

Economic Services and Infrastructure

Vote 25

Agriculture

	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	R1 684 738 000	R1 967 768 000		R283 030 000
Responsible minister	Minister of Agriculture and Land Affairs			
Administering department	Department of Agriculture			
Accounting officer	Director-General of Agriculture			

Aim

The Department of Agriculture aims to lead and support sustainable agriculture and promote rural development through: ensuring access to sufficient, safe and nutritious food; eliminating skewed participation and inequity in agriculture; maximising growth, employment and income in the sector; improving the sustainable management of natural agricultural resources and ecological systems; ensuring effective and efficient governance; and ensuring knowledge and information management.

Changes to programme purposes and measurable objectives

No changes have been made to programme purposes and measurable objectives.

Adjusted Estimates of National Expenditure 2005

Table 25.1: Agriculture

Programme		2005/06					
R thousand	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
1. Administration	170 480	1 200	–	602	(3 478)	(1 676)	168 804
2. Farmer Support and Development	476 791	–	260 000	(5 000)	(4 251)	250 749	727 540
3. Agricultural Trade and Business Development	95 783	–	–	(27 747)	–	(27 747)	68 036
4. Economic Research and Analysis	25 590	–	–	(2 110)	–	(2 110)	23 480
5. Agricultural Production	407 648	–	–	8 505	–	8 505	416 153
6. Sustainable Resources Management and Use	177 252	–	–	(1 386)	–	(1 386)	175 866
7. National Regulatory Services	230 513	9 159	20 400	2 080	–	31 639	262 152
8. Communication and Information Management	92 716	–	–	25 056	–	25 056	117 772
9. Programme Planning, Monitoring and Evaluation	7 965	–	–	–	–	–	7 965
Total	1 684 738	10 359	280 400	–	(7 729)	283 030	1 967 768

2005/06							
R thousand	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
Economic classification							
Current payments	790 689	9 159	2 618	(17 236)	(7 677)	(13 136)	777 553
Compensation of employees	420 098	4 000	1 440	(17 928)	(4 990)	(17 478)	402 620
Goods and services	370 591	5 159	1 178	692	(2 687)	4 342	374 933
Transfers and subsidies to:	864 993	–	277 782	2 823	(52)	280 553	1 145 546
Provinces and municipalities	291 583	–	120 000	213	(52)	120 161	411 744
Departmental agencies and accounts	373 970	–	–	10 741	–	10 741	384 711
Foreign governments and international organisations	14 700	–	140 000	3 541	–	143 541	158 241
Public corporations and private enterprises	152 422	–	–	(5 962)	–	(5 962)	146 460
Non-profit institutions	–	–	–	600	–	600	600
Households	32 318	–	17 782	(6 310)	–	11 472	43 790
Payments for capital assets	29 056	1 200	–	14 413	–	15 613	44 669
Buildings and other fixed structures	17 236	–	–	440	–	440	17 676
Machinery and equipment	11 210	1 200	–	12 638	–	13 838	25 048
Cultivated assets	92	–	–	(92)	–	(92)	–
Software and other intangible assets	518	–	–	1 427	–	1 427	1 945
Total	1 684 738	10 359	280 400	–	(7 729)	283 030	1 967 768

Details of adjustments to Estimates of National Expenditure 2005

Roll-overs – R10,359 million

Programme 1: Administration

R1,2 million has been rolled over for product assurance software for the geographic information system software. The roll-over was necessary because of a late response from SITA about renewing the maintenance contract.

Programme 7: National Regulatory Services

R9,159 million was rolled over for combating the foot and mouth disease outbreak. Some of the accounts from the various service providers were received too late to be paid before the end of the previous financial year.

Unforeseeable and unavoidable expenditure – R280,4 million

R20,4 million has been allocated for combating the classical swine fever outbreak in the Western Cape and Eastern Cape provinces.

R120 million has been allocated for fodder for farmers affected by the prevailing drought conditions in most parts of the country.

R140 million has been allocated for South Africa's contribution to the World Food Programme as humanitarian food assistance to seven SADC countries.

Virements

Table 25.2: Agriculture (Net effect of all virements)

From	R thousand	To	R thousand
Programme			
2 Farmer Support and Development	5 000	1 Administration	602
3 Agricultural Trade and Business Development	27 775	3 Agricultural trade and business development	28
4 Economic Research and Analysis	2 110	5 Agricultural Production	8 505
6 Sustainable Resources Management and Use	1 386	7 National Regulatory Services	6 109
7 National Regulatory Services	4 029	8 Communication and Information Management	25 056
Economic classification item			
Compensation of employees	18 928	Goods and services	6 000
Goods and services	4 298	Transfers to provinces and municipalities	213
Public corporations and private enterprises	6 000	Transfers to departmental agencies and accounts	10 741
Households	6 310	Transfers to foreign governments and international organisations	3 531
Cultivated assets	92	Transfers to public corporations and private enterprises	38
		Transfers to non-profit institutions	600
		Buildings and other fixed structures	440
		Machinery and equipment	12 638
		Land and subsoil assets	1 427

Details of savings

Programme 2: Farmer Support and Development

Savings of R5 million are due to the phasing out of land redistribution for agricultural development (LRAD) post-settlement support services and the introduction of the comprehensive agricultural support programme (CASP).

Programme 3: Agricultural Trade and Business Development

Savings of R1,295 million under goods and services and R980 000 under compensation of employees are due to unfilled vacancies.

R25,5 million of the AgriBEE funds has been transferred to other programmes for AgriBEE research and training programmes.

Programme 4: Economic Research and Analysis

R707 000 under goods and services has been shifted to programme 5 following the relocation of research activities there.

Due to unfilled vacancies, savings were realised under goods and services (R828 000) and compensation of employees (R575 000).

Programme 6: Sustainable Resources Management and Use

Certain activities are in the process of being scaled down, resulting in savings of R1,386 million under compensation of employees.

Programme 7: National Regulatory Services

R141 000 under goods and services has been shifted to another programme following the relocation of research activities there.

R2,298 million under goods and services has been shifted to programme 5 following the relocation of research activities there.

Unfilled vacancies resulted in a further saving of R1,59 million under compensation of employees.

Utilisation of savings

Programme 1: Administration

R141 000 has been used for a shortfall in staff costs and R461 000 for a risk assessment.

Programme 3: Agricultural Trade and Business Development.

R28 000 has been used for a shortfall in the Agricultural Marketing Council's budget.

Programme 5: Agricultural Production

R8,255 million has been directed towards research and R250 000 for crop estimating.

Programme 7: National Regulatory Services

R6,109 million has been spent on combating classical swine fever.

Programme 8: Communication and Information Management

R3,2 million has been for telecommunications.

R1,856 million has been used for a shortfall in staff costs.

Due to the cross-cutting nature of the AgriBEE initiative within the department, certain activities moved to programme 8 from programme 3, requiring a shift of R20 million.

Virements within a programme

Programme 2: Farmer support and development

R6 million of the R150 million earmarked for transfer to the Land Bank has been shifted to goods and services for administrative functions relating to the Micro-Agricultural Finance Scheme of South Africa (MAFISA).

Programme 3: Agricultural Trade and Business Development

Savings of R835 000 on various subprogrammes have been used to fund a shortfall in the budget of the National Agricultural Marketing Council.

Programme 5: Agricultural Production

Savings of R150 000 on goods and services in the Genetic Resources subprogramme have been used to fund research activities in the Scientific Research and Development subprogramme.

Savings of R6,1 million on goods and services in the Animal and Aqua Production subprogramme (R4 million) and in the Plant Production subprogramme (R2,1 million) have been used to fund research initiatives in the Scientific Research and Development subprogramme.

Programme 7: National Regulatory Services

Savings of R400 000 on goods and services in the South African Agricultural Food, Quarantine and Inspection Services subprogramme have been used for management staff costs.

Savings in other subprogrammes under compensation of employees (R13,059 million) and goods and services (R320 000) have been used in the Animal Health subprogramme to combat the outbreak of classical swine fever.

Programme 8: Communication and Information Management

Savings in other subprogrammes under compensation of employees (R4,346 million) have been used as follows: in the Grootfontein Agricultural Development Institute subprogramme for two buses (R800 000) and for a shortage under compensation of employees (R558 000); in the Agricultural Information Services subprogramme for a mass communication strategy (R250 000); and in the Education and Training subprogramme for personnel purposes (R2,738 million).

Other adjustments – (R7,729 million)

Shifting of funds between votes

Programme 1: Administration

R3,478 million will be transferred to the Department of Land Affairs for the transfer of the deputy minister's office.

R4,251 million will be transferred to the Department of Trade and Industry following the transfer of the function of the Registrar of Co-operatives to that department.

Expenditure 2004/06 and preliminary expenditure 2005/06

Table 25.3: Agriculture

Programme	2004/05				2005/06		
	Expenditure outcome				Preliminary expenditure		
R thousand	Adjusted appropriation	Apr 2004 - Sep 2004	Apr 2004 - Mar 2005	Apr 04 - Mar 05 % of adjusted appropriation	Adjusted appropriation	Apr 2005 - Sep 2005	% change 04/05 - 05/06 Apr - Sep
1.Administration	176 690	65 937	169 838	96,1	168 804	72 682	10,2
2.Farmer Support and Development	336 898	112 692	330 044	98,0	727 540	283 429	151,5
3.Agricultural Trade and Business Development	35 805	17 327	26 759	74,7	68 036	22 351	29,0
4.Economic Research and Analysis	21 755	5 407	16 108	74,0	23 480	6 717	24,2
5.Agricultural Production	369 550	206 557	368 496	99,7	416 153	218 302	5,7
6.Sustainable Resources Management and Use	159 344	41 274	143 219	89,9	175 866	77 248	87,2
7.National Regulatory Services	256 174	96 980	246 666	96,3	262 152	85 264	(12,1)
8.Communication and Information Management	87 356	36 401	83 405	95,5	117 772	44 478	22,2
9.Programme Planning, Monitoring and Evaluation	5 819	647	2 306	39,6	7 965	2 569	297,1
Total	1 449 391	583 222	1 386 841	95,7	1 967 768	813 040	39,4
Current payments	575 604	222 520	524 376	91,1	777 553	275 874	24,0
Compensation of employees	321 601	149 508	306 469	95,3	402 620	164 382	9,9
Goods and services	253 055	73 012	216 970	85,7	374 933	111 167	52,3
Financial transactions in assets and liabilities	948	-	937	98,8	-	325	-
Transfers and subsidies to:	767 258	351 347	761 906	99,3	1 145 546	519 439	47,8
Provinces and municipalities	343 800	108 274	343 800	100,0	411 744	131 160	21,1
Departmental agencies and accounts	358 906	213 289	358 905	100,0	384 711	221 936	4,1
Foreign governments and international organisations	15 949	10 871	12 998	81,5	158 241	13 725	26,3
Public corporations and private enterprises	2 851	989	2 428	85,2	146 460	151 854	15254,3
Non-profit institutions	5 727	-	3 845	67,1	600	-	-
Households	40 025	17 924	39 930	99,8	43 790	764	(95,7)
Payments for capital assets	106 529	9 355	100 559	94,4	44 669	17 727	89,5
Buildings and other fixed structures	75 044	5 653	74 859	99,8	17 676	9 520	68,4
Machinery and equipment	26 093	3 690	22 581	86,5	25 048	8 109	119,8
Cultivated assets	175	12	175	100,0	-	11	(8,3)
Software and other intangible assets	5 217	-	2 944	56,4	1 945	87	-
Total	1 449 391	583 222	1 386 841	95,7	1 967 768	813 040	39,4

Selected expenditure trends for first half of 2005/06 financial year

Expenditure in the first six months of 2005/06 has increased by 39,4 per cent compared to the same period of the previous financial year.

The main increases are related to transfers to the CASP grant and MAFISA.

The increase in *Programme 6: Sustainable Resources Management and Use* is due to lower spending by provinces on Land Care projects in the previous financial year.

Additional funds were received in 2005/06 for drought relief (R120 million), for humanitarian aid to SADC member countries (R140 million) and for MAFISA (R150 million), giving rise to the increase in transfer payments.

Summary of transfers and subsidies and conditional grants

Table 25.4 Summary of transfers and subsidies per programme

Table 25.5 Summary of conditional grants to provinces

Table 25.4: Summary of transfers and subsidies per programme

2005/06							
R thousand	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
1. Administration	823	-	-	58	(44)	14	837
Provinces and municipalities							
Provinces							
Provincial agencies and funds							
Current	-	-	-	70	-	70	70
Vehicle licenses Provincial	-	-	-	70	-	70	70
Municipalities							
Municipal bank accounts							
Current	717	-	-	(80)	(44)	(124)	593
Regional Services Council levies	287	-	-	(10)	(9)	(19)	268
Vehicle licenses Municipalities	430	-	-	(70)	(35)	(105)	325
Public corporations and private enterprises							
Private enterprises							
Other transfers							
Current	45	-	-	-	-	-	45
Non life ins prem	45	-	-	-	-	-	45
Households							
Social benefits							
Current	61	-	-	68	-	68	129
Employer social benefit cash	61	-	-	68	-	68	129
2. Farmer Support and Development	402 457	-	260 000	(5 997)	(8)	253 995	656 452
Provinces and municipalities							
Provinces							
Provincial revenue funds							
Current	250 000	-	120 000	-	-	120 000	370 000
Comprehensive Agricultural Support Programme Grant	250 000	-	-	-	-	-	250 000
Drought Relief	-	-	120 000	-	-	120 000	120 000
Municipalities							
Municipal bank accounts							
Current	80	-	-	(5)	(8)	(13)	67
Regional Services Council levies	80	-	-	(5)	(8)	(13)	67
Foreign governments and international organizations							
Current	-	-	140 000	-	-	140 000	140 000
World Food Programme	-	-	140 000	-	-	140 000	140 000

2005/06							
R thousand	Main appropriation	Additional appropriation				Adjusted appropriation	
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		Total additional appropriation
Public corporations and private enterprises							
Public corporations							
Other transfers							
Current	152 377	–	–	(5 992)	–	(5 992)	146 385
Ncera Farms (Pty) Ltd	2 377	–	–	–	–	–	2 377
Land and Agricultural Bank of SA	150 000	–	–	(6 000)	–	(6 000)	144 000
ESKOM	–	–	–	8	–	8	8
3. Agricultural Trade and Business Development	44 147	–	–	(25 140)	–	(25 140)	19 007
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	49	–	–	(3)	–	(3)	46
Regional Services Council levies	49	–	–	(3)	–	(3)	46
Departmental agencies and accounts							
Public entities							
Current	13 098	–	–	863	–	863	13 961
National Agricultural Marketing Council	13 098	–	–	863	–	863	13 961
Households							
Other transfers							
Current	31 000	–	–	(26 000)	–	(26 000)	5 000
Broad-based Black Economic Empowerment Programme for Agriculture (AgriBEE)	31 000	–	–	(26 000)	–	(26 000)	5 000
4. Economic Research and Analysis	797	–	–	(3)	–	(3)	794
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	47	–	–	(3)	–	(3)	44
Regional Services Council levies	47	–	–	(3)	–	(3)	44
Households							
Social benefits							
Current	750	–	–	–	–	–	750
Employer social benefit cash	750	–	–	–	–	–	750
5. Agricultural Production	355 202	–	–	6 597	–	6 597	361 799
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	50	–	–	(3)	–	(3)	47
Regional Services Council levies	50	–	–	(3)	–	(3)	47
Departmental agencies and accounts							
Public entities							
Current	302 264	–	–	6 000	–	6 000	308 264
Agricultural Research Council	302 264	–	–	5 750	–	5 750	308 014
Water Research Commission	–	–	–	250	–	250	250
Capital	52 888	–	–	–	–	–	52 888
Agricultural Research Council	52 888	–	–	–	–	–	52 888
Non-profit institutions							
Current	–	–	–	600	–	600	600
SA Poultry Association	–	–	–	300	–	300	300
National red Meat Producers Organisation	–	–	–	300	–	300	300

2005/06							
R thousand	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
6. Sustainable Resources Management and Use	40 393	–	–	2 193	–	2 193	42 586
Provinces and municipalities							
Provinces							
Provincial revenue funds							
Current	40 000	–	–	–	–	–	40 000
Land Care Programme Grant: Poverty Relief and Infrastructure Grant	40 000	–	–	–	–	–	40 000
Municipalities							
Municipal bank accounts							
Current	137	–	–	268	–	268	405
Regional Services Council levies	137	–	–	(9)	–	(9)	128
Vehicle licenses Municipalities	–	–	–	277	–	277	277
Departmental agencies and accounts							
Public entities							
Current	–	–	–	1 878	–	1 878	1 878
Water Research Commission	–	–	–	1 878	–	1 878	1 878
Households							
Social benefits							
Current	256	–	–	47	–	47	303
Employer social benefit cash	256	–	–	47	–	47	303
7. National Regulatory Services	592	–	17 782	19 569	–	37 351	37 943
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	367	–	–	(20)	–	(20)	347
Regional Services Council levies	367	–	–	(20)	–	(20)	347
Public corporations and private enterprises							
Public corporations							
Other transfers							
Current	–	–	–	30	–	30	30
Eskom	–	–	–	30	–	30	30
Households							
Social benefits							
Current	225	–	–	71	–	71	296
Employer social benefit cash	225	–	–	71	–	71	296
Other transfers							
Current	–	–	17 782	19 488	–	37 270	37 270
Porcine respiratory and reproductive syndrome	–	–	–	3 000	–	3 000	3 000
Classical swine fever	–	–	17 782	16 488	–	34 270	34 270
8. Communication and Information Management	20 571	–	–	5 547	–	5 547	26 118
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	125	–	–	(10)	–	(10)	115
Regional Services Council levies	125	–	–	(10)	–	(10)	115
Departmental agencies and accounts							
Public entities							
Current	5 720	–	–	2 000	–	2 000	7 720
Primary Agriculture Sector	420	–	–	–	–	–	420
Education and Training Authority							
National Student Financial Aid Scheme	5 300	–	–	2 000	–	2 000	7 300

2005/06							
R thousand	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
Foreign governments and international organisations							
Current	14 700	–	–	3 541	–	3 541	18 241
Office International des Epizooties	512	–	–	10	–	10	522
International Seed Testing Association	55	–	–	(25)	–	(25)	30
Organisation for Economic Co-operation & Development	95	–	–	–	–	–	95
International Union for the Protection of New Varieties of Plants	282	–	–	–	–	–	282
International Grains Council	132	–	–	(15)	–	(15)	117
Office International de la Vigne et du Vin	382	–	–	–	–	–	382
Plant Genetic Resources Centre - SADC	407	–	–	(407)	–	(407)	–
Food & Agriculture Organisation of the United Nations	8 735	–	–	1 468	–	1 468	10 203
International Commission of Agricultural Engineering	52	–	–	3 038	–	3 038	3 090
Foreign rates and taxes	–	–	–	150	–	150	150
Consultative Group on International Agricultural Research	3 208	–	–	(120)	–	(120)	3 088
CAB International	206	–	–	(82)	–	(82)	124
Regional Early Warning Unit for Food Security - SADC	382	–	–	(382)	–	(382)	–
Regional Food Security Training Programme - SADC	252	–	–	(232)	–	(232)	20
International Cotton Advisory Council	–	–	–	138	–	138	138
Households							
Social benefits							
Current	26	–	–	16	–	16	42
Employer social benefit cash	26	–	–	16	–	16	42
9. Programme Planning, Monitoring and Evaluation	11	–	–	(1)	–	(1)	10
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	11	–	–	(1)	–	(1)	10
Regional Services Council levies	11	–	–	(1)	–	(1)	10
Total	864 993	–	277 782	2 823	(52)	280 553	1 145 546

Table 25.5: Summary of conditional grants to provinces ¹

2005/06							
R thousand	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
2. Farmer Support and Development							
Farmer Settlement							
Comprehensive Agricultural Support Programme Grant	250 000	–	–	–	–	–	250 000
Agricultural Risk Disaster Management							
Drought Relief (Disaster Management)	–	–	120 000	–	–	120 000	120 000
6. Sustainable Resources Management and Use							
Land Use and Soil Management							
Land Care Programme Grant: Poverty Relief and Infrastructure Grant	40 000	–	–	–	–	–	40 000
Total	290 000	–	120 000	–	–	120 000	410 000

¹ Main appropriation detail provided in the Division of Revenue Act, 2005