b>35 213</b>  | <b>41 919</b>  | <b>30.3%</b>            | <b>4.2%</b>   |                                 |
| Buildings and other fixed structures                                       | 3 515           | 3 450          | 6 401          | 10 500                 | 44.0%                   | 0.9%              | 34 185                           | 31 590         | 38 163         | 53.8%                   | 3.6%          |                                 |
| Machinery and equipment  | 12 497          | 10 510         | 12 078         | 8 464                  | -12.2%                  | 1.6%              | 3 604                            | 3 573          | 3 706          | -24.1%                  | 0.6%          |                                 |
| Software and other intangible assets                                       | 383             | 1 085          | -              | -                      | -100.0%                 | 0.1%              | 50                               | 50             | 50             | -                       | -             |                                 |
| <b>Payments for financial assets</b>                                       | <b>28</b>       | <b>79</b>      | <b>4</b>       | <b>-</b>               | <b>-100.0%</b>          | <b>-</b>          | <b>-</b>                         | <b>-</b>       | <b>-</b>       | <b>-</b>                | <b>-</b>      |                                 |
| <b>Total</b>   | <b>644 933</b>  | <b>681 583</b> | <b>738 441</b> | <b>739 418</b>         | <b>4.7%</b>             | <b>100.0%</b>     | <b>788 053</b>                   | <b>803 178</b> | <b>839 857</b> | <b>4.3%</b>             | <b>100.0%</b> |                                 |
| <b>Proportion of total programme expenditure to vote expenditure</b>       | <b>11.1%</b>    | <b>11.2%</b>   | <b>11.1%</b>   | <b>11.5%</b>           | <b>-</b>                | <b>-</b>          | <b>12.4%</b>                     | <b>12.0%</b>   | <b>12.0%</b>   | <b>-</b>                | <b>-</b>      |                                 |
| <b>Details of transfers and subsidies</b>                                  |                 |                |                |                        |                         |                   |                                  |                |                |                         |               |                                 |
| <b>Households</b>  |                 |                |                |                        |                         |                   |                                  |                |                |                         |               |                                 |
| <b>Other transfers to households</b>                                       |                 |                |                |                        |                         |                   |                                  |                |                |                         |               |                                 |
| <b>Current</b>   | <b>4 682</b>    | <b>-</b>       | <b>520</b>     | <b>-</b>               | <b>-100.0%</b>          | <b>0.2%</b>       | <b>-</b>                         | <b>-</b>       | <b>-</b>       | <b>-</b>                | <b>-</b>      | <b>-</b>                        |
| Claims against the state   | 4 682           | -              | 520            | -                      | -100.0%                 | 0.2%              | -                                | -              | -              | -                       | -             | -                               |
| <b>Departmental agencies and accounts</b>                                  |                 |                |                |                        |                         |                   |                                  |                |                |                         |               |                                 |
| <b>Departmental agencies (non-business entities)</b>                       |                 |                |                |                        |                         |                   |                                  |                |                |                         |               |                                 |
| <b>Current</b>   | <b>1 593</b>    | <b>8 697</b>   | <b>16 373</b>  | <b>22 605</b>          | <b>142.1%</b>           | <b>1.8%</b>       | <b>18 362</b>                    | <b>19 033</b>  | <b>20 429</b>  | <b>-3.3%</b>            | <b>2.5%</b>   |                                 |
| Communication  | 75              | 25             | 26             | 28                     | -28.0%                  | -                 | 28                               | 29             | 30             | 2.3%                    | -             |                                 |
| Public Service Sector Education and Training Authority                     | -               | -              | -              | 370                    | -                       | -                 | -                                | -              | -              | -100.0%                 | -             |                                 |
| Primary Agriculture Sector Education and Training Authority                | 1 518           | 1 672          | 901            | 937                    | -14.9%                  | 0.2%              | 1 175                            | 1 223          | 1 265          | 10.5%                   | 0.1%          |                                 |
| National Research Foundation   | -               | 7 000          | 15 000         | 20 841                 | -                       | 1.5%              | 16 697                           | 17 310         | 18 647         | -3.6%                   | 2.3%          |                                 |
| Fibre Processing and Manufacturing Sector Education and Training Authority | -               | -              | 446            | 429                    | -                       | -                 | 462                              | 471            | 487            | 4.3%                    | 0.1%          |                                 |
| <b>Provinces and municipalities</b>  |                 |                |                |                        |                         |                   |                                  |                |                |                         |               |                                 |
| <b>Municipalities</b>  |                 |                |                |                        |                         |                   |                                  |                |                |                         |               |                                 |
| <b>Municipal bank accounts</b>   |                 |                |                |                        |                         |                   |                                  |                |                |                         |               |                                 |
| <b>Current</b>   | <b>45</b>       | <b>50</b>      | <b>48</b>      | <b>57</b>              | <b>8.2%</b>             | <b>-</b>          | <b>40</b>                        | <b>40</b>      | <b>41</b>      | <b>-10.4%</b>           | <b>-</b>      |                                 |
| Vehicle licences   | 45              | 50             | 48             | 57                     | 8.2%                    | -                 | 40                               | 40             | 41             | -10.4%                  | -             |                                 |
| <b>Households</b>  |                 |                |                |                        |                         |                   |                                  |                |                |                         |               |                                 |
| <b>Social benefits</b>   |                 |                |                |                        |                         |                   |                                  |                |                |                         |               |                                 |
| <b>Current</b>   | <b>1 373</b>    | <b>287</b>     | <b>1 750</b>   | <b>581</b>             | <b>-24.9%</b>           | <b>0.1%</b>       | <b>-</b>                         | <b>-</b>       | <b>-</b>       | <b>-100.0%</b>          | <b>-</b>      |                                 |
| Employee social benefits   | 1 373           | 287            | 1 750          | 581                    | -24.9%                  | 0.1%              | -                                | -              | -              | -100.0%                 | -             |                                 |
| <b>Public corporations and private enterprises</b>                         |                 |                |                |                        |                         |                   |                                  |                |                |                         |               |                                 |
| <b>Private enterprises</b>   |                 |                |                |                        |                         |                   |                                  |                |                |                         |               |                                 |
| <b>Other transfers to private enterprises</b>                              |                 |                |                |                        |                         |                   |                                  |                |                |                         |               |                                 |
| <b>Current</b>   | <b>164</b>      | <b>180</b>     | <b>76</b>      | <b>-</b>               | <b>-100.0%</b>          | <b>-</b>          | <b>-</b>                         | <b>-</b>       | <b>-</b>       | <b>-</b>                | <b>-</b>      |                                 |
| Claims against the state   | 164             | 180            | 76             | -                      | -100.0%                 | -                 | -                                | -              | -              | -                       | -             |                                 |
| <b>Non-profit institutions</b>   |                 |                |                |                        |                         |                   |                                  |                |                |                         |               |                                 |
| <b>Current</b>   | <b>73</b>       | <b>-</b>       | <b>-</b>       | <b>-</b>               | <b>-100.0%</b>          | <b>-</b>          | <b>-</b>                         | <b>-</b>       | <b>-</b>       | <b>-</b>                | <b>-</b>      |                                 |
| Mandulo Foundation   | 73              | -              | -              | -                      | -100.0%                 | -                 | -                                | -              | -              | -                       | -             |                                 |

## Personnel information

**Table 24.7 Administration personnel numbers and cost by salary level<sup>1</sup> prior to Cabinet approved reduction, effective from 2017/18<sup>2</sup>; budget reductions and aggregate baseline total**

| Number of posts estimated for 31 March 2016 |   | Number and cost <sup>3</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 (%) |               |            |
|   |   | 2014/15  |              | 2015/16      |                  | 2016/17      |              | 2017/18                          |              | 2018/19      |            | 2015/16 - 2018/19 |               |                         |                                 |               |            |
|   |   | Number   | Cost         | Unit Cost    | Number           | Cost         | Unit Cost    | Number                           | Cost         | Unit Cost    | Number     | Cost              | Unit Cost     | Number                  | Cost                            | Unit Cost     |            |
| <b>Administration</b>                       |   |  |              |              |                  |              |              |                                  |              |              |            |                   |               |                         |                                 |               |            |
| <b>Salary level</b>                         | <b>1 178</b>                                    | <b>10</b>  | <b>1 015</b> | <b>362.0</b> | <b>0.4</b>       | <b>1 168</b> | <b>385.7</b> | <b>0.3</b>                       | <b>1 168</b> | <b>434.6</b> | <b>0.4</b> | <b>1 168</b>      | <b>483.6</b>  | <b>0.4</b>              | <b>1 168</b>                    | <b>516.2</b>  | <b>0.4</b> |
| 1 - 6                                       | 539   | 4  | 486          | 96.5         | 0.2              | 535          | 96.8         | 0.2                              | 535          | 109.4        | 0.2        | 535               | 122.0         | 0.2                     | 535                             | 130.6         | 0.2        |
| 7 - 10                                      | 459   | 1  | 376          | 142.5        | 0.4              | 458          | 150.7        | 0.3                              | 458          | 170.5        | 0.4        | 458               | 190.4         | 0.4                     | 458                             | 203.9         | 0.4        |
| 11 - 12                                     | 120   | 1  | 105          | 72.6         | 0.7              | 119          | 77.1         | 0.6                              | 119          | 86.3         | 0.7        | 119               | 95.2          | 0.8                     | 119                             | 100.6         | 0.8        |
| 13 - 16                                     | 58  | 4  | 46           | 46.1         | 1.0              | 54           | 56.9         | 1.1                              | 54           | 64.1         | 1.2        | 54                | 71.3          | 1.3                     | 54                              | 76.2          | 1.4        |
| Other                                       | 2   | -  | 2            | 4.3          | 2.1              | 2            | 4.2          | 2.1                              | 2            | 4.4          | 2.2        | 2                 | 4.6           | 2.3                     | 2                               | 4.9           | 2.5        |
| <b>Reduction</b>                            | <b>-</b>  | <b>-</b>   | <b>-</b>     | <b>-</b>     | <b>-</b>         | <b>-</b>     | <b>-</b>     | <b>-</b>                         | <b>-</b>     | <b>-</b>     | <b>-</b>   | <b>-</b>          | <b>(31.5)</b> | <b>-</b>                | <b>-</b>                        | <b>(49.3)</b> | <b>-</b>   |
| <b>Total</b>                                | <b>1 178</b>                                    | <b>10</b>  | <b>1 015</b> | <b>362.0</b> | <b>0.4</b>       | <b>1 168</b> | <b>385.7</b> | <b>0.3</b>                       | <b>1 168</b> | <b>434.6</b> | <b>0.4</b> | <b>-</b>          | <b>452.1</b>  | <b>-</b>                | <b>-</b>                        | <b>467.0</b>  | <b>-</b>   |

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

2. This programme's compensation of employees budget has been reduced by R80.7 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

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

### Programme purpose

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

### Objectives

- Promote productivity in prioritised agriculture value chains through:
  - the implementation of 6 animal improvement schemes, such as Kaonafatso ya Dikgomo, a programme that assists resource poor farmers; and the poultry scheme, which assists resource poor poultry farmers to identify and manage risks associated poultry diseases, by 2018
  - the implementation of 6 plant improvement schemes and 3 seed schemes, which encourage smallholder farmers to work together in the conservation of heat resistant cultivars and in managing and eradicating plant pests such as fruit flies by 2018.
- Enforce an agricultural animal disease regulatory framework to reduce the level of disease outbreaks and reduce interception at export channels in production areas to a minimum level by:
  - conducting 2 planned animal risk surveillance exercises on peste des petits ruminants (goat plague), African horse sickness and avian influenza per year over the medium term
  - conducting 3 planned disease risk surveillances on the exotic fruit fly by 2019
  - implementing regulatory compliance and monitoring to prevent plant and animal pest and disease outbreaks, including quarantine inspections, surveillance and testing by 2018.
- Ensure access to primary animal health care services through the implementation of the animal diseases and management plan and compulsory community services by:
  - deploying 440 veterinary graduates to rural areas by 2018
  - delivering 10 primary animal health care clinics to rural areas in 2016/17.

Promote animal and plant conservation by implementing national plans to conserve the diversity of the genetic resources of plants and animals for food and agricultural production through the conservation of 2 on-site genetic resources in the natural populations of plant and animal species (1 animal, 1 plant) per year over the medium term.

### Subprogrammes

- *Management* oversees and manages the programme.
- *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.
- *Plant Production and Health* 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.
- *Animal Production and Health* improves livestock production, and the health and safety of animal products. This entails implementing strategies, projects and programmes for animal production, health and public health that are founded on effective animal health and production management principles, an informed extension service and sustainable natural resources management.
- *Agriculture Research* manages monthly transfers to Agricultural Research Council.

## Expenditure trends and estimates

Table 24.8 Agricultural Production, Health and Food Safety expenditure trends and estimates by subprogramme and economic classification

| Subprogramme  | Audited outcome  |                  |                  | Adjusted appropriation | Average growth rate (%) | Expenditure/Total: Average (%) | Medium-term expenditure estimate |                  |                  | Average growth rate (%) | Expenditure/Total: Average (%) |
|---|------------------|------------------|------------------|------------------------|-------------------------|--------------------------------|----------------------------------|------------------|------------------|-------------------------|--------------------------------|
|   | 2012/13          | 2013/14          | 2014/15          |                        |                         |                                | 2016/17                          | 2017/18          | 2018/19          |                         |                                |
| R thousand  |                  |                  |                  |                        |                         |                                |                                  |                  |                  |                         |                                |
| Management  | 983              | 2 409            | 1 607            | 2 756                  | 41.0%                   | 0.1%                           | 2 810                            | 2 545            | 2 635            | -1.5%                   | 0.1%                           |
| Inspection and Laboratory Services                            | 272 608          | 296 590          | 317 457          | 325 566                | 6.1%                    | 14.8%                          | 335 322                          | 348 158          | 360 503          | 3.5%                    | 16.0%                          |
| Plant Production and Health                                   | 488 946          | 507 009          | 536 377          | 545 523                | 3.7%                    | 25.3%                          | 575 849                          | 610 835          | 643 735          | 5.7%                    | 27.7%                          |
| Animal Production and Health                                  | 169 269          | 244 684          | 299 110          | 466 763                | 40.2%                   | 14.4%                          | 226 448                          | 247 072          | 254 638          | -18.3%                  | 13.9%                          |
| Agriculture Research  | 943 026          | 950 254          | 1 029 151        | 803 933                | -5.2%                   | 45.4%                          | 812 989                          | 974 583          | 1 031 109        | 8.6%                    | 42.3%                          |
| <b>Total</b>  | <b>1 874 832</b> | <b>2 000 946</b> | <b>2 183 702</b> | <b>2 144 541</b>       | <b>4.6%</b>             | <b>100.0%</b>                  | <b>1 953 418</b>                 | <b>2 183 193</b> | <b>2 292 620</b> | <b>2.3%</b>             | <b>100.0%</b>                  |
| Change to 2015  |                  |                  |                  | 9 771                  |                         |                                | 31 591                           | 29 417           | 13 933           |                         |                                |
| Budget estimate   |                  |                  |                  |                        |                         |                                |                                  |                  |                  |                         |                                |
| <b>Economic classification</b>                                |                  |                  |                  |                        |                         |                                |                                  |                  |                  |                         |                                |
| <b>Current payments</b>                                       | <b>474 147</b>   | <b>461 323</b>   | <b>490 587</b>   | <b>539 266</b>         | <b>4.4%</b>             | <b>24.0%</b>                   | <b>634 585</b>                   | <b>669 735</b>   | <b>692 281</b>   | <b>8.7%</b>             | <b>29.6%</b>                   |
| Compensation of employees                                     | 347 481          | 361 316          | 401 688          | 437 294                | 8.0%                    | 18.9%                          | 591 793                          | 615 293          | 636 431          | 13.3%                   | 26.6%                          |
| Goods and services  | 126 666          | 100 007          | 88 899           | 101 972                | -7.0%                   | 5.1%                           | 42 792                           | 54 442           | 55 850           | -18.2%                  | 3.0%                           |
| of which:   |                  |                  |                  |                        |                         |                                |                                  |                  |                  |                         |                                |
| Administrative fees   | 391              | 194              | 583              | 958                    | 34.8%                   | -                              | 615                              | 592              | 629              | -13.1%                  | -                              |
| Advertising   | 4 363            | 4 087            | 7 483            | 2 022                  | -22.6%                  | 0.2%                           | 695                              | 774              | 894              | -23.8%                  | 0.1%                           |
| Minor assets  | 492              | 976              | 1 064            | 2 016                  | 60.0%                   | 0.1%                           | 13                               | 13               | 13               | -81.4%                  | -                              |
| Bursaries: Employees  | 769              | 586              | 506              | 1 033                  | 10.3%                   | -                              | 853                              | 756              | 853              | -6.2%                   | -                              |
| Catering: Departmental activities                             | 116              | 79               | 58               | 7                      | -60.8%                  | -                              | -                                | -                | -                | -100.0%                 | -                              |
| Communication   | 3 808            | 3 902            | 3 981            | 4 408                  | 5.0%                    | 0.2%                           | 4 124                            | 4 181            | 4 307            | -0.8%                   | 0.2%                           |
| Computer services   | 2 784            | 57               | 447              | 446                    | -45.7%                  | -                              | 134                              | 120              | 131              | -33.5%                  | -                              |
| Consultants: Business and advisory services                   | 3 370            | 481              | 1 110            | 2 114                  | -14.4%                  | 0.1%                           | 318                              | 330              | 358              | -44.7%                  | -                              |
| Infrastructure and planning services                          | 1 453            | 985              | 672              | 505                    | -29.7%                  | -                              | 271                              | 249              | 163              | -31.4%                  | -                              |
| Laboratory services   | 1 289            | 559              | 230              | 466                    | -28.8%                  | -                              | 125                              | 98               | 101              | -39.9%                  | -                              |
| Legal services  | 808              | 2 176            | 6 160            | 2 921                  | 53.5%                   | 0.1%                           | 2 706                            | 708              | 703              | -37.8%                  | 0.1%                           |
| Contractors   | 3 976            | 2 475            | 1 967            | 1 587                  | -26.4%                  | 0.1%                           | 522                              | 524              | 538              | -30.3%                  | -                              |
| Agency and support/outsourced services                        | 31 841           | 16 253           | 2 047            | 24 909                 | -7.9%                   | 0.9%                           | 76                               | 77               | 78               | -85.4%                  | 0.3%                           |
| Entertainment   | 40               | 32               | 22               | 28                     | -11.2%                  | -                              | 28                               | 28               | 28               | -                       | -                              |
| Fleet services (including government motor transport)         | 7 916            | 7 984            | 7 311            | 6 575                  | -6.0%                   | 0.4%                           | 2 513                            | 2 642            | 2 723            | -25.5%                  | 0.2%                           |
| Inventory: Farming supplies                                   | -                | 4 315            | 1 055            | 130                    | -                       | 0.1%                           | 131                              | 132              | 133              | 0.8%                    | -                              |
| Inventory: Fuel, oil and gas                                  | -                | -                | 1                | -                      | -                       | -                              | 77                               | 70               | 30               | -                       | -                              |
| Inventory: Materials and supplies                             | -                | -                | -                | 1                      | -                       | -                              | 7                                | 8                | 8                | 100.0%                  | -                              |
| Inventory: Medical supplies                                   | -                | -                | -                | -                      | -                       | -                              | -                                | 1 500            | 1 500            | -                       | -                              |
| Inventory: Medicine   | 5 957            | 6 092            | 935              | 1 151                  | -42.2%                  | 0.2%                           | 903                              | 8 903            | 8 903            | 97.8%                   | 0.2%                           |
| Inventory: Other supplies                                     | -                | -                | 59               | 12                     | -                       | -                              | 10                               | 2 010            | 2 010            | 451.2%                  | -                              |
| Consumable supplies   | 12 464           | 7 411            | 9 066            | 7 542                  | -15.4%                  | 0.4%                           | 2 967                            | 2 865            | 2 848            | -27.7%                  | 0.2%                           |
| Consumables: Stationery, printing and office supplies         | 3 330            | 4 013            | 3 093            | 4 436                  | 10.0%                   | 0.2%                           | 3 163                            | 3 013            | 3 130            | -11.0%                  | 0.2%                           |
| Operating leases  | 161              | 140              | 250              | 537                    | 49.4%                   | -                              | 100                              | 102              | 103              | -42.3%                  | -                              |
| Rental and hiring   | 52               | 13               | 28               | 74                     | 12.5%                   | -                              | 25                               | 25               | 30               | -26.0%                  | -                              |
| Property payments   | 2 677            | 2 562            | 3 783            | 4 131                  | 15.6%                   | 0.2%                           | 3 340                            | 5 133            | 5 186            | 7.9%                    | 0.2%                           |
| Travel and subsistence  | 32 044           | 27 733           | 29 384           | 26 520                 | -6.1%                   | 1.4%                           | 13 974                           | 14 515           | 15 338           | -16.7%                  | 0.8%                           |
| Training and development                                      | 1 435            | 1 459            | 2 088            | 1 761                  | 7.1%                    | 0.1%                           | 1 119                            | 1 109            | 1 045            | -16.0%                  | 0.1%                           |
| Operating payments  | 4 090            | 4 507            | 5 102            | 5 172                  | 8.1%                    | 0.2%                           | 3 983                            | 3 965            | 4 067            | -7.7%                   | 0.2%                           |
| Venues and facilities   | 1 040            | 936              | 414              | 510                    | -21.1%                  | -                              | -                                | -                | -                | -100.0%                 | -                              |
| <b>Transfers and subsidies</b>                                | <b>1 368 721</b> | <b>1 494 937</b> | <b>1 629 195</b> | <b>1 549 828</b>       | <b>4.2%</b>             | <b>73.7%</b>                   | <b>1 316 779</b>                 | <b>1 511 409</b> | <b>1 598 234</b> | <b>1.0%</b>             | <b>69.7%</b>                   |
| Provinces and municipalities                                  | 415 891          | 438 594          | 460 748          | 466 794                | 3.9%                    | 21.7%                          | 491 370                          | 522 146          | 552 430          | 5.8%                    | 23.7%                          |
| Departmental agencies and accounts                            | 943 052          | 950 254          | 1 029 151        | 804 133                | -5.2%                   | 45.4%                          | 813 189                          | 974 783          | 1 031 309        | 8.6%                    | 42.3%                          |
| Public corporations and private enterprises                   | 339              | 97 602           | 127 662          | 268 400                | 825.1%                  | 6.0%                           | -                                | -                | -                | -100.0%                 | 3.1%                           |
| Non-profit institutions                                       | 7 251            | 7 649            | 10 200           | 10 000                 | 11.3%                   | 0.4%                           | 12 100                           | 14 410           | 14 410           | 13.0%                   | 0.6%                           |
| Households  | 2 188            | 838              | 1 434            | 501                    | -38.8%                  | 0.1%                           | 120                              | 70               | 85               | -44.6%                  | -                              |
| <b>Payments for capital assets</b>                            | <b>30 836</b>    | <b>43 496</b>    | <b>63 775</b>    | <b>55 447</b>          | <b>21.6%</b>            | <b>2.4%</b>                    | <b>2 054</b>                     | <b>2 049</b>     | <b>2 105</b>     | <b>-66.4%</b>           | <b>0.7%</b>                    |
| Machinery and equipment                                       | 30 836           | 43 413           | 63 775           | 55 447                 | 21.6%                   | 2.4%                           | 2 054                            | 2 049            | 2 105            | -66.4%                  | 0.7%                           |
| Software and other intangible assets                          | -                | 83               | -                | -                      | -                       | -                              | -                                | -                | -                | -                       | -                              |
| <b>Payments for financial assets</b>                          | <b>1 128</b>     | <b>1 190</b>     | <b>145</b>       | <b>-</b>               | <b>-100.0%</b>          | <b>-</b>                       | <b>-</b>                         | <b>-</b>         | <b>-</b>         | <b>-</b>                | <b>-</b>                       |
| <b>Total</b>  | <b>1 874 832</b> | <b>2 000 946</b> | <b>2 183 702</b> | <b>2 144 541</b>       | <b>4.6%</b>             | <b>100.0%</b>                  | <b>1 953 418</b>                 | <b>2 183 193</b> | <b>2 292 620</b> | <b>2.3%</b>             | <b>100.0%</b>                  |
| Proportion of total programme expenditure to vote expenditure | 32.3%            | 32.7%            | 32.9%            | 33.5%                  | -                       | -                              | 30.8%                            | 32.6%            | 32.8%            | -                       | -                              |
| <b>Details of transfers and subsidies</b>                     |                  |                  |                  |                        |                         |                                |                                  |                  |                  |                         |                                |
| <b>Households</b>   |                  |                  |                  |                        |                         |                                |                                  |                  |                  |                         |                                |
| <b>Other transfers to households</b>                          |                  |                  |                  |                        |                         |                                |                                  |                  |                  |                         |                                |
| <b>Current</b>  | <b>19</b>        | <b>6</b>         | <b>12</b>        | <b>-</b>               | <b>-100.0%</b>          | <b>-</b>                       | <b>-</b>                         | <b>-</b>         | <b>-</b>         | <b>-</b>                | <b>-</b>                       |
| Claims against the state                                      | 18               | 6                | 12               | -                      | -100.0%                 | -                              | -                                | -                | -                | -                       | -                              |
| Classical swine fever   | 1                | -                | -                | -                      | -100.0%                 | -                              | -                                | -                | -                | -                       | -                              |
| <b>Departmental agencies and accounts</b>                     |                  |                  |                  |                        |                         |                                |                                  |                  |                  |                         |                                |
| <b>Departmental agencies (non-business entities)</b>          |                  |                  |                  |                        |                         |                                |                                  |                  |                  |                         |                                |
| <b>Current</b>  | <b>726 750</b>   | <b>848 655</b>   | <b>921 456</b>   | <b>691 484</b>         | <b>-1.6%</b>            | <b>38.9%</b>                   | <b>694 570</b>                   | <b>850 232</b>   | <b>899 534</b>   | <b>9.2%</b>             | <b>36.6%</b>                   |
| Communication   | 26               | -                | -                | -                      | -100.0%                 | -                              | -                                | -                | -                | -                       | -                              |
| Agricultural Research Council                                 | 726 724          | 848 655          | 921 456          | 691 484                | -1.6%                   | 38.9%                          | 694 570                          | 850 232          | 899 534          | 9.2%                    | 36.6%                          |

**Table 24.8 Agricultural Production, Health and Food Safety expenditure trends and estimates by subprogramme and economic classification**

| Details of transfers and subsidies                 |                |                |                | Adjusted appropriation | Average growth rate (%) | Expenditure/Total: Average (%) | Medium-term expenditure estimate |                |                   | Average growth rate (%) | Expenditure/Total: Average (%) |
|--|----------------|----------------|----------------|------------------------|-------------------------|--------------------------------|----------------------------------|----------------|-------------------|-------------------------|--------------------------------|
| Audited outcome                                    |                |                | 2015/16        |                        |                         |                                | 2012/13 - 2015/16                | 2016/17        | 2017/18           |                         |                                |
| R thousand   | 2012/13        | 2013/14        | 2014/15        | 2015/16                | 2012/13 - 2015/16       | 2016/17                        | 2017/18                          | 2018/19        | 2015/16 - 2018/19 |                         |                                |
| <b>Capital</b>                                     | <b>216 302</b> | <b>101 599</b> | <b>107 695</b> | <b>112 649</b>         | <b>-19.5%</b>           | <b>6.6%</b>                    | <b>118 619</b>                   | <b>124 551</b> | <b>131 775</b>    | <b>5.4%</b>             | <b>5.7%</b>                    |
| Agricultural Research Council                      | 216 302        | 101 599        | 107 695        | 112 649                | -19.5%                  | 6.6%                           | 118 619                          | 124 551        | 131 775           | 5.4%                    | 5.7%                           |
| <b>Provinces and municipalities</b>                |                |                |                |                        |                         |                                |                                  |                |                   |                         |                                |
| <b>Municipalities</b>                              |                |                |                |                        |                         |                                |                                  |                |                   |                         |                                |
| <b>Municipal bank accounts</b>                     |                |                |                |                        |                         |                                |                                  |                |                   |                         |                                |
| <b>Current</b>                                     | <b>93</b>      | <b>138</b>     | <b>123</b>     | <b>81</b>              | <b>-4.5%</b>            | <b>-</b>                       | <b>7</b>                         | <b>7</b>       | <b>7</b>          | <b>-55.8%</b>           | <b>-</b>                       |
| Vehicle licences                                   | 93             | 138            | 123            | 81                     | -4.5%                   | -                              | 7                                | 7              | 7                 | -55.8%                  | -                              |
| <b>Households</b>                                  |                |                |                |                        |                         |                                |                                  |                |                   |                         |                                |
| <b>Social benefits</b>                             |                |                |                |                        |                         |                                |                                  |                |                   |                         |                                |
| <b>Current</b>                                     | <b>2 169</b>   | <b>832</b>     | <b>1 422</b>   | <b>501</b>             | <b>-38.6%</b>           | <b>0.1%</b>                    | <b>120</b>                       | <b>70</b>      | <b>85</b>         | <b>-44.6%</b>           | <b>-</b>                       |
| Employee social benefits                           | 2 169          | 832            | 1 422          | 501                    | -38.6%                  | 0.1%                           | 120                              | 70             | 85                | -44.6%                  | -                              |
| <b>Public corporations and private enterprises</b> |                |                |                |                        |                         |                                |                                  |                |                   |                         |                                |
| <b>Private enterprises</b>                         |                |                |                |                        |                         |                                |                                  |                |                   |                         |                                |
| <b>Other transfers to private enterprises</b>      |                |                |                |                        |                         |                                |                                  |                |                   |                         |                                |
| <b>Current</b>                                     | <b>339</b>     | <b>1 102</b>   | <b>162</b>     | <b>-</b>               | <b>-100.0%</b>          | <b>-</b>                       | <b>-</b>                         | <b>-</b>       | <b>-</b>          | <b>-</b>                | <b>-</b>                       |
| Claims against the state                           | 107            | 102            | 162            | -                      | -100.0%                 | -                              | -                                | -              | -                 | -                       | -                              |
| National Woolgrowers' Association                  | -              | 1 000          | -              | -                      | -                       | -                              | -                                | -              | -                 | -                       | -                              |
| Blueilliesbush Dairy Farming                       | 232            | -              | -              | -                      | -100.0%                 | -                              | -                                | -              | -                 | -                       | -                              |
| <b>Non-profit institutions</b>                     |                |                |                |                        |                         |                                |                                  |                |                   |                         |                                |
| <b>Current</b>                                     | <b>7 251</b>   | <b>7 649</b>   | <b>10 200</b>  | <b>10 000</b>          | <b>11.3%</b>            | <b>0.4%</b>                    | <b>12 100</b>                    | <b>14 410</b>  | <b>14 410</b>     | <b>13.0%</b>            | <b>0.6%</b>                    |
| Deciduous Fruit Producers' Trust                   | 7 251          | 7 649          | 10 000         | 10 000                 | 11.3%                   | 0.4%                           | 12 100                           | 14 410         | 14 410            | 13.0%                   | 0.6%                           |
| Annual Beef Cattle Improvement Scheme Awards       | -              | -              | 200            | -                      | -                       | -                              | -                                | -              | -                 | -                       | -                              |
| <b>Public corporations and private enterprises</b> |                |                |                |                        |                         |                                |                                  |                |                   |                         |                                |
| <b>Public corporations</b>                         |                |                |                |                        |                         |                                |                                  |                |                   |                         |                                |
| <b>Other transfers to public corporations</b>      |                |                |                |                        |                         |                                |                                  |                |                   |                         |                                |
| <b>Capital</b>                                     | <b>-</b>       | <b>96 500</b>  | <b>127 500</b> | <b>268 400</b>         | <b>-</b>                | <b>6.0%</b>                    | <b>-</b>                         | <b>-</b>       | <b>-</b>          | <b>-100.0%</b>          | <b>3.1%</b>                    |
| Onderstepoort Biological Products                  | -              | 96 500         | 127 500        | 268 400                | -                       | 6.0%                           | -                                | -              | -                 | -100.0%                 | 3.1%                           |
| <b>Provinces and municipalities</b>                |                |                |                |                        |                         |                                |                                  |                |                   |                         |                                |
| <b>Provinces</b>                                   |                |                |                |                        |                         |                                |                                  |                |                   |                         |                                |
| <b>Provincial Revenue Funds</b>                    |                |                |                |                        |                         |                                |                                  |                |                   |                         |                                |
| <b>Current</b>                                     | <b>415 798</b> | <b>438 456</b> | <b>460 625</b> | <b>466 713</b>         | <b>3.9%</b>             | <b>21.7%</b>                   | <b>491 363</b>                   | <b>522 139</b> | <b>552 423</b>    | <b>5.8%</b>             | <b>23.7%</b>                   |
| Ilima/Letsema projects grant                       | 415 798        | 438 456        | 460 625        | 466 713                | 3.9%                    | 21.7%                          | 491 363                          | 522 139        | 552 423           | 5.8%                    | 23.7%                          |

## Personnel information

**Table 24.9 Agricultural Production, Health and Food Safety personnel numbers and cost by salary level<sup>1</sup> prior to Cabinet approved reduction, effective from 2017/18<sup>2</sup>; budget reductions and aggregate baseline total**

| Number of posts estimated for 31 March 2016            |   | Number and cost <sup>3</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 (%) |                   |          |          |
|  |   | 2014/15  |              | Unit Cost    | 2015/16          |              | Unit Cost    | 2016/17                          |              |              | 2017/18    |              |               | 2018/19    |              |               |                         |                                 | 2015/16 - 2018/19 |          |          |
|  |   | Number   | Cost         | Unit Cost    | Number           | Cost         | Unit Cost    | Number                           | Cost         | Unit Cost    | Number     | Cost         | Unit Cost     | Number     | Cost         | Unit Cost     | Number                  | Cost                            | Unit Cost         |          |          |
| <b>Agricultural Production, Health and Food Safety</b> |   |  |              |              |                  |              |              |                                  |              |              |            |              |               |            |              |               |                         |                                 |                   |          |          |
| <b>Salary level</b>                                    | <b>1 485</b>                                    | <b>7</b>   | <b>1 322</b> | <b>401.7</b> | <b>0.3</b>       | <b>1 478</b> | <b>437.3</b> | <b>0.3</b>                       | <b>1 628</b> | <b>591.8</b> | <b>0.4</b> | <b>1 628</b> | <b>658.0</b>  | <b>0.4</b> | <b>1 628</b> | <b>703.5</b>  | <b>0.4</b>              | <b>3.3%</b>                     | <b>100.0%</b>     |          |          |
| 1 - 6  | 577   | -  | 546          | 80.1         | 0.1              | 577          | 87.3         | 0.2                              | 577          | 97.7         | 0.2        | 577          | 109.9         | 0.2        | 577          | 118.1         | 0.2                     | -                               | -                 | -        | 36.3%    |
| 7 - 10   | 741   | -  | 647          | 228.4        | 0.4              | 741          | 247.0        | 0.3                              | 741          | 281.3        | 0.4        | 741          | 315.9         | 0.4        | 741          | 337.9         | 0.5                     | -                               | -                 | -        | 46.6%    |
| 11 - 12  | 152   | 7  | 117          | 80.0         | 0.7              | 145          | 87.2         | 0.6                              | 295          | 195.8        | 0.7        | 295          | 213.2         | 0.7        | 295          | 226.9         | 0.8                     | 26.7%                           | -                 | -        | 16.2%    |
| 13 - 16  | 15  | -  | 12           | 13.2         | 1.1              | 15           | 15.8         | 1.1                              | 15           | 17.0         | 1.1        | 15           | 19.1          | 1.3        | 15           | 20.5          | 1.4                     | -                               | -                 | -        | 0.9%     |
| <b>Reduction</b>                                       | <b>-</b>  | <b>-</b>   | <b>-</b>     | <b>-</b>     | <b>-</b>         | <b>-</b>     | <b>-</b>     | <b>-</b>                         | <b>-</b>     | <b>-</b>     | <b>-</b>   | <b>-</b>     | <b>(42.7)</b> | <b>-</b>   | <b>-</b>     | <b>(67.0)</b> | <b>-</b>                | <b>-</b>                        | <b>-</b>          | <b>-</b> | <b>-</b> |
| <b>Total</b>   | <b>1 485</b>                                    | <b>7</b>   | <b>1 322</b> | <b>401.7</b> | <b>0.3</b>       | <b>1 478</b> | <b>437.3</b> | <b>0.3</b>                       | <b>1 628</b> | <b>591.8</b> | <b>0.4</b> | <b>-</b>     | <b>615.3</b>  | <b>-</b>   | <b>-</b>     | <b>636.4</b>  | <b>-</b>                | <b>-</b>                        | <b>-</b>          | <b>-</b> | <b>-</b> |

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

2. This programme's compensation of employees budget has been reduced by R109.8 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

## Programme 3: Food Security and Agrarian Reform

### Programme purpose

Facilitate and promote food security and agrarian reform programmes and initiatives.

## Objectives

- Institutionalise the national policy on food and nutrition security by 2019/20 through:
  - the coordination of food and nutrition security initiatives such as the Fetsa Tlala programme and country livelihood zone maps
  - the provision of production inputs such as seeds and fertilisers to increase the number of households benefiting from food and nutrition security by 200 000
  - the establishment of and provision of support to 80 000 smallholder producers
  - the cultivation of 600 000 hectares of underutilised land in communal areas for food production.
- Provide strategic leadership and support, such as research, training and extension services, to targeted subsistence and smallholder producers in the agriculture, forestry and fisheries sectors by transforming all agricultural colleges into agricultural training institutions by 2019/20.
- Provide strategic leadership in the agriculture sector to ensure the effective and efficient utilisation of all support given to food producers through the development and implementation of a comprehensive producer support policy by 2019/20.

## Subprogrammes

- *Management* oversees and manages the programme.
- *Food Security* provides national frameworks to promote the sustainable food security programme by improving the production systems of subsistence and smallholder producers in the agriculture, forestry and fishery sectors; and facilitates the provision of inputs, implements and infrastructure support.
- *Sector Capacity Development* provides education and training to promote the transformation of colleges of agriculture into centres of excellence. This is achieved by the implementation of the agriculture, forestry and fisheries national education and training strategy; the promotion of the development of agriculture training institutes as centres of excellence; and the implementation of a coordinated plan to track sector transformation in line with government objectives.
- *National Extension Support Services* develops and coordinates the implementation of national extension policies, and norms and standards on the transfer of technology. This subprogramme also provides strategic leadership and guidance for the planning, coordination and implementation of extension and advisory services in the sector.

## Expenditure trends and estimates

**Table 24.10 Food Security and Agrarian Reform expenditure trends and estimates by subprogramme and economic classification**

| Subprogramme                        | Audited outcome  |                  |                  | Adjusted appropriation | Average growth rate (%) |                   | Medium-term expenditure estimate |                  |                  | Average growth rate (%) |                   |
|-------------------------------------|------------------|------------------|------------------|------------------------|-------------------------|-------------------|----------------------------------|------------------|------------------|-------------------------|-------------------|
|                                     | 2012/13          | 2013/14          | 2014/15          |                        | 2015/16                 | 2012/13 - 2015/16 | Average (%)                      | 2016/17          | 2017/18          | 2018/19                 | 2015/16 - 2018/19 |
| R thousand                          |                  |                  |                  |                        |                         |                   |                                  |                  |                  |                         |                   |
| Management                          | 2 165            | 4 802            | 2 492            | 3 781                  | 20.4%                   | 0.2%              | 2 871                            | 2 919            | 3 023            | -7.2%                   | 0.2%              |
| Food Security                       | 868 136          | 1 025 427        | 1 037 487        | 1 282 982              | 13.9%                   | 64.1%             | 1 273 447                        | 1 382 563        | 1 466 979        | 4.6%                    | 68.3%             |
| Sector Capacity Development         | 185 864          | 191 049          | 232 811          | 261 998                | 12.1%                   | 13.3%             | 244 122                          | 244 993          | 217 917          | -6.0%                   | 12.2%             |
| National Extension Support Services | 349 019          | 368 823          | 383 530          | 370 640                | 2.0%                    | 22.4%             | 369 298                          | 387 536          | 402 712          | 2.8%                    | 19.3%             |
| <b>Total</b>                        | <b>1 405 184</b> | <b>1 590 101</b> | <b>1 656 320</b> | <b>1 919 401</b>       | <b>11.0%</b>            | <b>100.0%</b>     | <b>1 889 738</b>                 | <b>2 018 011</b> | <b>2 090 631</b> | <b>2.9%</b>             | <b>100.0%</b>     |
| Change to 2015 Budget estimate      |                  |                  |                  | (10 896)               |                         |                   | (53 103)                         | (63 524)         | (69 312)         |                         |                   |
| <b>Economic classification</b>      |                  |                  |                  |                        |                         |                   |                                  |                  |                  |                         |                   |
| <b>Current payments</b>             | <b>183 110</b>   | <b>199 374</b>   | <b>213 463</b>   | <b>256 497</b>         | <b>11.9%</b>            | <b>13.0%</b>      | <b>255 021</b>                   | <b>267 182</b>   | <b>244 413</b>   | <b>-1.6%</b>            | <b>12.9%</b>      |
| Compensation of employees           | 100 349          | 112 278          | 120 889          | 133 257                | 9.9%                    | 7.1%              | 156 788                          | 165 114          | 170 860          | 8.6%                    | 7.9%              |
| Goods and services                  | 82 761           | 87 096           | 92 574           | 123 240                | 14.2%                   | 5.9%              | 98 233                           | 102 068          | 73 553           | -15.8%                  | 5.0%              |
| of which:                           |                  |                  |                  |                        |                         |                   |                                  |                  |                  |                         |                   |
| Administrative fees                 | 98               | 171              | 450              | 1 089                  | 123.2%                  | –                 | 218                              | 381              | 405              | -28.1%                  | –                 |
| Advertising                         | 3 719            | 3 509            | 1 678            | 2 102                  | -17.3%                  | 0.2%              | 848                              | 1 071            | 894              | -24.8%                  | 0.1%              |
| Minor assets                        | 729              | 2 112            | 3 830            | 3 399                  | 67.1%                   | 0.2%              | 9 119                            | 5 200            | 422              | -50.1%                  | 0.2%              |
| Audit costs: External               | –                | –                | 590              | 390                    | –                       | –                 | –                                | –                | –                | -100.0%                 | –                 |
| Bursaries: Employees                | 218              | 212              | 413              | 495                    | 31.4%                   | –                 | 835                              | 1 338            | 348              | -11.1%                  | –                 |
| Catering: Departmental activities   | 43               | 111              | 32               | 6                      | -48.1%                  | –                 | –                                | –                | –                | -100.0%                 | –                 |
| Communication                       | 1 431            | 1 592            | 1 822            | 3 184                  | 30.6%                   | 0.1%              | 2 382                            | 2 849            | 2 034            | -13.9%                  | 0.1%              |

**Table 24.10 Food Security and Agrarian Reform expenditure trends and estimates by subprogramme and economic classification**

| Economic classification  | Audited outcome  |                  |                  | Adjusted appropriation<br>2015/16 | Average growth rate (%) |               | Expenditure/ Total: Average (%) | Medium-term expenditure estimate |                  |                   | Average growth rate (%) | Expenditure/ Total: Average (%) |
|--|------------------|------------------|------------------|-----------------------------------|-------------------------|---------------|---------------------------------|----------------------------------|------------------|-------------------|-------------------------|---------------------------------|
|  | 2012/13          | 2013/14          | 2014/15          |                                   | 2012/13 - 2015/16       | 2016/17       |                                 | 2017/18                          | 2018/19          | 2015/16 - 2018/19 |                         |                                 |
| R thousand   |                  |                  |                  |                                   |                         |               |                                 |                                  |                  |                   |                         |                                 |
| Computer services  | 637              | 208              | 194              | 620                               | -0.9%                   | –             | 1 346                           | 1 412                            | 1 248            | 26.3%             | 0.1%                    |                                 |
| Consultants: Business and advisory services                          | 2 195            | 19 941           | 11 507           | 4 558                             | 27.6%                   | 0.6%          | 497                             | 539                              | 240              | -62.5%            | 0.1%                    |                                 |
| Infrastructure and planning services                                 | 1 149            | 417              | 2 107            | 685                               | -15.8%                  | 0.1%          | 300                             | 400                              | –                | -100.0%           | –                       |                                 |
| Laboratory services  | –                | 7                | 2                | 25                                | –                       | –             | 106                             | 111                              | 116              | 66.8%             | –                       |                                 |
| Legal services   | 6                | 76               | 87               | 91                                | 147.5%                  | –             | 10                              | 10                               | 10               | -52.1%            | –                       |                                 |
| Contractors  | 341              | 452              | 1 777            | 560                               | 18.0%                   | –             | 6 426                           | 3 927                            | 27               | -63.6%            | 0.1%                    |                                 |
| Agency and support/outourced services                                | 6 756            | 664              | 756              | 4 030                             | -15.8%                  | 0.2%          | 2 194                           | 2 350                            | 1 656            | -25.7%            | 0.1%                    |                                 |
| Entertainment  | 46               | 41               | 25               | 28                                | -15.3%                  | –             | 26                              | 26                               | 26               | -2.4%             | –                       |                                 |
| Fleet services (including government motor transport)                | 1 871            | 2 781            | 2 110            | 1 795                             | -1.4%                   | 0.1%          | 1 447                           | 1 612                            | 1 692            | -2.0%             | 0.1%                    |                                 |
| Inventory: Farming supplies  | –                | 445              | 191              | 239                               | –                       | –             | 924                             | 1 074                            | 281              | 5.5%              | –                       |                                 |
| Inventory: Food and food supplies                                    | 1 816            | 389              | 474              | 520                               | -34.1%                  | –             | 1 030                           | 1 050                            | 580              | 3.7%              | –                       |                                 |
| Inventory: Fuel, oil and gas   | 209              | 28               | 265              | 238                               | 4.4%                    | –             | 221                             | 217                              | 223              | -2.1%             | –                       |                                 |
| Inventory: Learner and teacher support material                      | –                | 51               | –                | –                                 | –                       | –             | –                               | –                                | –                | –                 | –                       |                                 |
| Inventory: Materials and supplies                                    | –                | –                | 36               | –                                 | –                       | –             | 800                             | 800                              | –                | –                 | –                       |                                 |
| Inventory: Medicine  | 60               | 50               | 35               | 65                                | 2.7%                    | –             | 541                             | 541                              | 41               | -14.2%            | –                       |                                 |
| Inventory: Other supplies  | –                | –                | 60               | –                                 | –                       | –             | 300                             | 300                              | –                | –                 | –                       |                                 |
| Consumable supplies  | 3 401            | 4 804            | 6 317            | 34 392                            | 116.2%                  | 0.7%          | 16 208                          | 15 741                           | 3 620            | -52.8%            | 0.9%                    |                                 |
| Consumables: Stationery, printing and office supplies                | 990              | 568              | 1 103            | 5 846                             | 80.7%                   | 0.1%          | 8 941                           | 7 196                            | 1 674            | -34.1%            | 0.3%                    |                                 |
| Operating leases   | 78               | 15               | 3                | 49                                | -14.4%                  | –             | 51                              | 53                               | 54               | 3.3%              | –                       |                                 |
| Rental and hiring  | –                | –                | 20               | –                                 | –                       | –             | –                               | –                                | –                | –                 | –                       |                                 |
| Property payments  | 297              | 1 855            | 8 780            | 1 113                             | 55.3%                   | 0.2%          | 560                             | 656                              | 677              | -15.3%            | –                       |                                 |
| Travel and subsistence   | 15 901           | 18 327           | 16 901           | 32 311                            | 26.7%                   | 1.3%          | 17 898                          | 23 059                           | 29 715           | -2.8%             | 1.3%                    |                                 |
| Training and development   | 24 378           | 23 887           | 25 995           | 21 655                            | -3.9%                   | 1.5%          | 19 905                          | 25 587                           | 25 322           | 5.4%              | 1.2%                    |                                 |
| Operating payments   | 738              | 1 385            | 2 699            | 3 570                             | 69.1%                   | 0.1%          | 4 350                           | 3 767                            | 1 401            | -26.8%            | 0.2%                    |                                 |
| Venues and facilities  | 15 654           | 2 998            | 2 315            | 185                               | -77.2%                  | 0.3%          | 750                             | 801                              | 847              | 66.0%             | –                       |                                 |
| <b>Transfers and subsidies</b>                                       | <b>1 160 165</b> | <b>1 326 876</b> | <b>1 366 658</b> | <b>1 606 964</b>                  | <b>11.5%</b>            | <b>83.1%</b>  | <b>1 597 397</b>                | <b>1 712 636</b>                 | <b>1 806 286</b> | <b>4.0%</b>       | <b>84.9%</b>            |                                 |
| Provinces and municipalities   | 1 137 055        | 1 301 376        | 1 340 253        | 1 581 376                         | 11.6%                   | 81.6%         | 1 565 339                       | 1 678 674                        | 1 770 093        | 3.8%              | 83.3%                   |                                 |
| Departmental agencies and accounts                                   | 14 577           | 15 329           | 16 527           | 15 095                            | 1.2%                    | 0.9%          | 16 462                          | 17 255                           | 18 221           | 6.5%              | 0.8%                    |                                 |
| Higher education institutions  | 660              | 616              | 678              | 750                               | 4.4%                    | –             | 5 820                           | 6 365                            | 7 016            | 110.7%            | 0.3%                    |                                 |
| Public corporations and private enterprises                          | 4 999            | 5 346            | 5 464            | 5 623                             | 4.0%                    | 0.3%          | 5 936                           | 6 247                            | 6 609            | 5.5%              | 0.3%                    |                                 |
| Non-profit institutions  | 403              | 1 508            | 788              | 2 000                             | 70.6%                   | 0.1%          | 2 200                           | 2 345                            | 2 486            | 7.5%              | 0.1%                    |                                 |
| Households   | 2 471            | 2 701            | 2 948            | 2 120                             | -5.0%                   | 0.2%          | 1 640                           | 1 750                            | 1 861            | -4.3%             | 0.1%                    |                                 |
| <b>Payments for capital assets</b>                                   | <b>61 909</b>    | <b>63 851</b>    | <b>76 168</b>    | <b>55 940</b>                     | <b>-3.3%</b>            | <b>3.9%</b>   | <b>37 320</b>                   | <b>38 193</b>                    | <b>39 932</b>    | <b>-10.6%</b>     | <b>2.2%</b>             |                                 |
| Buildings and other fixed structures                                 | 54 140           | 46 572           | 41 552           | 38 079                            | -11.1%                  | 2.7%          | 33 211                          | 34 678                           | 36 100           | -1.8%             | 1.8%                    |                                 |
| Machinery and equipment  | 7 769            | 16 952           | 34 193           | 17 861                            | 32.0%                   | 1.2%          | 4 109                           | 3 515                            | 3 832            | -40.1%            | 0.4%                    |                                 |
| Biological assets  | –                | 76               | –                | –                                 | –                       | –             | –                               | –                                | –                | –                 | –                       |                                 |
| Software and other intangible assets                                 | –                | 251              | 423              | –                                 | –                       | –             | –                               | –                                | –                | –                 | –                       |                                 |
| <b>Payments for financial assets</b>                                 | <b>–</b>         | <b>–</b>         | <b>31</b>        | <b>–</b>                          | <b>–</b>                | <b>–</b>      | <b>–</b>                        | <b>–</b>                         | <b>–</b>         | <b>–</b>          | <b>–</b>                |                                 |
| <b>Total</b>   | <b>1 405 184</b> | <b>1 590 101</b> | <b>1 656 320</b> | <b>1 919 401</b>                  | <b>11.0%</b>            | <b>100.0%</b> | <b>1 889 738</b>                | <b>2 018 011</b>                 | <b>2 090 631</b> | <b>2.9%</b>       | <b>100.0%</b>           |                                 |
| <b>Proportion of total programme expenditure to vote expenditure</b> | <b>24.2%</b>     | <b>26.0%</b>     | <b>25.0%</b>     | <b>29.9%</b>                      | <b>–</b>                | <b>–</b>      | <b>29.8%</b>                    | <b>30.1%</b>                     | <b>29.9%</b>     | <b>–</b>          | <b>–</b>                |                                 |
| <b>Details of transfers and subsidies</b>                            |                  |                  |                  |                                   |                         |               |                                 |                                  |                  |                   |                         |                                 |
| <b>Households</b>  |                  |                  |                  |                                   |                         |               |                                 |                                  |                  |                   |                         |                                 |
| <b>Other transfers to households</b>                                 |                  |                  |                  |                                   |                         |               |                                 |                                  |                  |                   |                         |                                 |
| <b>Current</b>   | <b>2 127</b>     | <b>2 381</b>     | <b>1 998</b>     | <b>1 941</b>                      | <b>-3.0%</b>            | <b>0.1%</b>   | <b>1 500</b>                    | <b>1 600</b>                     | <b>1 700</b>     | <b>-4.3%</b>      | <b>0.1%</b>             |                                 |
| Claims against the state   | 2                | 6                | 7                | –                                 | -100.0%                 | –             | –                               | –                                | –                | –                 | –                       |                                 |
| Bursaries for non-employees  | 1 325            | 1 325            | 1 391            | 1 391                             | 1.6%                    | 0.1%          | 1 400                           | 1 500                            | 1 600            | 4.8%              | 0.1%                    |                                 |
| Female entrepreneur of the year awards                               | 800              | 1 050            | 600              | 550                               | -11.7%                  | –             | 100                             | 100                              | 100              | -43.3%            | –                       |                                 |
| <b>Departmental agencies and accounts</b>                            |                  |                  |                  |                                   |                         |               |                                 |                                  |                  |                   |                         |                                 |
| <b>Departmental agencies (non-business entities)</b>                 |                  |                  |                  |                                   |                         |               |                                 |                                  |                  |                   |                         |                                 |
| <b>Current</b>   | <b>14 577</b>    | <b>15 329</b>    | <b>16 527</b>    | <b>15 095</b>                     | <b>1.2%</b>             | <b>0.9%</b>   | <b>16 462</b>                   | <b>17 255</b>                    | <b>18 221</b>    | <b>6.5%</b>       | <b>0.8%</b>             |                                 |
| Communication  | 2                | 2                | –                | –                                 | -100.0%                 | –             | –                               | –                                | –                | –                 | –                       |                                 |
| National Student Financial Aid Scheme                                | 13 975           | 14 727           | 15 927           | 14 495                            | 1.2%                    | 0.9%          | 15 862                          | 16 655                           | 17 621           | 6.7%              | 0.8%                    |                                 |
| Perishable Products Export Control Board                             | 600              | 600              | 600              | 600                               | –                       | –             | 600                             | 600                              | 600              | –                 | –                       |                                 |
| <b>Provinces and municipalities</b>                                  |                  |                  |                  |                                   |                         |               |                                 |                                  |                  |                   |                         |                                 |
| <b>Municipalities</b>  |                  |                  |                  |                                   |                         |               |                                 |                                  |                  |                   |                         |                                 |
| <b>Municipal bank accounts</b>                                       |                  |                  |                  |                                   |                         |               |                                 |                                  |                  |                   |                         |                                 |
| <b>Current</b>   | <b>255</b>       | <b>315</b>       | <b>315</b>       | <b>251</b>                        | <b>-0.5%</b>            | <b>–</b>      | <b>249</b>                      | <b>261</b>                       | <b>272</b>       | <b>2.7%</b>       | <b>–</b>                |                                 |
| Vehicle licences   | 255              | 315              | 315              | 251                               | -0.5%                   | –             | 249                             | 261                              | 272              | 2.7%              | –                       |                                 |
| <b>Households</b>  |                  |                  |                  |                                   |                         |               |                                 |                                  |                  |                   |                         |                                 |
| <b>Social benefits</b>   |                  |                  |                  |                                   |                         |               |                                 |                                  |                  |                   |                         |                                 |
| <b>Current</b>   | <b>344</b>       | <b>320</b>       | <b>950</b>       | <b>179</b>                        | <b>-19.6%</b>           | <b>–</b>      | <b>140</b>                      | <b>150</b>                       | <b>161</b>       | <b>-3.5%</b>      | <b>–</b>                |                                 |
| Employee social benefits   | 344              | 320              | 950              | 179                               | -19.6%                  | –             | 140                             | 150                              | 161              | -3.5%             | –                       |                                 |

**Table 24.10 Food Security and Agrarian Reform expenditure trends and estimates by subprogramme and economic classification**

| Details of transfers and subsidies  |           | Audited outcome |           |           | Adjusted appropriation<br>2015/16 | Average growth rate (%)<br>2012/13 - 2015/16 | Expenditure/Total: Average (%) | Medium-term expenditure estimate |           |         | Average growth rate (%)<br>2015/16 - 2018/19 | Expenditure/Total: Average (%) |
|---|-----------|-----------------|-----------|-----------|-----------------------------------|--|--------------------------------|----------------------------------|-----------|---------|--|--------------------------------|
|   |           | 2012/13         | 2013/14   | 2014/15   |                                   |  |                                | 2016/17                          | 2017/18   | 2018/19 |  |                                |
| R thousand  |           |                 |           |           |                                   |  |                                |                                  |           |         |  |                                |
| <b>Public corporations and private enterprises</b>  |           |                 |           |           |                                   |  |                                |                                  |           |         |  |                                |
| <b>Private enterprises</b>  |           |                 |           |           |                                   |  |                                |                                  |           |         |  |                                |
| <b>Other transfers to private enterprises</b>   |           |                 |           |           |                                   |  |                                |                                  |           |         |  |                                |
| <b>Current</b>  |           |                 |           |           |                                   |  |                                |                                  |           |         |  |                                |
|   | 10        | 326             | 44        | 1         | -53.6%                            | -  | 1                              | 1                                | 1         | -       | -  |                                |
| Claims against the state  | 10        | 326             | 44        | -         | -100.0%                           | -  | -                              | -                                | -         | -       | -  |                                |
| Red Meat Industry Forum   | -         | -               | -         | 1         | -                                 | -  | 1                              | 1                                | 1         | -       | -  |                                |
| <b>Non-profit institutions</b>  |           |                 |           |           |                                   |  |                                |                                  |           |         |  |                                |
| <b>Current</b>  |           |                 |           |           |                                   |  |                                |                                  |           |         |  |                                |
|   | 403       | 1 508           | 788       | 2 000     | 70.6%                             | 0.1%   | 2 200                          | 2 345                            | 2 486     | 7.5%    | 0.1%   |                                |
| Agricultural colleges   | 403       | 1 508           | 788       | 2 000     | 70.6%                             | 0.1%   | 2 200                          | 2 345                            | 2 486     | 7.5%    | 0.1%   |                                |
| <b>Public corporations and private enterprises</b>  |           |                 |           |           |                                   |  |                                |                                  |           |         |  |                                |
| <b>Public corporations</b>  |           |                 |           |           |                                   |  |                                |                                  |           |         |  |                                |
| <b>Other transfers to public corporations</b>   |           |                 |           |           |                                   |  |                                |                                  |           |         |  |                                |
| <b>Current</b>  |           |                 |           |           |                                   |  |                                |                                  |           |         |  |                                |
|   | 4 989     | 5 020           | 5 420     | 5 622     | 4.1%                              | 0.3%   | 5 935                          | 6 246                            | 6 608     | 5.5%    | 0.3%   |                                |
| Ncera Farms   | 4 989     | 5 020           | 5 420     | 5 622     | 4.1%                              | 0.3%   | 5 935                          | 6 246                            | 6 608     | 5.5%    | 0.3%   |                                |
| <b>Provinces and municipalities</b>   |           |                 |           |           |                                   |  |                                |                                  |           |         |  |                                |
| <b>Provinces</b>  |           |                 |           |           |                                   |  |                                |                                  |           |         |  |                                |
| <b>Provincial Revenue Funds</b>   |           |                 |           |           |                                   |  |                                |                                  |           |         |  |                                |
| <b>Current</b>  |           |                 |           |           |                                   |  |                                |                                  |           |         |  |                                |
|   | 1 136 800 | 1 301 061       | 1 339 938 | 1 581 125 | 11.6%                             | 81.6%  | 1 565 090                      | 1 678 413                        | 1 769 821 | 3.8%    | 83.3%  |                                |
| Comprehensive agricultural support programme grant: Infrastructure                                | 762 094   | 905 746         | 929 529   | 1 167 779 | 15.3%                             | 57.3%  | 1 148 115                      | 1 243 676                        | 1 313 711 | 4.0%    | 61.5%  |                                |
| Comprehensive agricultural support programme grant: Extension recovery plan                       | 322 206   | 339 927         | 352 708   | 343 873   | 2.2%                              | 20.7%  | 346 149                        | 357 906                          | 371 649   | 2.6%    | 17.9%  |                                |
| Comprehensive agricultural support programme grant: Upgrading of provincial agricultural colleges | 52 500    | 55 388          | 57 701    | 69 473    | 9.8%                              | 3.6%   | 70 826                         | 76 831                           | 84 461    | 6.7%    | 3.8%   |                                |
| <b>Higher education institutions</b>  |           |                 |           |           |                                   |  |                                |                                  |           |         |  |                                |
| <b>Current</b>  |           |                 |           |           |                                   |  |                                |                                  |           |         |  |                                |
|   | 660       | 616             | 678       | 750       | 4.4%                              | -  | 5 820                          | 6 365                            | 7 016     | 110.7%  | 0.3%   |                                |
| University of KwaZulu-Natal   | 660       | 616             | 678       | 750       | 4.4%                              | -  | 820                            | 902                              | 1 000     | 10.1%   | -  |                                |
| University of Fort Hare   | -         | -               | -         | -         | -                                 | -  | 5 000                          | 5 463                            | 6 016     | -       | 0.2%   |                                |

## Personnel information

**Table 24.11 Food Security and Agrarian Reform personnel numbers and cost by salary level<sup>1</sup> prior to Cabinet approved reduction, effective from 2017/18<sup>2</sup>; budget reductions and aggregate baseline total**

| Number of funded posts                   | Number of posts additional to the establishment | Number and cost <sup>3</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 (%) |                   |           |   |        |
|  |   | 2014/15  |      |           | 2015/16          |      |           | 2016/17                          |      | 2017/18   |        | 2018/19 |           |                         |                                 | 2015/16 - 2018/19 |           |   |        |
|  |   | 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                             | 695   | 247  | 395  | 120.9     | 0.3              | 448  | 133.3     | 0.3                              | 448  | 156.8     | 0.3    | 448     | 177.1     | 0.4                     | 448                             | 189.5             | 0.4       | - | 100.0% |
| 1 - 6                                    | 485   | 238  | 222  | 33.9      | 0.2              | 247  | 37.6      | 0.2                              | 247  | 44.2      | 0.2    | 247     | 50.0      | 0.2                     | 247                             | 53.5              | 0.2       | - | 55.1%  |
| 7 - 10                                   | 147   | 1  | 131  | 52.2      | 0.4              | 146  | 57.1      | 0.4                              | 146  | 67.3      | 0.5    | 146     | 75.9      | 0.5                     | 146                             | 81.1              | 0.6       | - | 32.6%  |
| 11 - 12                                  | 50  | 7  | 31   | 21.4      | 0.7              | 43   | 23.6      | 0.5                              | 43   | 27.7      | 0.6    | 43      | 31.4      | 0.7                     | 43                              | 33.6              | 0.8       | - | 9.6%   |
| 13 - 16                                  | 13  | 1  | 11   | 13.4      | 1.2              | 12   | 14.9      | 1.2                              | 12   | 17.6      | 1.5    | 12      | 19.9      | 1.7                     | 12                              | 21.3              | 1.8       | - | 2.7%   |
| <b>Reduction</b>                         | -   | -  | -    | -         | -                | -    | -         | -                                | -    | -         | -      | -       | (12.0)    | -                       | -                               | (18.7)            | -         | - | -      |
| <b>Total</b>                             | 695   | 247  | 395  | 120.9     | 0.3              | 448  | 133.3     | 0.3                              | 448  | 156.8     | 0.3    | 448     | 165.1     | -                       | 448                             | 170.9             | -         | - | -      |

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

2. This programme's compensation of employees budget has been reduced by R30.6 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

## Programme 4: Trade Promotion and Market Access

### Programme purpose

Promote economic development, trade and market access for agricultural, forestry and fisheries products; and foster international relations for the sector.

### Objectives

- Increase market access to the processing of agriculture, forestry and fishery products by:
  - improving the agricultural, forestry and fisheries production certification programme and value chain round table networks by 2019/20

- establishing 78 new cooperatives and providing training to 595 existing cooperatives by 2019/20
- monitoring the implementation of and compliance with the AgriBEE Sector Charter and Forestry Sector Charter by 2019/20
- implementing marketing and agro-processing strategies aimed at increasing access to markets and agro-processing opportunities to small and medium agro-processing entrepreneurs through providing pack houses and washing and grading facilities by 2018.
- Provide technical sector leadership in trade negotiations and implement trade agreements to improve market access by linking farmers to high value markets by 2018.
- Implement the building of national skills capabilities in international market research by providing marketing skills transfer to small and medium agro-processing entrepreneurs by 2018.

## Subprogrammes

- *Management* oversees and manages the programme.
- *International Relations and Trade* facilitates and coordinates international relations and trade through negotiations, and the development and implementation of appropriate policies and programmes.
- *Cooperatives and Rural Enterprise Development* facilitates and supports the development of businesses to ensure the transformation of the agriculture, forestry and fisheries sector.
- *Agro-processing and Marketing* develops and implements support programmes to promote market access and value addition for agriculture, forestry and fisheries products.

## Expenditure trends and estimates

**Table 24.12 Trade Promotion and Market Access expenditure trends and estimates by subprogramme and economic classification**

| Subprogramme  | Audited outcome |                |                | Adjusted appropriation<br>2015/16 | Average growth rate (%)<br>2012/13 - 2015/16 | Expenditure/Total: Average (%)<br>2015/16 | Medium-term expenditure estimate |                |                | Average growth rate (%)<br>2015/16 - 2018/19 | Expenditure/Total: Average (%)<br>2015/16 - 2018/19 |
|---|-----------------|----------------|----------------|-----------------------------------|--|---|----------------------------------|----------------|----------------|--|---|
|   | 2012/13         | 2013/14        | 2014/15        |                                   |  |   | 2016/17                          | 2017/18        | 2018/19        |  |   |
| R thousand  |                 |                |                |                                   |  |   |                                  |                |                |  |   |
| Management  | 1 829           | 1 373          | 2 641          | 3 232                             | 20.9%  | 0.9%                                      | 2 799                            | 2 866          | 2 970          | -2.8%  | 1.1%  |
| International Relations and Trade                     | 103 589         | 134 472        | 133 812        | 106 147                           | 0.8%   | 47.4%                                     | 118 542                          | 125 362        | 130 893        | 7.2%   | 44.9%   |
| Cooperatives and Rural Enterprise Development         | 61 498          | 60 486         | 112 613        | 68 240                            | 3.5%   | 30.0%                                     | 120 334                          | 73 119         | 74 880         | 3.1%   | 31.4%   |
| Agro-processing and Marketing                         | 45 253          | 60 003         | 57 934         | 56 288                            | 7.5%   | 21.7%                                     | 55 921                           | 63 425         | 66 662         | 5.8%   | 22.6%   |
| <b>Total</b>  | <b>212 169</b>  | <b>256 334</b> | <b>307 000</b> | <b>233 907</b>                    | <b>3.3%</b>                                  | <b>100.0%</b>                             | <b>297 596</b>                   | <b>264 772</b> | <b>275 405</b> | <b>5.6%</b>                                  | <b>100.0%</b>                                       |
| Change to 2015 Budget estimate                        |                 |                |                | (4 255)                           |  |   | 1 967                            | 879            | (3 788)        |  |   |
| <b>Economic classification</b>                        |                 |                |                |                                   |  |   |                                  |                |                |  |   |
| <b>Current payments</b>                               | <b>113 117</b>  | <b>135 330</b> | <b>139 395</b> | <b>124 393</b>                    | <b>3.2%</b>                                  | <b>50.7%</b>                              | <b>133 166</b>                   | <b>139 603</b> | <b>145 641</b> | <b>5.4%</b>                                  | <b>50.6%</b>  |
| Compensation of employees                             | 67 452          | 79 492         | 97 826         | 92 761                            | 11.2%  | 33.4%                                     | 101 628                          | 106 864        | 110 065        | 5.9%   | 38.4%   |
| Goods and services                                    | 45 665          | 55 838         | 41 569         | 31 632                            | -11.5%                                       | 17.3%                                     | 31 538                           | 32 739         | 35 576         | 4.0%   | 12.3%   |
| of which:   |                 |                |                |                                   |  |   |                                  |                |                |  |   |
| Administrative fees                                   | 249             | 597            | 480            | 854                               | 50.8%  | 0.2%                                      | 684                              | 731            | 795            | -2.4%  | 0.3%  |
| Advertising   | 985             | 1 103          | 743            | 731                               | -9.5%  | 0.4%                                      | 428                              | 456            | 515            | -11.0%                                       | 0.2%  |
| Minor assets  | 190             | 394            | 88             | 484                               | 36.6%  | 0.1%                                      | 106                              | 108            | 46             | -54.4%                                       | 0.1%  |
| Bursaries: Employees                                  | 444             | 225            | 170            | 277                               | -14.6%                                       | 0.1%                                      | 323                              | 356            | 381            | 11.2%  | 0.1%  |
| Catering: Departmental activities                     | 370             | 324            | 246            | 427                               | 4.9%   | 0.1%                                      | –                                | –              | –              | -100.0%                                      | –   |
| Communication   | 728             | 945            | 1 088          | 1 006                             | 11.4%  | 0.4%                                      | 1 141                            | 1 224          | 1 331          | 9.8%   | 0.4%  |
| Computer services                                     | 324             | 132            | 214            | 164                               | -20.3%                                       | 0.1%                                      | 62                               | 70             | 85             | -19.7%                                       | –   |
| Consultants: Business and advisory services           | 4 322           | 909            | 572            | 2 098                             | -21.4%                                       | 0.8%                                      | 18                               | 25             | 44             | -72.4%                                       | 0.2%  |
| Infrastructure and planning services                  | 9 730           | 11 174         | 2 572          | –                                 | -100.0%                                      | 2.3%                                      | 10 401                           | 10 902         | 11 487         | –  | 3.1%  |
| Legal services  | –               | –              | 25             | –                                 | –  | –   | –                                | –              | –              | –  | –   |
| Contractors   | 124             | 243            | 87             | 25                                | -41.4%                                       | –   | 5                                | 5              | 5              | -41.5%                                       | –   |
| Agency and support/outsourced services                | 3 205           | 12 733         | 4 679          | 1 730                             | -18.6%                                       | 2.2%                                      | 1 375                            | 1 465          | 1 540          | -3.8%  | 0.6%  |
| Entertainment   | 50              | 144            | 493            | 22                                | -23.9%                                       | 0.1%                                      | 38                               | 38             | 38             | 20.0%  | –   |
| Fleet services (including government motor transport) | 402             | 480            | 215            | 229                               | -17.1%                                       | 0.1%                                      | 157                              | 217            | 270            | 5.6%   | 0.1%  |
| Inventory: Fuel, oil and gas                          | –               | –              | –              | –                                 | –  | –   | 300                              | 327            | 363            | –  | 0.1%  |

**Table 24.12 Trade Promotion and Market Access expenditure trends and estimates by subprogramme and economic classification**

| Economic classification  | Audited outcome |                |                | Adjusted appropriation | Average growth rate (%) |                   | Medium-term expenditure estimate |                |                | Average growth rate (%) |                   |
|--|-----------------|----------------|----------------|------------------------|-------------------------|-------------------|----------------------------------|----------------|----------------|-------------------------|-------------------|
|  | 2012/13         | 2013/14        | 2014/15        |                        | 2015/16                 | 2012/13 - 2015/16 | 2016/17                          | 2017/18        | 2018/19        | 2015/16 - 2018/19       | 2015/16 - 2018/19 |
| R thousand   |                 |                |                |                        |                         |                   |                                  |                |                |                         |                   |
| <i>Inventory: Materials and supplies</i>                             | –               | –              | –              | –                      | –                       | –                 | 4                                | 5              | 6              | –                       | –                 |
| <i>Consumable supplies</i>   | 435             | 185            | 262            | 173                    | -26.5%                  | 0.1%              | 63                               | 84             | 89             | -19.9%                  | –                 |
| <i>Consumables: Stationery, printing and office supplies</i>         | 636             | 1 023          | 497            | 1 152                  | 21.9%                   | 0.3%              | 938                              | 1 039          | 1 147          | -0.1%                   | 0.4%              |
| <i>Operating leases</i>  | 5 395           | 8 742          | 9 372          | 4 405                  | -6.5%                   | 2.8%              | 2 254                            | 2 590          | 2 603          | -16.1%                  | 1.1%              |
| <i>Rental and hiring</i>   | –               | –              | –              | 15                     | –                       | –                 | 60                               | 65             | 70             | 67.1%                   | –                 |
| <i>Property payments</i>   | 39              | 18             | 54             | 56                     | 12.8%                   | –                 | –                                | –              | –              | -100.0%                 | –                 |
| <i>Travel and subsistence</i>  | 11 889          | 10 898         | 11 507         | 14 380                 | 6.5%                    | 4.8%              | 10 342                           | 10 233         | 11 578         | -7.0%                   | 4.3%              |
| <i>Training and development</i>                                      | 760             | 802            | 1 967          | 715                    | -2.0%                   | 0.4%              | 775                              | 751            | 1 033          | 13.0%                   | 0.3%              |
| <i>Operating payments</i>  | 3 767           | 2 722          | 4 969          | 2 474                  | -13.1%                  | 1.4%              | 2 064                            | 2 048          | 2 150          | -4.6%                   | 0.8%              |
| <i>Venues and facilities</i>   | 1 621           | 2 045          | 1 269          | 215                    | -49.0%                  | 0.5%              | –                                | –              | –              | -100.0%                 | –                 |
| <b>Transfers and subsidies</b>                                       | <b>98 010</b>   | <b>119 194</b> | <b>166 724</b> | <b>108 838</b>         | <b>3.6%</b>             | <b>48.8%</b>      | <b>163 863</b>                   | <b>124 711</b> | <b>129 203</b> | <b>5.9%</b>             | <b>49.1%</b>      |
| Provinces and municipalities   | 2               | 3              | 2              | 21                     | 119.0%                  | –                 | 10                               | 11             | 12             | -17.0%                  | –                 |
| Departmental agencies and accounts                                   | 31 409          | 35 819         | 37 830         | 34 635                 | 3.3%                    | 13.8%             | 36 830                           | 43 742         | 44 348         | 8.6%                    | 14.9%             |
| Higher education institutions  | –               | –              | –              | 100                    | –                       | –                 | 100                              | 100            | 100            | –                       | –                 |
| Foreign governments and international organisations                  | 32 001          | 46 445         | 38 784         | 32 379                 | 0.4%                    | 14.8%             | 34 525                           | 36 276         | 37 575         | 5.1%                    | 13.1%             |
| Public corporations and private enterprises                          | 34 454          | 36 881         | 89 067         | 40 692                 | 5.7%                    | 19.9%             | 92 398                           | 44 582         | 47 168         | 5.0%                    | 21.0%             |
| Non-profit institutions  | –               | –              | –              | 986                    | –                       | 0.1%              | –                                | –              | –              | -100.0%                 | 0.1%              |
| Households   | 144             | 46             | 1 041          | 25                     | -44.2%                  | 0.1%              | –                                | –              | –              | -100.0%                 | –                 |
| <b>Payments for capital assets</b>                                   | <b>1 042</b>    | <b>1 810</b>   | <b>858</b>     | <b>676</b>             | <b>-13.4%</b>           | <b>0.4%</b>       | <b>567</b>                       | <b>458</b>     | <b>561</b>     | <b>-6.0%</b>            | <b>0.2%</b>       |
| Machinery and equipment  | 1 042           | 1 810          | 858            | 676                    | -13.4%                  | 0.4%              | 567                              | 458            | 561            | -6.0%                   | 0.2%              |
| <b>Payments for financial assets</b>                                 | <b>–</b>        | <b>–</b>       | <b>23</b>      | <b>–</b>               | <b>–</b>                | <b>–</b>          | <b>–</b>                         | <b>–</b>       | <b>–</b>       | <b>–</b>                | <b>–</b>          |
| <b>Total</b>   | <b>212 169</b>  | <b>256 334</b> | <b>307 000</b> | <b>233 907</b>         | <b>3.3%</b>             | <b>100.0%</b>     | <b>297 596</b>                   | <b>264 772</b> | <b>275 405</b> | <b>5.6%</b>             | <b>100.0%</b>     |
| <b>Proportion of total programme expenditure to vote expenditure</b> | <b>3.6%</b>     | <b>4.2%</b>    | <b>4.6%</b>    | <b>3.6%</b>            | <b>–</b>                | <b>–</b>          | <b>4.7%</b>                      | <b>3.9%</b>    | <b>3.9%</b>    | <b>–</b>                | <b>–</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>31 409</b>   | <b>35 819</b>  | <b>37 830</b>  | <b>34 635</b>          | <b>3.3%</b>             | <b>13.8%</b>      | <b>36 830</b>                    | <b>43 742</b>  | <b>44 348</b>  | <b>8.6%</b>             | <b>14.9%</b>      |
| National Agricultural Marketing Council                              | 31 409          | 33 819         | 36 005         | 34 635                 | 3.3%                    | 13.5%             | 35 005                           | 41 917         | 44 348         | 8.6%                    | 14.5%             |
| Small Enterprise Development Agency                                  | –               | 2 000          | 1 825          | –                      | –                       | 0.4%              | 1 825                            | 1 825          | –              | –                       | 0.3%              |
| <b>Provinces and municipalities</b>                                  |                 |                |                |                        |                         |                   |                                  |                |                |                         |                   |
| <b>Municipalities</b>  |                 |                |                |                        |                         |                   |                                  |                |                |                         |                   |
| <b>Municipal bank accounts</b>                                       |                 |                |                |                        |                         |                   |                                  |                |                |                         |                   |
| <b>Current</b>   | <b>2</b>        | <b>3</b>       | <b>2</b>       | <b>21</b>              | <b>119.0%</b>           | <b>–</b>          | <b>10</b>                        | <b>11</b>      | <b>12</b>      | <b>-17.0%</b>           | <b>–</b>          |
| Vehicle licences   | 2               | 3              | 2              | 21                     | 119.0%                  | –                 | 10                               | 11             | 12             | -17.0%                  | –                 |
| <b>Households</b>  |                 |                |                |                        |                         |                   |                                  |                |                |                         |                   |
| <b>Social benefits</b>   |                 |                |                |                        |                         |                   |                                  |                |                |                         |                   |
| <b>Current</b>   | <b>144</b>      | <b>46</b>      | <b>1 041</b>   | <b>25</b>              | <b>-44.2%</b>           | <b>0.1%</b>       | <b>–</b>                         | <b>–</b>       | <b>–</b>       | <b>-100.0%</b>          | <b>–</b>          |
| Employee social benefits   | 144             | 46             | 1 041          | 25                     | -44.2%                  | 0.1%              | –                                | –              | –              | -100.0%                 | –                 |
| <b>Public corporations and private enterprises</b>                   |                 |                |                |                        |                         |                   |                                  |                |                |                         |                   |
| <b>Private enterprises</b>   |                 |                |                |                        |                         |                   |                                  |                |                |                         |                   |
| <b>Other transfers to private enterprises</b>                        |                 |                |                |                        |                         |                   |                                  |                |                |                         |                   |
| <b>Current</b>   | <b>189</b>      | <b>3</b>       | <b>11</b>      | <b>–</b>               | <b>-100.0%</b>          | <b>–</b>          | <b>–</b>                         | <b>–</b>       | <b>–</b>       | <b>–</b>                | <b>–</b>          |
| Claims against the state   | 14              | 3              | 11             | –                      | -100.0%                 | –                 | –                                | –              | –              | –                       | –                 |
| Sasekisani Cooperative   | 100             | –              | –              | –                      | -100.0%                 | –                 | –                                | –              | –              | –                       | –                 |
| Bambanani Cooperative  | 50              | –              | –              | –                      | -100.0%                 | –                 | –                                | –              | –              | –                       | –                 |
| Metsimaholo Communal Property Cooperative                            | 25              | –              | –              | –                      | -100.0%                 | –                 | –                                | –              | –              | –                       | –                 |
| <b>Non-profit institutions</b>                                       |                 |                |                |                        |                         |                   |                                  |                |                |                         |                   |
| <b>Current</b>   | <b>–</b>        | <b>–</b>       | <b>–</b>       | <b>986</b>             | <b>–</b>                | <b>0.1%</b>       | <b>–</b>                         | <b>–</b>       | <b>–</b>       | <b>-100.0%</b>          | <b>0.1%</b>       |
| Citrus Growers' Association of Southern Africa                       | –               | –              | –              | 986                    | –                       | 0.1%              | –                                | –              | –              | -100.0%                 | 0.1%              |
| <b>Public corporations and private enterprises</b>                   |                 |                |                |                        |                         |                   |                                  |                |                |                         |                   |
| <b>Public corporations</b>   |                 |                |                |                        |                         |                   |                                  |                |                |                         |                   |
| <b>Other transfers to public corporations</b>                        |                 |                |                |                        |                         |                   |                                  |                |                |                         |                   |
| <b>Current</b>   | <b>34 265</b>   | <b>36 878</b>  | <b>89 056</b>  | <b>40 692</b>          | <b>5.9%</b>             | <b>19.9%</b>      | <b>92 398</b>                    | <b>44 582</b>  | <b>47 168</b>  | <b>5.0%</b>             | <b>21.0%</b>      |
| Land and Agricultural Development Bank of South Africa               | 31 100          | 33 347         | 85 348         | 36 762                 | 5.7%                    | 18.5%             | 88 232                           | 40 166         | 42 496         | 5.0%                    | 19.4%             |
| Forest Sector Charter Council  | 3 165           | 3 531          | 3 708          | 3 930                  | 7.5%                    | 1.4%              | 4 166                            | 4 416          | 4 672          | 5.9%                    | 1.6%              |
| <b>Higher education institutions</b>                                 |                 |                |                |                        |                         |                   |                                  |                |                |                         |                   |
| <b>Current</b>   | <b>–</b>        | <b>–</b>       | <b>–</b>       | <b>100</b>             | <b>–</b>                | <b>–</b>          | <b>100</b>                       | <b>100</b>     | <b>100</b>     | <b>–</b>                | <b>–</b>          |
| North West University  | –               | –              | –              | 100                    | –                       | –                 | 100                              | 100            | 100            | –                       | –                 |

**Table 24.12 Trade Promotion and Market Access expenditure trends and estimates by subprogramme and economic classification**

| Details of transfers and subsidies   | Audited outcome |               |               | Adjusted appropriation<br>2015/16 | Average growth rate (%)<br>2012/13 - 2015/16 | Expenditure/Total: Average (%) | Medium-term expenditure estimate |               |               | Average growth rate (%)<br>2015/16 - 2018/19 | Expenditure/Total: Average (%)<br>2015/16 - 2018/19 |
|--|-----------------|---------------|---------------|-----------------------------------|--|--------------------------------|----------------------------------|---------------|---------------|--|---|
|  | 2012/13         | 2013/14       | 2014/15       |                                   |  |                                | 2016/17                          | 2017/18       | 2018/19       |  |   |
|  | R thousand      |               |               |                                   |  |                                |                                  |               |               |  |   |
| <b>Foreign governments and international organisations</b>                             | <b>32 001</b>   | <b>46 445</b> | <b>38 784</b> | <b>32 379</b>                     | <b>0.4%</b>                                  | <b>14.8%</b>                   | <b>34 525</b>                    | <b>36 276</b> | <b>37 575</b> | <b>5.1%</b>                                  | <b>13.1%</b>  |
| <b>Current</b>   |                 |               |               |                                   |  |                                |                                  |               |               |  |   |
| Consultative Group on International Agricultural Research                              | 4 478           | 3 971         | 7 140         | 6 375                             | 12.5%  | 2.2%                           | 6 630                            | 7 000         | 7 100         | 3.7%   | 2.5%  |
| International Union for the Protection of New Varieties of Plants                      | 464             | 524           | 638           | 677                               | 13.4%  | 0.2%                           | 744                              | 745           | 750           | 3.5%   | 0.3%  |
| Commonwealth Agricultural Bureau International   | 162             | 209           | 263           | 276                               | 19.4%  | 0.1%                           | 295                              | 300           | 310           | 3.9%   | 0.1%  |
| International Commission of Agricultural Engineering                                   | 85              | –             | 32            | 20                                | -38.3%                                       | –                              | 20                               | 20            | 20            | –  | –   |
| Food and Agriculture Organisation of the United Nations                                | 23 619          | 30 999        | 24 600        | 21 219                            | -3.5%  | 10.0%                          | 23 467                           | 24 640        | 25 800        | 6.7%   | 8.9%  |
| Foreign rates and taxes  | 120             | 304           | 329           | 366                               | 45.0%  | 0.1%                           | 257                              | 411           | 418           | 4.5%   | 0.1%  |
| International Fund for Agricultural Development  | –               | 3 000         | 2 163         | –                                 | –  | 0.5%                           | –                                | –             | –             | –  | –   |
| International Cotton Advisory Council  | 176             | 223           | 769           | 290                               | 18.1%  | 0.1%                           | 281                              | 285           | 290           | –  | 0.1%  |
| International Dairy Federation   | 50              | 50            | 50            | 50                                | –  | –                              | 50                               | 50            | 50            | –  | –   |
| International Grains Council   | 154             | 188           | 200           | 216                               | 11.9%  | 0.1%                           | 227                              | 230           | 235           | 2.9%   | 0.1%  |
| International Seed Testing Association   | 68              | 76            | 94            | 160                               | 33.0%  | –                              | 150                              | 175           | 160           | –  | 0.1%  |
| International Organisation of Vine and Wine  | 583             | 642           | 807           | 790                               | 10.7%  | 0.3%                           | 790                              | 800           | 810           | 0.8%   | 0.3%  |
| World Organisation for Animal Health   | 1 966           | 1 222         | 1 349         | 1 500                             | -8.6%  | 0.6%                           | 1 424                            | 1 425         | 1 430         | -1.6%  | 0.5%  |
| Organisation for Economic Cooperation and Development                                  | 76              | 58            | 342           | 430                               | 78.2%  | 0.1%                           | 181                              | 185           | 190           | -23.8%                                       | 0.1%  |
| International Union of Forestry Research Organisations                                 | –               | 21            | 8             | 10                                | –  | –                              | 9                                | 10            | 12            | 6.3%   | –   |
| Centre for Coordination of Agricultural Research and Development for Southern Africa   | –               | 2 958         | –             | –                                 | –  | 0.3%                           | –                                | –             | –             | –  | –   |
| Food and Agriculture Organisation of the United Nations: African Solidarity Trust Fund | –               | 2 000         | –             | –                                 | –  | 0.2%                           | –                                | –             | –             | –  | –   |

## Personnel information

**Table 24.13 Trade Promotion and Market Access personnel numbers and cost by salary level<sup>1</sup> prior to Cabinet approved reduction, effective from 2017/18<sup>2</sup>; budget reductions and aggregate baseline total**

| Number of posts estimated for 31 March 2016 | Number and cost <sup>3</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 (%) |                  |          |           |
|   |  |   | 2014/15       |             | Unit Cost        | 2015/16          |             | Unit Cost        | 2016/17                          |              | Unit Cost        | 2017/18       |              | Unit Cost        |                         |                                 | 2018/19          |          | Unit Cost |
| <b>Trade Promotion and Market Access</b>    |  |   | <b>Number</b> | <b>Cost</b> | <b>Unit Cost</b> | <b>Number</b>    | <b>Cost</b> | <b>Unit Cost</b> | <b>Number</b>                    | <b>Cost</b>  | <b>Unit Cost</b> | <b>Number</b> | <b>Cost</b>  | <b>Unit Cost</b> | <b>Number</b>           | <b>Cost</b>                     | <b>Unit Cost</b> |          |           |
| Salary level                                | 170  | 4   | 141           | 97.8        | 0.7              | 166              | 92.8        | 0.6              | 166                              | 101.6        | 0.6              | 166           | 114.2        | 0.7              | 166                     | 121.6                           | 0.7              | –        | 100.0%    |
| 1 – 6                                       | 27   | –   | 26            | 6.0         | 0.2              | 27               | 4.3         | 0.2              | 27                               | 4.7          | 0.2              | 27            | 5.3          | 0.2              | 27                      | 5.7                             | 0.2              | –        | 16.3%     |
| 7 – 10                                      | 94   | –   | 75            | 42.2        | 0.6              | 94               | 31.5        | 0.3              | 94                               | 34.5         | 0.4              | 94            | 38.8         | 0.4              | 94                      | 41.3                            | 0.4              | –        | 56.6%     |
| 11 – 12                                     | 37   | 4   | 30            | 33.2        | 1.1              | 33               | 36.4        | 1.1              | 33                               | 39.8         | 1.2              | 33            | 44.8         | 1.4              | 33                      | 47.6                            | 1.4              | –        | 19.9%     |
| 13 – 16                                     | 12   | –   | 10            | 16.4        | 1.6              | 12               | 20.6        | 1.7              | 12                               | 22.5         | 1.9              | 12            | 25.3         | 2.1              | 12                      | 27.0                            | 2.2              | –        | 7.2%      |
| <b>Reduction</b>                            | –  | –   | –             | –           | –                | –                | –           | –                | –                                | –            | –                | –             | (7.4)        | –                | –                       | (11.5)                          | –                | –        | –         |
| <b>Total</b>                                | <b>170</b>   | <b>4</b>  | <b>141</b>    | <b>97.8</b> | <b>0.7</b>       | <b>166</b>       | <b>92.8</b> | <b>0.6</b>       | <b>166</b>                       | <b>101.6</b> | <b>0.6</b>       | <b>–</b>      | <b>106.9</b> | <b>–</b>         | <b>–</b>                | <b>110.1</b>                    | <b>–</b>         | <b>–</b> | <b>–</b>  |

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

2. This programme's compensation of employees budget has been reduced by R18.9 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

## Programme 5: Forestry and Natural Resources Management

### Programme 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.

### Objectives

- Ensure the conservation, protection, rehabilitation and sustainable management of forests by:
  - replanting 8 625 hectares in temporary unplanted areas by 2018/2019

- obtaining certifications for 3 plantations from the Forestry Stewardship Council, which is responsible for monitoring and evaluating the standard of state plantations, by 2018/2019
- conducting environmental impact assessments to enable small, medium and micro forestry enterprises to obtain afforestation licences by 2018/19
- restoring and rehabilitating 48 900 hectares of agricultural land, and 1 500 hectares of state indigenous forests and woodlands by 2018/19.
- Ensure adaptation to climate change by implementing an effective climate change mitigation plan to improve the adaptability and productivity of livestock and plant species by 2019/20.

## Subprogrammes

- *Management* oversees and manages the programme.
- *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.
- *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.
- *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, and the efficient development and revitalisation of irrigation schemes and water use. This subprogramme also facilitates climate change mitigation and adaptation, risk and disaster management; and promotes, regulates and coordinates the sustainable use of natural resources (land and water).

## Expenditure trends and estimates

**Table 24.14 Forestry and Natural Resources Management expenditure trends and estimates by subprogramme and economic classification**

| Subprogramme  | Audited outcome  |                  |                  | Adjusted appropriation | Average growth rate (%) |                   | Medium-term expenditure estimate |                |                  | Average growth rate (%) |                   |
|---|------------------|------------------|------------------|------------------------|-------------------------|-------------------|----------------------------------|----------------|------------------|-------------------------|-------------------|
|   | 2012/13          | 2013/14          | 2014/15          |                        | 2015/16                 | 2012/13 - 2015/16 | Average (%)                      | 2016/17        | 2017/18          | 2018/19                 | 2015/16 - 2018/19 |
| R thousand  |                  |                  |                  |                        |                         |                   |                                  |                |                  |                         |                   |
| Management  | 1 953            | 4 296            | 5 979            | 41 762                 | 177.6%                  | 1.2%              | 3 535                            | 3 642          | 3 784            | -55.1%                  | 1.4%              |
| Forestry Operations                                   | 429 423          | 468 206          | 454 781          | 450 709                | 1.6%                    | 39.7%             | 477 060                          | 493 187        | 512 750          | 4.4%                    | 50.7%             |
| Forestry Oversight and Regulation                     | 46 221           | 48 358           | 49 336           | 56 592                 | 7.0%                    | 4.4%              | 57 273                           | 59 185         | 61 743           | 2.9%                    | 6.2%              |
| Natural Resources Management                          | 714 188          | 623 839          | 793 549          | 357 153                | -20.6%                  | 54.7%             | 407 694                          | 405 348        | 424 259          | 5.9%                    | 41.8%             |
| <b>Total</b>  | <b>1 191 785</b> | <b>1 144 699</b> | <b>1 303 645</b> | <b>906 216</b>         | <b>-8.7%</b>            | <b>100.0%</b>     | <b>945 562</b>                   | <b>961 362</b> | <b>1 002 536</b> | <b>3.4%</b>             | <b>100.0%</b>     |
| Change to 2015 Budget estimate                        |                  |                  |                  | (348)                  |                         |                   | (8 480)                          | (26 087)       | (42 178)         |                         |                   |
| <b>Economic classification</b>                        |                  |                  |                  |                        |                         |                   |                                  |                |                  |                         |                   |
| <b>Current payments</b>                               | <b>591 947</b>   | <b>640 668</b>   | <b>661 341</b>   | <b>712 857</b>         | <b>6.4%</b>             | <b>57.3%</b>      | <b>744 628</b>                   | <b>768 701</b> | <b>799 976</b>   | <b>3.9%</b>             | <b>79.3%</b>      |
| Compensation of employees                             | 455 606          | 482 496          | 491 208          | 507 379                | 3.7%                    | 42.6%             | 553 715                          | 566 348        | 586 280          | 4.9%                    | 58.0%             |
| Goods and services                                    | 135 476          | 157 819          | 169 846          | 203 946                | 14.6%                   | 14.7%             | 189 900                          | 201 008        | 212 280          | 1.3%                    | 21.2%             |
| of which:   |                  |                  |                  |                        |                         |                   |                                  |                |                  |                         |                   |
| Administrative fees                                   | 430              | 566              | 1 045            | 1 801                  | 61.2%                   | 0.1%              | 1 458                            | 1 556          | 1 627            | -3.3%                   | 0.2%              |
| Advertising services                                  | 4 431            | 5 050            | 2 814            | 1 194                  | -35.4%                  | 0.3%              | 1 948                            | 2 212          | 2 256            | 23.6%                   | 0.2%              |
| Minor assets  | 732              | 1 032            | 580              | 2 126                  | 42.7%                   | 0.1%              | 3 823                            | 4 201          | 4 753            | 30.8%                   | 0.4%              |
| Bursaries: Employees                                  | 651              | 507              | 453              | 993                    | 15.1%                   | 0.1%              | 1 240                            | 1 343          | 1 376            | 11.5%                   | 0.1%              |
| Catering: Departmental activities                     | 440              | 286              | 80               | 69                     | -46.1%                  | -                 | -                                | -              | -                | -100.0%                 | -                 |
| Communication   | 5 044            | 4 714            | 5 288            | 5 209                  | 1.1%                    | 0.4%              | 5 651                            | 5 871          | 6 093            | 5.4%                    | 0.6%              |
| Computer services                                     | 529              | 200              | 4 349            | 254                    | -21.7%                  | 0.1%              | 957                              | 970            | 998              | 57.8%                   | 0.1%              |
| Consultants: Business and advisory services           | 4 069            | 2 867            | 1 905            | 26 324                 | 86.3%                   | 0.8%              | 4 289                            | 4 645          | 5 017            | -42.5%                  | 1.1%              |
| Infrastructure and planning services                  | 117              | 469              | 1 606            | 2 902                  | 191.6%                  | 0.1%              | 6 455                            | 6 982          | 8 130            | 41.0%                   | 0.6%              |
| Laboratory services                                   | -                | 2                | -                | 45                     | -                       | -                 | -                                | -              | -                | -100.0%                 | -                 |
| Legal services  | 224              | 802              | 1 590            | 501                    | 30.8%                   | 0.1%              | 750                              | 844            | 890              | 21.1%                   | 0.1%              |
| Contractors   | 2 832            | 18 969           | 19 460           | 11 407                 | 59.1%                   | 1.2%              | 15 956                           | 15 763         | 16 432           | 12.9%                   | 1.6%              |
| Agency and support/outourced services                 | 15 504           | 15 665           | 19 768           | 25 897                 | 18.7%                   | 1.7%              | 40 612                           | 40 750         | 41 728           | 17.2%                   | 3.9%              |
| Entertainment   | 44               | 41               | 25               | 32                     | -10.1%                  | -                 | 30                               | 30             | 30               | -2.1%                   | -                 |
| Fleet services (including government motor transport) | 2 156            | 3 587            | 5 334            | 8 162                  | 55.9%                   | 0.4%              | 8 174                            | 8 332          | 9 473            | 5.1%                    | 0.9%              |
| Inventory: Clothing material and accessories          | -                | -                | -                | -                      | -                       | -                 | 895                              | 926            | 871              | -                       | 0.1%              |
| Inventory: Farming supplies                           | -                | 9 847            | 6 462            | 6 000                  | -                       | 0.5%              | 7 125                            | 8 159          | 9 173            | 15.2%                   | 0.8%              |
| Inventory: Food and food supplies                     | -                | -                | -                | -                      | -                       | -                 | 250                              | 300            | 320              | -                       | -                 |

**Table 24.14 Forestry and Natural Resources Management expenditure trends and estimates by subprogramme and economic classification**

| Economic classification   | Audited outcome  |                  |                  | Adjusted appropriation | Average growth rate (%) |                   | Medium-term expenditure estimate |                |                  | Average growth rate (%) |                   |
|---|------------------|------------------|------------------|------------------------|-------------------------|-------------------|----------------------------------|----------------|------------------|-------------------------|-------------------|
|   | 2012/13          | 2013/14          | 2014/15          |                        | 2015/16                 | 2012/13 - 2015/16 | 2016/17                          | 2017/18        | 2018/19          | 2015/16 - 2018/19       | 2015/16 - 2018/19 |
| R thousand  |                  |                  |                  |                        |                         |                   |                                  |                |                  |                         |                   |
| <i>Inventory: Fuel, oil and gas</i>   | –                | 26               | –                | –                      | –                       | –                 | 509                              | 533            | 547              | –                       | –                 |
| <i>Inventory: Materials and supplies</i>  | –                | –                | –                | –                      | –                       | –                 | 660                              | 668            | 741              | –                       | 0.1%              |
| <i>Inventory: Other supplies</i>  | –                | 1                | 2                | 5                      | –                       | –                 | 5                                | 5              | 5                | –                       | –                 |
| <i>Consumable supplies</i>  | 28 323           | 28 034           | 25 380           | 29 348                 | 1.2%                    | 2.4%              | 27 049                           | 28 470         | 31 200           | 2.1%                    | 3.0%              |
| <i>Consumables: Stationery, printing and office supplies</i>                                | 1 853            | 2 152            | 2 122            | 4 962                  | 38.9%                   | 0.2%              | 4 873                            | 5 388          | 5 643            | 4.4%                    | 0.5%              |
| <i>Operating leases</i>   | 2                | –                | –                | –                      | -100.0%                 | –                 | 690                              | 711            | 711              | –                       | 0.1%              |
| <i>Rental and hiring</i>  | –                | 342              | –                | –                      | –                       | –                 | 1 556                            | 1 653          | 1 749            | –                       | 0.1%              |
| <i>Property payments</i>  | 8 940            | 15 432           | 20 747           | 19 617                 | 29.9%                   | 1.4%              | 17 480                           | 19 537         | 20 065           | 0.8%                    | 2.0%              |
| <i>Transport provided: Departmental activity</i>  | –                | –                | –                | –                      | –                       | –                 | 10                               | 15             | 20               | –                       | –                 |
| <i>Travel and subsistence</i>   | 46 272           | 35 587           | 38 654           | 31 781                 | -11.8%                  | 3.3%              | 29 233                           | 32 533         | 33 487           | 1.8%                    | 3.3%              |
| <i>Training and development</i>   | 1 394            | 1 761            | 2 144            | 2 921                  | 28.0%                   | 0.2%              | 3 751                            | 3 915          | 4 048            | 11.5%                   | 0.4%              |
| <i>Operating payments</i>   | 3 886            | 3 621            | 3 803            | 5 119                  | 9.6%                    | 0.4%              | 4 471                            | 4 696          | 4 897            | -1.5%                   | 0.5%              |
| <i>Venues and facilities</i>  | 7 603            | 6 259            | 6 235            | 17 277                 | 31.5%                   | 0.8%              | –                                | –              | –                | -100.0%                 | 0.5%              |
| <i>Interest and rent on land</i>  | 865              | 353              | 287              | 1 532                  | 21.0%                   | 0.1%              | 1 013                            | 1 345          | 1 416            | -2.6%                   | 0.1%              |
| <b>Transfers and subsidies</b>  | <b>540 475</b>   | <b>433 598</b>   | <b>595 590</b>   | <b>147 449</b>         | <b>-35.1%</b>           | <b>37.8%</b>      | <b>157 887</b>                   | <b>146 313</b> | <b>154 586</b>   | <b>1.6%</b>             | <b>15.9%</b>      |
| Provinces and municipalities  | 509 825          | 409 678          | 562 298          | 124 392                | -37.5%                  | 35.3%             | 146 774                          | 134 716        | 142 497          | 4.6%                    | 14.4%             |
| Departmental agencies and accounts  | 3 008            | 3 000            | 3 000            | 3 000                  | -0.1%                   | 0.3%              | 3 000                            | 3 000          | 3 000            | –                       | 0.3%              |
| Higher education institutions   | 4 017            | 2 191            | 2 322            | 2 462                  | -15.1%                  | 0.2%              | 2 609                            | 2 766          | 2 931            | 6.0%                    | 0.3%              |
| Public corporations and private enterprises   | 68               | 102              | 29               | –                      | -100.0%                 | –                 | –                                | –              | –                | –                       | –                 |
| Non-profit institutions   | 3 500            | 9 869            | 14 162           | 12 900                 | 54.5%                   | 0.9%              | 5 084                            | 5 365          | 5 646            | -24.1%                  | 0.8%              |
| Households  | 20 057           | 8 758            | 13 779           | 4 695                  | -38.4%                  | 1.0%              | 420                              | 466            | 512              | -52.2%                  | 0.2%              |
| <b>Payments for capital assets</b>  | <b>59 264</b>    | <b>70 347</b>    | <b>46 690</b>    | <b>45 910</b>          | <b>-8.2%</b>            | <b>4.9%</b>       | <b>43 047</b>                    | <b>46 348</b>  | <b>47 974</b>    | <b>1.5%</b>             | <b>4.8%</b>       |
| Buildings and other fixed structures  | 123              | 15               | 95               | 30                     | -37.5%                  | –                 | –                                | –              | –                | -100.0%                 | –                 |
| Machinery and equipment   | 59 141           | 70 332           | 46 595           | 45 712                 | -8.2%                   | 4.9%              | 42 927                           | 46 227         | 47 852           | 1.5%                    | 4.8%              |
| Biological assets   | –                | –                | –                | 168                    | –                       | –                 | 120                              | 121            | 122              | -10.1%                  | –                 |
| <b>Payments for financial assets</b>  | <b>99</b>        | <b>86</b>        | <b>24</b>        | <b>–</b>               | <b>-100.0%</b>          | <b>–</b>          | <b>–</b>                         | <b>–</b>       | <b>–</b>         | <b>–</b>                | <b>–</b>          |
| <b>Total</b>  | <b>1 191 785</b> | <b>1 144 699</b> | <b>1 303 645</b> | <b>906 216</b>         | <b>-8.7%</b>            | <b>100.0%</b>     | <b>945 562</b>                   | <b>961 362</b> | <b>1 002 536</b> | <b>3.4%</b>             | <b>100.0%</b>     |
| <b>Proportion of total programme expenditure to vote expenditure</b>                        | <b>20.5%</b>     | <b>18.7%</b>     | <b>19.7%</b>     | <b>14.1%</b>           | <b>–</b>                | <b>–</b>          | <b>14.9%</b>                     | <b>14.3%</b>   | <b>14.3%</b>     | <b>–</b>                | <b>–</b>          |
| <b>Details of transfers and subsidies</b>   |                  |                  |                  |                        |                         |                   |                                  |                |                  |                         |                   |
| <b>Households</b>   |                  |                  |                  |                        |                         |                   |                                  |                |                  |                         |                   |
| <b>Other transfers to households</b>  |                  |                  |                  |                        |                         |                   |                                  |                |                  |                         |                   |
| <b>Current</b>  | <b>13 827</b>    | <b>12</b>        | <b>14</b>        | <b>–</b>               | <b>-100.0%</b>          | <b>0.3%</b>       | <b>–</b>                         | <b>–</b>       | <b>–</b>         | <b>–</b>                | <b>–</b>          |
| Claims against the state  | 10               | 12               | 14               | –                      | -100.0%                 | –                 | –                                | –              | –                | –                       | –                 |
| Avian influenza   | 13 817           | –                | –                | –                      | -100.0%                 | 0.3%              | –                                | –              | –                | –                       | –                 |
| <b>Departmental agencies and accounts</b>   |                  |                  |                  |                        |                         |                   |                                  |                |                  |                         |                   |
| <b>Departmental agencies (non-business entities)</b>  |                  |                  |                  |                        |                         |                   |                                  |                |                  |                         |                   |
| <b>Current</b>  | <b>3 008</b>     | <b>3 000</b>     | <b>3 000</b>     | <b>3 000</b>           | <b>-0.1%</b>            | <b>0.3%</b>       | <b>3 000</b>                     | <b>3 000</b>   | <b>3 000</b>     | <b>–</b>                | <b>0.3%</b>       |
| Communication   | 8                | –                | –                | –                      | -100.0%                 | –                 | –                                | –              | –                | –                       | –                 |
| Water Research Commission   | 3 000            | 3 000            | 3 000            | 3 000                  | –                       | 0.3%              | 3 000                            | 3 000          | 3 000            | –                       | 0.3%              |
| <b>Provinces and municipalities</b>   |                  |                  |                  |                        |                         |                   |                                  |                |                  |                         |                   |
| <b>Municipalities</b>   |                  |                  |                  |                        |                         |                   |                                  |                |                  |                         |                   |
| <b>Municipal bank accounts</b>  |                  |                  |                  |                        |                         |                   |                                  |                |                  |                         |                   |
| <b>Current</b>  | <b>35</b>        | <b>601</b>       | <b>700</b>       | <b>780</b>             | <b>181.4%</b>           | <b>–</b>          | <b>775</b>                       | <b>785</b>     | <b>798</b>       | <b>0.8%</b>             | <b>0.1%</b>       |
| Vehicle licences  | 35               | 101              | 200              | 180                    | 72.6%                   | –                 | 175                              | 185            | 198              | 3.2%                    | –                 |
| Forestry Arbour City Awards   | –                | 500              | 500              | 600                    | –                       | –                 | 600                              | 600            | 600              | –                       | 0.1%              |
| <b>Households</b>   |                  |                  |                  |                        |                         |                   |                                  |                |                  |                         |                   |
| <b>Social benefits</b>  |                  |                  |                  |                        |                         |                   |                                  |                |                  |                         |                   |
| <b>Current</b>  | <b>6 230</b>     | <b>8 746</b>     | <b>13 765</b>    | <b>4 695</b>           | <b>-9.0%</b>            | <b>0.7%</b>       | <b>420</b>                       | <b>466</b>     | <b>512</b>       | <b>-52.2%</b>           | <b>0.2%</b>       |
| Employee social benefits  | 6 230            | 8 746            | 13 765           | 4 695                  | -9.0%                   | 0.7%              | 420                              | 466            | 512              | -52.2%                  | 0.2%              |
| <b>Public corporations and private enterprises</b>  |                  |                  |                  |                        |                         |                   |                                  |                |                  |                         |                   |
| <b>Private enterprises</b>  |                  |                  |                  |                        |                         |                   |                                  |                |                  |                         |                   |
| <b>Other transfers to private enterprises</b>   |                  |                  |                  |                        |                         |                   |                                  |                |                  |                         |                   |
| <b>Current</b>  | <b>68</b>        | <b>102</b>       | <b>29</b>        | <b>–</b>               | <b>-100.0%</b>          | <b>–</b>          | <b>–</b>                         | <b>–</b>       | <b>–</b>         | <b>–</b>                | <b>–</b>          |
| Claims against the state  | 68               | 102              | 29               | –                      | -100.0%                 | –                 | –                                | –              | –                | –                       | –                 |
| <b>Non-profit institutions</b>  |                  |                  |                  |                        |                         |                   |                                  |                |                  |                         |                   |
| <b>Current</b>  | <b>3 500</b>     | <b>9 869</b>     | <b>14 162</b>    | <b>12 900</b>          | <b>54.5%</b>            | <b>0.9%</b>       | <b>5 084</b>                     | <b>5 365</b>   | <b>5 646</b>     | <b>-24.1%</b>           | <b>0.8%</b>       |
| Forestry South Africa   | 3 500            | 5 788            | 6 024            | 4 419                  | 8.1%                    | 0.4%              | 4 684                            | 4 965          | 5 246            | 5.9%                    | 0.5%              |
| Centre for International Forestry Research  | –                | –                | 100              | –                      | –                       | –                 | –                                | –              | –                | –                       | –                 |
| Food and Trees for Africa   | –                | –                | 200              | 400                    | –                       | –                 | 400                              | 400            | 400              | –                       | –                 |
| Lima Rural Development Foundation   | –                | 4 081            | 7 838            | 8 081                  | –                       | 0.4%              | –                                | –              | –                | -100.0%                 | 0.2%              |
| <b>Provinces and municipalities</b>   |                  |                  |                  |                        |                         |                   |                                  |                |                  |                         |                   |
| <b>Provinces</b>  |                  |                  |                  |                        |                         |                   |                                  |                |                  |                         |                   |
| <b>Provincial Revenue Funds</b>   |                  |                  |                  |                        |                         |                   |                                  |                |                  |                         |                   |
| <b>Current</b>  | <b>509 790</b>   | <b>409 077</b>   | <b>561 598</b>   | <b>123 612</b>         | <b>-37.6%</b>           | <b>35.3%</b>      | <b>145 999</b>                   | <b>133 931</b> | <b>141 699</b>   | <b>4.7%</b>             | <b>14.3%</b>      |
| LandCare programme grant: Poverty relief and infrastructure development                     | 111 599          | 105 823          | 67 837           | 65 011                 | -16.5%                  | 7.7%              | 69 265                           | 73 604         | 77 873           | 6.2%                    | 7.5%              |
| Comprehensive agricultural support programme grant: Disasters: Flood damaged infrastructure | 398 191          | 303 254          | 493 761          | 58 601                 | -47.2%                  | 27.6%             | 76 734                           | 60 327         | 63 826           | 2.9%                    | 6.8%              |
| <b>Higher education institutions</b>  |                  |                  |                  |                        |                         |                   |                                  |                |                  |                         |                   |
| <b>Current</b>  | <b>4 017</b>     | <b>2 191</b>     | <b>2 322</b>     | <b>2 462</b>           | <b>-15.1%</b>           | <b>0.2%</b>       | <b>2 609</b>                     | <b>2 766</b>   | <b>2 931</b>     | <b>6.0%</b>             | <b>0.3%</b>       |
| University of Pretoria  | 4 017            | 2 191            | 2 322            | 2 462                  | -15.1%                  | 0.2%              | 2 609                            | 2 766          | 2 931            | 6.0%                    | 0.3%              |

## Personnel information

**Table 24.15 Forestry and Natural Resources Management personnel numbers and cost by salary level<sup>1</sup> prior to Cabinet approved reduction, effective from 2017/18<sup>2</sup>; budget reductions and aggregate baseline total**

| Number of posts estimated for 31 March 2016 |   | Number and cost <sup>3</sup> of personnel posts filled / planned for on funded establishment |              |              |                          |              |              |                                  |              |              |            |          |              |                         |                                 |                   | Number   |          |          |
|---|---|--|--------------|--------------|--------------------------|--------------|--------------|----------------------------------|--------------|--------------|------------|----------|--------------|-------------------------|---------------------------------|-------------------|----------|----------|----------|
| Number of funded posts                      | Number of posts additional to the establishment | Actual 2014/15   |              |              | Revised estimate 2015/16 |              |              | Medium-term expenditure estimate |              |              |            |          |              | Average growth rate (%) | Salary level/Total: Average (%) |                   |          |          |          |
|   |   | Number   | Cost         | Unit Cost    | Number                   | Cost         | Unit Cost    | 2016/17                          |              | 2017/18      |            | 2018/19  |              |                         |                                 | 2015/16 - 2018/19 |          |          |          |
| Forestry and Natural Resources Management   |   |  |              |              |                          |              |              |                                  |              |              |            |          |              |                         |                                 |                   |          |          |          |
| Salary level                                | 2 513   | 3  | 2 322        | 491.2        | 0.2                      | 2 510        | 507.4        | 0.2                              | 2 510        | 553.7        | 0.2        | 2 510    | 605.7        | 0.2                     | 2 510                           | 648.0             | 0.3      | -        | 100.0%   |
| 1-6   | 2 024   | -  | 1 896        | 311.1        | 0.2                      | 2 024        | 303.4        | 0.1                              | 2 024        | 331.2        | 0.2        | 2 024    | 362.2        | 0.2                     | 2 024                           | 389.6             | 0.2      | -        | 80.6%    |
| 7-10  | 408   | -  | 356          | 127.7        | 0.4                      | 408          | 145.5        | 0.4                              | 408          | 158.7        | 0.4        | 408      | 173.7        | 0.4                     | 408                             | 184.6             | 0.5      | -        | 16.3%    |
| 11-12                                       | 64  | 1  | 58           | 39.1         | 0.7                      | 63           | 41.9         | 0.7                              | 63           | 45.7         | 0.7        | 63       | 50.0         | 0.8                     | 63                              | 52.9              | 0.8      | -        | 2.5%     |
| 13-16                                       | 17  | 2  | 12           | 13.3         | 1.1                      | 15           | 16.6         | 1.1                              | 15           | 18.1         | 1.2        | 15       | 19.8         | 1.3                     | 15                              | 21.0              | 1.4      | -        | 0.6%     |
| Reduction                                   | -   | -  | -            | -            | -                        | -            | -            | -                                | -            | -            | -          | -        | (39.4)       | -                       | -                               | (61.7)            | -        | -        | -        |
| <b>Total</b>                                | <b>2 513</b>                                    | <b>3</b>   | <b>2 322</b> | <b>491.2</b> | <b>0.2</b>               | <b>2 510</b> | <b>507.4</b> | <b>0.2</b>                       | <b>2 510</b> | <b>553.7</b> | <b>0.2</b> | <b>-</b> | <b>566.3</b> | <b>-</b>                | <b>-</b>                        | <b>586.3</b>      | <b>-</b> | <b>-</b> | <b>-</b> |

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

2. This programme's compensation of employees budget has been reduced by R101.1 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

## Programme 6: Fisheries

### Programme purpose

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

### Objectives

- Ensure increased productivity in prioritised areas as well as value chains by:
  - supporting 24 Operation Phakisa aquaculture projects by 2018/19
  - conducting 2 new research studies on genetics and nutrition for aquaculture species by 2018.
- Lead and coordinate government food security initiatives by:
  - developing sector specific policies and allocating rights to 9 fishing sectors by 2018/19
  - allocating rights to registered small scale fisheries cooperatives by 2018/19.
- Contribute to poverty alleviation and promote food security by:
  - developing and implementing the small scale fisheries policy for the allocation of fishing rights to small scale fisheries cooperatives by 2019/20
  - implementing the cooperative development and support programme by 2019/20.
- Ensure the conservation, protection, rehabilitation and recovery of depleted and degraded natural resources by:
  - developing recovery plans in prioritised areas of fish stocks such as abalone, west coast rock lobsters and deep water hake by 2018/19
  - compiling 1 research report to indicate the levels of fish stock to ensure the sustainability of resources and the industry by 2018/19
  - conducting 4 548 compliance and enforcement measures in the 4 prioritised fisheries sectors (abalone, west coast rock lobster, line fish and deep water hake) over the medium.

### Subprogrammes

- *Management* oversees and manages the programme.
- *Aquaculture* ensures growth and economic development of the aquaculture and fisheries industries for sustainable livelihoods by providing public support and an integrated platform for the management of aquaculture.

- *Monitoring Control and Surveillance* ensures the protection and promotion of sustainable use of marine living resources by intensifying enforcement and compliance.
- *Marine Resources Management* ensures the sustainable, equitable and orderly utilisation of and access to marine living resources through improved management and regulation.
- *Fisheries Research and Development* ensures the promotion of the sustainable development of fisheries resources and ecosystems by conducting and supporting appropriate research.
- *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, licences and application fees, as well as proceeds from the sale of confiscated fish and fish products.

## Expenditure trends and estimates

**Table 24.16 Fisheries expenditure trends and estimates by subprogramme and economic classification**

| Subprogramme  | Audited outcome |                |                | Adjusted appropriation | Average growth rate (%) | Expenditure/Total: Average (%) | Medium-term expenditure estimate |                |                | Average growth rate (%) | Expenditure/Total: Average (%) |
|---|-----------------|----------------|----------------|------------------------|-------------------------|--------------------------------|----------------------------------|----------------|----------------|-------------------------|--------------------------------|
|   | 2012/13         | 2013/14        | 2014/15        |                        |                         |                                | 2015/16                          | 2016/17        | 2017/18        |                         |                                |
| R thousand  |                 |                |                |                        |                         |                                |                                  |                |                |                         |                                |
| Management  | 925             | 748            | 3 159          | 2 168                  | 32.8%                   | 0.4%                           | 3 028                            | 3 124          | 3 232          | 14.2%                   | 0.6%                           |
| Aquaculture   | 28 739          | 35 822         | 29 952         | 32 798                 | 4.5%                    | 7.0%                           | 37 803                           | 38 980         | 40 340         | 7.1%                    | 7.9%                           |
| Monitoring Control and Surveillance                           | 68 226          | 72 571         | 78 056         | 87 950                 | 8.8%                    | 16.8%                          | 84 940                           | 87 515         | 90 571         | 1.0%                    | 18.5%                          |
| Marine Resources Management                                   | 17 382          | 17 975         | 19 176         | 20 353                 | 5.4%                    | 4.1%                           | 22 285                           | 22 992         | 23 798         | 5.4%                    | 4.7%                           |
| Fisheries Research and Development                            | 52 693          | 56 989         | 58 091         | 63 375                 | 6.3%                    | 12.7%                          | 68 783                           | 70 839         | 73 394         | 5.0%                    | 14.6%                          |
| Marine Living Resources Fund                                  | 316 365         | 253 545        | 251 331        | 258 623                | -6.5%                   | 59.1%                          | 241 759                          | 252 294        | 266 642        | 1.0%                    | 53.7%                          |
| <b>Total</b>  | <b>484 330</b>  | <b>437 650</b> | <b>439 765</b> | <b>465 267</b>         | <b>-1.3%</b>            | <b>100.0%</b>                  | <b>458 598</b>                   | <b>475 744</b> | <b>497 977</b> | <b>2.3%</b>             | <b>100.0%</b>                  |
| Change to 2015  |                 |                |                | 22 000                 |                         |                                | (4 273)                          | (12 798)       | (18 902)       |                         |                                |
| Budget estimate   |                 |                |                |                        |                         |                                |                                  |                |                |                         |                                |
| <b>Economic classification</b>                                |                 |                |                |                        |                         |                                |                                  |                |                |                         |                                |
| Current payments  | 166 678         | 177 863        | 188 001        | 206 644                | 7.4%                    | 40.5%                          | 216 839                          | 223 450        | 231 335        | 3.8%                    | 46.3%                          |
| Compensation of employees                                     | 166 678         | 177 863        | 188 001        | 206 644                | 7.4%                    | 40.5%                          | 216 839                          | 223 450        | 231 335        | 3.8%                    | 46.3%                          |
| <b>Transfers and subsidies</b>                                | <b>317 652</b>  | <b>254 130</b> | <b>251 744</b> | <b>258 623</b>         | <b>-6.6%</b>            | <b>59.2%</b>                   | <b>241 759</b>                   | <b>252 294</b> | <b>266 642</b> | <b>1.0%</b>             | <b>53.7%</b>                   |
| Departmental agencies and accounts                            | 316 365         | 253 545        | 251 331        | 258 623                | -6.5%                   | 59.1%                          | 241 759                          | 252 294        | 266 642        | 1.0%                    | 53.7%                          |
| Households  | 1 287           | 585            | 413            | -                      | -100.0%                 | 0.1%                           | -                                | -              | -              | -                       | -                              |
| <b>Payments for capital assets</b>                            | <b>-</b>        | <b>5 657</b>   | <b>-</b>       | <b>-</b>               | <b>-</b>                | <b>0.3%</b>                    | <b>-</b>                         | <b>-</b>       | <b>-</b>       | <b>-</b>                | <b>-</b>                       |
| Buildings and other fixed structures                          | -               | 5 657          | -              | -                      | -                       | 0.3%                           | -                                | -              | -              | -                       | -                              |
| <b>Payments for financial assets</b>                          | <b>-</b>        | <b>-</b>       | <b>20</b>      | <b>-</b>               | <b>-</b>                | <b>-</b>                       | <b>-</b>                         | <b>-</b>       | <b>-</b>       | <b>-</b>                | <b>-</b>                       |
| <b>Total</b>  | <b>484 330</b>  | <b>437 650</b> | <b>439 765</b> | <b>465 267</b>         | <b>-1.3%</b>            | <b>100.0%</b>                  | <b>458 598</b>                   | <b>475 744</b> | <b>497 977</b> | <b>2.3%</b>             | <b>100.0%</b>                  |
| Proportion of total programme expenditure to vote expenditure | 8.3%            | 7.2%           | 6.6%           | 7.3%                   | -                       | -                              | 7.2%                             | 7.1%           | 7.1%           | -                       | -                              |
| <b>Details of transfers and subsidies</b>                     |                 |                |                |                        |                         |                                |                                  |                |                |                         |                                |
| Households  |                 |                |                |                        |                         |                                |                                  |                |                |                         |                                |
| Other transfers to households                                 |                 |                |                |                        |                         |                                |                                  |                |                |                         |                                |
| Current   | 244             | 40             | 73             | -                      | -100.0%                 | -                              | -                                | -              | -              | -                       | -                              |
| Claims against the state                                      | 244             | 40             | 73             | -                      | -100.0%                 | -                              | -                                | -              | -              | -                       | -                              |
| Departmental agencies and accounts                            |                 |                |                |                        |                         |                                |                                  |                |                |                         |                                |
| Departmental agencies (non-business entities)                 |                 |                |                |                        |                         |                                |                                  |                |                |                         |                                |
| Current   | 316 365         | 253 545        | 251 331        | 258 623                | -6.5%                   | 59.1%                          | 241 759                          | 252 294        | 266 642        | 1.0%                    | 53.7%                          |
| Marine Living Resources Fund                                  | 316 365         | 253 545        | 251 331        | 258 623                | -6.5%                   | 59.1%                          | 241 759                          | 252 294        | 266 642        | 1.0%                    | 53.7%                          |
| Households  |                 |                |                |                        |                         |                                |                                  |                |                |                         |                                |
| Social benefits   |                 |                |                |                        |                         |                                |                                  |                |                |                         |                                |
| Current   | 1 043           | 545            | 340            | -                      | -100.0%                 | 0.1%                           | -                                | -              | -              | -                       | -                              |
| Employee social benefits                                      | 1 043           | 545            | 340            | -                      | -100.0%                 | 0.1%                           | -                                | -              | -              | -                       | -                              |

## Personnel information

**Table 24.17 Fisheries personnel numbers and cost by salary level<sup>1</sup> prior to Cabinet approved reduction, effective from 2017/18<sup>2</sup>; budget reductions and aggregate baseline total**

| Fisheries    | Number of posts estimated for 31 March 2016 |   | Number and cost <sup>3</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 (%) |                   |     |   |        |
|              |   |   | 2014/15  |           | 2015/16          |      |           | 2016/17                          |      | 2017/18   |        | 2018/19 |           |                         |                                 | 2015/16 - 2018/19 |     |   |        |
|              |   |   | Number   | Unit Cost | Number           | Cost | Unit Cost | Number                           | Cost | Unit Cost | Number | Cost    | Unit Cost |                         |                                 |                   |     |   |        |
| Salary level | 581   | 20  | 490  | 188.0     | 0.4              | 561  | 206.6     | 0.4                              | 561  | 216.8     | 0.4    | 561     | 239.4     | 0.4                     | 561                             | 256.1             | 0.5 | - | 100.0% |
| 1 - 6        | 122   | 19  | 90   | 18.9      | 0.2              | 103  | 21.0      | 0.2                              | 103  | 22.0      | 0.2    | 103     | 24.3      | 0.2                     | 103                             | 26.0              | 0.3 | - | 18.4%  |
| 7 - 10       | 377   | -   | 335  | 117.9     | 0.4              | 377  | 116.6     | 0.3                              | 377  | 122.3     | 0.3    | 377     | 134.9     | 0.4                     | 377                             | 144.4             | 0.4 | - | 67.2%  |

**Table 24.17 Fisheries personnel numbers and cost by salary level<sup>1</sup> prior to Cabinet approved reduction, effective from 2017/18<sup>2</sup>; budget reductions and aggregate baseline total**

| Number of posts estimated for 31 March 2016 |   | Number and cost <sup>3</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 (%) |                   |          |          |           |
|   |   | 2014/15  |            |              | 2015/16          |            |              | 2016/17                          |            | 2017/18      |            | 2018/19  |              |                         |                                 | 2015/16 - 2018/19 |          |          |           |
|   |   | Number   | Cost       | Unit Cost    | Number           | Cost       | Unit Cost    | Number                           | Cost       | Unit Cost    | Number     | Cost     | Unit Cost    |                         |                                 |                   | Number   | Cost     | Unit Cost |
| Fisheries                                   |   |  |            |              |                  |            |              |                                  |            |              |            |          |              |                         |                                 |                   |          |          |           |
| 11 – 12                                     | 64  | –  | 52         | 37.9         | 0.7              | 64         | 47.9         | 0.7                              | 64         | 50.3         | 0.8        | 64       | 55.5         | 0.9                     | 64                              | 59.4              | 0.9      | –        | 11.4%     |
| 13 – 16                                     | 18  | 1  | 13         | 13.3         | 1.0              | 17         | 21.2         | 1.2                              | 17         | 22.3         | 1.3        | 17       | 24.6         | 1.4                     | 17                              | 26.3              | 1.5      | –        | 3.0%      |
| Reduction                                   | –   | –  | –          | –            | –                | –          | –            | –                                | –          | –            | –          | –        | (15.9)       | –                       | –                               | (24.8)            | –        | –        | –         |
| <b>Total</b>                                | <b>581</b>                                      | <b>20</b>  | <b>490</b> | <b>188.0</b> | <b>0.4</b>       | <b>561</b> | <b>206.6</b> | <b>0.4</b>                       | <b>561</b> | <b>216.8</b> | <b>0.4</b> | <b>–</b> | <b>223.5</b> | <b>–</b>                | <b>–</b>                        | <b>231.3</b>      | <b>–</b> | <b>–</b> | <b>–</b>  |

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

2. This programme's compensation of employees budget has been reduced by R40.7 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

## Entities

### Agricultural Research Council

#### Mandate

The Agricultural Research Council was established in terms of the Agricultural Research Act (1990) and is the main agricultural research institution in South Africa. In terms of the act, the council's primary mandate 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 the conservation of natural resources.

#### Selected performance indicators

**Table 24.18 Agricultural Research Council performance indicators by programme/objective/activity and related outcome**

| Indicator  | Programme/Objective/Activity                | Outcome  | Past           |                |                | Current | Projections |         |         |
|--|---|--|----------------|----------------|----------------|---------|-------------|---------|---------|
|  |   |  | 2012/13        | 2013/14        | 2014/15        | 2015/16 | 2016/17     | 2017/18 | 2018/19 |
| Number of peer reviewed scientific publications per year | Crop production, improvement and protection | Outcome 7: Comprehensive rural development and land reform | 87             | 90             | 110            | 94      | 105         | 132     | 131     |
| Number of cultivars registered per year                  | Crop production, improvement and protection |  | 12             | 13             | 12             | 12      | 16          | 17      | 17      |
| Number of peer reviewed scientific publications per year | Animal health, improvement and protection   |  | 84             | 75             | 92             | 90      | 98          | 107     | 117     |
| Number of peer reviewed scientific publications per year | Natural resource management                 |  | 65             | 54             | 109            | 79      | 85          | 94      | 103     |
| Number of peer reviewed scientific publications per year | Mechanisation and engineering               |  | 1              | 0 <sup>1</sup> | 3              | 7       | 8           | 9       | 10      |
| Number of peer reviewed scientific publications per year | Agro-processing, food technology and safety |  | 24             | 22             | 15             | 35      | 38          | 43      | 48      |
| Number of peer reviewed scientific publications per year | Smallholder Agricultural development        |  | 7              | 1              | 0 <sup>1</sup> | 4       | 8           | 8       | 9       |
| Number of smallholder farmers/clients supported per year | Smallholder agricultural development        |  | 6 107          | 6 248          | 7 000          | 1 506   | 1 647       | 1 818   | 2 014   |
| Number of farmers trained per year                       | Training and extension                      |  | 5 389          | 9 189          | 8 500          | 10 947  | 11 319      | 11 800  | 12 179  |
| Number of extension officers trained per year            | Training and extension                      |  | – <sup>2</sup> | – <sup>2</sup> | – <sup>2</sup> | 613     | 636         | 669     | 709     |

1. Target was not achieved in these years.

2. No historical data is available as this indicator was introduced in 2015/16.

#### Expenditure analysis

The Agricultural Research Council contributes to the achievement of the national development plan's vision of improved productivity, competitiveness and sustainability for animal and crop production; national biodiversity and the integrity of the ecosystem; and an increased number of smallholder farmers who have access to agriculture technologies and extension services. In line with this, the council's focus over the medium term will be on research and development, the transfer of technology to promote the agriculture sector, and the

conservation of natural resources through promoting agro-processing to smallholder farmers. This focus also contributes to outcome 4 (decent employment through inclusive economic growth) and outcome 10 (protect and enhance our environmental assets and natural resources) of government's 2014-2019 medium term strategic framework.

The council plans to focus on research and development through the publication of a projected 1 153 scientific reports over the medium term. Approximately 50 research studies into new crop cultivars will be conducted, and these will also be registered, and the production facility for the vaccine for foot and mouth disease, which was allocated R180 million in 2012/13, will be completed. The council will encourage the conservation of natural resources such as soil by providing support in the form of conservation skills to more than 5 400 smallholder farmers by 2018/19 to ensure production efficiencies, and vibrant, equitable and sustainable rural communities, at an estimated cost of R425.8 million over the medium term. Advisory services will be provided to farmers at an estimated cost of R80.5 million over the medium term.

The council's focus on the transfer of technology to promote the agriculture sector includes initiatives carried out in the following programmes: agro-processing, food technology and safety; natural resource management; animal health improvement and protection; and crop production, improvement and protection. The council plans to train an estimated 2 000 extension officers and collaborate with universities to train smallholder farmers so that they are fully able to utilise technology in the agriculture sector, at an estimated cost of R80.5 million over the MTEF period.

The council's work is labour intensive and is carried out by 3 297 personnel. Expenditure on compensation of employees is estimated to be R2.5 billion over the medium term, reflecting 69 per cent of the council's total budget.

The council receives transfers of R2.7 billion over the medium term from the Department of Agriculture, Forestry and Fisheries, accounting for 67.5 per cent of its total revenue. Projected external income of R1.3 billion over the medium term is generated through research and development contracts, the sale of farm products, and royalties, increasing at an average annual rate of 5.8 per cent, from R413.6 million in 2015/16 to R489.1 million in 2018/19. This projected growth is due to an expected increase in the number of scientific agricultural research studies conducted for clients such as the Department of Rural Development and Land Reform, and an operational allocation of R124 million over the medium term from the Department of Science and Technology.

## Programmes/objectives/activities

**Table 24.19 Agricultural Research Council expenditure trends and estimates by programme/objective/activity**

|  | Audited outcome  |                  |                  | Revised estimate<br>2015/16 | Average growth rate (%) |               | Medium-term expenditure estimate |                  |                  | Average growth rate (%) |                   |
|--|------------------|------------------|------------------|-----------------------------|-------------------------|---------------|----------------------------------|------------------|------------------|-------------------------|-------------------|
|  | 2012/13          | 2013/14          | 2014/15          |                             | 2012/13                 | 2015/16       | 2016/17                          | 2017/18          | 2018/19          | 2015/16 - 2018/19       | 2015/16 - 2018/19 |
| R thousand                                   |                  |                  |                  |                             |                         |               |                                  |                  |                  |                         |                   |
| Administration                               | 188 528          | 165 076          | 172 475          | 168 623                     | -3.7%                   | 15.2%         | 170 232                          | 190 535          | 199 025          | 5.7%                    | 15.2%             |
| Crop production, improvement and protection  | 216 060          | 287 156          | 292 941          | 282 342                     | 9.3%                    | 23.3%         | 292 911                          | 324 281          | 342 181          | 6.6%                    | 26.0%             |
| Animal health, improvement and protection    | 226 312          | 283 899          | 288 865          | 227 647                     | 0.2%                    | 22.1%         | 234 127                          | 288 767          | 304 858          | 10.2%                   | 22.0%             |
| Natural resource management                  | 169 038          | 212 969          | 175 713          | 140 305                     | -6.0%                   | 15.1%         | 144 942                          | 163 316          | 175 118          | 7.7%                    | 13.0%             |
| Mechanisation and engineering                | –                | 14 902           | 14 293           | 15 914                      | –                       | 0.9%          | 16 366                           | 18 790           | 19 880           | 7.7%                    | 1.5%              |
| Agro-processing, food technology and safety  | 171 079          | 60 604           | 59 735           | 47 837                      | -34.6%                  | 7.7%          | 49 197                           | 56 482           | 59 899           | 7.8%                    | 4.5%              |
| Smallholder agricultural development         | –                | 59 172           | 137 245          | 125 088                     | –                       | 6.7%          | 125 351                          | 145 123          | 155 372          | 7.5%                    | 11.5%             |
| Agricultural economics and commercialisation | –                | 32 416           | 31 089           | 44 613                      | –                       | 2.3%          | 45 882                           | 52 676           | 55 849           | 7.8%                    | 4.2%              |
| Training and extension                       | –                | 18 486           | 17 740           | 23 327                      | –                       | 1.3%          | 23 990                           | 27 543           | 29 047           | 7.6%                    | 2.2%              |
| Other projects                               | 44 317           | 92 242           | 134 953          | –                           | -100.0%                 | 5.5%          | –                                | –                | –                | –                       | –                 |
| <b>Total</b>                                 | <b>1 015 334</b> | <b>1 226 923</b> | <b>1 325 050</b> | <b>1 075 694</b>            | <b>1.9%</b>             | <b>100.0%</b> | <b>1 103 000</b>                 | <b>1 267 513</b> | <b>1 341 229</b> | <b>7.6%</b>             | <b>100.0%</b>     |

## Statements of historical financial performance and position

**Table 24.20 Agricultural Research Council statements of historical financial performance and position**

| Statement of financial performance                   |           |                 |           |                 |           |                 |                 |                  |                            |
|--|-----------|-----------------|-----------|-----------------|-----------|-----------------|-----------------|------------------|----------------------------|
|  | Budget    | Audited outcome | Budget    | Audited outcome | Budget    | Audited outcome | Budget estimate | Revised estimate | Outcome/Budget Average (%) |
| R thousand   | 2012/13   |                 | 2013/14   |                 | 2014/15   |                 | 2015/16         |                  | 2012/13 - 2015/16          |
| <b>Revenue</b>                                       |           |                 |           |                 |           |                 |                 |                  |                            |
| <b>Non-tax revenue</b>                               | 323 555   | 356 527         | 356 822   | 496 851         | 391 211   | 439 094         | 413 627         | 413 627          | 114.9%                     |
| Sale of goods and services other than capital assets | 308 137   | 317 858         | 332 013   | 447 323         | 364 785   | 386 471         | 386 672         | 386 672          | 110.5%                     |
| <i>of which:</i>                                     |           |                 |           |                 |           |                 |                 |                  |                            |
| <i>Sales by market establishment</i>                 | 308 137   | 317 858         | 332 013   | 447 323         | 364 785   | 386 471         | 386 672         | 386 672          | 110.5%                     |
| Other non-tax revenue                                | 15 418    | 38 669          | 24 809    | 49 528          | 26 426    | 52 623          | 26 955          | 26 955           | 179.2%                     |
| <b>Transfers received</b>                            | 869 592   | 747 384         | 888 430   | 865 755         | 956 785   | 919 261         | 760 053         | 744 678          | 94.3%                      |
| <b>Total revenue</b>                                 | 1 193 147 | 1 103 911       | 1 245 252 | 1 362 606       | 1 347 996 | 1 358 354       | 1 173 679       | 1 158 305        | 100.5%                     |
| <b>Expenses</b>                                      |           |                 |           |                 |           |                 |                 |                  |                            |
| <b>Current expenses</b>                              | 1 014 507 | 1 015 333       | 1 128 599 | 1 226 923       | 1 269 085 | 1 325 050       | 1 075 694       | 1 075 694        | 103.5%                     |
| Compensation of employees                            | 586 007   | 611 756         | 663 484   | 685 235         | 738 854   | 760 364         | 779 300         | 779 300          | 102.5%                     |
| Goods and services                                   | 403 714   | 379 763         | 431 561   | 511 237         | 496 687   | 517 669         | 261 394         | 261 394          | 104.8%                     |
| Depreciation   | 24 786    | 23 794          | 33 548    | 30 374          | 33 544    | 47 017          | 35 000          | 35 000           | 107.3%                     |
| Interest, dividends and rent on land                 | –         | 21              | 6         | 76              | –         | –               | –               | –                | 1 573.5%                   |
| <b>Total expenses</b>                                | 1 014 507 | 1 015 333       | 1 128 599 | 1 226 923       | 1 269 085 | 1 325 050       | 1 075 694       | 1 075 694        | 103.5%                     |
| <b>Surplus/(Deficit)</b>                             | 178 639   | 88 578          | 116 653   | 135 683         | 78 911    | 33 305          | 97 985          | 82 611           | –                          |
| <b>Statement of financial position</b>               |           |                 |           |                 |           |                 |                 |                  |                            |
| Carrying value of assets                             | 896 640   | 783 827         | 1 116 000 | 880 124         | 992 281   | 941 883         | 991 821         | 991 821          | 90.0%                      |
| <i>Acquisition of assets</i>                         | (146 227) | (110 990)       | (109 081) | (146 446)       | (150 384) | (111 104)       | (82 610)        | (141 028)        | 104.4%                     |
| Investments  | 2 150     | 3 849           | 2 032     | 4 328           | 2 032     | 5 262           | 4 328           | 4 328            | 168.5%                     |
| Inventory  | 12 408    | 10 438          | 13 179    | 18 869          | 13 904    | 12 416          | 14 668          | 14 668           | 104.1%                     |
| Receivables and prepayments                          | 78 548    | 77 018          | 86 845    | 122 243         | 93 621    | 113 971         | 98 771          | 98 771           | 115.2%                     |
| Cash and cash equivalents                            | 250 164   | 496 724         | 128 000   | 480 212         | 401 521   | 508 236         | 316 856         | 316 856          | 164.3%                     |
| <b>Total assets</b>                                  | 1 239 909 | 1 372 340       | 1 346 055 | 1 505 775       | 1 503 358 | 1 581 768       | 1 426 444       | 1 426 444        | 106.7%                     |
| Accumulated surplus/(deficit)                        | 865 135   | 719 958         | 917 227   | 855 641         | 875 841   | 888 947         | 876 314         | 888 948          | 94.9%                      |
| Capital and reserves                                 | 111 032   | 2 368           | 111 274   | 2 368           | 2 368     | 2 632           | 2 368           | 2 368            | 4.3%                       |
| Capital reserve fund                                 | –         | 109 594         | –         | 109 593         | 109 593   | 109 593         | 109 593         | 109 593          | 200.0%                     |
| Accrued interest                                     | 1         | –               | –         | –               | –         | –               | –               | –                | –                          |
| Deferred income                                      | 43 860    | 192 597         | 74 321    | 192 597         | 192 597   | 192 597         | 192 597         | 192 597          | 153.0%                     |
| Trade and other payables                             | 128 347   | 226 668         | 174 140   | 228 646         | 247 970   | 267 718         | 176 502         | 163 868          | 122.0%                     |
| Taxation   | –         | 13 984          | –         | 7 802           | –         | 12 788          | –               | –                | –                          |
| Provisions   | 74 536    | 107 172         | 69 094    | 109 127         | 74 989    | 107 493         | 69 071          | 69 071           | 136.6%                     |
| <b>Total equity and liabilities</b>                  | 1 222 911 | 1 372 341       | 1 346 055 | 1 505 774       | 1 503 358 | 1 581 768       | 1 426 445       | 1 426 445        | 107.0%                     |

## Statements of estimates of financial performance and position

**Table 24.21 Agricultural Research Council statements of estimates of financial performance and position**

| Statement of financial performance                   |                  |                         |                                |                      |           |           |                         |                                |  |
|--|------------------|-------------------------|--------------------------------|----------------------|-----------|-----------|-------------------------|--------------------------------|--|
|  | Revised estimate | Average growth rate (%) | Expenditure/Total: Average (%) | Medium-term estimate |           |           | Average growth rate (%) | Expenditure/Total: Average (%) |  |
| R thousand   | 2015/16          | 2012/13 - 2015/16       |                                | 2016/17              | 2017/18   | 2018/19   | 2015/16 - 2018/19       |                                |  |
| <b>Revenue</b>                                       |                  |                         |                                |                      |           |           |                         |                                |  |
| <b>Non-tax revenue</b>                               | 413 627          | 5.1%                    | 34.2%                          | 437 365              | 462 507   | 489 135   | 5.7%                    | 35.1%                          |  |
| Sale of goods and services other than capital assets | 386 672          | 6.8%                    | 30.9%                          | 409 871              | 434 464   | 460 531   | 6.0%                    | 33.0%                          |  |
| <i>of which:</i>                                     |                  |                         |                                |                      |           |           |                         |                                |  |
| <i>Sales by market establishment</i>                 | 386 672          | 6.8%                    | 30.9%                          | 409 871              | 434 464   | 460 531   | 6.0%                    | 33.0%                          |  |
| Other non-tax revenue                                | 26 955           | -11.3%                  | 3.3%                           | 27 494               | 28 043    | 28 604    | 2.0%                    | 2.2%                           |  |
| <b>Transfers received</b>                            | 744 678          | -0.1%                   | 65.8%                          | 752 622              | 896 344   | 948 001   | 8.4%                    | 64.9%                          |  |
| <b>Total revenue</b>                                 | 1 158 305        | 1.6%                    | 100.0%                         | 1 189 988            | 1 358 851 | 1 437 136 | 7.5%                    | 100.0%                         |  |
| <b>Expenses</b>                                      |                  |                         |                                |                      |           |           |                         |                                |  |
| <b>Current expenses</b>                              | 1 075 694        | 1.9%                    | 100.0%                         | 1 103 000            | 1 267 513 | 1 341 229 | 7.6%                    | 99.3%                          |  |
| Compensation of employees                            | 779 300          | 8.4%                    | 61.5%                          | 818 265              | 859 178   | 902 137   | 5.0%                    | 70.4%                          |  |
| Goods and services                                   | 261 394          | -11.7%                  | 35.6%                          | 247 735              | 369 335   | 397 984   | 15.0%                   | 26.4%                          |  |
| Depreciation   | 35 000           | 13.7%                   | 2.9%                           | 37 000               | 39 000    | 41 108    | 5.5%                    | 3.2%                           |  |
| <b>Total expenses</b>                                | 1 075 694        | 1.9%                    | 100.0%                         | 1 103 000            | 1 267 513 | 1 341 229 | 7.6%                    | 100.0%                         |  |
| <b>Surplus/(Deficit)</b>                             | 82 611           | –                       | –                              | 86 988               | 91 338    | 95 906    | 5.1%                    | –                              |  |
| <b>Statement of financial position</b>               |                  |                         |                                |                      |           |           |                         |                                |  |
| Carrying value of assets                             | 991 821          | 8.2%                    | 61.2%                          | 1 103 978            | 1 155 689 | 1 210 487 | 6.9%                    | 70.8%                          |  |
| <i>of which:</i>                                     |                  |                         |                                |                      |           |           |                         |                                |  |
| <i>Acquisition of assets</i>                         | (141 028)        | 8.3%                    | -8.7%                          | (86 987)             | (91 338)  | (95 906)  | -12.1%                  | -6.7%                          |  |
| Investments  | 4 328            | 4.0%                    | 0.3%                           | 4 328                | 4 328     | 4 328     | –                       | 0.3%                           |  |
| Inventory  | 14 668           | 12.0%                   | 1.0%                           | 15 402               | 16 480    | 16 480    | 4.0%                    | 1.0%                           |  |
| Receivables and prepayments                          | 98 771           | 8.6%                    | 7.0%                           | 103 342              | 115 952   | 103 952   | 1.7%                    | 6.7%                           |  |
| Cash and cash equivalents                            | 316 856          | -13.9%                  | 30.6%                          | 285 741              | 360 777   | 371 907   | 5.5%                    | 21.2%                          |  |
| <b>Total assets</b>                                  | 1 426 444        | 1.3%                    | 100.0%                         | 1 512 791            | 1 653 226 | 1 707 154 | 6.2%                    | 100.0%                         |  |

**Table 24.21 Agricultural Research Council statements of estimates of financial performance and position**

| Statement of financial position     | Revised estimate | Average growth rate (%) | Expenditure/Total: Average (%) | Medium-term estimate |                   |                  | Average growth rate (%) | Expenditure/Total: Average (%) |
|-------------------------------------|------------------|-------------------------|--------------------------------|----------------------|-------------------|------------------|-------------------------|--------------------------------|
|                                     |                  |                         |                                | 2015/16              | 2012/13 - 2015/16 | 2016/17          |                         |                                |
| R thousand                          |                  |                         |                                |                      |                   |                  |                         |                                |
| Accumulated surplus/(deficit)       | 888 948          | 7.3%                    | 57.0%                          | 975 936              | 1 067 274         | 1 163 180        | 9.4%                    | 64.9%                          |
| Capital and reserves                | 2 368            | –                       | 0.2%                           | 2 368                | 2 368             | 2 368            | –                       | 0.2%                           |
| Capital reserve fund                | 109 593          | -0.0%                   | 7.5%                           | 109 593              | 109 593           | 109 593          | –                       | 7.0%                           |
| Deferred income                     | 192 597          | –                       | 13.1%                          | 192 597              | 192 597           | 192 597          | –                       | 12.3%                          |
| Trade and other payables            | 163 868          | -10.2%                  | 15.0%                          | 164 225              | 209 468           | 167 489          | 0.7%                    | 11.2%                          |
| Provisions                          | 69 071           | -13.6%                  | 6.7%                           | 68 072               | 71 927            | 71 927           | 1.4%                    | 4.5%                           |
| <b>Total equity and liabilities</b> | <b>1 426 445</b> | <b>1.3%</b>             | <b>100.0%</b>                  | <b>1 512 791</b>     | <b>1 653 227</b>  | <b>1 707 154</b> | <b>11.5%</b>            | <b>100.0%</b>                  |

## Personnel information

**Table 24.22 Agricultural Research Council personnel numbers and cost by salary level<sup>1</sup>**

| Number of posts estimated for 31 March 2016 |   | 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 (%) |           |     |      |        |
|   |   | 2014/15  |       | 2015/16   |                  | 2016/17 |           | 2017/18                          |       | 2018/19   |        | 2015/16 - 2018/19 |           |                         |                                 |           |     |      |        |
| Agricultural Research Council               |   | Number   | Cost  | Unit Cost | Number           | Cost    | Unit Cost | Number                           | Cost  | Unit Cost | Number | Cost              | Unit Cost | Number                  | Cost                            | Unit Cost |     |      |        |
| Salary level                                | 3 297                                     | 3 297  | 3 426 | 760.4     | 0.2              | 3 297   | 779.3     | 0.2                              | 3 297 | 818.3     | 0.2    | 3 297             | 859.2     | 0.3                     | 3 297                           | 902.1     | 0.3 | 5.0% | 100.0% |
| 1 – 6                                       | 1 974                                     | 1 974  | 2 060 | 207.6     | 0.1              | 1 974   | 214.6     | 0.1                              | 1 974 | 225.4     | 0.1    | 1 974             | 236.6     | 0.1                     | 1 974                           | 248.5     | 0.1 | 5.0% | 59.9%  |
| 7 – 10                                      | 1 061                                     | 1 061  | 1 104 | 365.8     | 0.3              | 1 061   | 368.6     | 0.3                              | 1 061 | 387.0     | 0.4    | 1 061             | 406.4     | 0.4                     | 1 061                           | 426.7     | 0.4 | 5.0% | 32.2%  |
| 11 – 12                                     | 182                                       | 182  | 182   | 106.3     | 0.6              | 182     | 111.7     | 0.6                              | 182   | 117.2     | 0.6    | 182               | 123.1     | 0.7                     | 182                             | 129.3     | 0.7 | 5.0% | 5.5%   |
| 13 – 16                                     | 77  | 77   | 77    | 74.2      | 1.0              | 77      | 77.6      | 1.0                              | 77    | 81.5      | 1.1    | 77                | 85.6      | 1.1                     | 77                              | 89.9      | 1.2 | 5.0% | 2.3%   |
| 17 – 22                                     | 3   | 3  | 3     | 6.4       | 2.1              | 3       | 6.8       | 2.3                              | 3     | 7.1       | 2.4    | 3                 | 7.5       | 2.5                     | 3                               | 7.8       | 2.6 | 5.0% | 0.1%   |

<sup>1</sup> Rand million.

## Marine Living Resources Fund

### Mandate

The Marine Living Resources Fund is a schedule 3 A public, entity that operates as a branch within the Department of Agriculture, Forestry and Fisheries. It 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, and to protect the integrity and quality of the marine ecosystem. The fund also ensures fair and equitable access to the country's marine resources for the benefit of all citizens.

### Selected performance indicators

**Table 24.23 Marine Living Resources Fund performance indicators by programme/objective/activity and related outcome**

| Indicator  | Programme/Objective/Activity            | Outcome  | Past           |                |                | Current | Projections |         |         |
|--|---|--|----------------|----------------|----------------|---------|-------------|---------|---------|
|  |   |  | 2012/13        | 2013/14        | 2014/15        |         | 2015/16     | 2016/17 | 2017/18 |
| Number of job opportunities in the Working for Fisheries programme per year  | Administration                          |  | 1 100          | 1 100          | 1 250          | 535     | 600         | 558     | 558     |
| Number of aquaculture catalyst projects supported under Operation Phakisa per year   | Aquaculture and economic development    | Outcome 4: Decent employment through inclusive economic growth                 | 5              | 10             | 10             | 4       | 8           | 4       | 4       |
| Number of aquaculture research projects conducted per year   | Aquaculture and economic development    |  | – <sup>1</sup> | – <sup>1</sup> | 1              | 2       | 2           | 2       | 2       |
| Number of fisheries security inspections conducted per year  | Monitoring, compliance and surveillance |  | – <sup>1</sup> | – <sup>1</sup> | – <sup>1</sup> | 26      | 30          | 33      | 35      |
| Number of enforcement and compliance inspections in the 4 prioritised fisheries sectors (hake, abalone, rock lobster and line fish) per year | Monitoring, compliance and surveillance | Outcome 10: Protect and enhance our environmental assets and natural resources | – <sup>1</sup> | – <sup>1</sup> | 4 598          | 4 548   | 4 548       | 4 548   |         |

<sup>1</sup> No historical data is available as these indicators were not measured in the respective years.

## Expenditure analysis

The focus of the Marine Living Resources Fund over the medium term will be on: performing enforcement and compliance operations in prioritised fisheries sectors such as hake, abalone, rock lobster and line fish; enabling better protection of South Africa's natural resources; creating jobs in coastal and rural communities; and broadening the scope of the aquaculture sector. This is in line with outcome 4 (decent employment through inclusive economic growth) and outcome 10 (protect and enhance our environmental assets and natural resources) of government's 2014-2019 medium term strategic framework.

The Working for Fisheries projects in the expanded public works programme entail resource management initiatives that employ ecosystem approaches to fisheries and aquaculture by encouraging communities to manage and conserve their aquatic environments responsibly. In line with the vision of the national development plan, these projects are expected to result in the creation of 1 716 job opportunities by 2018/19 in the fisheries sector, as well as environmental sustainability in rural coastal communities as part of sustaining South Africa's ecosystems and using natural resources efficiently. The projects are allocated R224.8 million over the medium term.

The fund aims to conduct 13 644 monitoring, compliance and surveillance inspections by 2018/19 through the use of research vessels, and increased fishery patrols and visibility. It further plans to conduct 98 fishery security inspections; allocate fishing rights in 10 commercial sectors in 2016/17; include small scale fisheries in rural coastal communities in the economy in order to alleviate poverty, and create jobs, livelihood opportunities, and food security; and conduct annual research surveys that will inform set limits for the number of fish allowed to be caught and the level of effort put into fishing activities in all 22 commercial fishery sectors. To carry out these initiatives, R349 million over the medium term is allocated to the maintenance of research and patrol vessels in the monitoring, compliance and surveillance programme.

Catalytic aquaculture projects support the establishment of hatcheries, the revitalisation of existing fish ponds, and the broadening of the scope of the aquaculture sector by encouraging small fish farmers to participate in aquaculture projects through Operation Phakisa, an initiative conceived to unlock the economic potential of South Africa's oceans. This will enable small fish farmers to acquire aquaculture production skills and increase production as they will have access to more hatcheries and fully functional fish ponds. The fund expects to spend R20 million over the medium term to support 16 catalytic aquaculture projects through Operation Phakisa. The aquaculture and economic development programme has an allocation of R75 million over the medium term, reflecting 5.6 per cent of the fund's total budget.

## Programmes/objectives/activities

**Table 24.24 Marine Living Resources Fund expenditure trends and estimates by programme/objective/activity**

|   | Audited outcome |                |                | Revised estimate | Average growth rate (%) | Expenditure/Total: Average (%) | Medium-term expenditure estimate |                |                | Average growth rate (%) | Expenditure/Total: Average (%) |
|---|-----------------|----------------|----------------|------------------|-------------------------|--------------------------------|----------------------------------|----------------|----------------|-------------------------|--------------------------------|
|   | 2012/13         | 2013/14        | 2014/15        |                  |                         |                                | 2015/16                          | 2016/17        | 2017/18        |                         |                                |
| R thousand                              |                 |                |                |                  |                         |                                |                                  |                |                |                         |                                |
| Administration                          | 59 187          | 21 016         | 129 687        | 147 691          | 35.6%                   | 21.3%                          | 137 094                          | 143 825        | 151 866        | 0.9%                    | 31.8%                          |
| Marine resources management             | 5 381           | 12 343         | 14 520         | 40 709           | 96.3%                   | 4.0%                           | 46 471                           | 48 708         | 51 321         | 8.0%                    | 10.3%                          |
| Aquaculture and economic development    | 88 780          | 144 604        | 17 747         | 21 755           | -37.4%                  | 18.6%                          | 23 554                           | 24 687         | 26 011         | 6.1%                    | 5.3%                           |
| Marine resources research               | 56 494          | 122 714        | 153 019        | 137 992          | 34.7%                   | 27.7%                          | 103 690                          | 108 104        | 114 113        | -6.1%                   | 25.3%                          |
| Monitoring, compliance and surveillance | 59 187          | 136 132        | 134 069        | 152 040          | 37.0%                   | 28.4%                          | 111 069                          | 115 742        | 122 195        | -7.0%                   | 27.3%                          |
| <b>Total</b>                            | <b>269 029</b>  | <b>436 809</b> | <b>449 042</b> | <b>500 187</b>   | <b>23.0%</b>            | <b>100.0%</b>                  | <b>421 878</b>                   | <b>441 066</b> | <b>465 506</b> | <b>-2.4%</b>            | <b>100.0%</b>                  |

## Statements of historical financial performance and position

### Table 24.25 Marine Living Resources Fund statements of historical financial performance and position

| Statement of financial performance                   |          |                 |          |                 |          |                 |                 |                  |                            |
|--|----------|-----------------|----------|-----------------|----------|-----------------|-----------------|------------------|----------------------------|
|  | Budget   | Audited outcome | Budget   | Audited outcome | Budget   | Audited outcome | Budget estimate | Revised estimate | Outcome/Budget Average (%) |
| R thousand   | 2012/13  |                 | 2013/14  |                 | 2014/15  |                 | 2015/16         |                  | 2012/13 - 2015/16          |
| <b>Revenue</b>                                       |          |                 |          |                 |          |                 |                 |                  |                            |
| <b>Non-tax revenue</b>                               | 170 138  | 146 189         | 137 251  | 143 157         | 140 000  | 145 019         | 156 142         | 149 450          | 96.7%                      |
| Sale of goods and services other than capital assets | 143 138  | 134 141         | 115 500  | 125 484         | 108 000  | 131 354         | 127 642         | 103 500          | 100.0%                     |
| <i>of which:</i>                                     |          |                 |          |                 |          |                 |                 |                  |                            |
| Administrative fees                                  | 108 138  | 112 945         | 105 500  | 104 988         | 108 000  | 104 246         | 109 642         | 103 500          | 98.7%                      |
| Other sales  | 35 000   | 21 196          | 10 000   | 20 496          | -        | 27 108          | 18 000          | -                | 109.2%                     |
| Other non-tax revenue                                | 27 000   | 12 048          | 21 751   | 17 673          | 32 000   | 13 665          | 28 500          | 45 950           | 81.8%                      |
| <b>Transfers received</b>                            | 269 306  | 127 059         | 258 628  | 284 978         | 251 331  | 297 905         | 258 623         | 350 737          | 102.2%                     |
| <b>Total revenue</b>                                 | 439 444  | 273 248         | 395 879  | 428 135         | 391 331  | 442 924         | 414 765         | 500 187          | 100.2%                     |
| <b>Expenses</b>                                      |          |                 |          |                 |          |                 |                 |                  |                            |
| <b>Current expenses</b>                              | 439 444  | 269 029         | 395 879  | 436 809         | 391 331  | 449 042         | 526 081         | 500 187          | 94.4%                      |
| Goods and services                                   | 404 644  | 237 812         | 367 879  | 404 955         | 361 331  | 418 154         | 494 581         | 468 687          | 93.9%                      |
| Depreciation   | 34 800   | 31 217          | 28 000   | 31 854          | 30 000   | 30 888          | 31 500          | 31 500           | 100.9%                     |
| <b>Total expenses</b>                                | 439 444  | 269 029         | 395 879  | 436 809         | 391 331  | 449 042         | 526 081         | 500 187          | 94.4%                      |
| <b>Surplus/(Deficit)</b>                             | -        | 4 219           | -        | (8 674)         | -        | (6 118)         | (111 316)       | -                | -                          |
| <b>Statement of financial position</b>               |          |                 |          |                 |          |                 |                 |                  |                            |
| Carrying value of assets                             | 345 876  | 437 532         | 430 116  | 417 082         | 411 205  | 389 282         | 373 082         | 364 834          | 103.1%                     |
| Acquisition of assets                                | (16 300) | (6 950)         | (17 680) | (11 416)        | (14 000) | (3 149)         | (11 000)        | (7 050)          | 48.4%                      |
| Inventory  | -        | 3 690           | -        | 17 804          | -        | 30 895          | -               | 20 895           | -                          |
| Receivables and prepayments                          | 12 000   | 13 710          | 12 000   | 15 427          | 14 065   | 27 590          | 10 824          | 20 000           | 156.9%                     |
| Cash and cash equivalents                            | 71 000   | 260 630         | 57 351   | 235 148         | 66 000   | 162 836         | 94 570          | 80 868           | 255.9%                     |
| <b>Total assets</b>                                  | 428 876  | 715 562         | 499 467  | 685 461         | 491 270  | 610 603         | 478 476         | 486 597          | 131.6%                     |
| Accumulated surplus/(deficit)                        | 393 505  | 474 880         | 470 490  | 468 536         | 474 883  | 462 420         | 464 478         | 462 422          | 103.6%                     |
| Capital reserve fund                                 | -        | 193 790         | -        | 2 102           | -        | 1 845           | -               | 1 345            | -                          |
| Deferred income                                      | 5 371    | 2 766           | -        | 163 877         | 1 387    | 118 008         | 498             | -                | 3 923.0%                   |
| Trade and other payables                             | 30 000   | 44 126          | 28 977   | 50 946          | 15 000   | 28 330          | 13 500          | 22 830           | 167.2%                     |
| <b>Total equity and liabilities</b>                  | 428 876  | 715 562         | 499 467  | 685 461         | 491 270  | 610 603         | 478 476         | 486 597          | 131.6%                     |

## Statements of estimates of financial performance and position

### Table 24.26 Marine Living Resources Fund statements of estimates of financial performance and position

| Statement of financial performance                   |                  |                         |                                |                      |         |          |                         |                                |
|--|------------------|-------------------------|--------------------------------|----------------------|---------|----------|-------------------------|--------------------------------|
|  | Revised estimate | Average growth rate (%) | Expenditure/Total: Average (%) | Medium-term estimate |         |          | Average growth rate (%) | Expenditure/Total: Average (%) |
| R thousand   | 2015/16          | 2012/13 - 2015/16       |                                | 2016/17              | 2017/18 | 2018/19  | 2015/16 - 2018/19       |                                |
| <b>Revenue</b>                                       |                  |                         |                                |                      |         |          |                         |                                |
| <b>Non-tax revenue</b>                               | 149 450          | 0.7%                    | 37.4%                          | 180 118              | 188 771 | 198 864  | 10.0%                   | 39.5%                          |
| Sale of goods and services other than capital assets | 103 500          | -8.3%                   | 32.2%                          | 124 785              | 133 726 | 133 726  | 8.9%                    | 27.3%                          |
| <i>of which:</i>                                     |                  |                         |                                |                      |         |          |                         |                                |
| Administrative fees                                  | 103 500          | -2.9%                   | 27.5%                          | 124 785              | 133 726 | 133 726  | 8.9%                    | 27.3%                          |
| Other non-tax revenue                                | 45 950           | 56.2%                   | 5.2%                           | 55 333               | 55 045  | 65 138   | 12.3%                   | 12.2%                          |
| <b>Transfers received</b>                            | 350 737          | 40.3%                   | 62.6%                          | 241 759              | 252 294 | 266 642  | -8.7%                   | 60.5%                          |
| <b>Total revenue</b>                                 | 500 187          | 22.3%                   | 100.0%                         | 421 877              | 441 065 | 465 506  | -2.4%                   | 100.0%                         |
| <b>Expenses</b>                                      |                  |                         |                                |                      |         |          |                         |                                |
| <b>Current expenses</b>                              | 500 187          | 23.0%                   | 100.0%                         | 421 878              | 441 066 | 465 506  | -2.4%                   | 106.7%                         |
| Goods and services                                   | 468 687          | 25.4%                   | 92.0%                          | 389 878              | 409 066 | 432 507  | -2.6%                   | 92.9%                          |
| Depreciation   | 31 500           | 0.3%                    | 8.0%                           | 32 000               | 32 000  | 32 999   | 1.6%                    | 7.1%                           |
| <b>Total expenses</b>                                | 500 187          | 23.0%                   | 100.0%                         | 421 878              | 441 066 | 465 506  | -2.4%                   | 100.0%                         |
| <b>Surplus/(Deficit)</b>                             | -                | (1)                     | -                              | (1)                  | (1)     | -        | -                       | -                              |
| <b>Statement of financial position</b>               |                  |                         |                                |                      |         |          |                         |                                |
| Carrying value of assets                             | 364 834          | -5.9%                   | 65.2%                          | 340 834              | 317 834 | 294 834  | -6.9%                   | 68.9%                          |
| <i>of which:</i>                                     |                  |                         |                                |                      |         |          |                         |                                |
| Acquisition of assets                                | (7 050)          | 0.5%                    | -1.2%                          | (8 000)              | (9 000) | (10 000) | 12.4%                   | -1.8%                          |
| Inventory  | 20 895           | 78.2%                   | 3.1%                           | 10 895               | 895     | -        | -100.0%                 | 1.7%                           |
| Receivables and prepayments                          | 20 000           | 13.4%                   | 3.2%                           | 15 000               | 10 000  | 5 000    | -37.0%                  | 2.6%                           |
| Cash and cash equivalents                            | 80 868           | -32.3%                  | 28.5%                          | 113 868              | 145 868 | 168 918  | 27.8%                   | 26.8%                          |
| <b>Total assets</b>                                  | 486 597          | -12.1%                  | 100.0%                         | 480 597              | 474 597 | 468 752  | -1.2%                   | 100.0%                         |
| Accumulated surplus/(deficit)                        | 462 422          | -0.9%                   | 76.4%                          | 462 422              | 462 422 | 462 422  | -                       | 96.8%                          |
| Capital reserve fund                                 | 1 345            | -80.9%                  | 7.0%                           | 845                  | 345     | -        | -100.0%                 | 0.1%                           |
| Trade and other payables                             | 22 830           | -19.7%                  | 5.7%                           | 17 330               | 11 830  | 6 330    | -34.8%                  | 3.0%                           |
| <b>Total equity and liabilities</b>                  | 486 597          | -12.1%                  | 100.0%                         | 480 597              | 474 597 | 468 752  | -13.4.8%                | 100.0%                         |

## National Agricultural Marketing Council

### Mandate

The National Agricultural Marketing Council was established in terms of sections 3 and 4 of the Marketing of Agricultural Products Act (1996), as amended. The council is mandated to: investigate the establishment, continuation, amendment or revocation of statutory measures affecting the marketing of agricultural products; evaluate the desirability, necessity or efficiency of statutory measures; and if necessary, propose alternatives to the establishment, continuation, amendment or repeal of a statutory measure, and to report to and advise the minister accordingly.

### Selected performance indicators

**Table 24.27 National Agricultural Marketing Council performance indicators by programme/objective/activity and related outcome**

| Indicator  | Programme/Objective/Activity        | Outcome   | Past           |         |         | Current | Projections |         |         |
|--|-------------------------------------|---|----------------|---------|---------|---------|-------------|---------|---------|
|  |                                     |   | 2012/13        | 2013/14 | 2014/15 | 2015/16 | 2016/17     | 2017/18 | 2018/19 |
| Number of trade research reports published per year  | Market and economic research centre | Outcome 7:<br>Comprehensive rural development and land reform | 1              | 1       | 1       | 1       | 1           | 1       | 1       |
| Number of agro-food chain journal articles published per year  | Market and economic research centre |   | 11             | 12      | 15      | 16      | 16          | 17      | 17      |
| Number of statutory measures status reports published per year   | Statutory measures                  |   | 25             | 28      | 30      | 32      | 35          | 35      | 35      |
| Number of supply and demand estimates committee reports published per year                                 | Statutory measures                  |   | 8              | 10      | 10      | 10      | 10          | 10      | 12      |
| Number of registers of directly affected groups reports published per year                                 | Statutory measures                  |   | 1              | 1       | 1       | 1       | 1           | 1       | 1       |
| Number of status reports of agricultural trusts published per year   | Agricultural trusts                 |   | - <sup>1</sup> | 1       | 1       | 1       | 1           | 1       | 1       |
| Number of training reports on trustee capacity development published per year                              | Agricultural trusts                 |   | 1              | 1       | 1       | 1       | 1           | 1       | 1       |
| Number of Agricultural Markets Schemes Trust and Grain Farmer Development Trust reports published per year | Agricultural trusts                 |   | 1              | 2       | 2       | 2       | 2           | 2       | 2       |
| Number of agricultural marketing training programmes facilitated per year                                  | Agribusiness development            |   | 4              | 4       | 4       | 4       | 4           | 4       | 4       |
| Number of agricultural development schemes designed per year   | Agribusiness development            |   | 1              | 1       | 1       | 1       | 1           | 1       | 1       |
| Number of livestock auctions facilitated per year  | Agribusiness development            |   | 3              | 4       | 6       | 6       | 6           | 6       | 6       |

1. No historical data is available as this indicator was introduced in 2013/14.

### Expenditure analysis

The focus of the National Agricultural Marketing Council over the medium term will be on facilitating the implementation of statutory measures to promote the efficiency of the marketing of agricultural products, and linking smallholder farmers to markets. The council's focus is aligned with the national development plan's vision of eliminating poverty and reducing inequality by 2030, and contributes to outcome 7 (comprehensive rural development and land reform) of government's 2014-2019 medium term strategic framework, which encourages the growth of sustainable rural enterprises and industries to create strong rural urban links, increased investment in agro-processing, trade development, access to markets and financial services, and jobs.

Over the medium term, the council plans to link smallholder farmers to markets by facilitating 18 public livestock auctions per year; publish quarterly food price monitoring and fruit trade flow reports, 105 status reports on statutory measures, and 16 journal articles on agro-food chains; monitor input costs; improve trade and market access, and agro-food chains; conduct trade probes; and review food costs. For these activities the council plans to spend R10.6 million in 2016/17, R12.6 million in 2017/18, and R13.4 million in 2018/19. The publications that the council releases are cited widely in the press, and provide a valuable foundation for farmers and other stakeholders to make informed decisions.

The council's services are labour intensive and specialised, and entail agricultural economic research and the provision of economic advisory services. For the council to maximise its agricultural and economic research capacity and economic advisory services to help smallholder producers make informed decisions, the number of personnel is projected to grow from 70 in 2014/15 to 87 in 2018/19. As a result, expenditure on compensation of

employees is expected to account for R81 million, or 71 per cent of the council's total budget over the medium term.

The council's main source of revenue is an annual transfer from the Department of Agriculture, Forestry and Fisheries, increasing from R34.6 million in 2015/16 to R44.3 million in 2018/19, at an average annual rate of 8.6 per cent.

## Programmes/objectives/activities

**Table 24.28 National Agricultural Marketing Council expenditure trends and estimates by programme/objective/activity**

|                                      | Audited outcome |               |               | Revised estimate | Average growth rate (%) | Expenditure/ Total: Average (%) | Medium-term expenditure estimate |               |                   | Average growth rate (%) | Expenditure/ Total: Average (%) |
|--------------------------------------|-----------------|---------------|---------------|------------------|-------------------------|---------------------------------|----------------------------------|---------------|-------------------|-------------------------|---------------------------------|
|                                      | 2012/13         | 2013/14       | 2014/15       | 2015/16          | 2012/13 - 2015/16       | 2016/17                         | 2017/18                          | 2018/19       | 2015/16 - 2018/19 | 2015/16 - 2018/19       |                                 |
| R thousand                           |                 |               |               |                  |                         |                                 |                                  |               |                   |                         |                                 |
| Administration                       | 15 513          | 17 709        | 18 435        | 18 147           | 5.4%                    | 43.4%                           | 18 162                           | 21 389        | 22 592            | 7.6%                    | 51.6%                           |
| Markets and economic research centre | 13 469          | 18 802        | 10 900        | 10 221           | -8.8%                   | 31.5%                           | 10 620                           | 12 665        | 13 424            | 9.5%                    | 30.1%                           |
| Statutory measures                   | 2 214           | 2 027         | 2 153         | 2 097            | -1.8%                   | 5.3%                            | 2 159                            | 2 549         | 2 702             | 8.8%                    | 6.1%                            |
| Agricultural trusts                  | 4 006           | 5 950         | 1 216         | 1 194            | -33.2%                  | 6.8%                            | 1 250                            | 1 439         | 1 525             | 8.5%                    | 3.5%                            |
| Agribusiness development             | 3 302           | 15 408        | 3 301         | 2 976            | -3.4%                   | 13.0%                           | 2 814                            | 3 875         | 4 105             | 11.3%                   | 8.8%                            |
| <b>Total</b>                         | <b>38 504</b>   | <b>59 896</b> | <b>36 005</b> | <b>34 635</b>    | <b>-3.5%</b>            | <b>100.0%</b>                   | <b>35 005</b>                    | <b>41 917</b> | <b>44 348</b>     | <b>8.6%</b>             | <b>100.0%</b>                   |

## Statements of historical financial performance and position

**Table 24.29 National Agricultural Marketing Council statements of historical financial performance and position**

| Statement of financial performance     |               |                 |               |                 |               |                 |                 |                  |                             |
|--|---------------|-----------------|---------------|-----------------|---------------|-----------------|-----------------|------------------|-----------------------------|
|  | Budget        | Audited outcome | Budget        | Audited outcome | Budget        | Audited outcome | Budget estimate | Revised estimate | Outcome/ Budget Average (%) |
|  | 2012/13       | 2013/14         | 2013/14       | 2014/15         | 2014/15       | 2015/16         | 2015/16         | 2015/16          | 2012/13 - 2015/16           |
| R thousand                             |               |                 |               |                 |               |                 |                 |                  |                             |
| <b>Revenue</b>                         |               |                 |               |                 |               |                 |                 |                  |                             |
| Non-tax revenue                        | 700           | 5 334           | 850           | 27 473          | 900           | -               | -               | -                | 1 339.1%                    |
| Other non-tax revenue                  | 700           | 5 334           | 850           | 27 473          | 900           | -               | -               | -                | 1 339.1%                    |
| Transfers received                     | 31 115        | 31 409          | 33 819        | 33 819          | 36 005        | 36 005          | 34 635          | 34 635           | 100.2%                      |
| <b>Total revenue</b>                   | <b>31 815</b> | <b>36 743</b>   | <b>34 669</b> | <b>61 292</b>   | <b>36 905</b> | <b>36 005</b>   | <b>34 635</b>   | <b>34 635</b>    | <b>122.2%</b>               |
| <b>Expenses</b>                        |               |                 |               |                 |               |                 |                 |                  |                             |
| Current expenses                       | 31 815        | 38 504          | 34 669        | 59 896          | 36 905        | 36 005          | 34 635          | 34 635           | 122.5%                      |
| Compensation of employees              | 20 668        | 22 430          | 23 166        | 21 399          | 24 760        | 22 776          | 24 144          | 24 144           | 97.9%                       |
| Goods and services                     | 10 560        | 15 466          | 11 469        | 37 755          | 11 400        | 12 455          | 9 745           | 9 745            | 174.7%                      |
| Depreciation                           | 545           | 576             | -             | 707             | 707           | 736             | 706             | 706              | 139.2%                      |
| Interest, dividends and rent on land   | 42            | 32              | 34            | 35              | 38            | 38              | 40              | 40               | 94.2%                       |
| <b>Total expenses</b>                  | <b>31 815</b> | <b>38 504</b>   | <b>34 669</b> | <b>59 896</b>   | <b>36 905</b> | <b>36 005</b>   | <b>34 635</b>   | <b>34 635</b>    | <b>122.5%</b>               |
| <b>Surplus/(Deficit)</b>               | <b>-</b>      | <b>(1 761)</b>  | <b>-</b>      | <b>1 396</b>    | <b>-</b>      | <b>-</b>        | <b>-</b>        | <b>-</b>         | <b>-</b>                    |
| <b>Statement of financial position</b> |               |                 |               |                 |               |                 |                 |                  |                             |
| Carrying value of assets               | 781           | 1 564           | 1 540         | 2 077           | 1 600         | 2 524           | 2 993           | 2 993            | 132.5%                      |
| Acquisition of assets                  | (166)         | (538)           | (102)         | (1 428)         | (109)         | (447)           | (245)           | (245)            | 427.3%                      |
| Inventory                              | 13            | 59              | 66            | 53              | 28            | 55              | 52              | 52               | 137.7%                      |
| Receivables and prepayments            | 39            | 354             | 663           | 1 365           | 262           | 501             | 486             | 486              | 186.6%                      |
| Cash and cash equivalents              | 3 363         | 1 627           | 1 902         | 20 482          | 2 100         | 1 650           | 1 575           | 1 575            | 283.4%                      |
| <b>Total assets</b>                    | <b>4 196</b>  | <b>3 604</b>    | <b>4 171</b>  | <b>23 977</b>   | <b>3 990</b>  | <b>4 730</b>    | <b>5 106</b>    | <b>5 106</b>     | <b>214.3%</b>               |
| Accumulated surplus/(deficit)          | 1 542         | 737             | 1 916         | 2 133           | 1 542         | 2 133           | 2 133           | 2 133            | 100.0%                      |
| Finance lease                          | 220           | 195             | 170           | 278             | 155           | 289             | 300             | 300              | 125.7%                      |
| Deferred income                        | 531           | 605             | 350           | 19 020          | 300           | 312             | 722             | 722              | 1 085.6%                    |
| Trade and other payables               | 1 903         | 1 905           | 1 735         | 2 546           | 1 993         | 1 805           | 1 743           | 1 743            | 108.5%                      |
| Derivatives financial instruments      | -             | 162             | -             | -               | -             | 191             | 208             | 208              | 269.7%                      |
| <b>Total equity and liabilities</b>    | <b>4 196</b>  | <b>3 604</b>    | <b>4 171</b>  | <b>23 977</b>   | <b>3 990</b>  | <b>4 730</b>    | <b>5 106</b>    | <b>5 106</b>     | <b>214.3%</b>               |

## Statements of estimates of financial performance and position

**Table 24.30 National Agricultural Marketing Council statements of estimates of financial performance and position**

| Statement of financial performance |                  |                         |                                 |                      |               |               |                         |                                 |  |
|------------------------------------|------------------|-------------------------|---------------------------------|----------------------|---------------|---------------|-------------------------|---------------------------------|--|
|                                    | Revised estimate | Average growth rate (%) | Expenditure/ Total: Average (%) | Medium-term estimate |               |               | Average growth rate (%) | Expenditure/ Total: Average (%) |  |
|                                    | 2015/16          | 2012/13 - 2015/16       | 2012/13 - 2015/16               | 2016/17              | 2017/18       | 2018/19       | 2015/16 - 2018/19       | 2015/16 - 2018/19               |  |
| R thousand                         |                  |                         |                                 |                      |               |               |                         |                                 |  |
| <b>Revenue</b>                     |                  |                         |                                 |                      |               |               |                         |                                 |  |
| Transfers received                 | 34 635           | 3.3%                    | 85.2%                           | 35 005               | 41 917        | 44 348        | 8.6%                    | 100.0%                          |  |
| <b>Total revenue</b>               | <b>34 635</b>    | <b>-2.0%</b>            | <b>100.0%</b>                   | <b>35 005</b>        | <b>41 917</b> | <b>44 348</b> | <b>8.6%</b>             | <b>100.0%</b>                   |  |

**Table 24.30 National Agricultural Marketing Council statements of estimates of financial performance and position**

| Statement of financial performance     |         | Revised estimate | Average growth rate (%) | Expenditure/ Total: Average (%) | Medium-term estimate |               |               | Average growth rate (%) | Expenditure/ Total: Average (%) |
|--|---------|------------------|-------------------------|---------------------------------|----------------------|---------------|---------------|-------------------------|---------------------------------|
|  | 2015/16 |                  |                         |                                 | 2012/13 - 2015/16    | 2016/17       | 2017/18       |                         |                                 |
| R thousand                             |         |                  |                         |                                 |                      |               |               |                         |                                 |
| <b>Expenses</b>                        |         |                  |                         |                                 |                      |               |               |                         |                                 |
| <b>Current expenses</b>                |         | <b>34 635</b>    | <b>-3.5%</b>            | <b>100.0%</b>                   | <b>35 005</b>        | <b>41 917</b> | <b>44 348</b> | <b>8.6%</b>             | <b>101.0%</b>                   |
| Compensation of employees              |         | 24 144           | 2.5%                    | 56.7%                           | 25 639               | 26 881        | 28 490        | 5.7%                    | 67.8%                           |
| Goods and services                     |         | 9 745            | -14.3%                  | 41.5%                           | 8 613                | 14 145        | 14 914        | 15.2%                   | 30.0%                           |
| Depreciation                           |         | 706              | 7.0%                    | 1.7%                            | 711                  | 847           | 898           | 8.3%                    | 2.0%                            |
| Interest, dividends and rent on land   |         | 40               | 7.7%                    | 0.1%                            | 42                   | 44            | 46            | 4.8%                    | 0.1%                            |
| <b>Total expenses</b>                  |         | <b>34 635</b>    | <b>-3.5%</b>            | <b>100.0%</b>                   | <b>35 005</b>        | <b>41 917</b> | <b>44 348</b> | <b>8.6%</b>             | <b>100.0%</b>                   |
| <b>Surplus/(Deficit)</b>               |         | <b>-</b>         | <b>(1)</b>              | <b>-</b>                        | <b>-</b>             | <b>-</b>      | <b>-</b>      | <b>-</b>                | <b>-</b>                        |
| <b>Statement of financial position</b> |         |                  |                         |                                 |                      |               |               |                         |                                 |
| Carrying value of assets               |         | 2 993            | 24.2%                   | 41.0%                           | 3 485                | 3 997         | 4 235         | 12.3%                   | 63.7%                           |
| of which:                              |         |                  |                         |                                 |                      |               |               |                         |                                 |
| Acquisition of assets                  |         | (245)            | -23.1%                  | -8.8%                           | (127)                | (512)         | (543)         | 30.4%                   | -6.0%                           |
| Inventory                              |         | 52               | -4.1%                   | 1.0%                            | 50                   | 50            | 55            | 1.9%                    | 0.9%                            |
| Receivables and prepayments            |         | 486              | 11.1%                   | 8.9%                            | 471                  | 451           | 465           | -1.5%                   | 8.2%                            |
| Cash and cash equivalents              |         | 1 575            | -1.1%                   | 49.1%                           | 1 500                | 1 500         | 1 650         | 1.6%                    | 27.2%                           |
| <b>Total assets</b>                    |         | <b>5 106</b>     | <b>12.3%</b>            | <b>100.0%</b>                   | <b>5 506</b>         | <b>5 998</b>  | <b>6 405</b>  | <b>7.8%</b>             | <b>100.0%</b>                   |
| Accumulated surplus/(deficit)          |         | 2 133            | 42.5%                   | 29.1%                           | 2 133                | 2 133         | 2 133         | -                       | 37.3%                           |
| Finance lease                          |         | 300              | 15.4%                   | 4.6%                            | 323                  | 332           | 425           | 12.3%                   | 6.0%                            |
| Deferred income                        |         | 722              | 6.1%                    | 29.2%                           | 1 151                | 1 598         | 1 675         | 32.4%                   | 22.0%                           |
| Trade and other payables               |         | 1 743            | -2.9%                   | 33.9%                           | 1 672                | 1 688         | 1 875         | 2.5%                    | 30.5%                           |
| Derivatives financial instruments      |         | 208              | 8.7%                    | 3.2%                            | 227                  | 247           | 297           | 12.6%                   | 4.2%                            |
| <b>Total equity and liabilities</b>    |         | <b>5 106</b>     | <b>12.3%</b>            | <b>100.0%</b>                   | <b>5 506</b>         | <b>5 998</b>  | <b>6 405</b>  | <b>59.8%</b>            | <b>100.0%</b>                   |

## Personnel information

**Table 24.31 National Agricultural Marketing Council personnel numbers and cost by salary level<sup>1</sup>**

| Number of posts estimated for 31 March 2016 |   | 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 (%) |           |     |       |        |
|   |   | 2014/15  |      | 2015/16   |                  | 2016/17 |           | 2017/18                          |      | 2018/19   |        | 2015/16 - 2018/19 |           |                         |                                 |           |     |       |        |
| National Agricultural Marketing Council     |   | Number   | Cost | Unit Cost | Number           | Cost    | Unit Cost | Number                           | Cost | Unit Cost | Number | Cost              | Unit Cost | Number                  | Cost                            | Unit Cost |     |       |        |
| Salary level                                | 87  | 87   | 70   | 22.8      | 0.3              | 87      | 24.1      | 0.3                              | 87   | 25.6      | 0.3    | 87                | 26.9      | 0.3                     | 87                              | 28.5      | 0.3 | 5.7%  | 100.0% |
| 1-6   | 31  | 31   | 31   | 2.2       | 0.1              | 31      | 2.3       | 0.1                              | 31   | 1.9       | 0.1    | 31                | 1.9       | 0.1                     | 31                              | 2.0       | 0.1 | -3.7% | 35.6%  |
| 7-10  | 43  | 43   | 28   | 9.7       | 0.3              | 43      | 10.3      | 0.2                              | 43   | 11.4      | 0.3    | 43                | 12.0      | 0.3                     | 43                              | 12.8      | 0.3 | 7.5%  | 49.4%  |
| 11-12                                       | 6   | 6  | 4    | 2.7       | 0.7              | 6       | 2.9       | 0.5                              | 6    | 3.0       | 0.5    | 6                 | 3.2       | 0.5                     | 6                               | 3.4       | 0.6 | 5.7%  | 6.9%   |
| 13-16                                       | 7   | 7  | 7    | 8.2       | 1.2              | 7       | 8.7       | 1.2                              | 7    | 9.3       | 1.3    | 7                 | 9.7       | 1.4                     | 7                               | 10.3      | 1.5 | 5.7%  | 8.0%   |

1. Rand million.

## Ncera Farms

### Mandate

Ncera Farms is a schedule 3 B public company, with the Department of Agriculture, Forestry and Fisheries as the sole shareholder. The company's mandate is to provide extension, mechanical services, and training and agricultural support services to the farmers settled on Ncera farmland and neighbouring communities.

### Selected performance indicators

**Table 24.32 Ncera Farms performance indicators by programme/objective/activity and related outcome**

| Indicator  | Programme/Objective/Activity  | Outcome  | Past    |                 |         | Current | Projections |         |         |
|--|---|--|---------|-----------------|---------|---------|-------------|---------|---------|
|  |   |  | 2012/13 | 2013/14         | 2014/15 | 2015/16 | 2016/17     | 2017/18 | 2018/19 |
| Number of villages assisted with mechanisation services per year | Ensure that the workshop runs effectively and efficiently                                       | Outcome 7: Comprehensive rural development and land reform | -1      | -1              | -1      | -1      | 9           | 9       | 9       |
| Number of tomato boxes produced per year                         | Produce and sell vegetables to the market and locally, and support five villages with ploughing |  | -1      | -1              | -1      | -1      | 750         | 750     | 750     |
| Number of green pepper boxes produced per year                   | Produce and sell vegetables to the market and locally, and support five villages with ploughing |  | -1      | -1              | -1      | -1      | 150         | 150     | 150     |
| Number of good quality livestock produced for breeding per year  | Produce healthy livestock for breeding  |  | 157     | 30 <sup>2</sup> | 79      | 83      | 87          | 91      | 93      |

1. No historical data is available as these indicators will be introduced from 2016/17.

2. Targets were revised from 157 in 2012/13 to 30 in 2013/14 to align with the entity's strategic plan and budget.

## Expenditure analysis

The focus of Ncera Farms over the medium term will be on maintaining livestock, providing farming workshops in villages surrounding the Ncera farmland, and producing and marketing vegetables. This is in line with the national development plan's vision of ensuring food security for all, and outcome 7 (comprehensive rural development and land reform) of government's 2014-2019 medium term strategic framework.

The company plans to provide farming workshops by transferring ploughing and production skills to local farmers, breeding 271 good quality livestock, and producing 2 250 boxes of tomatoes and 450 boxes of green peppers on 5 hectares of Ncera farmland.

As the farms' activities are labour intensive, compensation of employees the largest expenditure item, constituting a projected 80 per cent of the total allocation of R19.2 million over the medium term. The increase in expenditure on compensation of employees will be linked to inflation, and is expected to grow from R4.7 million in 2015/16 to R5.8 million in 2018/19, increasing at an average annual rate of 7 per cent over the medium term.

Ncera Farms derives 97.9 per cent (R18.8 million) of its projected total revenue of R19.2 million over the medium term from a transfer from the Department of Agriculture, Forestry and Fisheries. The farms expect to generate R449 000 over the medium term from the sale of vegetables and contract ploughing, constituting 2.1 per cent of projected total revenue over the period.

## Programmes/objectives/activities

**Table 24.33 Ncera Farms expenditure trends and estimates by programme/objective/activity**

| R thousand  | Audited outcome |              |              | Revised estimate<br>2015/16 | Average growth rate (%) |                                | Medium-term expenditure estimate |              |              | Average growth rate (%) |                                |
|---|-----------------|--------------|--------------|-----------------------------|-------------------------|--------------------------------|----------------------------------|--------------|--------------|-------------------------|--------------------------------|
|   | 2012/13         | 2013/14      | 2014/15      |                             | 2012/13 - 2015/16       | Expenditure/Total: Average (%) | 2016/17                          | 2017/18      | 2018/19      | 2015/16 - 2018/19       | Expenditure/Total: Average (%) |
| Administration  | 5 124           | 4 876        | 5 709        | 5 659                       | 3.4%                    | 97.1%                          | 5 976                            | 6 291        | 6 656        | 5.6%                    | 98.4%                          |
| Ensure that the workshop runs effectively and efficiently                                       | 156             | 100          | 35           | 30                          | -42.3%                  | 1.5%                           | 32                               | 33           | 35           | 5.3%                    | 0.5%                           |
| Produce and sell vegetables to the market and locally, and support five villages with ploughing | 28              | 27           | 14           | 25                          | -3.7%                   | 0.4%                           | 26                               | 28           | 29           | 5.1%                    | 0.4%                           |
| Produce healthy livestock for breeding  | 44              | 79           | 41           | 40                          | -3.1%                   | 0.9%                           | 42                               | 44           | 46           | 4.8%                    | 0.7%                           |
| <b>Total</b>  | <b>5 352</b>    | <b>5 082</b> | <b>5 799</b> | <b>5 754</b>                | <b>2.4%</b>             | <b>100.0%</b>                  | <b>6 076</b>                     | <b>6 396</b> | <b>6 766</b> | <b>5.5%</b>             | <b>100.0%</b>                  |

## Statements of historical financial performance and position

**Table 24.34 Ncera Farms statements of historical financial performance and position**

| Statement of financial performance                   |                 |              |                 |              |                 |              |                 |                  |                            |
|--|-----------------|--------------|-----------------|--------------|-----------------|--------------|-----------------|------------------|----------------------------|
| R thousand   | Audited outcome |              | Audited outcome |              | Audited outcome |              | Budget estimate | Revised estimate | Outcome/Budget Average (%) |
|  | Budget          | 2012/13      | Budget          | 2013/14      | Budget          | 2014/15      |                 |                  |                            |
| <b>Revenue</b>                                       |                 |              |                 |              |                 |              |                 |                  |                            |
| <b>Non-tax revenue</b>                               | <b>639</b>      | <b>174</b>   | <b>75</b>       | <b>210</b>   | <b>8</b>        | <b>560</b>   | <b>91</b>       | <b>132</b>       | <b>132.3%</b>              |
| Sale of goods and services other than capital assets | 639             | 129          | 67              | 98           | -               | 134          | 82              | 122              | 61.3%                      |
| of which:  |                 |              |                 |              |                 |              |                 |                  |                            |
| Sales by market establishment                        | 639             | 129          | 67              | 98           | -               | 134          | 82              | 122              | 61.3%                      |
| Other non-tax revenue                                | -               | 45           | 8               | 112          | 8               | 426          | 9               | 10               | 2 372.0%                   |
| <b>Transfers received</b>                            | <b>3 116</b>    | <b>4 989</b> | <b>3 389</b>    | <b>5 020</b> | <b>3 620</b>    | <b>5 420</b> | <b>3 822</b>    | <b>5 622</b>     | <b>150.9%</b>              |
| <b>Total revenue</b>                                 | <b>3 755</b>    | <b>5 163</b> | <b>3 464</b>    | <b>5 230</b> | <b>3 628</b>    | <b>5 980</b> | <b>3 913</b>    | <b>5 754</b>     | <b>149.9%</b>              |
| <b>Expenses</b>                                      |                 |              |                 |              |                 |              |                 |                  |                            |
| <b>Current expenses</b>                              | <b>3 755</b>    | <b>5 352</b> | <b>3 389</b>    | <b>5 082</b> | <b>3 621</b>    | <b>5 799</b> | <b>5 754</b>    | <b>5 754</b>     | <b>133.1%</b>              |
| Compensation of employees                            | 3 376           | 3 184        | 3 062           | 3 839        | 3 137           | 4 430        | 5 092           | 5 092            | 112.8%                     |
| Goods and services                                   | 235             | 1 953        | 327             | 1 040        | 410             | 1 170        | 662             | 662              | 295.3%                     |
| Depreciation   | 144             | 215          | -               | 203          | 74              | 199          | -               | -                | 283.0%                     |
| <b>Total expenses</b>                                | <b>3 755</b>    | <b>5 352</b> | <b>3 389</b>    | <b>5 082</b> | <b>3 621</b>    | <b>5 799</b> | <b>5 754</b>    | <b>5 754</b>     | <b>133.1%</b>              |
| <b>Surplus/(Deficit)</b>                             | <b>-</b>        | <b>(189)</b> | <b>75</b>       | <b>148</b>   | <b>7</b>        | <b>181</b>   | <b>(1 841)</b>  | <b>-</b>         | <b>-</b>                   |

Table 24.34 Ncera Farms statements of historical financial performance and position

| Statement of financial position     |              |                    |              |                    |              |                    |                    |                     |                                      |
|-------------------------------------|--------------|--------------------|--------------|--------------------|--------------|--------------------|--------------------|---------------------|--------------------------------------|
| R thousand                          | 2012/13      |                    | 2013/14      |                    | 2014/15      |                    | 2015/16            |                     | Outcome/<br>Budget<br>Average<br>(%) |
|                                     | Budget       | Audited<br>outcome | Budget       | Audited<br>outcome | Budget       | Audited<br>outcome | Budget<br>estimate | Revised<br>estimate |                                      |
| Carrying value of assets            | 2 992        | 2 263              | 5 442        | 2 088              | 2 100        | 2 778              | 1 980              | 1 900               | 72.2%                                |
| Acquisition of assets               | (1 224)      | (201)              | –            | (32)               | –            | (4)                | (12)               | (12)                | 20.1%                                |
| Inventory                           | 1 307        | 536                | 1 800        | 704                | 950          | 6                  | 998                | 1 022               | 44.9%                                |
| Receivables and prepayments         | 16           | 9                  | –            | –                  | –            | –                  | –                  | –                   | 56.3%                                |
| Cash and cash equivalents           | 209          | 960                | 283          | 1 265              | –            | 1 666              | 185                | 436                 | 639.1%                               |
| Taxation                            | –            | –                  | –            | 37                 | –            | 16                 | –                  | –                   | –                                    |
| <b>Total assets</b>                 | <b>4 524</b> | <b>3 768</b>       | <b>7 525</b> | <b>4 094</b>       | <b>3 050</b> | <b>4 466</b>       | <b>3 163</b>       | <b>3 358</b>        | <b>85.9%</b>                         |
| Accumulated surplus/(deficit)       | (35 909)     | (45 144)           | (39 298)     | (48 533)           | (52 153)     | (51 152)           | (55 975)           | (54 556)            | 108.8%                               |
| Capital and reserves                | 43 288       | 48 759             | 46 677       | 52 295             | 55 133       | 55 094             | 58 955             | 57 504              | 104.7%                               |
| Trade and other payables            | 113          | 20                 | 80           | 7                  | 70           | 58                 | –                  | 10                  | 36.1%                                |
| Provisions                          | –            | 133                | 66           | 325                | –            | 464                | 183                | 400                 | 530.9%                               |
| <b>Total equity and liabilities</b> | <b>7 492</b> | <b>3 768</b>       | <b>7 525</b> | <b>4 094</b>       | <b>3 050</b> | <b>4 464</b>       | <b>3 163</b>       | <b>3 358</b>        | <b>73.9%</b>                         |

## Statements of estimates of financial performance and position

Table 24.35 Ncera Farms statements of estimates of financial performance and position

| Statement of financial performance                   |                     |                                  |   |                      |              |              |                                  |   |
|--|---------------------|----------------------------------|---|----------------------|--------------|--------------|----------------------------------|---|
| R thousand   | Revised<br>estimate | Average<br>growth<br>rate<br>(%) | Expen-<br>diture/<br>Total:<br>Average<br>(%) | Medium-term estimate |              |              | Average<br>growth<br>rate<br>(%) | Expen-<br>diture/<br>Total:<br>Average<br>(%) |
|  | 2015/16             | 2012/13 - 2015/16                |   | 2016/17              | 2017/18      | 2018/19      | 2015/16 - 2018/19                |   |
| <b>Revenue</b>                                       |                     |                                  |   |                      |              |              |                                  |   |
| <b>Non-tax revenue</b>                               | <b>132</b>          | <b>-8.8%</b>                     | <b>4.8%</b>                                   | <b>141</b>           | <b>150</b>   | <b>158</b>   | <b>6.2%</b>                      | <b>2.3%</b>                                   |
| Sale of goods and services other than capital assets | 122                 | -1.8%                            | 2.2%  | 129                  | 136          | 142          | 5.2%                             | 2.1%  |
| of which:  |                     |                                  |   |                      |              |              |                                  |   |
| Sales by market establishment                        | 122                 | -1.8%                            | 2.2%  | 129                  | 136          | 142          | 5.2%                             | 2.1%  |
| Other non-tax revenue                                | 10                  | -39.4%                           | 2.6%  | 12                   | 14           | 16           | 17.0%                            | 0.2%  |
| <b>Transfers received</b>                            | <b>5 622</b>        | <b>4.1%</b>                      | <b>95.2%</b>                                  | <b>5 935</b>         | <b>6 246</b> | <b>6 608</b> | <b>5.5%</b>                      | <b>97.7%</b>                                  |
| <b>Total revenue</b>                                 | <b>5 754</b>        | <b>3.7%</b>                      | <b>100.0%</b>                                 | <b>6 076</b>         | <b>6 396</b> | <b>6 766</b> | <b>5.5%</b>                      | <b>100.0%</b>                                 |
| <b>Expenses</b>                                      |                     |                                  |   |                      |              |              |                                  |   |
| <b>Current expenses</b>                              | <b>5 754</b>        | <b>2.4%</b>                      | <b>100.0%</b>                                 | <b>6 076</b>         | <b>6 396</b> | <b>6 766</b> | <b>5.5%</b>                      | <b>141.5%</b>                                 |
| Compensation of employees                            | 5 092               | 16.9%                            | 75.0%   | 5 347                | 5 614        | 5 895        | 5.0%                             | 87.8%   |
| Goods and services                                   | 662                 | -30.3%                           | 22.2%   | 729                  | 782          | 871          | 9.6%                             | 12.2%   |
| <b>Total expenses</b>                                | <b>5 754</b>        | <b>2.4%</b>                      | <b>100.0%</b>                                 | <b>6 076</b>         | <b>6 396</b> | <b>6 766</b> | <b>5.5%</b>                      | <b>100.0%</b>                                 |
| <b>Surplus/(Deficit)</b>                             | <b>–</b>            | <b>(1)</b>                       | <b>–</b>                                      | <b>–</b>             | <b>–</b>     | <b>–</b>     | <b>–</b>                         | <b>–</b>                                      |
| <b>Statement of financial position</b>               |                     |                                  |   |                      |              |              |                                  |   |
| Carrying value of assets                             | 1 900               | -5.7%                            | 57.5%   | 1 911                | 1 883        | 1 700        | -3.6%                            | 54.4%   |
| of which:  |                     |                                  |   |                      |              |              |                                  |   |
| Acquisition of assets                                | (12)                | -60.9%                           | -1.6%   | (14)                 | (16)         | (9)          | -9.1%                            | -0.4%   |
| Inventory  | 1 022               | 24.0%                            | 15.5%   | 1 047                | 1 100        | 1 200        | 5.5%                             | 32.2%   |
| Cash and cash equivalents                            | 436                 | -23.1%                           | 26.7%   | 450                  | 460          | 480          | 3.3%                             | 13.4%   |
| <b>Total assets</b>                                  | <b>3 358</b>        | <b>-3.8%</b>                     | <b>100.0%</b>                                 | <b>3 408</b>         | <b>3 443</b> | <b>3 380</b> | <b>0.2%</b>                      | <b>100.0%</b>                                 |
| Accumulated surplus/(deficit)                        | (54 556)            | 6.5%                             | -1 288.5%                                     | (58 581)             | (62 807)     | (67 033)     | 7.1%                             | -1 787.8%                                     |
| Capital and reserves                                 | 57 504              | 5.7%                             | 1 379.5%                                      | 61 529               | 65 755       | 69 931       | 6.7%                             | 1 874.2%                                      |
| Trade and other payables                             | 10                  | -20.6%                           | 0.6%  | 20                   | 35           | –            | -100.0%                          | 0.5%  |
| Provisions   | 400                 | 44.3%                            | 8.4%  | 440                  | 460          | 482          | 6.4%                             | 13.1%   |
| <b>Total equity and liabilities</b>                  | <b>3 358</b>        | <b>-3.8%</b>                     | <b>100.0%</b>                                 | <b>3 408</b>         | <b>3 443</b> | <b>3 380</b> | <b>-79.7%</b>                    | <b>100.0%</b>                                 |

## Personnel information

Table 24.36 Ncera Farms personnel numbers and cost by salary level<sup>1</sup>

| Number of posts estimated for 31 March 2016 |   |           | 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 (%) |            |             |               |
|   |   |           | 2014/15  |            | Unit Cost  | 2015/16          |            | Unit Cost  | 2016/17                          |            | Unit Cost  | 2017/18   |            | Unit Cost  |                         |                                 | 2018/19    |             | Unit Cost     |
|   |   |           | Number   | Cost       | Unit Cost  | Number           | Cost       | Unit Cost  | Number                           | Cost       | Unit Cost  | Number    | Cost       | Unit Cost  | Number                  | Cost                            | Unit Cost  |             |               |
| <b>Ncera Farms</b>                          |   |           |  |            |            |                  |            |            |                                  |            |            |           |            |            |                         |                                 |            |             |               |
| <b>Salary level</b>                         | <b>32</b>                                 | <b>32</b> | <b>37</b>  | <b>4.4</b> | <b>0.1</b> | <b>32</b>        | <b>5.1</b> | <b>0.2</b> | <b>32</b>                        | <b>5.3</b> | <b>0.2</b> | <b>32</b> | <b>5.6</b> | <b>0.2</b> | <b>32</b>               | <b>5.9</b>                      | <b>0.2</b> | <b>5.0%</b> | <b>100.0%</b> |
| 1 – 6                                       | 27  | 27        | 27   | 1.3        | 0.0        | 27               | 1.6        | 0.1        | 27                               | 1.7        | 0.1        | 27        | 1.8        | 0.1        | 27                      | 1.9                             | 0.1        | 7.0%        | 84.4%         |
| 7 – 10                                      | 3   | 3         | 4  | 1.2        | 0.3        | 3                | 1.1        | 0.4        | 3                                | 1.1        | 0.4        | 3         | 1.0        | 0.3        | 3                       | 1.0                             | 0.3        | -3.2%       | 9.4%          |
| 13 – 16                                     | 2   | 2         | 6  | 1.9        | 0.3        | 2                | 2.4        | 1.2        | 2                                | 2.6        | 1.3        | 2         | 2.8        | 1.4        | 2                       | 3.0                             | 1.5        | 7.0%        | 6.3%          |

1. Rand million.

## Onderstepoort Biological Products

### Mandate

Onderstepoort Biological Products was established as a public company in terms of the Onderstepoort Biological Products Incorporation Act (1999), with the government as the sole shareholder. The company's mandate is to prevent and control animal diseases that impact on food security, human health, and livelihoods through the continued development and efficient manufacturing of innovative pharmaceutical products, including vaccines, and related products.

### Selected performance indicators

**Table 24.37 Onderstepoort Biological Products performance indicators by programme/objective/activity and related outcome**

| Indicator   | Programme/Objective/Activity | Outcome  | Past    |         |         | Current | Projections |         |                |
|---|------------------------------|--|---------|---------|---------|---------|-------------|---------|----------------|
|   |                              |  | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17     | 2017/18 | 2018/19        |
| Number of new markets developed and maintained per year   | Marketing and distribution   | Outcome 7: Comprehensive rural development and land reform | -1      | -1      | -1      | 2       | 2           | 2       | 2              |
| Number of products and processes per year   | Research and development     |  | -1      | -1      | -1      | 3       | 2           | 5       | 3              |
| Number of new generation products per year  | Research and development     |  | -1      | -1      | -1      | -1      | -1          | 2       | 0 <sup>2</sup> |
| Number of modern technologies developed per year  | Research and development     |  | -1      | -1      | -1      | 1       | 1           | 1       | 0 <sup>2</sup> |
| Number of training sessions for smallholder farmers and technicians facilitated per year                        | Government support           |  | -1      | -1      | -1      | 22      | 22          | 22      | 22             |
| Number of emerging farmers association projects to support the smallholder and emerging farmers market per year | Government support           |  | -1      | -1      | -1      | 3       | 3           | 3       | 3              |

1. No historical data is available as these are new indicators.

2. The company will not develop new generation products and modern technologies in 2018/19.

### Expenditure analysis

The focus of Onderstepoort Biological Products over the medium term will be on the administration and production of vaccines, the marketing and distribution of vaccines, research and development, and government programme support to smallholder farmers. These focus areas are informed by the national development plan's vision of eliminating poverty and reducing inequality by 2030, and are in line with outcome 7 (comprehensive rural development and land reform) of government's 2014-2019 medium term strategic framework.

To make it easier for smallholder farmers to access vaccines, the organisation will conduct various research projects on animal vaccines, and other research and development programmes at an expected cost of R34 million over the medium term. To provide more exposure for the company, the organisation plans to spend R376.5 million over the medium term in the administration programme on the procurement of materials relating to the production and marketing of vaccines. A further R8.2 million is expected to be spent on marketing and distributing vaccine products. The organisation plans to provide training to 66 smallholder farmers on vaccinations and general animal health at a cost of R716 000 over the medium term; and support government programmes, such as World Food Day and Farmer's Day, which target emerging farmers through sponsorships, at a cost of R1.7 million.

In 2013/14, the organisation was allocated R492.4 million to build and modernise its vaccine production facility. The first phase involved the procurement of new equipment and the modernisation of existing equipment at a cost of R129.1 million in 2015/16. The second and final phase will entail the construction of a new vaccine facility, the installation of production and packaging equipment, and conversion to new production technology. These activities will improve vaccine production yields, which will make it possible for the organisation to respond quickly to disease outbreaks such as African horse sickness, while being able to provide both commercial and smallholder farmers with the required vaccines. The second phase has a budget of R268 million and is set to begin in 2016/17 and end in 2017/18.

The organisation generates revenue from the sale and supply of livestock vaccines, and uses it to fund the operations of its business. Revenue is projected to increase from R125.4 million in 2015/16 to R143.9 million in

2018/19, at an average annual rate of 4.7 per cent. The increase is mainly due to projected higher sales of vaccines as a result of improved production and marketing of vaccines, and greater access to vaccines by smallholder farmers.

## Programmes/objectives/activities

**Table 24.38 Onderstepoort Biological Products expenditure trends and estimates by programme/objective/activity**

|                            | Audited outcome |                |                | Revised estimate | Average growth rate (%) | Expenditure/ Total: Average (%) | Medium-term expenditure estimate |                |                | Average growth rate (%) | Expenditure/ Total: Average (%) |
|----------------------------|-----------------|----------------|----------------|------------------|-------------------------|---------------------------------|----------------------------------|----------------|----------------|-------------------------|---------------------------------|
|                            | 2012/13         | 2013/14        | 2014/15        |                  |                         |                                 | 2015/16                          | 2016/17        | 2017/18        |                         |                                 |
| R thousand                 |                 |                |                |                  |                         |                                 |                                  |                |                |                         |                                 |
| Administration             | 65 480          | 121 607        | 125 494        | 116 634          | 21.2%                   | 86.7%                           | 119 714                          | 125 630        | 131 177        | 4.0%                    | 93.4%                           |
| Stakeholder relations      | 53 600          | -              | -              | 500              | -78.9%                  | 11.1%                           | 550                              | 605            | 635            | 8.3%                    | 0.4%                            |
| Marketing and distribution | 3 215           | -              | -              | 2 549            | -7.4%                   | 1.2%                            | 2 625                            | 2 704          | 2 839          | 3.7%                    | 2.0%                            |
| Research and development   | -               | -              | -              | 5 012            | -                       | 1.0%                            | 5 162                            | 5 317          | 5 583          | 3.7%                    | 4.0%                            |
| Government support         | -               | -              | -              | 200              | -                       | 0.0%                            | 220                              | 242            | 254            | 8.3%                    | 0.2%                            |
| <b>Total</b>               | <b>122 295</b>  | <b>121 607</b> | <b>125 494</b> | <b>124 895</b>   | <b>0.7%</b>             | <b>100.0%</b>                   | <b>128 271</b>                   | <b>134 498</b> | <b>140 488</b> | <b>4.0%</b>             | <b>100.0%</b>                   |

## Statements of historical financial performance and position

**Table 24.39 Onderstepoort Biological Products statements of historical financial performance and position**

| Statement of financial performance                   |                 |                 |                |                |                 |                 |                 |                |                             |
|--|-----------------|-----------------|----------------|----------------|-----------------|-----------------|-----------------|----------------|-----------------------------|
|  | Audited outcome |                 | Budget         |                | Audited outcome |                 | Budget estimate |                | Outcome/ Budget Average (%) |
|  | 2012/13         | 2013/14         | 2014/15        | 2015/16        | 2012/13         | 2013/14         | 2014/15         | 2015/16        |                             |
| R thousand   |                 |                 |                |                |                 |                 |                 |                |                             |
| <b>Revenue</b>                                       |                 |                 |                |                |                 |                 |                 |                |                             |
| <b>Non-tax revenue</b>                               | <b>142 505</b>  | <b>94 940</b>   | <b>166 844</b> | <b>108 315</b> | <b>135 485</b>  | <b>108 741</b>  | <b>111 460</b>  | <b>125 406</b> | <b>78.6%</b>                |
| Sale of goods and services other than capital assets | 139 370         | 89 032          | 160 000        | 87 054         | 125 000         | 81 714          | 80 240          | 97 527         | 70.4%                       |
| <i>of which:</i>                                     |                 |                 |                |                |                 |                 |                 |                |                             |
| Sales by market establishment                        | 139 370         | 89 032          | 110 000        | 87 054         | 125 000         | 81 714          | 80 240          | 97 527         | 78.2%                       |
| Other sales  | -               | -               | 50 000         | -              | -               | -               | -               | -              | -                           |
| Other non-tax revenue                                | 3 135           | 5 908           | 6 844          | 21 261         | 10 485          | 27 027          | 31 220          | 27 879         | 158.8%                      |
| <b>Transfers received</b>                            | <b>-</b>        | <b>2 959</b>    | <b>96 500</b>  | <b>-</b>       | <b>144 104</b>  | <b>-</b>        | <b>268 400</b>  | <b>268 400</b> | <b>53.3%</b>                |
| <b>Total revenue</b>                                 | <b>143 163</b>  | <b>100 855</b>  | <b>263 344</b> | <b>113 024</b> | <b>279 589</b>  | <b>110 382</b>  | <b>395 154</b>  | <b>395 529</b> | <b>66.6%</b>                |
| <b>Expenses</b>                                      |                 |                 |                |                |                 |                 |                 |                |                             |
| <b>Current expenses</b>                              | <b>141 471</b>  | <b>122 296</b>  | <b>159 340</b> | <b>121 607</b> | <b>125 746</b>  | <b>125 494</b>  | <b>117 134</b>  | <b>124 895</b> | <b>90.9%</b>                |
| Compensation of employees                            | 60 322          | 53 600          | 66 895         | 62 017         | 52 295          | 50 782          | 53 760          | 53 760         | 94.4%                       |
| Goods and services                                   | 73 902          | 59 492          | 76 532         | 51 201         | 64 005          | 65 351          | 53 168          | 60 929         | 88.6%                       |
| Depreciation   | 7 247           | 9 203           | 15 913         | 8 389          | 9 446           | 9 361           | 10 206          | 10 206         | 86.8%                       |
| <b>Total expenses</b>                                | <b>141 471</b>  | <b>122 296</b>  | <b>159 340</b> | <b>121 607</b> | <b>125 746</b>  | <b>125 494</b>  | <b>117 134</b>  | <b>124 895</b> | <b>90.9%</b>                |
| <b>Surplus/(Deficit)</b>                             | <b>1 692</b>    | <b>(21 440)</b> | <b>104 004</b> | <b>(8 583)</b> | <b>153 843</b>  | <b>(15 112)</b> | <b>278 020</b>  | <b>270 634</b> | <b>-</b>                    |
| <b>Statement of financial position</b>               |                 |                 |                |                |                 |                 |                 |                |                             |
| Carrying value of assets                             | 145 875         | 84 905          | 210 302        | 109 567        | 363 315         | 145 351         | 630 729         | 620 718        | 71.1%                       |
| Acquisition of assets                                | (25 196)        | (20 536)        | (96 500)       | (33 741)       | (127 500)       | (159 768)       | (268 400)       | (268 400)      | 93.2%                       |
| Inventory  | 27 755          | 18 932          | 22 328         | 21 429         | 23 445          | 26 834          | 24 617          | 24 617         | 93.5%                       |
| Receivables and prepayments                          | 6 364           | 9 113           | 12 464         | 9 370          | 13 087          | 18 975          | 13 741          | 13 741         | 112.1%                      |
| Cash and cash equivalents                            | 62 178          | 108 553         | 87 658         | 156 076        | 200 355         | 216 184         | 205 448         | 339 648        | 147.7%                      |
| Taxation   | 35 734          | 8 616           | -              | 13 040         | -               | -               | -               | -              | 60.6%                       |
| <b>Total assets</b>                                  | <b>277 906</b>  | <b>230 120</b>  | <b>332 752</b> | <b>309 482</b> | <b>600 202</b>  | <b>407 345</b>  | <b>874 536</b>  | <b>998 725</b> | <b>93.3%</b>                |
| Accumulated surplus/(deficit)                        | 180 289         | 148 728         | 278 322        | 140 143        | 177 047         | 125 033         | 202 864         | 192 853        | 72.4%                       |
| Capital and reserves                                 | 50 669          | 1               | 1              | 1              | 1               | 1               | 1               | 1              | 0.0%                        |
| Capital reserve fund                                 | -               | 63 964          | 27 576         | 19 162         | 25 335          | 249 359         | 23 094          | 23 094         | 467.8%                      |
| Deferred income                                      | 35 734          | -               | -              | 133 146        | 369 653         | 21 333          | 619 002         | 753 202        | 88.6%                       |
| Trade and other payables                             | 8 801           | 17 427          | 24 319         | 17 030         | 25 506          | 11 619          | 26 781          | 26 781         | 85.3%                       |
| Provisions   | 2 413           | -               | 2 534          | -              | 2 660           | -               | 2 793           | 2 793          | 26.9%                       |
| <b>Total equity and liabilities</b>                  | <b>277 906</b>  | <b>230 120</b>  | <b>332 752</b> | <b>309 482</b> | <b>600 202</b>  | <b>407 345</b>  | <b>874 535</b>  | <b>998 724</b> | <b>93.3%</b>                |

## Statements of estimates of financial performance and position

**Table 24.40 Onderstepoort Biological Products statements of estimates of financial performance and position**

| Statement of financial performance                   |                  |                         |                                 |                      |                |                |                         |                                 |  |
|--|------------------|-------------------------|---------------------------------|----------------------|----------------|----------------|-------------------------|---------------------------------|--|
|  | Revised estimate | Average growth rate (%) | Expenditure/ Total: Average (%) | Medium-term estimate |                |                | Average growth rate (%) | Expenditure/ Total: Average (%) |  |
|  |                  |                         |                                 | 2016/17              | 2017/18        | 2018/19        |                         |                                 |  |
| R thousand   |                  |                         |                                 |                      |                |                |                         |                                 |  |
| <b>Revenue</b>                                       |                  |                         |                                 |                      |                |                |                         |                                 |  |
| <b>Non-tax revenue</b>                               | <b>125 406</b>   | <b>9.7%</b>             | <b>80.0%</b>                    | <b>131 307</b>       | <b>137 491</b> | <b>143 996</b> | <b>4.7%</b>             | <b>82.9%</b>                    |  |
| Sale of goods and services other than capital assets | 97 527           | 3.1%                    | 66.0%                           | 100 961              | 106 009        | 111 310        | 4.5%                    | 64.0%                           |  |
| <i>of which:</i>                                     |                  |                         |                                 |                      |                |                |                         |                                 |  |
| Sales by market establishment                        | 97 527           | 3.1%                    | 66.0%                           | 100 961              | 106 009        | 111 310        | 4.5%                    | 64.0%                           |  |

**Table 24.40 Onderstepoort Biological Products statements of estimates of financial performance and position**

| Statement of financial performance        |                  | Average growth rate (%) | Expenditure/ Total: Average (%) | Medium-term estimate |                |                | Average growth rate (%) | Expenditure/ Total: Average (%) |
|---|------------------|-------------------------|---------------------------------|----------------------|----------------|----------------|-------------------------|---------------------------------|
|   | Revised estimate | 2012/13 - 2015/16       |                                 | 2016/17              | 2017/18        | 2018/19        | 2015/16 - 2018/19       |                                 |
| R thousand                                |                  |                         |                                 |                      |                |                |                         |                                 |
| Other non-tax revenue                     | 27 879           | 67.7%                   | 14.1%                           | 30 346               | 31 482         | 32 686         | 5.4%                    | 18.9%                           |
| Transfers received                        | 268 400          | 349.3%                  | 17.7%                           | –                    | –              | –              | -100.0%                 | 17.0%                           |
| <b>Total revenue</b>                      | <b>395 529</b>   | <b>57.7%</b>            | <b>100.0%</b>                   | <b>131 307</b>       | <b>137 491</b> | <b>143 996</b> | <b>-28.6%</b>           | <b>100.0%</b>                   |
| <b>Statement of financial performance</b> |                  |                         |                                 |                      |                |                |                         |                                 |
| <b>Expenses</b>                           |                  |                         |                                 |                      |                |                |                         |                                 |
| Current expenses                          | 124 895          | 0.7%                    | 100.0%                          | 128 271              | 134 498        | 140 488        | 4.0%                    | 103.2%                          |
| Compensation of employees                 | 53 760           | 0.1%                    | 44.6%                           | 57 005               | 60 446         | 64 095         | 6.0%                    | 44.5%                           |
| Goods and services                        | 60 929           | 0.8%                    | 47.9%                           | 60 754               | 63 225         | 65 241         | 2.3%                    | 47.4%                           |
| Depreciation                              | 10 206           | 3.5%                    | 7.5%                            | 10 512               | 10 827         | 11 152         | 3.0%                    | 8.1%                            |
| <b>Total expenses</b>                     | <b>124 895</b>   | <b>0.7%</b>             | <b>100.0%</b>                   | <b>128 271</b>       | <b>134 498</b> | <b>140 488</b> | <b>4.0%</b>             | <b>100.0%</b>                   |
| Surplus/(Deficit)                         | 270 634          | (3)                     | –                               | 3 036                | 2 992          | 3 508          | -76.5%                  | –                               |
| <b>Statement of financial position</b>    |                  |                         |                                 |                      |                |                |                         |                                 |
| Carrying value of assets                  | 620 718          | 94.1%                   | 42.5%                           | 618 605              | 644 692        | 676 927        | 2.9%                    | 71.2%                           |
| of which:                                 |                  |                         |                                 |                      |                |                |                         |                                 |
| Acquisition of assets                     | (268 400)        | 135.6%                  | -21.5%                          | –                    | –              | –              | -100.0%                 | -6.7%                           |
| Inventory                                 | 24 617           | 9.1%                    | 6.1%                            | 25 848               | 24 814         | 26 055         | 1.9%                    | 2.8%                            |
| Receivables and prepayments               | 13 741           | 14.7%                   | 3.3%                            | 14 428               | 11 543         | 12 120         | -4.1%                   | 1.4%                            |
| Cash and cash equivalents                 | 339 648          | 46.3%                   | 46.2%                           | 233 816              | 159 906        | 167 901        | -20.9%                  | 24.6%                           |
| <b>Total assets</b>                       | <b>998 725</b>   | <b>63.1%</b>            | <b>100.0%</b>                   | <b>892 697</b>       | <b>840 955</b> | <b>883 003</b> | <b>-4.0%</b>            | <b>100.0%</b>                   |
| Accumulated surplus/(deficit)             | 192 853          | 9.0%                    | 40.0%                           | 210 273              | 228 658        | 240 092        | 7.6%                    | 24.3%                           |
| Capital and reserves                      | 1                | –                       | 0.0%                            | 1                    | 1              | –              | -100.0%                 | 0.0%                            |
| Capital reserve fund                      | 23 094           | -28.8%                  | 24.4%                           | 24 249               | 21 824         | 22 915         | -0.3%                   | 2.6%                            |
| Deferred income                           | 753 202          | –                       | 30.9%                           | 613 813              | 541 675        | 568 759        | -8.9%                   | 68.2%                           |
| Trade and other payables                  | 26 781           | 15.4%                   | 4.7%                            | 40 172               | 44 189         | 46 399         | 20.1%                   | 4.4%                            |
| Provisions                                | 2 793            | –                       | 0.1%                            | 4 190                | 4 608          | 4 839          | 20.1%                   | 0.5%                            |
| <b>Total equity and liabilities</b>       | <b>998 724</b>   | <b>63.1%</b>            | <b>100.0%</b>                   | <b>892 697</b>       | <b>840 955</b> | <b>883 003</b> | <b>-61.4%</b>           | <b>100.0%</b>                   |

## Personnel information

**Table 24.41 Onderstepoort Biological Products personnel numbers and cost by salary level<sup>1</sup>**

| Number of posts estimated for 31 March 2016 |   | 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 (%) |           |                   |           |        |
|   |   | 2014/15  |      | Unit Cost | 2015/16          |      | Unit Cost | 2016/17                          |      | Unit Cost | 2017/18 |      | Unit Cost |                         |                                 | 2018/19   |                   | Unit Cost |        |
|   |   | Number   | Cost | Unit Cost | Number           | Cost | Unit Cost | Number                           | Cost | Unit Cost | Number  | Cost | Unit Cost | Number                  | Cost                            | Unit Cost | 2015/16 - 2018/19 |           |        |
| Onderstepoort Biological Products           |   |  |      |           |                  |      |           |                                  |      |           |         |      |           |                         |                                 |           |                   |           |        |
| Salary level                                | 239                                       | 250  | 194  | 50.8      | 0.3              | 194  | 53.8      | 0.3                              | 194  | 57.0      | 0.3     | 194  | 60.4      | 0.3                     | 194                             | 64.1      | 0.3               | 6.0%      | 100.0% |
| 1 – 6                                       | 127                                       | 133  | 92   | 11.2      | 0.1              | 94   | 11.8      | 0.1                              | 94   | 12.5      | 0.1     | 94   | 13.3      | 0.1                     | 94                              | 14.1      | 0.1               | 6.0%      | 48.5%  |
| 7 – 10                                      | 95  | 97   | 82   | 25.2      | 0.3              | 82   | 26.6      | 0.3                              | 82   | 28.3      | 0.3     | 82   | 30.0      | 0.4                     | 82                              | 31.8      | 0.4               | 6.1%      | 42.3%  |
| 11 – 12                                     | 10  | 11   | 11   | 6.2       | 0.6              | 10   | 6.6       | 0.7                              | 10   | 7.0       | 0.7     | 10   | 7.4       | 0.7                     | 10                              | 7.9       | 0.8               | 6.0%      | 5.2%   |
| 13 – 16                                     | 7   | 9  | 9    | 8.2       | 0.9              | 8    | 8.7       | 1.1                              | 8    | 9.2       | 1.2     | 8    | 9.7       | 1.2                     | 8                               | 10.3      | 1.3               | 5.9%      | 4.1%   |

1. Rand million.

## Perishable Products Export Control Board

### Mandate

The Perishable Products Export Control Board is an independent service provider of quality assurance, food safety and cold chain management services for producers and exporters of perishable food products. It is mandated by government in terms of the Perishable Products Export Control Act (1983), which broadly requires the board to ensure orderly export of perishables and monitor the proper maintenance of a continuous cold chain for exports; and the Agricultural Products Standards Act (1990), which broadly requires the board to monitor the minimum quality standards of perishable exports as required by government and bilateral agreements with importing countries.

## Selected performance indicators

**Table 24.42 Perishable Products Export Control Board performance indicators by programme/objective/activity and related outcome**

| Indicator  | Programme/Objective/Activity        | Outcome   | Past    |         |         | Current | Projections |         |         |
|--|-------------------------------------|---|---------|---------|---------|---------|-------------|---------|---------|
|  |                                     |   | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17     | 2017/18 | 2018/19 |
| Number of mobile devices issued to inspectors carrying out their duties per year   | Administration                      | Outcome 5: A skilled and capable workforce to support an inclusive growth path      | -1      | 70      | 150     | 250     | 300         | 350     | 400     |
| Number of depot and port audits undertaken per year  | Statutory operations                | Outcome 6: An efficient, competitive and responsive economic infrastructure network | 40      | 40      | 40      | 40      | 40          | 40      | 45      |
| Number of training interventions per year  | Harmonisation programme             |   | 7       | 9       | 9       | 9       | 9           | 10      | 11      |
| Number of reliable laboratory results published per year (mycotoxin analytical programme proficiency testing results as indicated by z-scores) | Laboratory and food safety services | Outcome 7: Comprehensive rural development and land reform                          | 2       | 2       | 2       | 2       | 2           | 2       | 2       |
| Number of sector education and training authority accredited workshops conducted per year  | Development                         | Outcome 1: Quality of basic education   | -1      | 2       | 2       | 5       | 5           | 5       | 5       |
| Number of students trained in the agri-export technologist programme who are successfully placed per year                                      | Development                         | Outcome 5: A skilled and capable workforce to support an inclusive growth path      | 25      | 25      | 25      | 25      | 25          | 25      | 25      |

1. No historical data is available as these indicators were introduced in 2013/14.

## Expenditure analysis

The focus of the Perishable Products Export Control Board over the medium term will be on enhancing the credibility of South African exports; supporting the export competitiveness of South Africa's perishable product industries; supporting government in ensuring confidence in quality assurance and food safety systems for local perishable product markets; and ensuring compliance with South African food safety and quality standards for imported perishable products. It plans to do this by conducting food and cold chain inspections, conducting technical research and development, providing training and assistance to previously disadvantaged individuals and smallholder farmers, and focusing on establishing professional and well trained personnel who add value to the perishable export industry. All these areas of focus will contribute to outcome 7 (comprehensive rural development and land reform) of government's 2014-2019 medium term strategic framework, and its priority of food security for all.

Over the medium term, the board will focus on providing training and assistance to previously disadvantaged individuals and smallholder farmers by conducting 15 workshops, at an estimated budget of R22.1 million over the medium term. This will develop smallholder farmers to ensure that they have greater market access and improve their profitability and sustainability as agri-businesses. The board also plans to conduct 125 depot and port audits using an estimated budget of R640.7 million in the statutory operations programme.

As more food is exported at the global level, food safety is becoming a global concern. Technical research and development will focus on hazardous agents (such as mycotoxin and pesticide residues) and genetically modified foods (potentially containing allergens and toxins not found in conventional foods). The board intends to publish 600 reliable laboratory results on mycotoxin analytical programme proficiency, which will maintain consumer confidence in food safety and quality. The board will ensure the use of reliable, advanced and rapid technologies to test the quality of food to ensure compliance with South African food safety and quality standards for imported perishable products, and this will include the detection of mycotoxin tolerance levels, pesticide residues and microorganisms. These activities will ensure confidence in farmers' produce, and are expected to cost R45 million over the medium term.

The board intends to issue 1 050 mobile devices (iPads and cellphones) to inspectors to enable them to carry out their duties of conducting import and export inspections more effectively, in order to ensure compliance with South African food safety and quality standards for imported perishable products. Expenditure on mobile devices is expected to increase from R7.2 million in 2016/17 to R9.1 million in 2018/19, at an average annual rate of 8.1 per cent. The increase is mainly due to the introduction of electronic export certification, which will replace paper based inspections and verifications with mobile technology.

The board has a total budget of R1 billion over the medium term. Total expenditure over the period is expected to increase at an average annual rate of 6.8 per cent, from R314.2 million in 2016/17 to R358.4 million in 2018/19. The growth relates to the projected increase in expenditure on accommodation, and subsistence and travel allowances, which increase from R46.4 million in 2016/17 to R65.4 million in 2018/19, at an average annual rate of 18.7 per cent. 25 per cent of South Africa's apples are exported to Asian markets, and the appointment of additional inspectors to cope with the expected growth in export volumes as a result of this is expected to drive an increase in expenditure on compensation of employees from R196.1 million in 2016/17 to R211.5 million in 2018/19.

### Programmes/objectives/activities

**Table 24.43 Perishable Products Export Control Board expenditure trends and estimates by programme/objective/activity**

| R thousand                          | Audited outcome |                |                | Revised estimate<br>2015/16 | Average growth rate (%)<br>2012/13 - 2015/16 | Expenditure/ Total: Average (%) | Medium-term expenditure estimate |                |                | Average growth rate (%)<br>2015/16 - 2018/19 | Expenditure/ Total: Average (%)<br>2015/16 - 2018/19 |
|-------------------------------------|-----------------|----------------|----------------|-----------------------------|--|---------------------------------|----------------------------------|----------------|----------------|--|--|
|                                     | 2012/13         | 2013/14        | 2014/15        |                             |  |                                 | 2016/17                          | 2017/18        | 2018/19        |  |  |
| Administration                      | 49 683          | 58 353         | 61 671         | 76 241                      | 15.3%  | 25.2%                           | 80 967                           | 85 664         | 88 207         | 5.0%   | 25.5%  |
| Statutory operations                | 125 651         | 141 800        | 170 616        | 185 632                     | 13.9%  | 63.8%                           | 198 898                          | 212 398        | 229 358        | 7.3%   | 63.5%  |
| Harmonisation programme             | 9 817           | 10 848         | 10 410         | 12 028                      | 7.0%   | 4.5%                            | 14 783                           | 15 641         | 16 548         | 11.2%  | 4.5%   |
| Laboratory and food safety services | 7 853           | 10 519         | 13 285         | 16 141                      | 27.1%  | 4.8%                            | 14 109                           | 14 927         | 15 793         | -0.7%  | 4.7%   |
| Development                         | 3 927           | 5 174          | 5 792          | 1 578                       | -26.2%                                       | 1.8%                            | 5 473                            | 8 082          | 8 550          | 75.6%  | 1.8%   |
| <b>Total</b>                        | <b>196 930</b>  | <b>226 695</b> | <b>261 775</b> | <b>291 619</b>              | <b>14.0%</b>                                 | <b>100.0%</b>                   | <b>314 230</b>                   | <b>336 711</b> | <b>358 456</b> | <b>7.1%</b>                                  | <b>100.0%</b>  |

### Statements of historical financial performance and position

**Table 24.44 Perishable Products Export Control Board statements of historical financial performance and position**

| Statement of financial performance                   |                |                 |                |                 |                |                 |                 |                  |                             |
|--|----------------|-----------------|----------------|-----------------|----------------|-----------------|-----------------|------------------|-----------------------------|
| R thousand   | Budget         | Audited outcome | Budget         | Audited outcome | Budget         | Audited outcome | Budget estimate | Revised estimate | Outcome/ Budget Average (%) |
|  | 2012/13        | 2013/14         | 2013/14        | 2014/15         | 2014/15        | 2015/16         | 2015/16         | 012/13 - 2015/16 |                             |
| <b>Revenue</b>                                       |                |                 |                |                 |                |                 |                 |                  |                             |
| <b>Non-tax revenue</b>                               | <b>198 701</b> | <b>195 088</b>  | <b>209 667</b> | <b>223 698</b>  | <b>247 220</b> | <b>251 485</b>  | <b>281 949</b>  | <b>285 019</b>   | <b>101.9%</b>               |
| Sale of goods and services other than capital assets | 192 701        | 189 865         | 205 167        | 214 904         | 241 866        | 246 082         | 275 478         | 278 548          | 101.6%                      |
| <i>of which:</i>                                     |                |                 |                |                 |                |                 |                 |                  |                             |
| Administrative fees                                  | 192 701        | 189 865         | 205 167        | 214 904         | 241 866        | 246 082         | 275 478         | 278 548          | 101.6%                      |
| Other non-tax revenue                                | 6 000          | 5 223           | 4 500          | 8 794           | 5 354          | 5 404           | 6 471           | 6 471            | 116.0%                      |
| Transfers received                                   | 600            | 600             | 632            | 600             | 600            | 600             | 600             | 600              | 98.7%                       |
| <b>Total revenue</b>                                 | <b>199 301</b> | <b>195 688</b>  | <b>210 299</b> | <b>224 298</b>  | <b>247 820</b> | <b>252 085</b>  | <b>282 549</b>  | <b>285 619</b>   | <b>101.9%</b>               |
| <b>Expenses</b>                                      |                |                 |                |                 |                |                 |                 |                  |                             |
| <b>Current expenses</b>                              | <b>197 950</b> | <b>196 930</b>  | <b>210 299</b> | <b>226 695</b>  | <b>224 092</b> | <b>261 775</b>  | <b>294 997</b>  | <b>291 619</b>   | <b>105.4%</b>               |
| Compensation of employees                            | 132 292        | 135 326         | 136 862        | 146 484         | 144 566        | 176 688         | 196 640         | 157 718          | 101.0%                      |
| Goods and services                                   | 63 168         | 60 063          | 70 836         | 77 688          | 75 950         | 81 512          | 92 223          | 127 767          | 114.8%                      |
| Depreciation   | 2 490          | 1 528           | 2 601          | 2 499           | 3 565          | 3 565           | 5 776           | 5 776            | 92.6%                       |
| Interest, dividends and rent on land                 | -              | 13              | -              | 23              | 10             | 10              | 357             | 357              | 109.9%                      |
| <b>Total expenses</b>                                | <b>197 950</b> | <b>196 930</b>  | <b>210 299</b> | <b>226 695</b>  | <b>224 092</b> | <b>261 775</b>  | <b>294 997</b>  | <b>291 619</b>   | <b>105.4%</b>               |
| <b>Surplus/(Deficit)</b>                             | <b>1 351</b>   | <b>(1 242)</b>  | <b>-</b>       | <b>(2 397)</b>  | <b>23 729</b>  | <b>(9 689)</b>  | <b>(12 448)</b> | <b>(6 000)</b>   | <b>-</b>                    |
| <b>Statement of financial position</b>               |                |                 |                |                 |                |                 |                 |                  |                             |
| Carrying value of assets                             | 18 864         | 17 250          | 21 638         | 20 889          | 23 174         | 22 746          | 30 300          | 22 746           | 89.0%                       |
| Acquisition of assets                                | (1 766)        | (2 833)         | (1 500)        | (3 009)         | (4 500)        | (4 599)         | (4 912)         | (4 912)          | 121.1%                      |
| Investments  | 60 701         | 70 130          | 79 979         | 72 567          | 43 979         | 41 762          | 67 464          | 42 757           | 90.1%                       |
| Receivables and prepayments                          | 21 696         | 25 344          | 24 886         | 28 657          | 27 253         | 32 548          | 13 368          | 34 566           | 138.9%                      |
| Cash and cash equivalents                            | 66 539         | 12 944          | 29 223         | 6 982           | 39 751         | 25 017          | 12 603          | 26 569           | 48.3%                       |
| <b>Total assets</b>                                  | <b>167 800</b> | <b>125 668</b>  | <b>155 726</b> | <b>129 095</b>  | <b>134 157</b> | <b>122 074</b>  | <b>123 735</b>  | <b>126 638</b>   | <b>86.6%</b>                |
| Accumulated surplus/(deficit)                        | 111 156        | (1 242)         | 90 753         | (2 397)         | (9 801)        | (9 689)         | (12 448)        | (6 000)          | -10.8%                      |
| Capital and reserves                                 | -              | 14 772          | -              | 17 427          | 14 772         | 17 647          | 17 427          | 17 647           | 209.6%                      |
| Capital reserve fund                                 | -              | 78 717          | -              | 77 475          | 72 098         | 74 859          | 77 475          | 75 608           | 205.0%                      |
| Trade and other payables                             | 45 566         | 25 443          | 55 239         | 27 569          | 42 781         | 29 283          | 31 164          | 28 990           | 63.7%                       |
| Taxation   | 2 592          | -               | -              | -               | -              | -               | -               | -                | -                           |
| Provisions   | 8 485          | 7 978           | 9 734          | 9 020           | 10 425         | 9 974           | 10 117          | 10 393           | 96.4%                       |
| <b>Total equity and liabilities</b>                  | <b>167 800</b> | <b>125 668</b>  | <b>155 726</b> | <b>129 094</b>  | <b>130 275</b> | <b>122 074</b>  | <b>123 735</b>  | <b>126 638</b>   | <b>87.2%</b>                |

## Statements of estimates of financial performance and position

**Table 24.45 Perishable Products Export Control Board statements of estimates of financial performance and position**

| Statement of financial performance                   |  | Revised estimate | Average growth rate (%) | Expenditure/ Total: Average (%) | Medium-term estimate |                |                | Average growth rate (%) | Expenditure/ Total: Average (%) |
|--|--|------------------|-------------------------|---------------------------------|----------------------|----------------|----------------|-------------------------|---------------------------------|
|  |  |                  |                         |                                 | 2015/16              | 2016/17        | 2017/18        |                         |                                 |
| R thousand   |  | 2015/16          | 2012/13 - 2015/16       |                                 | 2016/17              | 2017/18        | 2018/19        | 2015/16 - 2018/19       |                                 |
| <b>Revenue</b>                                       |  |                  |                         |                                 |                      |                |                |                         |                                 |
| <b>Non-tax revenue</b>                               |  | <b>285 019</b>   | <b>13.5%</b>            | <b>99.7%</b>                    | <b>310 165</b>       | <b>336 111</b> | <b>357 856</b> | <b>7.9%</b>             | <b>99.8%</b>                    |
| Sale of goods and services other than capital assets |  | 278 548          | 13.6%                   | 97.0%                           | 303 339              | 328 676        | 349 757        | 7.9%                    | 97.6%                           |
| of which:  |  |                  |                         |                                 |                      |                |                |                         |                                 |
| Administrative fees                                  |  | 278 548          | 13.6%                   | 97.0%                           | 303 339              | 328 676        | 349 757        | 7.9%                    | 97.6%                           |
| Other non-tax revenue                                |  | 6 471            | 7.4%                    | 2.7%                            | 6 826                | 7 436          | 8 100          | 7.8%                    | 2.2%                            |
| <b>Transfers received</b>                            |  | <b>600</b>       | <b>-</b>                | <b>0.3%</b>                     | <b>600</b>           | <b>600</b>     | <b>600</b>     | <b>-</b>                | <b>0.2%</b>                     |
| <b>Total revenue</b>                                 |  | <b>285 619</b>   | <b>13.4%</b>            | <b>100.0%</b>                   | <b>310 765</b>       | <b>336 711</b> | <b>358 456</b> | <b>7.9%</b>             | <b>100.0%</b>                   |
| <b>Expenses</b>                                      |  |                  |                         |                                 |                      |                |                |                         |                                 |
| <b>Current expenses</b>                              |  | <b>291 619</b>   | <b>14.0%</b>            | <b>100.0%</b>                   | <b>314 230</b>       | <b>336 711</b> | <b>358 456</b> | <b>7.1%</b>             | <b>143.3%</b>                   |
| Compensation of employees                            |  | 157 718          | 5.2%                    | 63.7%                           | 196 095              | 206 236        | 211 474        | 10.3%                   | 59.2%                           |
| Goods and services                                   |  | 127 767          | 28.6%                   | 34.9%                           | 112 245              | 124 226        | 140 370        | 3.2%                    | 38.9%                           |
| Depreciation   |  | 5 776            | 55.8%                   | 1.3%                            | 5 531                | 5 863          | 6 203          | 2.4%                    | 1.8%                            |
| Interest, dividends and rent on land                 |  | 357              | 201.8%                  | 0.0%                            | 360                  | 386            | 408            | 4.6%                    | 0.1%                            |
| <b>Total expenses</b>                                |  | <b>291 619</b>   | <b>14.0%</b>            | <b>100.0%</b>                   | <b>314 230</b>       | <b>336 711</b> | <b>358 456</b> | <b>7.1%</b>             | <b>100.0%</b>                   |
| <b>Surplus/(Deficit)</b>                             |  | <b>(6 000)</b>   | <b>1</b>                | <b>-</b>                        | <b>(3 466)</b>       | <b>-</b>       | <b>-</b>       | <b>-100.0%</b>          | <b>-</b>                        |
| <b>Statement of financial position</b>               |  |                  |                         |                                 |                      |                |                |                         |                                 |
| Carrying value of assets                             |  | 22 746           | 9.7%                    | 16.6%                           | 24 157               | 25 589         | 26 124         | 4.7%                    | 17.9%                           |
| of which:  |  |                  |                         |                                 |                      |                |                |                         |                                 |
| Acquisition of assets                                |  | (4 912)          | 20.1%                   | -3.1%                           | (4 706)              | (4 809)        | (5 088)        | 1.2%                    | -3.6%                           |
| Investments  |  | 42 757           | -15.2%                  | 45.0%                           | 47 176               | 48 950         | 50 077         | 5.4%                    | 34.4%                           |
| Receivables and prepayments                          |  | 34 566           | 10.9%                   | 24.1%                           | 36 012               | 37 722         | 38 569         | 3.7%                    | 26.7%                           |
| Cash and cash equivalents                            |  | 26 569           | 27.1%                   | 14.3%                           | 28 694               | 29 819         | 30 033         | 4.2%                    | 21.0%                           |
| <b>Total assets</b>                                  |  | <b>126 638</b>   | <b>0.3%</b>             | <b>100.0%</b>                   | <b>136 038</b>       | <b>142 079</b> | <b>144 803</b> | <b>4.6%</b>             | <b>100.0%</b>                   |
| Accumulated surplus/(deficit)                        |  | (6 000)          | 69.0%                   | -3.9%                           | (3 466)              | -              | -              | -100.0%                 | -1.8%                           |
| Capital and reserves                                 |  | 17 647           | 6.1%                    | 13.4%                           | 17 647               | 17 647         | 17 647         | -                       | 12.9%                           |
| Capital reserve fund                                 |  | 75 608           | -1.3%                   | 60.9%                           | 77 475               | 77 475         | 77 475         | 0.8%                    | 56.2%                           |
| Trade and other payables                             |  | 28 990           | 4.4%                    | 22.1%                           | 33 346               | 35 280         | 37 326         | 8.8%                    | 24.5%                           |
| Provisions   |  | 10 393           | 9.2%                    | 7.4%                            | 11 037               | 11 678         | 12 355         | 5.9%                    | 8.3%                            |
| <b>Total equity and liabilities</b>                  |  | <b>126 638</b>   | <b>0.3%</b>             | <b>100.0%</b>                   | <b>136 039</b>       | <b>142 079</b> | <b>144 803</b> | <b>-84.5%</b>           | <b>100.0%</b>                   |

## Personnel information

**Table 24.46 Perishable Products Export Control Board personnel numbers and cost by salary level<sup>1</sup>**

| Number of posts estimated for 31 March 2016 |   | 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 (%) |                   |       |        |
|   |   | 2014/15  |       | Unit Cost | 2015/16          |       | Unit Cost | 2016/17                          |       | 2017/18   |        | 2018/19 |           |                         |                                 | 2015/16 - 2018/19 |       |        |
| Perishable Products Export Control Board    |   | Number   | Cost  | Unit Cost | Number           | Cost  | Unit Cost | Number                           | Cost  | Unit Cost | Number | Cost    | Unit Cost | Number                  | Cost                            | Unit Cost         |       |        |
| Salary level                                | -   | 481  | 176.7 | 0.4       | 475              | 157.7 | 0.3       | 505                              | 196.1 | 0.4       | 500    | 206.2   | 0.4       | 505                     | 211.5                           | 0.4               | 10.3% | 100.0% |
| 1 - 6                                       | -   | 109  | 16.5  | 0.2       | 111              | 16.9  | 0.2       | 125                              | 22.1  | 0.2       | 110    | 16.9    | 0.2       | 110                     | 16.3                            | 0.1               | -1.2% | 23.0%  |
| 7 - 10                                      | -   | 337  | 131.0 | 0.4       | 329              | 109.5 | 0.3       | 345                              | 137.6 | 0.4       | 356    | 156.7   | 0.4       | 361                     | 163.4                           | 0.5               | 14.3% | 70.1%  |
| 11 - 12                                     | -   | 19   | 13.1  | 0.7       | 19               | 15.1  | 0.8       | 20                               | 16.0  | 0.8       | 19     | 13.3    | 0.7       | 19                      | 12.3                            | 0.6               | -6.8% | 3.9%   |
| 13 - 16                                     | -   | 15   | 14.0  | 0.9       | 15               | 14.0  | 0.9       | 13                               | 16.0  | 1.2       | 13     | 14.9    | 1.1       | 13                      | 14.9                            | 1.1               | 2.1%  | 2.7%   |
| 17 - 22                                     | -   | 1  | 2.1   | 2.1       | 1                | 2.2   | 2.2       | 2                                | 4.4   | 2.2       | 2      | 4.4     | 2.2       | 2                       | 4.6                             | 2.3               | 27.8% | 0.4%   |

1. Rand million.

## Additional tables

**Table 24.A Summary of conditional grants to provinces and municipalities<sup>1</sup>**

| R thousand  | Audited outcome  |                  |                  | Adjusted appropriation | Medium-term expenditure estimate |                  |                  |
|---|------------------|------------------|------------------|------------------------|----------------------------------|------------------|------------------|
|   | 2012/13          | 2013/14          | 2014/15          | 2015/16                | 2016/17                          | 2017/18          | 2018/19          |
| <b>Conditional grants to provinces</b>  |                  |                  |                  |                        |                                  |                  |                  |
| <b>Agricultural Production, Health and Food Safety</b>  |                  |                  |                  |                        |                                  |                  |                  |
| Ilima/Letsema projects grant  | 415 798          | 438 456          | 460 625          | 466 713                | 491 363                          | 522 139          | 552 423          |
| <b>Food Security and Agrarian Reform</b>  |                  |                  |                  |                        |                                  |                  |                  |
| Comprehensive agricultural support programme grant: Infrastructure                                | 762 094          | 905 746          | 929 529          | 1 167 779              | 1 148 115                        | 1 243 676        | 1 313 711        |
| Comprehensive agricultural support programme grant: Extension recovery plan                       | 322 206          | 339 927          | 352 708          | 343 873                | 346 149                          | 357 906          | 371 649          |
| Comprehensive agricultural support programme grant: Upgrading of provincial agricultural colleges | 52 500           | 55 388           | 57 701           | 69 473                 | 70 826                           | 76 831           | 84 461           |
| <b>Forestry and Natural Resources Management</b>  |                  |                  |                  |                        |                                  |                  |                  |
| LandCare programme grant: Poverty relief and infrastructure development                           | 111 599          | 105 823          | 67 837           | 65 011                 | 69 265                           | 73 604           | 77 873           |
| Comprehensive agricultural support programme grant: Disasters: Flood damaged infrastructure       | 398 191          | 303 254          | 493 761          | 58 601                 | 76 734                           | 60 327           | 63 826           |
| <b>Total</b>  | <b>2 062 388</b> | <b>2 148 594</b> | <b>2 362 161</b> | <b>2 171 450</b>       | <b>2 202 452</b>                 | <b>2 334 483</b> | <b>2 463 943</b> |

1. Detail provided in the Division of Revenue Act (2016).

Table 24.B Summary of expenditure on infrastructure

| Project name   | Service delivery outputs  | Current project stage | Total project cost | Audited outcome |         | Adjusted appropriation 2015/16 | Medium-term expenditure estimate |         |         |
|--|---|-----------------------|--------------------|-----------------|---------|--------------------------------|----------------------------------|---------|---------|
|  |   |                       |                    | 2012/13         | 2013/14 |                                | 2014/15                          | 2016/17 | 2017/18 |
| R thousand   |   |                       |                    |                 |         |                                |                                  |         |         |
| <b>Departmental infrastructure</b>   |   |                       |                    |                 |         |                                |                                  |         |         |
| <b>Small projects (total project cost of less than R250 million over the project life cycle)</b> |   |                       |                    |                 |         |                                |                                  |         |         |
| Drilling of boreholes  | Siting, drilling and testing of boreholes for small scale farmers identified in priority projects by provinces        | Various               | 200 000            | 8 328           | 10 374  | 10 578                         | 9 400                            | 9 972   | 10 523  |
| 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            | 21 878          | 23 702  | 29 492                         | 24 266                           | 25 716  | 27 110  |
| KwaZulu-Natal: Durban  | Site clearance  | Feasibility           | 17 663             | 110             | 100     | 133                            | -                                | -       | -       |
| Western Cape: Stellenbosch   | Construction of additional office accommodation   | Handed over           | 16 325             | 218             | -       | -                              | -                                | -       | -       |
| Northern Cape: Upington  | Upgrading of offices, storeroom and construction of evaporation pan and laboratory                                    | Feasibility           | 4 999              | -               | 400     | -                              | 200                              | 1 199   | 2 800   |
| Western Cape: Stellenbosch   | Construction of agrochemical store  | Handed over           | 44 000             | 398             | -       | -                              | -                                | -       | -       |
| Groenfontein Agricultural Development Institute  | Minor upgrading and repairs   | Handed over           | 1 870              | 1 289           | 879     | 100                            | -                                | -       | -       |
| Western Cape: Cape Town  | Sniffer dog kennels   | Feasibility           | 5 802              | -               | -       | -                              | 214                              | 1 000   | 2 000   |
| Gauteng: Pretoria  | Upgrading of reception areas: Agriculture Place, Harvest House and Sefala   | Design                | 2 623              | -               | 800     | -                              | 900                              | 280     | 200     |
| Limpopo: Mutale municipal district   | Construction of a seed bank Mutale (Project on hold pending the finalisation of site clearance for construction)      | On hold               | 3 811              | -               | -       | 200                            | 650                              | 1 311   | 1 100   |
| Eastern Cape: Sterkspruit  | Construction of a seed bank: Mthatha (Project on hold pending the finalisation of site clearance for construction)    | On hold               | 6 350              | -               | -       | 50                             | 500                              | 2 000   | 3 000   |
| Western Cape: Stellenbosch (plant health laboratory)   | Alterations to Polka Draai Road entrance in terms of traffic regulations  | On hold               | 1 250              | -               | -       | -                              | 200                              | 400     | 400     |
| Mpumalanga: Skukuza (alterations to offices/laboratories)  | Upgrading of existing buildings and laboratories  | Design                | 5 321              | 200             | 290     | 131                            | 3 700                            | 500     | 300     |
| Western Cape: Stellenbosch   | Upgrading of electrical substation  | Construction          | 712                | -               | -       | -                              | -                                | -       | -       |
| Installation of back up generators   | Installation of back up generators  | Identification        | 4 000              | -               | -       | -                              | 1 711                            | 2 689   | -       |
| Gauteng: Pretoria  | Revamping of parking area at Harvest House  | Design                | 4 867              | -               | -       | 400                            | 1 304                            | 300     | 463     |
| Western Cape: Cape Town  | Minor capital projects along South Africa's coastline   | Design                | 900                | -               | -       | 400                            | 500                              | -       | -       |
| KwaZulu-Natal: Durban  | Construction of animal quarantine station   | Design                | 58 703             | -               | -       | 3 038                          | 700                              | 11 400  | 13 500  |
| Western Cape: Stellenbosch (plant health laboratory)   | Upgrade and maintenance of building and laboratory facility (glasshouses and tunnels)                                 | Design                | 54 600             | -               | -       | 2 588                          | 15 301                           | -       | -       |
| Gauteng: Roodeplaat  | Repair and installation of the infrastructure at the Plant Genetic Resources Centre                                   | Design                | 18 016             | 311             | 250     | -                              | 3 000                            | 8 000   | 4 000   |
| Western Cape: Cape Town  | Repair and maintenance of fisheries harbours along the coastline  | Design                | 2 600              | -               | -       | -                              | -                                | 1 000   | -       |

Table 24.B Summary of expenditure on infrastructure

| Project name   | Service delivery outputs   | Current project stage | Total project cost | Audited outcome |                |                | Adjusted appropriation | Medium-term expenditure estimate |                |                |
|--|--|-----------------------|--------------------|-----------------|----------------|----------------|------------------------|----------------------------------|----------------|----------------|
|  |  |                       |                    | 2012/13         | 2013/14        | 2014/15        |                        | 2015/16                          | 2016/17        | 2017/18        |
| R. thousand  |  |                       |                    |                 |                |                |                        |                                  |                |                |
| Western Cape: Cape Town  | Upgrade of student centre and laboratories at Sea Point                              | Pre-feasibility       | 4 800              | -               | -              | -              | 1 100                  | 700                              | 1 000          | 2 000          |
| Mutale   | Site clearance and acquisition of land for the construction of a seed bank at Mutale | Feasibility           | 700                | -               | -              | -              | 500                    | 250                              | -              | -              |
| Gauteng: Pretoria  | Repair and maintenance of Sefala building  | Handed over           | 1 125              | 1 125           | -              | -              | -                      | -                                | -              | -              |
| Gauteng: Pretoria  | Repair and maintenance of Harvest House  | Complete              | 60                 | 60              | -              | -              | -                      | -                                | -              | -              |
| Gauteng: Pretoria  | Repair and maintenance of Agriculture Place  | Complete              | 662                | 662             | -              | -              | -                      | -                                | -              | -              |
| Pretoria: 110 Hamilton building  | Repair and maintenance   | Complete              | 1 068              | 1 068           | -              | -              | -                      | -                                | -              | -              |
| Gauteng: Pretoria multi-locking systems  | Installation of multi-locking systems in various forestry offices                    | Various               | 2 265              | 2 265           | -              | -              | -                      | -                                | -              | -              |
| Various maintenance and repair projects  | Various maintenance and repair projects  | Identification        | 6 428              | -               | 1 907          | 200            | 1 450                  | 900                              | 1 000          | 1 000          |
| Spitskop Conservation Area   | Maintenance and repair of existing soil conservation structures                      | Various               | 8 407              | -               | 8 407          | -              | -                      | -                                | -              | -              |
| Gauteng: Pretoria  | Upgrading of offices/laboratories at Rooopleat                                       | Complete              | 100                | -               | 100            | -              | -                      | -                                | -              | -              |
| Gauteng: Kempton Park  | Repairs and maintenance of animal quarantine station                                 | Feasibility           | 7 050              | -               | -              | 150            | 200                    | 4 200                            | 2 500          | 2 500          |
| Western Cape: Milnerton  | Upgrading of animal quarantine station   | Complete              | 4 700              | -               | -              | -              | 500                    | 200                              | 4 000          | 4 000          |
| Grootefontein Agricultural Development Institute   | Upgrading of infrastructure of Grootefontein Agriculture Development Institute       | Feasibility           | 10 800             | -               | -              | 350            | 3 350                  | 3 000                            | 4 100          | 4 100          |
| Eastern Cape: Sierkspruit  | Site clearance of seed bank at Sierkspruit   | Feasibility           | 1 100              | -               | -              | 800            | 300                    | -                                | 300            | 300            |
| <b>Large projects (total project cost of at least R250 million but less than R1 billion over the project life cycle)</b> |  |                       |                    |                 |                |                |                        |                                  |                |                |
| Animal production, health and improvement  | Facility for vaccine for foot and mouth disease                                      | Complete              | 149 122            | 105 263         | -              | -              | -                      | -                                | -              | -              |
| Comprehensive agricultural support programme grant: Flood damaged infrastructure   | Damaged agricultural infrastructure repaired and soil rehabilitation undertaken      | Various               | 1 844 972          | 398 191         | 303 254        | 493 761        | 58 601                 | 76 734                           | 60 327         | 63 826         |
| Understeport Biological Products   | Building and facility for vaccine production   | Various               | 492 400            | -               | 96 500         | 127 500        | 288 400                | -                                | -              | -              |
| <b>Small projects (total project cost of less than R250 million over the project life cycle)</b>                         |  |                       |                    |                 |                |                |                        |                                  |                |                |
| Agriculture Research Council: Maintenance of infrastructure  | Maintenance of building for Research and Development                                 | Various               | 84 056             | 13 853          | 14 615         | 15 492         | 16 205                 | 17 064                           | 17 917         | 18 956         |
| <b>Total</b>   |  |                       | <b>3 324 217</b>   | <b>555 209</b>  | <b>461 478</b> | <b>683 963</b> | <b>418 130</b>         | <b>165 010</b>                   | <b>153 311</b> | <b>162 078</b> |

Table 24.C Summary of donor funding

| Donor  | Project  | Programme                                       | Period of commitment | Amount committed | Main economic classification                | Spending focus  | Audited outcome |              | Medium-term expenditure estimate |            |          |          |          |
|--|--|---|----------------------|------------------|---|---|-----------------|--------------|----------------------------------|------------|----------|----------|----------|
|  |  |   |                      |                  |   |   | 2012/13         | 2013/14      | 2014/15                          | 2015/16    | 2016/17  | 2017/18  | 2018/19  |
| <b>Foreign In cash</b>                             |  |   |                      |                  |   |   |                 |              |                                  |            |          |          |          |
| 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 | 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            | 555              | Public corporations and private enterprises | Running and administrative costs  | 84              | 98           | 115                              | 258        | -        | -        | -        |
| Bioversity International                           | Conservation and use of crop wild relatives in 3 African, Caribbean and Pacific countries (European Union Cooperation Programme in Science and Technology in African, Caribbean and Pacific countries) | Agricultural Production, Health and Food Safety | 12 months            | 935              | Goods and services                          | Running and administrative costs  | -               | -            | 373                              | 331        | -        | -        | -        |
| <b>Local 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           | 8 752        | 2 169                            | -          | -        | -        | -        |
| <b>Total</b>                                       |  |   |                      | <b>28 860</b>    |   |   | <b>1 326</b>    | <b>8 890</b> | <b>2 657</b>                     | <b>589</b> | <b>-</b> | <b>-</b> | <b>-</b> |





# 2016 BUDGET

ESTIMATES OF NATIONAL EXPENDITURE

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**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA