

**DEPARTMENT OF AGRICULTURE  
LIMPOPO PROVINCE**

**STRATEGIC PLAN  
2005 / 2006**

**“FROM FARMING TO AGRICULTURAL  
INDUSTRIAL DEVELOPMENT”**

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## **PREAMBLE**

The Strategic Plan for the Department of Agriculture is an essential tool for planning and resource allocation. The aim of the Plan is to strategically mobilise, distribute and utilise those resources equitably and efficiently to achieve the four Government objectives namely:

- Growing the economy;
- Job creation;
- Economic empowerment and;
- Poverty alleviation.

This Strategic Plan will provide essential information that will enable effective benchmarking that will result in the monitoring and evaluation of the Department's performance in achieving the planned objectives and outcomes.

The new philosophy of the strategic support to agricultural sector by the Department is participatory and demand led / driven. This philosophy is supported by four key service delivery approaches, namely:

- Municipality focussed;
- Commodity based;
- Value chain analysis and ;
- Project based.

The strategic planning is a cyclical process informed by the above philosophy, followed by programme implementation, monitoring and performance evaluation. The cycle culminates with the publication of the annual report, and presentations to the Portfolio Committee on Agriculture and the Standing Committee on Public Accounts in the Legislature.

The effective implementation of this strategic plan requires a structured budget that is linked to the functions and measurable objectives of the Department.

## FOREWORD BY THE MEC

The Limpopo Department of Agriculture (LDA) has adopted twelve programme priorities, which guide the Strategic Plan. These programmes are in line with the overall priorities as contained in the revised Provincial Growth and Development Strategy (PGDS) of the Provincial Government.

The National Agricultural Sector Strategy and *AgriBEE* allude to the need to ensure full participation of all Farmers and especially Black farmers and agri-business entrepreneurs in the development of Agriculture in the country to stimulate economic development and employment creation. This will ensure that the benefits and ultimately wealth of economic development are shared by the people of the country.

In line with this understanding, we have developed twelve strategic priority programme areas that will make LDA realise these objectives.

These programme priority areas encompass a strategy which targets different categories of clients in the farming community. These are, the vulnerable, subsistence communal farmers, emerging farmers and SMME-type agribusinesses and the commercial farmers. My predecessor, Dr. Motsoaledi announced in his 2004 Budget Speech, a Departmental Master Plan to eradicate poverty, generate incomes create jobs, empower rural people and grow local economies. The Rehabilitation of Small Holder Irrigation Schemes (RESIS), the Comprehensive Agricultural Support Programme (CASP) and Land Care are the pillar support systems that will ensure the creation of rural jobs, investment in agricultural infrastructure and the due care and utilization of our natural resources. These projects are still going to be the key in assisting the Department in realizing its targets on the four deliverables on the Government.

This plan requires strategic partnerships, commitment and dedicated mentorship from all stakeholders to succeed. The available resources within the LDA will provide solution to some of the challenges. However, other forms of support from partnerships will be required to enhance service delivery and to further push back the frontiers of poverty. In this regard the philosophy for sustainable development and service delivery in my Department is “**Nothing about us, without us**”. Farmers must take this challenge and make the department to account.

During his 2005 State of The Nation Address, President Mbeki committed the nation to achieve and make decisive advances to the following issues, namely:

- Further entrenchment of democracy in our country;
- Transforming our country into a genuinely non-racial society;
- Transforming our country into a non-sexist society;
- Eradicating poverty and underdevelopment, within the context of a thriving and growing First Economy and the successful transformation of the Second Economy;
- Opening the vistas towards the spiritual and material fulfilment of each and every South African,

- Securing the safety and security of all our people;
- Building a strong and efficient democratic state that truly serves the interests of the people, and
- Contributing to the victory of the African Renaissance and the achievement of the goal of a better life for the peoples of Africa and the rest of the world.

The President further emphasized that “these objectives constitute the central architecture of our policies and programmes, intended to ensure that South Africa truly belongs to all who live in it Black and White.”

We accept the challenges that we face and will continue to respond in order to achieve the objectives of this Government. The public-private-partnership principle and the Provincial Growth and Development values and objectives should provide a collective responsibility to enable my Department to rise to these challenges.

**“Bo seka bo e ja”**

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**MRS. DP MAGADZI**

**MEMBER EXECUTIVE COUNCIL**

**LIMOPO PROVINCE DEPARTMENT OF AGRICULTURE**

## OVERVIEW OF STRATEGIC PLAN

The Department of Agriculture has identified twelve key strategic programmes areas to contribute to the Economic Growth and Development in our Province.

The identified areas are: -

1. Restructuring of State Assets to empower farmers, communities and workers through Revitalisation of Smallholder Irrigation Schemes (RESIS) as well as projects under the Agricultural Rural Development Corporation (ARDC);
2. Promotion and implementation of *AgriBEE*;
3. Development and implementation of succession planning based on youth infusion into the agricultural sector;
4. Promotion and development of appropriate research based production and value adding technologies for successful agri-businesses;
5. Redistribution of agricultural land, capacitating beneficiaries and promoting sustainable commercial enterprises;
6. Sustainable Graduating Poverty alleviation and household food security and nutrition strategies;
7. Promotion and establishment of reliable information and communication strategy through information technology for knowledge and information sharing;
8. Formation of farmer based commodity associations and other agri-business entities for farmer support to ensure full participation in local economic development opportunities;
9. Provision of appropriate advisory support to develop and strengthen capacity of commodity association and other farmer formations;
10. Promotion of sustainable natural resource utilisation and agricultural land use management;
11. Animal production and health to improve livestock and also control animal diseases;
12. Human Resource Development to increase knowledge, skills and competency of motivated officials;

We are determined to increase the capacity, competency, professionalism and effectiveness of Departmental systems in our administration to improve the quality of service intended for our targeted clients.

We are implementing an integrated development planning approach with local municipalities to improve managerial, technical and administrative capacity at these levels for effective service delivery.

We will be executing an agricultural survey to evaluate the potential agricultural resources and their contribution to the economic growth and Provincial GDP.

We will only be able to achieve all these programmes through joint and focused efforts by all stakeholders.

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**MBJ MALOA**  
**ACCOUNTING OFFICER**  
**LIMPOPO PROVINCE DEPARTMENT OF AGRICULTURE**

## **VISION**

A united and prosperous agricultural sector where people, livelihoods and natural resources are in a perfect balance

## **MISSION**

To contribute to the economic growth of the Province through sustainable agricultural sector and food security programmes for a better life for all

## **KEY PRODUCTS AND SERVICES**

- Policy framework and guidelines;
- Strategic direction (c/o strategic plan and organisational risk analysis);
- Implementation of regulatory services;
- Agricultural education training sponsorships;
- Farmer selection and settlement;
- Research, technology development and transfer;
- Agricultural commodity market access facilitation;
- Value adding and processing facilities;
- Agricultural risk management;
- Natural resource conservation and management;
- Agricultural infrastructure and engineering services;
- Knowledge and information management;
- Advisory agricultural support services;
- Staff development and succession planning.

## **VALUES**

As a Department we value:

- Principles of Batho Pele;
- Shared visionary leadership
- Team spirit and action;
- Optimal human resource utilisation;
- Our people and their diversity.

## **STAKEHOLDER IDENTIFICATION**

The following constitute our key stakeholders:

- Farming community within the entire value chain:
  - Hungry and the vulnerable;
  - Communal and subsistence food producers;
  - Emerging farmers and entrepreneurs;
  - Commercial farmers



- Other spheres of Government e.g. Local, Provincial and National;
- Parastatals e.g. LIMDEV, TIL, ARDC, LIMAC etc.;
- NGO's, CBO's etc.;
- Farm workers organisations;
- Corporate Agri-business industry;
- Traditional leaders;
- Women In Agriculture, and
- Youth In Agriculture.

## **SECTORAL SITUATIONAL ANALYSES**

Limpopo Province covers an area of 12,46 million hectares and these accounts for 10,2 % of the total area of the Republic of South Africa. The Province is endowed with abundant agricultural resources and it is one of the country's prime agricultural regions noted for the production of livestock, fruits and vegetables, cereals and tea.

Three distinct climatic regions can be identified in the province. These are the Lowveld (arid and semi-arid) regions, the middle veldt, highveld, semi-arid region and the escarpment region having sub-humid climate with rainfall in excess of 700 mm per annum. The most limiting resource in the province is water. Irrigation is needed for about 137,000 hectares of which 58,000 hectares are in the hands of black small-scale farmers.

These varied climates allows Limpopo Province to produce a wide variety of agricultural produce ranging from tropical fruits such as banana, mangoes to cereals such as maize, wheat and vegetables such as tomatoes, onion and potatoes.

Dualism is declining due to Land reform outcomes and involvement of Black entrepreneurs in the agribusiness value chain. However, there are still two distinct types of agricultural production systems: the large scale commercial farming system and the small holder farming system. These two systems have evolved as a result of past policies of the previous governments under the apartheid regime. The outcomes of Land reform and the acquisition of interests by Black entrepreneurs in agribusiness will over time remove this anomaly.

White farmers who practice large scale farming system using the most advanced production technology occupy approximately 70% of the total land area. These commercial farmers operate large farms, which are well organized and situated on prime land. At present, there are approximately 5,000 commercial farming units in Limpopo Province (Statistics South Africa: 2002).

The smallholder farms are located mostly in the former homeland areas and they cover approximately 30% of the provincial land surface area. Farming under the smallholder systems is characterized by low level of production technology and small size of farm holding of approximately 1,5 hectares per farmer; with production primarily for subsistence and little marketable surplus.

It has been estimated that there are approximately 303,000 smallholder farmers in Limpopo Province by 2000 (Statistics South Africa: 2002). Women constitute 80% of these smallholder farmers.

Given the fact that 89% of the population of Limpopo Province is classified as rural, agriculture plays a major role in the economic development of rural areas of the province.

The contribution of agriculture to the economy of Limpopo Province has been summarized in DBSA Report (1994). In this report, agriculture was estimated to have contributed 15,7% of the gross geographic product (GGP) of the province for 1991 period. The report has also revealed that agriculture was second only to government (public or community services), which made the highest contribution for that period.

In terms of employment, the DBSA report reveals that agriculture employed 17,5% of the economically active population( in the commercial farming sub-sector) and a further 25% in the informal or subsistence smallholder farming sub-sector, thus making agriculture the most important provider of employment in the Limpopo Province.

The DBSA report also reveals the impact of the multiplier effect of the agricultural sector on the economy and concluded that only agriculture recorded a comparative advantage as an economic sector within the province.

Agriculture is interrelated to most of the other sectors of Limpopo economy. Manufacturing contributes about 27% to final agriculture output (that is, some agricultural output requires input from manufacturing sector). On the other hand, about 15% of final agricultural output is used as input in the manufacturing process to produce final manufactured products.

Other sectors such as trade, contributes about 5% and transport 3%, financial business about 1% to the value of final agricultural output. These inter-sectoral linkages reveal the importance of agriculture to other sectors of the Limpopo economy. The agricultural sector encompasses not only the primary agricultural production but the pre-input and input sectors as well as financial sectors, marketing sectors and agro-processing (manufacturing) sectors.

Limpopo Province has diverse soils, which vary in productivity. The soils are also vulnerable to various forms of degradation (physical, chemical and biological) and hence appropriate management strategies are critical if productivity of the soils is to be improved and sustained

Based on the characteristics of the soils, climate and topography, the land capacity categorization constitute the following proportions:

- 37,7% suitable for arable farming;
- 50,1% suitable for grazing;
- 12,2% suitable for wildlife.

The total land area of the province is 11,960,600 hectares of which 88,2 % (10,548,290 ha) constitute farmland. Of the total farmland, 14,7 and 14% constitutes potential arable land in developing agriculture in the former homeland and commercial agriculture respectively. Dry land cultivation on a commercial basis is only possible on the Springbok flats. Irrigate farming is predominant in the province.

### **Threats**

- Harsh climatic variations from drought, heat waves and floods;
- Global warming leading to decreasing rain possibilities;
- Poverty levels are as high with 40% being food insecure;
- HIV / Aids and other communicable diseases;
- Unemployment is higher than the national average;
- Transmittable animal diseases;
- International legislation (Compliance to European and American trade standards);
- Scarcity of irrigation water;
- Unlawful occupation of state land;
- Competition for land use;
- Fluctuating commodity prices;
- Globalisation;
- Ageing farmers / lack of succession planning and / or absence of youth involvement.

### **Opportunities**

- Agro ecological climatic zones allowing variety of commodities throughout the season;
- High labour availability;
- Technology;
- NEPAD processes and geographical location;
- Agro-processing opportunities;
- More agricultural land available;
- Supportive political environment for the agricultural development demonstrated by agriculture being one of the three cornerstones of the economy in the Province;
- Globalisation;
- *AgriBEE*;
- Land reform;
- MAFISA.

**Strengths**

- Strong visionary and supportive political leadership;
- Strong commercial farming community;
- Total component of extension and advisory personnel;
- Clearly identified strategic focus areas.

**Weaknesses**

- Human Resource capacity in terms of problem solving skills;
- Weak data and information base for planning;
- Poorly motivated staff;
- Inability to attract certain specialised skills: economists, veterinarians, agricultural engineers, etc;
- Communication with stake holders;
- Poor customer focuses both internally and externally.

**LEGISLATIVE AND OTHER MANDATES**

The Department of Agriculture is an integral part of the South African Public Service established in terms of section 197 of the Constitution and read with section 7 (1) and 7 (2) of the Public Services Act of 1994.

The Department derives its core mandate from the provisions of schedules 4 and 5 of the Constitution of the Republic of South Africa and in accordance with section 104 (1) b of the Constitution.

As a concurrent national and provincial legislative competency listed in schedule 4 of the Constitution, the Department of Agriculture, as part of the system of concurrent governance, derives its administrative mandate from both National Parliament and Provincial Legislature.

The Department of Agriculture's mandate is currently vested mainly in the following statutes:

- Veterinary Acts
- Plant and Crop Related Legislation
- Land and Land Reform Legislation
- Land Care Related Legislation
- Administrative Legislation
- Recruitment Policies
- Conditions of Service
- Public Service Act and Regulations
- Public Finance Management Act and Treasury Regulations
- Supply Chain Management Framework
- Preferential Procurement Policy Framework Act
- Black Economic Empowerment Act
- Access to Information Act

- Resource Conservation Act
- SITA Act
- Electronic Communications and Transaction Act

## **MONITORING INFORMATION SYSTEMS**

### **FINANCIAL**

- Demand management;
- Transaction processing system;
- Accounting Information System;
- Internal Audit;
- Auditor-General;
- Asset Register;
- Supply Chain Management

### **HUMAN RESOURCE MANAGEMENT**

- Employee profile records - occupational class, skills, age etc.;
- HRD Information System;
- Salary System;
- Performance Management Tools;
- Employment Equity Plan.

## **OPERATIONAL INFORMATION SYSTEMS**

- Per program service delivery progress report;
- Project Management Report;
- Quarterly Performance Management Reviews and Reports;
- Annual Reports.

## **STRATEGIC PLANNING PROCESS**

- The process of strategic direction setting is initiated by the Senior Management with the directive from the Executing Authority. Various agricultural related summits, District Imbizo's and their resolution are also factored in. Strategic priorities and programs are then determined;
- Priorities are drawn from National and Provincial priorities as a framework;
- Inputs from interactions with farmer organisations are also factored;
- Program Managers develop program specific strategies;
- The strategy then referred to implementing units and clients for inputs – before finalising;
- Top down approach in strategy development but bottom up in sourcing information;
- Strategic plan is finalised and communicated with all relevant structures.

## BUDGET PROGRAMME AND SUB-PROGRAMME PLANS

These programmes are:

Programme	Sub-Programme
<b>1. Administration</b>	1.1 Office of the MEC
	1.2 Senior Management
	1.3 Corporate Services
	1.4 Financial Management
<b>2. Sustainable Resource Management</b>	2.1 Engineering Services
	2.2 Landcare
<b>3. Farmer Support and Development</b>	3.1 Farmer Settlement
	3.2 District Services
	3.3 Extension Advisory Services
	3.4 Food Security
	3.5 Crop Production
	3.6 Animal Production
<b>4. Veterinary Services</b>	4.1 Animal Health
	4.2 Veterinary Public Health
	4.3 Veterinary Lab Services
<b>5. Technical Research Services</b>	5.1 Research
	5.2 Information and Communication Technology Services
<b>6. Agricultural Economic Development Planning And Agribusiness Development</b>	6.1 Agri-business Development
	6.2 Agri-Economic Development Planning
<b>7. Structured Agricultural Training</b>	7.1 Further Education and Training

## **PROGRAMME 1: ADMINISTRATION**

### *SITUATIONAL ANALYSIS*

Corporate services are fundamental for the existence of any organization, including the Limpopo Department of Agriculture. The services are predominantly internal support type of services which are critical for the functioning of an organisation. Within the Limpopo Department of Agriculture, corporate services are organized into seven sub-programmes, viz. Human Resource Management, Human Resource Development, Transformation Services, Logistic Services, Security and Risk Management Services, Legal Services and Communications all of which are very essential for the proper functioning of the Department, and indeed the delivery of appropriate services to our populace in the agricultural sector.

The existing services and the performance during 2005/06 are presented in line with the sub-programmes as follows:

(i) Human Resource Management:

Existing services include human resource provision, human resource planning and equity, implementation of conditions of service, performance management, and human resource record management. Despite the challenges which will be presented later, the services mentioned here were in general delivered satisfactorily.

(ii) Human Resource Development:

The services presently rendered include skills development, work study and job evaluation as well as the management of various farmer (and other clients) support programmes delivered through the two Colleges of Agriculture, Madzivhandila and Tompi Seleka. Skills development services are rendered through the awarding of bursaries for college and university types of studies, skills provision through learnerships, internships, mentorships and skills programmes (short courses), as well as the intake of tertiary students for experiential learning.

(iii) Transformation Services:

Existing transformational services include policy development, implementation of and proper management of the Employee Assistance, Occupational Health and Safety, HIV / AIDS and Gender related programmes. The Department performed fairly well in terms of the implementation of these programmes over the past year.

(iv) Logistic Services

Logistic services include the provisioning of transport services to employees of the Department (both GG and subsidized transport) for effective service delivery, management of facilities such as buildings and equipment as well as the rendering of office support services. During the last year, the Department purchased the head office building at 69 Biccard street and proceeded to enter into a lease

agreement with the Land Lord of the adjacent property for construction of additional office space for Head Office.

Until such time that the new office space will have been completed, we will have to leave with the issue of overcrowding. A programme has also been initiated whereby facilities outside head office is being renovated

(v) Security and Risk Management

Security and Risk Management type of services includes activities such as physical security of Departmental property, information security and the eradication of fraud and corruption from the Department. A need to separate issues of physical security from risk management has been identified and is being addressed.

(vi) Legal service

Legal services provides legal support to the Department as well as providing legal drafting. This is a new function which has up to now been provided by the Premiers office. It is already apparent that the amount of issues requiring legal inputs are overwhelming hence the need to staff this unit fully.

(vii) Communication

Communication in the Department has up to now been limited to political communication from the Public Relations office of the Executing Authority. There is much greater need to communicate our programmes to our clients hence the creation of a fully fledged communication division which is currently being staffed.

***POLICIES, PRIORITIES AND STRATEGIC OBJECTIVES***

SUB-PROGRAMME	POLICY	PRIORITY	STRATEGIC OBJECTIVE
1. Human Resource Management	Public Service Act	Provision of human resources	Filling of all critical vacant positions
	Employment Equity Act	Promotion of equity	Achieving equity targets in terms of race, gender and disability
	Basic Conditions of Employment Act	Basic conditions of Employment	Properly implement the basic conditions of employment, e.g. leave matters
	Provincial Policy on Performance Management	Performance management	Improvement on management of performance and rewarding



2. Human Resource Development	Skills Development Act, Skills Development Levies Act, National Human Resource Development Strategy, Departmental Bursary Policies	Knowledgeable and skilled populace for the agricultural sector	Equip Departmental staff, farmers, prospective farmers and the youth with relevant skills for meaningful participation in the sector
	FET Act, SAQA Act	Management of Colleges and learning programmes	Proper management of the Colleges and of the learning programmes in these institutions
	Provincial Policies on Work Study and Job Evaluation	Work study and Job Evaluation	Development of organogram linked to strategic plan and evaluation of all jobs for proper remuneration
2. Transformation Services	Occupational Health and Safety Act, Policies on Employee Assistance Programme and on HIV/AIDS	A healthy, safe and happy work force	Promotion of a healthy and safe work environment, Support to the work force experiencing socio-economic problems and disease infections
4. Logistic Services	Policies on transport and on phones etc.	Transport, office space, phones and other equipment	Proper logistical support in terms of provisioning of the required working tools
5. Legal services	Promotion of Administrative Justice Act, 2000.  Promotion of Access to Information Act, 2000.  Public Finance Management Act, 1999.  The Constitution of the Republic of South Africa Act, 1996.	Development guidelines for implementation of the Act.  Development of guidelines implementation of the Act.  Contract Management System.  Case Management System.  Legislative measures by the Department.	Draft the implementation plan for the Act.  Draft the Manual in terms of the Act.  Consolidation enforcement of contracts. Development of standard contracts. Establishment of a database for contracts. Establishment of a database for management of cases. Development of regulatory frameworks.

### *ANALYSIS OF CONSTRAINTS*

#### Excess Staff:

When the word 'excess' is used, one usually assumes no constraint. The existence of excess staff in the Department is a serious constraint because this staff is predominantly unskilled, is not relevant for the needs of the Department, and are usually paid more than the value of their contributions, if any at all. The excess staff inflates the personnel budget of the Department and hence reduces the operational budget, which makes service delivery to suffer. In line with DPSA policies and guidelines, the Department is to embark on a massive re-orientation and training programme for this staff in order to make them employable elsewhere.

#### Skills Shortage:

The problem of unskilled excess staff has already been mentioned. The frontline and middle management staff of the Department generally lack certain management and problem solving critical skills for appropriate service delivery. Some of the better skilled staff is gradually getting lost to competitors, while others age and get lost from the public service. The skills development initiatives are meant to provide skills to address the existing constraint of skills shortage including a targeted succession planning.

#### HIV/AIDS:

HIV/AIDS is a growing threat not only to the agricultural sector, but to our entire nation. As a result of this disease, our Department is focussing of awareness. The transformation services are intended to reduce the effect of challenges such as HIV/AIDS. Marketing of this programme is important for prospective beneficiaries.

#### Office Space:

The shortage of office space is a major constraint. Arrangements are underway to address this constraint and a complete office block for Head Office will be available by 1<sup>st</sup> March 2006.

### *MECHANISAMS TO OVERCOME CONSTRAINTS AND IMPROVEMENT PLANS*

Quality improvement will be guided by the Batho Pele policy on service delivery. The branch has access to the generic service standards and developed the domain specific service standards which constitute the planned quality improvement measures. Regular monitoring will be conducted on achieving the service standards:

1. Effective administration of Human Resources, Finance and Assets;
2. Capacitating of extension services;
3. Achieving gender youth and disability targets and development in all departmental programmes and projects;
4. Rendering social responsibility services i.e. HIV/Aids support, Employment Assistance Support etc;
5. Corporate Governance.

RECONCILIATION OF BUDGET AND PLANS

**Programme 1: Administration**

<b>Summary of expenditure and estimates:</b>			
	<b>2005/06</b>	<b>2006/07</b>	<b>2007/08</b>
	<b>MTEF</b>	<b>MTEF</b>	<b>MTEF</b>
	<b>R' 000</b>	<b>R' 000</b>	<b>R' 000</b>
Statutory	643	643	643
Office of the MEC	4,537	5,858	6,572
Senior Management	4,862	6,042	6,708
Financial Management	36,051	39,934	44,333
Corporate Services	71,132	85,663	95,100
<b>Total</b>	<b>117,225</b>	<b>138,140</b>	<b>153,356</b>

<b>Summary of payments and estimates:</b>			
<b>Current payments</b>			
Compensation of employees	49,647	58,375	64,804
Goods and services	41,183	51,785	57,490
Interest and rent on land	-	-	
Financial transactions related to policy execution	-	-	
Unauthorised expenditure	-	-	
<b>Total Current payments</b>	<b>90,830</b>	<b>110,160</b>	<b>122,294</b>
<b>Transfers and subsidies</b>			
To: Provinces & Municipalities	22,230	23,564	26,160
Departmental agencies and accounts	-	-	-
Universities and technikons	-	-	-
Public corporations and private enterprises	45	48	53
Foreign govts and international organizations	-	-	-
Non-profit institutions	-	-	-
Households	-	-	-
<b>Total transfers and subsidies</b>	<b>22,275</b>	<b>23,612</b>	<b>26,213</b>

	2005/06	2006/07	2007/08
	MTEF	MTEF	MTEF
	R' 000	R' 000	R' 000
<b>Payments for capital assets</b>			
Buildings and other structures	-	-	-
Machinery and equipment	4,120	4,368	4,849
Cultivated assets	-	-	-
Software and other intangible assets	-	-	-
Land and subsoil assets	-	-	-
<b>Total capital assets</b>	<b>4,120</b>	<b>4,368</b>	<b>4,849</b>
<b>Total Payments</b>	<b>117,225</b>	<b>138,140</b>	<b>153,356</b>

## **PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT**

### *SITUATIONAL ANALYSIS*

Rural communities require engineering services for development and maintenance of agricultural infrastructure. Agriculture requires engineering services for such applications as irrigation schemes, soil and water conservation, soil tillage, farm structure etc. Limpopo is mostly semi-arid, and is prone to drought and floods. In this respect irrigation and soil and water conservation are paramount to the socio-economic development of rural areas in the Province. In Limpopo Province the total potential agricultural land is 10,55 million hectares of which 1,7 million ha is for crop production and 8,85 million ha is for grazing purposes.

Of 1,7 million ha of potential cropland, 1,17 million ha is under commercial farming while 0,53 million is under communal farming.

Of 8,85 million ha of potential grazing, 6 million ha is under commercial farming while 2,85 million is under communal farming.

The total potential irrigation land in the province is, 137,000 ha.

A very conservative estimate of Agricultural production in the province reveals that it can easily produce over R13,26 Billion worth of Agricultural raw products per annum, of which R3,91 billion can be from rain fed agriculture, R8,22 billion from Irrigation agriculture and R1,13 billion from stock farming.

The upliftment and support of primary and secondary agriculture is the goal of Department of Agriculture.

There are 126 smallholder irrigation schemes in Limpopo Province with a total irrigable area of 19,460 ha. In addition some of the ARDC (Agriculture and Rural Development Corporation) schemes could well form part of Irrigation Schemes. There are about 45 schemes totalling 1,838 ha in this category.

Most of these schemes, which were well constructed originally, have degraded infrastructure through lack of maintenance in recent years. The schemes were mostly government managed and maintained up to the mid 1990's, with the beneficiary farmers having little or no involvement in the day-to-day operation and maintenance of their scheme infrastructure.

The farmers are poorly trained, have no institutional structures through which to manage their schemes, have no financial resources for scheme maintenance and have extremely poor support services such as mechanisation services, production loan facilities and input supply facilities. Under these circumstances and combined with a very low self-esteem the productivity of the province's smallholder schemes is extremely low. This situation, combined with high levels of poverty, results in a desperate need for support and assistance with the revitalisation of these schemes. However, any initiative to assist farmers with the revitalisation of their schemes must be focussed first on "people" development and empowerment and thereafter on the rehabilitation of infrastructure. The past focus on "bricks and mortar" and not on the infrastructure use is largely the cause of widespread collapse of smallholder irrigation schemes throughout South Africa.

An integrated revitalization of Irrigation Schemes program has been initiated in the Department with a total budgetary estimate of R1,08 billion for a period of over 6 years. In this program which is farmers led and departmentally facilitated one, the following services are rendered to the existing irrigation schemes and their areas of influence within the neighboring communities:

- Provision of bulk water supply to the Irrigation schemes;
- Provision of infield irrigation;
- Provision of access road to the schemes;
- Provision of rain water harvesting for rain-fed farmers;
- Provision of stock watering systems for the communities;
- Provision of dipping tank systems for the communities;
- Provision of training and capacity building for both irrigation and rain-fed farmers;
- Provision of institutional arrangements and structure in the form of Water Users Association or any other appropriate institutional structure in the irrigation schemes and training of their members;
- Provision of rain-fed farming support to the communities;
- Rendering of or facilitation for mechanization services on the other hand need to be normalized and supported within the emerging farming communities.

The department has embarked on a program which covers the following aspects to render a more appropriate mechanization service to emerging farmers:

- Disposal of mechanization equipment;
- Development of provincial mechanization policy and strategy for emerging farmers;
- Development of generic mechanization concept plans for various socio-economic and socio-climatic conditions of emerging farming communities in the province.

Land and water degradation is a serious environmental issue in Limpopo. Whilst it is prone to drought and floods it also has a predominantly erodable poor soil quality. This is why the ongoing Land care project is so vital. Scarcity of land for human settlement and agricultural activities has made the situation worse. Thus the need for Land care and Land use planning at Local Municipality levels has become explicitly apparent.

#### *POLICY, PRIORITIES AND STRATEGIC OBJECTIVES*

1. The Integrated revitalization program of Irrigation schemes is based on the following legislation and strategies:

- National strategy for revitalizing South Africa's agricultural water use;
- Provincial Growth and Development Strategy;
- Strategic plan for South African Agriculture;
- Integrated Sustainable Rural Development Strategy;
- CPPP principles – Equity shareholding model;
- Resource Conservation Act;
- National Water Act.

2. Land care has a number of existing policy frameworks that articulates its objectives such as:

- Combating desertification;
- Catchment's management policies.

The main priority is to empower communities to care for the land to have it available for sustainable production, through the following strategic objectives:

- Natural resource management in a sustainable manner;
- Sustainable improvement in productivity, food security, and livelihoods of land users;
- Significantly improved public awareness and understanding of Land care;
- Empowering Land care partners with technical capacity;
- Good governance in the Land care movement and programmes at all levels.

#### *ANALYSIS OF CONSTRAINTS*

1. Insufficient Techno - Managerial capacity within the Department to undertake the revitalization of the Irrigation Schemes;
2. Slow process of goods and services acquisition;
3. Inadequate technical and managerial capacity among the beneficiaries of the Land Care projects to manage the water, soil and vegetation resources sustainably;
4. Wrong perception regarding mechanisation.

#### *MECHANISMS TO OVERCOME CONSTRAINTS AND IMPROVEMENT PLANS*

1. Recruiting and training agricultural engineers as part of the Human Resource Development plans;
2. Streamlining the implementation of the Supply Chain Management Program;

3. Development of an appropriate Mechanisation policy with appropriate strategy for the Department and its dissemination and propagation to farming communities;
4. Constraints in the Land care programme can be overcome by promoting and in depth understanding of principles of natural conservation through:
  - Training of staff in natural resource conservation;
  - Demonstrations to promote competence in relevant technologies, applications and management.

### Sub-Programme 2.1: Engineering Services

<i>Measurable Objective</i>	<i>Performance indicators</i>	<i>Year 1 2005/06</i>	<i>Year 2 2006/07</i>	<i>Year 3 2007/08</i>	<i>Year 4 2008/09</i>	<i>Year5 2009/10</i>
1. Integrated Revitalisation of Irrigation Schemes – RESIS	1. Number of farmers in the designated irrigation schemes for revitalisation undergoing training and capacity building.	3,000	5,000	5,500	After Care	After care
	2. Number of Irrigation schemes that will have management structure e.g. water users associations as adopted Institutional structure for the revitalised schemes.	42	36	40	126	126
	3. Number of irrigation schemes that start production.	32	30	33	11	11
	4. Number of irrigation schemes that are fully revitalised.	9	10	11	46	40
	5. Extent of access road built to support the irrigation schemes, km	130	120	132	194	164
	6. Number of dipping tanks revitalized within the irrigation schemes areas of influence.	36	36	36	36	36
	7. Number of homestead farmers with rain water harvesting system within the irrigation schemes areas of influence.	2,500	2,500	2,500	2,500	3,800
	8. Number of stock water systems established within the areas of influence of irrigation schemes.	36	36	36	36	36
2. Disposal of mechanization equipment and development of departmental policy and strategy on mechanization for communal arming areas, resulting into development of a variety of generic mechanisation plans, appropriate to the socio-economic as well as	1. Number of redundant equipment to be disposed	1,250	1,250			
	2. Number of available equipment in semi running condition to be refurbished and be disposed to the emerging farming communities.	250	250			
	3. Development and adoption of departmental mechanization policy and strategy.	1				



socio-climatic conditions of the emerging farming communities in the Limpopo province.	Development of generic mechanisation plans appropriate various socio-economic and socio-climatic conditions of Emerging Farming communities in the province.	6				
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### Sub Programme 2.2: Landcare

<i>Measurable objective</i>	<i>Performance indicator</i>	<i>Year 1 2005/06</i>	<i>Year 2 2006/07</i>	<i>Year 3 2007/08</i>	<i>Year 4 2008/09</i>	<i>Year 5 2009/10</i>
1. Improvement in sustainable productivity, food security and livelihoods of land users	1. Number of people with improved income and food security	825	907	998	1000	1000
	2. Number of partnerships formed and involved in landcare Activities	15	20	22	25	25
2. Good governance of Landcare programmes at all levels	1. Number of implementable business plans and quality reports	15	20	22	25	25
	2. Number of effective Landcare institutional structures	15	20	22	25	25

## RECONCILIATION OF BUDGET AND PLANS

### Programme 2: Sustainable Resource Management

#### Summary of expenditure and estimates:

	<b>2005/06 MTEF R' 000</b>	<b>2006/07 MTEF R' 000</b>	<b>2007/08 MTEF R' 000</b>
Agric Eng Services	188,695	148,413	164,761
Land Care	10,256	11,698	12,628
<b>Total</b>	<b>128,951</b>	<b>160,111</b>	<b>177,389</b>

#### Summary of payments and estimates:

<b>Current payments</b>			
Compensation of employees	14,134	16,517	18,336
Goods and services	4,310	5,966	6,623
Interest and rent on land	-	-	-
Financial transactions related to policy execution	-	-	-
Unauthorized expenditure	-	-	-
<b>Total Current payments</b>	<b>18,444</b>	<b>22,483</b>	<b>24,959</b>
<b>Transfers and subsidies</b>			
To: Municipalities	37	41	43
Departmental agencies and accounts	-	-	-
Universities and technikons	-	-	-
Public corporations and private enterprises	-	-	-
Foreign govts and international organisations	-	-	-
Non-profit institutions	-	-	-
Households	-	-	-
<b>Total transfers and subsidies</b>	<b>37</b>	<b>41</b>	<b>43</b>

	<b>2005/06 MTEF R' 000</b>	<b>2006/07 MTEF R' 000</b>	<b>2007/08 MTEF R' 000</b>
Payments for capital assets			
Buildings and other structures	110,000	137,090	151,835
Machinery and equipment	470	498	552
Cultivated assets	-	-	-
Software and other intangible assets	-	-	-
Land and subsoil assets	-	-	-
Total capital assets	<b>110,471</b>	<b>137,588</b>	<b>152,387</b>
Total Payments	<b>128,951</b>	<b>160,111</b>	<b>177,389</b>

### **PROGRAMME 3: FARMER SUPPORT AND DEVELOPMENT**

#### **SUB-PROGRAMME 3.1: FARMER SETTLEMENT**

##### *SITUATIONAL ANALYSIS*

Due to the gap created by inequalities of the past racial discriminatory laws, some farmers had access to productive resources, government support and favourable market conditions when others had no access to productive resources and at the worst, were dispossessed of the means. Support for small holder farmers has in the same breath been delayed by lack of information, finance, inadequate infrastructure and advisory support.

Whilst the intention (in terms of the *AgriBEE* framework document and LRAD) is to redistribute 30% of the national commercial agricultural land by 2014, the Province has redistributed only 3% to date. The percentage is a cumulative figure for both the redistribution and restitution sub-programmes.

Beneficiaries of land reform program – LRAD, Restitution and SLAG, in addition to land, require capacity building together with adequate support to maintain and develop sustainable commercial enterprises.

Due to plight from the landless and dispossessed, pressure groups had adopted systems that encouraged disrespect and invasions of state owned land. This inherited situation still has some remnants in certain pockets of the province where state land is found as blocks. This hinders the land administration process and delays structured redistribution of state agricultural land.

The components of this program are:

- 3.1 Land Redistribution for Agricultural Development;
- 3.2 Pre-Settlement planning and post-settlement support to all land reform projects i.e. restitution and redistribution (LRAD, SLAG);

- 3.3 Post settlement support to all farmers farming on a commercial under freehold, leasehold and under communal system e.g. PTO;
- 3.4 Land administration on state owned agricultural land.

#### *POLICY, PRIORITIES AND STRATEGIC OBJECTIVES*

The department derives a mandate to do farmer settlement and offer post-transfer support to land reform projects (beneficiaries) from the Strategic Plan for Agriculture in South Africa, White paper on South African Land reform and all policies and legislations that evolved in response to section 25 of the Constitution of the Republic of South Africa. The programs under the spot-light are restitution and redistribution (LRAD and SLAG).

The main objective under LRAD is to redistribute 30% of agricultural land within a period of 15 years ending 2014. It further aims to deracialise the commercial agricultural sector through the creation of 70,000 new commercial farmers from the PDI.

#### *Objectives:*

- To contribute to the redistribution of 30% of commercial agricultural land in an effort to bring equity in land ownership;
- Support land restitution and redistribution through pre and post farmer settlement support;
- Commercialisation of small-scale farmers;
- Support and implement the LRAD program for historically disadvantaged communities;
- Facilitate and support and develop sustainable commercial enterprises;
- Deal with land invasions so as to create an environment conjunctive for sustainable agricultural development;
- Contribute to food security for the marginalised poor in the Province.

#### *ANALYSIS OF CONSTRAINTS*

- The amount of arable land available for distribution is finite;
- Growing impatience and demands for a fast-tracked land redistribution from certain pressure groups with unreasonable demands;
- Dealing with land invasions;
- Ensuring that land beneficiaries are able to use the land for sustainable commercial development rather than solely for pride and reconciliation;
- Farms that only supported a single family should provide for hundreds and thousands beneficiaries;
- The demand for assistance and extension services on high value commercial enterprises is increasing as a result of beneficiaries of land restitution;
- The need to increase food security projects for the increasing number of hunger and population facing malnutrition;
- Limited water resources.

#### *MECHANISMS TO OVERCOME CONSTRAINTS AND IMPROVEMENT PLANS*

- Following a project management approach to all settlement and extension needs through gap analysis, goal; setting and measuring of performance;
- Ensuring that the Land Reform provincial, district and municipal committees function optimally;
- Ensuring further good relations with the Provincial Land Commissioner, Land Affairs and other relevant Departments;
- Develop a funding strategy for projects through CASP;
- Ensuring that criteria to receive financial support is fair, equitable and just with an emphasis on the poor;
- Ensure that a monitoring and evaluation system for the program exists and is implemented;
- Assisting more families and communities through food security initiatives

### Sub-Programme 3.1: Farmer Settlement

<b>Measurable objectives, performance indicators and targets</b>						
<i>Measurable objective</i>	<i>Performance indicator</i>	<i>Year 1 2005/06</i>	<i>Year 2 2006/07</i>	<i>Year 3 2007/08</i>	<i>Year 4 2008/09</i>	<i>Year5 2009/10</i>
1. Redistribution of commercial agricultural land through LRAD	1. Strategies and Procedures developed					
	2. Hectares of commercial agricultural land redistributed	4% of total commercial agricultural land	4,5%	10%	16%	18%
	3. Improvement in terms of access to agricultural production land and other assets by the youth	3% of total projects owned by Youth	3,5%	4%	5%	10%
2. Land administration of state land under POA managed and controlled through well established systems	1. Percentage of encumbered land under leases	65%	80%	95%	100%	-
	2. Land invasions dealt with	20% deduction	50%	0 land invasion	-	-
	3. Percentage of state land redistributed through LRAD	10%	20%	25%	40%	60%
3. Post transfer support - All land reform projects	1. Number of projects that are sustainable	20%	25%	40%	55%	65%
	2. Number of commercial farmers developed	100	300	500	800	1,000
4. Restructuring of SLAG projects - Implement findings and recommendations of research and restructuring process	1. Number of projects turned into commercial enterprises	10%	25%	35%	50%	70%

## **SUB-PROGRAMME 3.2: DISTRICT SERVICES & SUB-PROGRAMME 3.3: EXTENSION ADVISORY SERVICES**

### *SITUATIONAL ANALYSIS*

#### District Services:

More than 90% of LDA activities are implemented at the District and Local Municipal level. This is where the majority of our clients resides and render their daily agricultural and related activities. Thus, about 80% of LDA personnel operate from these local spheres of governance. There are 6 districts (Mopani, Vhembe, Capricorn, Sekhukhune, Waterberg and Bohlabela), 26 municipalities, and 508 wards. The services provided by LDA need to be properly coordinated and managed for effective service delivery. In addition, there has to be clear communication between LDA service providers and managers at these levels with major stakeholders namely, District and Local municipalities, traditional leaders, commodity groups, other farmer formations, NGOs / CBOs, relevant government departments, and the private sector. The capacity of LDA managers and general staff in the districts and municipalities needs to be enhanced in line with the multidisciplinary nature of the services rendered at these levels. There has to be alignment of support services rendered within the commodity and value-chain. This will include human, financial, and physical resources for optimal impact on service delivery.

The majority of the clients that LDA supports are Blacks existing within the following categories: the hungry and the vulnerable, communal and subsistence food producers, emerging farmers and entrepreneurs, as well as commercial farmers. Their level of organization ranges from non-existent in some cases to very weak. Working with such a fragmented client base is difficult and costly. It is not clear how many farmers are there and what their exact needs are without some level of organization. Their ability to access the markets is constrained by the low volumes, low quality and logistical costs to individuals.

Communal farmers, especially in the dry land and irrigation projects struggle to access inputs and other services. The black resource poor farmers have no stake in existing Agricultural enterprises which perpetuates the poverty levels even among hardworking farmers. To promote access to services there is a need to ensure that farmers are organized along commodity lines and that some legal business entities are established to serve as conduits to access services. Government and donor support will be channelled through these structures for optimum impact.

#### Extension Advisory Services:

An ideal extension advisory service is largely grounded on four pillars, and these are:

- The quest for new knowledge;
- The desire to perform above average;
- The ability to interpret and adapt to new environment, and
- The capacity to make relevant and timely decisions.

It is a service whose real value is embedded in myriad outcomes, of which the most significant are:

- Better utilization of productive assets;

- Adoption of improved technologies at farm level;
- Growing contribution of the agricultural sector to the GGP;
- Generation of a visible cohort of successful farmers and commodity entrepreneurs.

However, timely extension and advisory services support to the various categories of agricultural clients in Limpopo have been inadequate. Extension services have over time managed without a clear delivery strategy. This is beside the fact that extension services is the “face of LDA” at community level and a sectoral frontrunner in the dissemination of agricultural information, establishing individual farmer contact and fostering community participation. The function Advisory service is essential to transfer information, develop manuals and methods for best farming practices. Emphasis has to be on the whole agricultural spectrum from market analysis, optimal resource utilization to maximize productivity, value-adding and marketing of products. The approach used has to be participatory and commodity focussed for this advisory service to be visible. As farming needs change in various geo-physical localities, different specialist will be needed.

Extension and Advisory services had to deal with numerous challenges that include lack of common understanding of what the service entail, lack of accountability, reluctance to adapt to change, the widening knowledge gap between extension and the client, and inability to recognize resource endowments. Underpinning all this is the glaring age challenge with 50% of municipal managers averaging age 50 years. This calls for extensive re-orientation of extension personnel and calls for an urgent mechanism to develop and implement a succession plan within the agricultural sector. The effectiveness of support systems of government depends on the capacity and the service delivery culture of the delivery agents. A change management effort in service delivery issues among officers is a must.

In all this institutional capacity building is playing a major role. Farmer organizations need to be developed to take their rightful place in the agricultural value-chain. All farmers, including the youth, people living with disabilities and women, need to be supported in their efforts. Special attention will be needed for farmers who benefited under the Land reform programme to ensure that they become productive farmers who will contribute to the economy of the country.

Various approaches have been developed and tested on pilot basis to improve LDAs’ farmer support system over the past few years. . Examples of such development approaches include Participatory Extension Approach (PEA) managed within BASED, Participatory Rural Integrated Development (PRIDE) a joint project between LDA and JICA and implemented at Sekhukhune, and the Revitalization of the Irrigation Schemes (RESIS) program that have yielded some valuable lessons for farmer development. PEA and RESIS currently constitute LDAs major delivery approaches with institutional mechanism developed to internalize and scale- up the application thereof. Preparations for expanding the PRIDE initiative to other areas of the Province are underway.



## *POLICY, PRIORITIES AND STRATEGIC OBJECTIVES*

### District Services and Extension Advisory Services:

1) The Food and Agricultural Organization of the United Nations made a commitment to cut by half the 800m starving people by the year 2015. Unfortunately, in sub-Saharan Africa the number of starving people has increased alarmingly from 168million in 1990/1991 to 202million in 1999/2000. This means that at the current rate of development, the 2015 challenge will only be realized by the year 2050. There is a need to accelerate economic growth efforts.

2) The Mellor Poverty and Prosperity Report argue that Rural and Agricultural Growth brings a sharp decline in poverty through increased farm production, more employment, and lower food prices. Thus investment in rural and agricultural development presents the best option for poverty reduction

3) The 2004 Growth and Development Strategy (LPGDS) states that the issue of food security in agriculture should be addressed within the value chain.

4) The 2003 National Spatial Development Perspective (NSDP) puts forward mechanisms aimed at ensuring better alignment between infrastructure investment and development programmes and should inform the respective development plans of local and provincial government, namely; Integrated Development Plans (IDP) and Provincial Growth and Development Strategies (PGDS). NSDP is designed to act as an indicative planning tool and should be used as an instrument for policy co-ordination.

The normative principles contained in the document to guide infrastructure investment and development spending is articulated as follows:

- 4.1. Economic growth is prerequisite;
- 4.2. Spending on fixed investment should focus on areas with economic development potential;
- 4.3. Areas with low development potential should focus on basic services, social transfers, HRD and labour market intelligence;
- 4.4. Channel future settlement and economic development opportunities into activity corridors adjacent to main growth centres.

5) In terms of specific agricultural policy pronouncements the 2003 National Agricultural Sector Plan as well as the 1995 Draft White Paper on Agriculture states that:

- The department will maintain formal liaison with organized agriculture, civil society, national and provincial departments and other structures;
- Farming systems and the incentives by which they are driven should be based on sound principles and practices that are sustainable and environmentally, economically, socially, scientifically, and politically appropriate;
- Government agricultural programmes will be scientifically and practically planned and executed in consultation with farmers and other stake-holders;

- Specialized agricultural support services will be rendered to farmers participating in land-reform programmes. Special attention will be given to upgrade the agricultural skills of these farmers;
- Priority will be given to policies and strategies to identify and protect the high potential agricultural natural resources (especially soil, grazing and water) of the Province;
- The image of agriculture as a career and business opportunity will be promoted, particularly in education institutions;
- Integrated rural development will be encouraged in the design in implementation of agricultural development strategies and systems;
- The needs of farmers, specifically new entrants and small-scale farmers, will be met through the reorientation and training of trainers, extension and research workers;
- Agricultural practices will be continually developed, adapted and applied in their local context, taking account of the highly variable climate and limited agricultural land;
- CASP and MAFISA will provide an enabling mechanism to accelerate agricultural development

#### *PRIORITIES:*

##### 1. District Services:

- To develop, communicate and implement District Development Plans with all major stakeholders (municipalities, farmers, communities, traditional leaders, etc);
- To facilitate development and management of agricultural support systems for all categories of farmers;
- To develop broad-based succession plans for extension and advisory service management capacity at all levels;
- To facilitate implementation of MAFISA, CASP, LAND CARE, RESIS and related support services for targeted commodity groupings;
- To judiciously manage all resources in the District;
- To create awareness and enhance implementation of *AgriBEE*;
- To do all this within the ambit of Batho Pele.

##### 2. Extension Advisory Services:

Extension functions are supported by government to bring about equity in Agriculture. Appropriate development systems for smallholder require more funding and continual policy adjustments.

- To develop appropriate, demand led, participatory extension services system;
- To facilitate farmer development systems;
- To promote innovation towards solving development issues.

#### *STRATEGIC OBJECTIVES:*

##### 1. District Services

- 1.1. To development and communicate District Development Plans;
- 1.2. To provide in a participatory manner, relevant, up-to-date, and properly aligned services to all categories of clients using the value chain analysis and commodity based approach;

- 1.3. To ensure the Human Resource capacity is adequate and capable to provide requisite services.

## 2. Extension Advisory Services

- 2.1 To provide participatory, programmed and commodity-based extension services and training to developing or emerging farmers, in order to stimulate higher agricultural production;
- 2.2. To ensure that alignment of extension services within departmental priority areas (LRAD, CASP, and FSP) is established and expedited;
- 2.3. To ensure that a succession plan for extension service delivery is developed and implemented (mentorship / new entrants / youth involvement).

## 3. Working Conditions and Incentives

- 3.1. To develop and institute mechanisms to improve working conditions (facilities/tools, incentives for stellar performance, recognition of overtime, etc.);
- 3.2. A holistic capacity building program for field agents is instituted (bursaries, seminars, quarterly workshops, assertiveness campaigns, etc.);
- 3.3. A strategy for extension delivery is developed with recommended delivery models.

## 4. Institutional Capacity Building

- 4.1. To develop and strengthen institutional capacity of previously disadvantaged farmer organizations along commodity lines;
- 4.2. Strengthen liaison with organized Agriculture;
- 4.3. Develop models for management of farmer organizations and commodity groups (affiliations);
- 4.4. Provide capacity building support to organized groups;
- 4.5. Develop a farmer register.

## 5. CASP

The Comprehensive Agricultural Support Program (CASP) to all categories farmers and other entrepreneurs engaged in value-adding enterprises is well managed.

- 5.1. Integrated implementation of CASP (mainstreaming) expedited;
- 5.2. A project based approach instituted for CASP planning & implementation.

## ANALYSIS OF CONSTRAINTS

### District Services:

Constraints to implement programs in the Districts include;

- Farmers are not organized according to specific commodity groups for better coordination of services and economies of scale;
- Inadequate management and technical skill competency;
- Historical infrastructure backlogs require more replanning of the areas;
- Land tenure arrangements make credit access difficult and alternative financing mechanisms are needed;

- Low literacy, numeric levels and lack of farming skills affect yields;
- Competency and confidence of officers adapt to rapid changes in service delivery.

#### Extension Advisory Services:

The generic constraints facing the advisory support to farmers include:

- Inadequate technical capacity of the Extension staff to provide appropriate information to farmers;
- Appropriateness of the methodologies and management systems to enable officers to work with the farmers;
- Management capacity for Donor funded projects and the institutionalization thereof;
- Uncoordinated development support by agencies;
- Inadequate technology solutions and innovation.

In addition, there exists an underperformance discourse at various levels that places extension advisory services at the crossroads of extinction or distinction. This discourse manifesting itself in:

- Inability of officers to confidently execute the jobs/responsibilities assigned;
- The inability to solicit informed knowledge to execute the job given;
- Difficulties of matching responsibilities with right capacity (wrong placement of officers);
- Minimal coaching, mentoring, nurturing latent talent for the right duties;
- Difficulties in creating enabling working environment and incentives.

### *MECHANISMS TO OVERCOME CONSTRAINTS AND IMPROVEMENT PLANS*

#### District Services:

Proposed measures will include:

- Establishment and alignment of physical and financial services within the value-chain and commodity approach framework;
- Allocation of human resources in line with specific commodity groupings;
- Development, communication, and implementation of district development plans;
- Establishment of the cooperatives and commodity associations;
- Strengthening of the farmer formations to articulate their demand;
- Development and implementation of a broad-based succession plan.

#### Extension Advisory Services:

Proposed measures to improve the program will require:

- Extension strategies and systems development, appropriate to small holder farming;
- Human Resource Capacity building among extension staff;
- Change Management program to improve the response system of the officers to the needs of the farmers;
- Finding innovative solutions to service delivery issues;
- Develop a communication strategy for technology transfer and adoption;

- Strengthen linkages between research and extension and the farming community;
- Re-orientation of extension personnel in Participatory Extension Approaches.

### Sub-Programme 3.2: District Services

#### Measurable objectives, performance indicators and targets

	<i>Performance indicator</i>	<i>Year 1 2005/06</i>	<i>Year 2 2006/07</i>	<i>Year 3 2007/08</i>	<i>Year 4 2008/09</i>	<i>Year 5 2009/10</i>
1.1 Development and Communication of District Development Plans	1. Number of stakeholders consulted per district	4,000	4,000	4,500	5,000	8,000
1.2. To provide in a participatory manner, relevant, up-to-date, and properly aligned services to all categories of clients using the value chain analysis and commodity based approach.	2. Number of media sessions per district wherein the DDP has been communicated	10	10	15	15	20
	3. Percentage officers re-assigned to specific commodity groups according to their specialization	15%	15%	20%	20%	20%
1.3. To ensure the Human Resource capacity is adequate and capable to provide requisite services.	Percentage officers re-trained in PEA, PRIDE and RESIS	15%	15%	20%	20%	20%
	Number of multidisciplinary municipal managers appointed	10%	20%	20%	25%	25%

### Sub-Programme 3.3: Extension Advisory Services

Measurable objectives, performance indicators and targets						
	<i>Performance indicator</i>	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5</i>
		<i>2005/06</i>	<i>2006/07</i>	<i>2007/08</i>	<i>2008/09</i>	<i>2009/10</i>
2.1. To provide participatory, programmed and commodity-based extension services and training to developing or emerging farmers, in order to stimulate higher agricultural production.	Number of commodity groups institutionalized.	4	5	3	3	1
2.2. To ensure that alignment of extension services within departmental priority areas (LRAD, CASP, and F established and expedited.	Percentage officers re-assigned to Specific commodity groups according to their specialization	15%	15%	20%	15%	15%
2.3. To ensure that a succession plan for extension service delivery is developed and implemented (mentorship/new entrants/youth involvement).	Percentage of youth benefiting from the succession plan	15%	15%	20%	20%	20%
3.1. To develop and institute mechanisms to improve conditions (facilities/tools, incentives for stellar performance, etc).	A policy document describing such mechanisms for LDA	30% completion	40%	10%	10%	10%
3.2. A holistic capacity building program for field agents is instituted (bursaries, seminars, quarterly workshops, assertiveness campaigns, etc).	Number of officers benefiting from program	300	300	200	200	200
3.3. A strategy for extension delivery is developed with recommended delivery models.	Progressive stages of strategy document	40% to completion	80%	100% approval 10% implementation	20% implementation	20% implementation
4.1. To develop and strengthen institutional capacity of Black farmer organizations along commodity lines.	Number of commodity groups institutionalized.	2	2	3	3	

	<i>Performance indicator</i>	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5</i>
		<i>2005/06</i>	<i>2006/07</i>	<i>2007/08</i>	<i>2008/09</i>	<i>2009/10</i>
4.2.Strengthen liaison with Organized Agriculture and other Agriculture formations.	Number of meetings held with Advisory Council and organized agriculture	10	10	10	10	10
4.3. Develop models for management of farmer organizations and commodity groups (affiliations).	Ralman Model institutionalized with LTGA	15%	30%	40%	60%	80%
4.4. Provide capacity building support to organized groups.	Number of farmers trained in various aspects	300	400	400	200	200
4.5. Develop a farmer register	Data base of farmers per district	30% complete	50%	70%	80%	90%
5.1. Integrated implementation of CASP (Mainstreaming) expedited.	Percentage integration within LRAD & RESIS	30%	40%	60%	20%	20%
5.2. A project based approach instituted for CASP planning & implementation.	Percentage progress at the four Centres of Excellence	30%	40%	60%	20%	20%



### **SUB-PROGRAMME 3.4: FOOD SECURITY AND RURAL DEVELOPMENT**

#### *SITUATIONAL ANALYSIS*

About 60% of the population are living below minimum living level (MLL = R800p.m.) and 46,6% are unemployed. Poverty and Food insecurity become the main challenges the province has to deal with.

About 51,000 households in the province received food parcels for 3 consecutive months during 2002/2003 to alleviate hunger. Follow up measures were needed that included food production and income generation to ensure sustainability.

Since the 2003/2004 various forms of starter packs and infrastructure revitalization of micro enterprises were implemented supporting poorer households to produce food and or generate income. Individuals participated in the Expanded Public Works Program (EPWP) of agriculture to generate income.

There is need to monitor the food insecurity, vulnerability levels at household level and link the affected households to resources and support the enable them to participate in poverty alleviation, food security and wealth creation activities at the appropriate levels.

#### *POLICY, PRIORITIES AND STRATEGIC OBJECTIVES*

Pro-poor mitigation measures and strategies will be developed and provided within the framework of Integrated Food Security and Nutrition Program (IFSNP). Access support measures to food production and income generation will be provided at the entry level of the program. .

Strategic Objectives of the program are:

1. To develop institutional mechanisms to monitor and mitigate on the causes and effects on poverty on Food Security;
2. To develop strategies, technologies and capacity that will enable households and the vulnerable increase their access to food;
3. To create adequate awareness and education on food insecurity issues.

#### *ANALYSIS OF CONSTRAINTS*

The inadequate understanding of the Food insecurity concepts and lack of appropriate monitoring instruments challenge the effectiveness of measures to combat the insecurity. The need develop clear guidelines, monitoring tools and build project management capacity among district staff to implement the program cannot be overemphasized.

Beneficiaries of the program will require capacity building both technical and psychological to effectively participate in the available programs.

*MECHANISMS TO OVERCOME CONSTRAINTS AND IMPROVEMENT PLANS*

- Development of appropriate entry level support measures and strategies;
- Development of institutional mechanisms at municipality level to facilitate and harmonize implementation;
- Monitoring and impact analysis: Development of indicators and instruments for regular monitoring to bring in continuous improvement.

### Sub-Programme 3.4: Food Security and Rural Development

#### Measurable objectives, performance indicators and targets

<i>Measurable objective</i>	<i>Performance indicator</i>	<i>Year 1 2005/06</i>	<i>Year 2 2006/07</i>	<i>Year 3 2007/08</i>	<i>Year 4 2008/9</i>	<i>Year5 2008/9</i>
1. Co-ordination of the following Agricultural Support: Services: Training, Mentorship's, Advice, Visits etc	1. Number of commercial farmers	5,000	5,000	5,500		
	2. Number of emerging farmers	286,000	300,000	330,000		
2. Extension Program Management	1. Program instruments	20% implemented	50% implemented	60% implemented		
	2. Extension norms and standards	30% compliance	50% compliance	60% compliance		
3. Information developed and distributed	1. Number of info packs developed	Info packs in 3 languages	Info packs all languages	Info packs all languages		
4. Maintaining critical jobs	2. Accessibility to information	All municipal officers	All municipal officers	All municipal officers		
	4.1. Support key farmer labour in crisis situations (Drought)	10% of permanent staff	10% of permanent staff	10% of permanent staff	10% of permanent staff	10% of permanent staff

### Sub-Programme 3.4: Food Security (Poverty Eradication and Communal Farmer Support)

#### Measurable objectives, performance indicators and targets

<i>Measurable objective</i>	<i>Performance indicator</i>	<i>Year 1 2005/06</i>	<i>Year 2 2006/07</i>	<i>Year 3 2007/08</i>	<i>Year 4 2008/9</i>	<i>Year 5 2009/10</i>
1. Start up support for Home stead food production	Number of households receiving starter packs	10,000	10,000	10,000	10,000	10,000
2. Sustainable income generating Micro Enterprises developed	Number of participants linked to enterprises generating income above MLL (R800pm)	300	500	1,000	1,000	1,000
3. Awareness and Education done	% of the poor and vulnerable reached through campaigns	30	40	50	60	70
4. Monitoring vulnerability and impact of the interventions.	Monitoring done at municipality level	Tool development. Base line surveys in 10 municipalities	Base line surveys in 10 municipalities	Implement	Monitor	Monitor
5. Job Creation within Poverty Alleviation Projects	Number of jobs created per project per month for the current year	1,800	1,200	1,000	800	600

## **SUB-PROGRAMME 3.5: CROP PRODUCTION AND SUB-PROGRAMME 3.6 ANIMAL PRODUCTION**

### *SITUATIONAL ANALYSIS:*

The agro-ecological variations of the province allows for production of diverse crops in the different districts. Communal areas have been producing a lot grain crops under rained conditions but production this has declined over time. Irrigation schemes that are being revitalized will increase opportunities for more land being brought back to production. 51% of agricultural income derives from livestock products (Agricultural Industry Study 2004). 74% of the agricultural land in the province is use for grazed but also overgrazed in the communal areas. Opportunities exist for the emerging livestock farmers to create wealth from livestock farming. Appropriate and specialist production services are required at all levels to ensure enterprises are viable.

### *POLICY, PRIORITIES AND STRATEGIC OBJECTIVES*

This program will ensure crop producers have access to Information, technology options and support to deal with problems identified per commodity.

The strategic objectives of the subprogram shall include providing information, technology options and advise per commodity to farmers and commodity groups on

- Natural resource use and management – (Soil, water and vegetation);
- Animal and plant breeding;
- Animal and plant Production;
- Post harvest management and processing.

### *ANALYSIS OF THE CONSTRAINTS*

Support for the emerging farmers has been constrained by inadequate capacity of the extension and specialist advisory support. This ha been due to lack of proper training and information support the advisory agents have. The level of exposure of extension agents to commercial farming activities has been inadequate. Support has been of generalist nature focussing only on production activities.

### *MECHANISMS TO OVERCOME CONSTRAINTS AND IMPROVEMENT PLANS*

- Develop strategies for plant and livestock improvement;
- The capacity to deliver appropriate specialist support to farmers will require recruitment and training of specialists per commodity category covering all levels of the production chain;
- Development of guidelines and production manuals for specific commodities;
- Support to farmer training at the development centres;
- Strengthening of commodity associations on technical production and marketing issues.

**Measurable objectives,  
performance indicators and  
targets**

<i>Measurable objective</i>	<i>Performance indicator</i>	<i>Year 1 2005/06</i>	<i>Year 2 2006/07</i>	<i>Year 3 2007/08</i>	<i>Year 4 2008/9</i>	<i>Year5 2008/9</i>
1 Develop specialist capacity for identified commodities. 2. Development of Production Improvement strategies	Human resource capacity available Available Strategies, policies and manuals per identified commodity	Establish programs and Recruitment of staff Instruments for prioritised commodities	Staff development Instruments for prioritised commodities	Staff development Instruments for prioritised commodities	Staff development Instruments for prioritised commodities	Staff development Instruments for prioritised commodities
3. Support for farmer training and development 3. Information developed and distributed	Number of specialised programs developed and coordinated 1. Number of info packs developed 2. Accessibility to information of priority commodities	Priority commodities  Info packs for identified commodities All municipal offices	Priority commodities  Info packs for identified commodities All municipal offices	Priority commodities  Info packs for identified commodities All municipal offices	Priority commodities  Info packs for identified commodities All municipal offices	Priority commodities  Info packs for identified commodities All municipal offices

# **RECONCILIATION OF BUDGET AND PLANS**

## **Programme 3: Farmer Support and Development**

### **Summary of expenditure and estimates:**

	<b>2005/06 MTEF R' 000</b>	<b>2006/07 MTEF R' 000</b>	<b>2007/08 MTEF R' 000</b>
Farmer Settlement	180,738	227,145	263,540
Extension Services	343,009	429,297	476,588
Food Security	25,647	35,217	39,096
<b>Total</b>	<b>549,394</b>	<b>691,659</b>	<b>779,224</b>

### **Summary of payments and estimates:**

<b>Current payments</b>			
Compensation of employees	390,302	495,050	549,585
Goods and services	74,267	99,111	110,008
Interest and rent on land	-	-	-
Financial transactions related to policy execution	-	-	-
Unauthorized expenditure	-	-	-
<b>Total Current payments</b>	<b>464,569</b>	<b>594,161</b>	<b>659,593</b>
<b>Transfers and subsidies</b>			
To: Municipalities	1,172	1,242	1,379
Departmental agencies and accounts	-	-	-
Universities and technikons	-	-	-
Public corporations and private enterprises	362	384	447
Foreign govts and international organisations	-	-	-
Non-profit institutions	-	-	-
Households	-	-	-
<b>Total transfers and subsidies</b>	<b>1,534</b>	<b>1,626</b>	<b>1,826</b>

	2005/06	2006/07	2007/0/8
	MTEF	MTEF	MTEF
	R' 000	R' 000	R' 000
<b>Payments for capital assets</b>			
Buildings and other structures	42,056	50,429	63,239
Machinery and equipment	41,235	45,443	54,566
Cultivated assets	-	-	-
Software and other intangible assets	-	-	-
Land and subsoil assets	-	-	-
<b>Total capital assets</b>	<b>83,291</b>	<b>95,872</b>	<b>117,805</b>
<b>Total Payments</b>	<b>549,394</b>	<b>691,659</b>	<b>779,224</b>

#### **PROGRAMME 4: VETERINARY SERVICES**

##### *SITUATIONAL ANALYSIS*

Service delivery includes both regulatory and development objectives. This includes disease control and optimisation of production initiatives. Foot and Mouth Disease poses the biggest threat to the Province but has been well managed up to date. No spread of the disease occurred outside the FMD control area with the last reported outbreak. All outbreaks are given priority and no further spread of the disease occurred outside of the control areas. The increased sensitivity on the safety of especially food from animal origin both nationally and internationally also means that the Department remains under constant pressure to maintain its good record. These requirements are specific in respect of disease surveillance, the quality of diagnostic services and health certification. The customer base of the Department has also extended substantially and includes service delivery to resource poor farmers. This includes extensive dipping and vaccination efforts with the cooperation of rural structures.

##### *POLICY PRIORITIES AND STRATEGIC OBJECTIVES*

- The control of diseases and the vaccination of at least 80% of all animals in a specified controlled area;
- Surveillance of all diseases and vaccinated animals in these areas;
- Movement and cross border movement of animals to prevent any outbreaks;
- Ensuring ongoing meat hygiene through HAS evaluations;
- Testing of samples to pro-actively determine any negative impacts on livestock;
- To expand the scope of service delivery to include all spheres of farming with emphasis on resource poor farmers;
- To develop and implement co-ordinated strategy for animal disease control and management with emerging livestock farmers.



#### *ANALYSIS OF CONSTRAINTS*

- Logistical support in terms of vehicles and equipment remain problematic;
- The perception that veterinary services is only responsible for regulation of the disease controls act;
- Certification of abattoirs in terms of hygiene remains problematic.

#### *MECHANISMS TO OVERCOME CONSTRAINTS AND IMPROVEMENT PLANS*

- Completion of a database on veterinary facilities and establishments to be inspected;
- Ongoing training to livestock farmers and awareness campaigns.



#### Sub-Programme 4.1: Animal Health

##### Measurable objectives, performance indicators and targets

<i>Measurable objective</i>	<i>Performance indicator</i>	<i>Year 1 2005/06</i>	<i>Year 2 2006/07</i>	<i>Year 3 2007/08</i>	<i>Year 4 2008/9</i>	<i>Year 5 2009/10</i>
1. Vaccination services rendered in the Province	1. Number of Anthrax and Black Quarter vaccinations	450,000	500,000	550,000	600,000	610,000
	2. Number of rabies vaccinations	60,000	70,000	77,000	80,000	85,000
	3. Number of Brucella S19 vaccinations	60,000	100,000	110,000	115,000	120,000
	4. Number of FMD vaccination	170,000	180,000	188,000	190,000	200,000
2. Dipping services to rural communities	1. To ensure the dipping of cattle at least 26 times Per annum	125,000	130,000	143,000	150,000	200,000

#### Sub-Programme 4.2: Veterinary Public Health and Sub-Programme 4.3: Veterinary Lab Services

<i>Measurable objective</i>	<i>Performance indicator</i>	<i>Year 1 2005/06</i>	<i>Year 2 2006/07</i>	<i>Year 3 2007/08</i>	<i>Year 4 2008/9</i>	<i>Year 4 2009/10</i>
1. Diagnostic services provided to provincial communities	1. Number of diagnostic services provided	65,000	70,000	77,000	80,000	95,000
	2. Number of tests for meat quality	550	600	660	700	750

RECONCILIATION OF BUDGET AND PLANS

**Programme 4: Veterinary Services**

**Summary of expenditure and estimates:**

	<b>2005/06 MTEF R' 000</b>	<b>2006/07 MTEF R' 000</b>	<b>2007/08 MTEF R' 000</b>
Animal Health	11,698	15,262	16,943
Veterinary Public Health	2,974	3,584	3,979
Veterinary Laboratory Services	6,283	7,631	8,472
<b>Total</b>	<b>20,955</b>	<b>26,477</b>	<b>29,394</b>

**Summary of payments and estimates:**

<b>Current payments</b>			
Compensation of employees	9,936	11,926	13,239
Goods and services	10,452	13,950	15,486
Interest and rent on land	-	-	-
Financial transactions related to policy execution	-	-	-
Un-authorized expenditure	-	-	-
<b>Total Current payments</b>	<b>20,388</b>	<b>25,876</b>	<b>28,725</b>
<b>Transfers and subsidies</b>			
To: Municipalities	26	28	31
Departmental agencies and accounts	-	-	-
Universities and technikons	-	-	-
Public corporations and private enterprises	24	25	28
Foreign govts and international organisations	-	-	-
Non-profit institutions	-	-	-
Households	-	-	-
<b>Total transfers and subsidies</b>	<b>50</b>	<b>53</b>	<b>59</b>

	2005/06	2006/07	2007/08
	MTEF	MTEF	MTEF
	R' 000	R' 000	R' 000
<b>Payments for capital assets</b>			
Buildings and other structures	25	27	30
Machinery and equipment	492	522	580
Cultivated assets	-	-	-
Software and other intangible assets	-	-	-
Land and subsoil assets	-	-	-
<b>Total capital assets</b>	<b>517</b>	<b>548</b>	<b>610</b>
<b>Total Payments</b>	<b>20,955</b>	<b>26,477</b>	<b>29,394</b>

## **PROGRAMME 5: TECHNICAL RESEARCH SERVICES**

### **SUB-PROGRAMME 5.1: RESEARCH**

#### *SITUATIONAL ANALYSIS*

The agricultural research support system has neglected the needs of subsistence and small or emerging farmers for too long. A general lack of co-ordination amongst research institutions meant of duplication of issues and minimal impact. Resistance by researchers to recognise new research mandates as dictated by the political and economical environment did not help the situation either. The Department aims to follow an integrated approach to focus on the needs of the small-scale farmers without compromising large-scale commercial production.

#### *POLICY, PRIORITY AND STRATEGIC OBJECTIVES*

1. To facilitate the quality and quantity of food production;
2. The introduction and evaluation of high value crops with local and export market potential;
3. Provision and adoption of appropriate technology responding to the broad socio-economic and environmental challenges;
4. Strengthening research and training capacity of agricultural beneficiaries.

#### *ANALYSIS OF CONSTRAINTS*

1. Increasing demand for services with increasing entrants in market through land restitution;
2. The decline in the number of researchers in the agriculture and related fields.

#### *MECHANISMS TO OVERCOME CONSTRAINTS AND IMPROVEMENT PLANS*

1. Ensuring that all active trials are reflected on a data base and available for public consumption;
2. Research trials are monitored and adapted in line with the needs of the emerging farmers needs;
3. National and international research intervention aligned with the departmental strategic plan.

## **SUB-PROGRAMME 5.2: INFORMATION AND COMMUNICATIONS TECHNOLOGY SERVICES**

The Government Information Technology Office (GITO) is a new function that was established in the Limpopo Department of Agriculture (LDA), under the Corporate Services Branch, to provide an effective management function with regards to Information and Communications Technologies (ICT). The Government Information Technology Officer core function is to assist and give information and communication technology guidelines to the department, and to streamline ICT towards international standards and ICT best practices. The primary purpose of the Government Information Technology Office is to:

- Manage the IT service provision or service delivery to be rendered by SITA and any other ICT service providers to the department;
- To ensure that the outsourced service meets the strategic business goals of the government for transformation, business innovation and enhanced service delivery;
- To provide support to the political office bearers for effective service delivery;
- Manage the multifaceted business and service relationships between the department, SITA and other vendors;
- To ensure that the procurement of ICT related equipment is the highest standards and best value for money;
- To ensure the transformation of manual paper based systems into electronic business workflow applications;
- To ensure that the network architecture and infrastructure is stable and adequate for connectivity to the district offices, sub district offices, agricultural colleges, research stations and head office.

### Sub-Programme 5.1: Research

#### Measurable objectives, performance indicators and targets

<i>Measurable objective</i>	<i>Performance indicator</i>	<i>Year 1 2005/06</i>	<i>Year 2 2006/07</i>	<i>Year 3 2007/08</i>	<i>Year 4 2008/09</i>	<i>Year 5 2009/10</i>
1. Facilitate the development of affordable and adapted technologies to increase agricultural productivity	Expansion of seed program in collaboration with GTZ and ARC with minimum of 100ha under this program	40ha	40ha	40ha	40ha	40ha
2. Facilitate the development of drought resistant technologies appropriate for all Districts in the Province	Technologies developed along with farmers and adopted	Pasture Research	Implement	Implement	Implement	Implement
3. Facilitate the development of technologies to provide high level protein intake to poor households	Technologies developed and adopted amongst poorer communities and villages	200	200	200	200	200
4. Distribution and dissemination of appropriate technology	1. Research and demonstration trials	15	20	20	20	20
	2. Collection and prioritisation of technology needs	20%	30%	50 %	70%	80%

**Sub-Programme 5.2: Information and Communication Technology Services**

<i>Measurable Objectives</i>	<i>Performance Indicators</i>	<i>Year 1 2005/06</i>	<i>Year 2 2006/07</i>	<i>Year 3 2007/08</i>	<i>Year 4 2008/09</i>	<i>Year 5 2009/10</i>
Creation of organisational structure	Organogram of GITO, vacant posts filled in specialized areas of IT bring the unit to up to a total of 10 posts	Filling of 5 vacant posts  Restructuring of unit with 4 additional new posts	Filling of new structure with approximately 10 posts in total			Review of organisational structure
Electronic systems	Business processes transformed into electronic workflow systems  Electronic faxing facilities  Electronic Document Management System (EDMS)	Business case and research into project. Workshop with users. Pilot 1 electronic system  Business case for electronic faxing solutions. Implement project at head office  Business case for EDMS. Testing and pilot project	Introduce more electronic systems (about 4) that are priority systems for the department  Rollout project to district offices and colleges. Unified messaging to be incorporated  Implement full project at H/O and district offices	Development of electronic systems pertaining to agriculture and livestock	Rollout of electronic agricultural systems (Number of systems will depend on user requirements )	Enhancements and upgrading of electronic systems to newer advanced versions



Voice, video and data cabling network infrastructure	Consolidated, robust network infrastructure at the new building	Network architect, design and layout for new building	Implement architecture and infrastructure at new building. Linking of the 2 buildings on the same LAN with redundancy			Enhancement of network with new technology
	Network installation and upgrades to district offices, agricultural colleges and research station	Needs analysis to be done on current network infrastructure at district offices, colleges and research stations. Project plan to upgrade the networks to gigabyte technologies for improved network activity	Proceed with project of network rollout. To have 6 district offices, 2 colleges and 2 research stations upgraded or fitted with new networks. Extend project to municipal offices and extension offices	Extension of project. To have at least 80% of municipal offices and extension offices connected	To have connectivity to all agricultural offices, etc.	New and improved network connectivity to cope with broadband speeds
	Design of data centre for new building	Data centre architecture to be designed with latest technological concepts.	Project plan and implementation of data centre			

RECONCILIATION OF BUDGET AND PLANS

**Programme 5: Technology Research and Development Services**

**Summary of expenditure and estimates:**

	<b>2004/05 Voted R' 000</b>	<b>2005/06 MTEF R' 000</b>	<b>2006/07 MTEF R' 000</b>
Research	15,203	18,656	20,711
Information and Communications Technology	21,501	15,239	16,918
<b>Total</b>	<b>36,704</b>	<b>33,895</b>	<b>37,629</b>

**Summary of payments and estimates:**

<b>Current payments</b>			
Compensation of employees	15,058	18,542	20,585
Goods and services	16,344	9,732	10,805
Interest and rent on land	-	-	-
Financial transactions related to policy execution	-	-	-
Unauthorised expenditure	-	-	-
<b>Total Current payments</b>	<b>31,402</b>	<b>28,274</b>	<b>31,390</b>
<b>Transfers and subsidies</b>			
To: Municipalities	42	45	49
Departmental agencies and accounts	-	-	-
Universities and technicons	-	-	-
Public corporations and private enterprises	-	-	-
Foreign govts and international organisations	-	-	-
Non-profit institutions	-	-	-
Households	-	-	-
<b>Total transfers and subsidies</b>	<b>42</b>	<b>45</b>	<b>49</b>

	2005/06	2006/07	2007/08
	MTEF	MTEF	MTEF
	R' 000	R' 000	R' 000
<b>Payments for capital assets</b>			
Buildings and other structures	-	-	-
Machinery and equipment	5,260	5,576	6,190
Cultivated assets	-	-	-
Software and other intangible assets	-	-	-
Land and subsoil assets	-	-	-
<b>Total capital assets</b>	<b>5,260</b>	<b>5,576</b>	<b>6,190</b>
<b>Total Payments</b>	<b>36,704</b>	<b>33,894</b>	<b>37,629</b>

## **PROGRAMME 6: AGRICULTURAL ECONOMIC DEVELOPMENT PLANNING AND AGRIBUSINESS DEVELOPMENT**

### *SITUATIONAL ANALYSIS*

Marketing of agricultural products and access to markets still poses the greatest challenge in agricultural development (especially of the hitherto small-scale farmers and emerging agribusiness entrepreneurs) in the province. Numerous constraints such as the lack of transport, poor market infrastructure, lack of marketing information, lack of credit facilities, lack of planning and lack of understanding the value chain exist. The value chain approach is another strategic approach to ensure that emerging farmers can produce and access the markets and contribute towards jobs and wealth creation. For consistent quality production, farmers should have access to tools such as enterprise budgets, market intelligence and information relating to prices, quality standards, grading, packaging as well as branding. For the Department to be in a position to formulate policies that would result in an improvement in the farming sector, statistical information/base line data is very crucial. It is also an important tool in gauging the extent to which the agricultural sector is contributing to the local economy, the state of the emerging farming sector and the pace at which it is catching up with the commercial sector competitiveness. It also seeks to match to what extent the subsistence sector is matching the food security needs of communities. The challenges faced in planning for local agro-economic development are many. There is reluctance on the part of farmers to fully disclose their production and income details, non-existent records and poor communication between farmers and front line officials. The current base line data is inadequate and the situation should be changed for the better. The Department will therefore undertake a survey that seeks to close this gap during the current year.

### *POLICY, PRIORITIES AND STRATEGIC OBJECTIVES*

1. Policy framework is adequate but Strategy Interventions need to be enhanced;
2. To render agricultural value chain analysis to expose farm economics and marketing services;
3. To facilitate and provide marketing support to agribusinesses across the value chain;
4. To provide agricultural risk management across the value chain;
5. To facilitate the transformation of projects into sustainable agribusinesses;

6. To improve the availability and credibility of production and base line statistics

#### *ANALYSIS OF CONSTRAINTS*

1. The deteriorating marketing institutions and market infrastructure such as auctioning points;
2. Market opportunities are becoming sophisticated for farmers thus requiring top class economic support services based on commodity lines to ensure value chain risk analysis and tracking global trends;
3. Conflict of interest amongst community, beneficiaries and landowners due to market operations ignorance;
4. High cost outlay for starting agribusiness operations;
5. Capacity of staff to investigate and interrogate farmers constraints and design relevant intervention measures;
6. Inconsistent agri-stats and base line data for local agricultural planning and ascertaining value of agriculture;
7. Integrated planning at local municipality a challenge due to inconsistent objectives and plans;
8. Natural disaster making the Province prone to disasters and thus becoming vulnerable;
9. Understanding of *AgriBEE* is not adequate amongst all value chain and commodity farmers.

#### *MECHANISMS TO OVERCOME CONSTRAINTS AND IMPROVEMENT PLANS*

1. Repair and rehabilitate existing infrastructure;
2. Provided product quality training awareness at the two Farmer Centres of Development;
3. Create awareness about and provide MAFISA credit support products to farmers;
4. Design Value chain Vulnerability Reduction and contingency plans;
5. Develop and appraise Disaster management plan and funding strategy;
6. Development of tools like COMBUD, FINREC and Enterprise Farm Models and Business Planning;
7. Capacity building of Officials and farmers in farm financial record keeping, budgeting and forecasting;
8. Undertake AgriSurvey for credible agricultural Statistical information on agriculture in the province;
9. Employment of professional economists along commodity and value chain lines;
10. Create database of agricultural activities on a local municipality basis;

### Sub-Programme 6.1 & 6.2: Agri-business Development and Agri-Economic Development Planning

*Measurable Objectives, performance indicators and targets*

<i>Measurable objective</i>	<i>Performance Indicators</i>	<i>Year 1 2005/06</i>	<i>Year 2 2006/07</i>	<i>Year 3 2007/08</i>	<i>Year4 2008/09</i>	<i>Year 5 2009/10</i>
1.Develop agribusiness value chain analysis tools	1. Number of tools developed  2. Number of tools used	Maintain the developed tools 5 tools developed	Update and maintenance of tools 5 tools developed	Update and maintenance of tools 5 tools developed	Update and maintenance of tools 5 tools developed	Update and maintenance of tools 5 tools developed
2.Local and international. Undertake market research	Markets identified and accessed	Maintain market information and update the research	Maintain market information and update the research	Maintain market information and update the research	Maintain market information and update the research	Maintain market information and update the research
3. Undertake value chain competitive studies	Number of Studies conducted	5 feasibility studies to be conducted	5 feasibility studies to be conducted	5 feasibility studies to be conducted	5 feasibility studies to be conducted	5 feasibility studies to be conducted
4. Develop and evaluate agribusiness plans	1. Number of business plans evaluated  2. Number of successful business plans	20 business plans to be evaluated 15 business plans successful business plans	20 business plans to be evaluated 15 business plans successful business plans	20 business plans to be evaluated 15 business plans successful business plans	20 business plans to be evaluated 15 business plans successful business plans	20 business plans to be evaluated 15 business plans successful business plans
5. Provide value chain economic extension service	Number of farmers and entities assisted	50 farmers and entities will be assisted	50 farmers and entities will be assisted	50 farmers and entities will be assisted	50 farmers and entities will be assisted	50 farmers and entities will be assisted

6.Facilitate agribusiness entrepreneurship training 6.1. Establish <i>Agri</i> BEE Agribusinesses	Number of entrepreneurs trained 6.1. Number of <i>Agri</i> BEE businesses established	10 entrepreneurs to be trained About 12 (5 owned by Youth, 4 by Women Groups)	10 entrepreneurs to be trained 10 (40% Youth owned and 30% Women owned)	10 entrepreneurs to be trained 10 (40% Youth owned and 30% Women owned)	10 entrepreneurs to be trained 15 (40% Youth owned and 30% Women owned)	10 entrepreneurs to be trained 15 (40% Youth owned and 30% Women owned)
7. Research and manage agribusiness risk	Number of researches conducted Risks analysed	5 Risk analysis researches conducted	15 Risk analysis researches conducted	20 Risk analysis researches conducted	15 Risk analysis researches conducted	10 Risk analysis researches conducted
8. Develop agricultural data 8.1. Undertake AgriSurvey 2005	1. Data available for planning  2. Number of COMBUDS Developed	Maintain statistical data  60 COMBUDS Developed	Maintain statistical data  60 COMBUDS Developed	Maintain statistical data  60 COMBUDS Developed	Maintain statistical data  60 COMBUDS Developed	Maintain statistical data  60 COMBUDS Developed
9. Undertake feasibility studies	1. Feasibility studies conducted	4 Feasibility studies will be conducted  5 Strategic plans developed	10 feasibility studies conducted  Update strategic plans developed	10 feasibility studies conducted  Update strategic plans developed	10 feasibility studies conducted  Update strategic plans developed	10 feasibility studies conducted  Update strategic plans developed
10. Provide agri- disaster mitigation strategy for municipalities	1. Strategies developed to guide the municipalities	AgriSurvey 2005 undertaken and Commodity baseline studies conducted	Maintain and update the strategies	Maintain and update the strategies	Maintain and update the strategies	Maintain and update the strategies

	2. Natural Disaster management plan developed 3. Early warning developed 4. Development and maintenance of relief schemes		Systems maintained and updated	Systems maintained and updated	Systems maintained and updated	Systems maintained and updated
11.Undertake baseline surveys	AgriSurvey 2005 undertaken and Commodity baseline studies conducted	AgriSurvey 2005 undertaken and Commodity baseline studies conducted		Six Commodity baseline data reviews and Six base line studies conducted		AgriSurvey 2010 undertaken and Commodity baseline studies conducted
12. Develop local agricultural cooperatives as instruments of development  13. Cascading AgriBEE to the grassroots of Limpopo.	12.1.Number of Cooperatives established  13.Number of Local Municipalities to be cascaded with AgriBEE	10 Coops  13.Cascade AgriBEE to 26 Local Municipalities	10 Coops  13.Cascade AgriBEE to 26 Local Municipalities	10 Coops  13.Cascade AgriBEE to 26 Local Municipalities	10 Coops	10 Coops

RECONCILIATION OF BUDGET AND PLANS

**Programme 6: Agricultural Economic Development Planning And Agribusiness Development**

**Summary of expenditure and estimates:**

	<b>2005/06 MTEF R' 000</b>	<b>2006/07 MTEF R' 000</b>	<b>2007/08 MTEF R' 000</b>
Marketing Services	11,076	14,811	16,443
Agriculture Statistics	3,473	4,540	5,040
<b>Total</b>	<b>14,549</b>	<b>19,351</b>	<b>21,483</b>

**Summary of payments and estimates:**

<b>Current payments</b>			
Compensation of employees	10,502	13,961	15,499
Goods and services	3,997	5,337	5,925
Interest and rent on land	-	-	-
Financial transactions related to policy execution	-	-	-
Un-authorized expenditure	-	-	-
<b>Total Current payments</b>	<b>14,499</b>	<b>19,298</b>	<b>21,424</b>
<b>Transfers and subsidies</b>			
To: Municipalities	30	32	36
Departmental agencies and accounts	-	-	-
Universities and technikons	-	-	-
Public corporations and private enterprises	20	21	23
Foreign govts and international organisations	-	-	-
Non-profit institutions	-	-	-
Households	-	-	-
<b>Total transfers and subsidies</b>	<b>50</b>	<b>53</b>	<b>59</b>



	2005/06	2006/07	2007/08
	MTEF	MTEF	MTEF
	R' 000	R' 000	R' 000
<b>Payments for capital assets</b>			
Buildings and other structures	-	-	-
Machinery and equipment	-	-	-
Cultivated assets	-	-	-
Software and other intangible assets	-	-	-
Land and subsoil assets	-	-	-
<b>Total capital assets</b>	-	-	-
<b>Total Payments</b>	<b>14,549</b>	<b>19,351</b>	<b>21,483</b>

## **PROGRAMME 7: STRUCTURED AGRICULTURAL TRAINING**

### *SITUATIONAL ANALYSIS*

The main objective is to provide training and create opportunities for practising and prospective farmers and to enhance the Human Resource Development in Agriculture. The Department also place emphasis on the training and retraining of extension officers. As a cornerstone of economic prosperity in the Province it is imperative that the Department pays attention to the continuous development of an important asset namely its Human Resources. The training will concentrate on short courses for both extension officials and farmers. Land restitution beneficiaries will be able to enrol and certain subsidies are being initiated.

### *POLICY, PRIORITIES AND STRATEGIC OBJECTIVES*

1. Strengthening research and training capacity of agricultural development centres;
2. To provide training programmes in appropriate fields to prospective and practising farmers, extension officials and advisors;
3. To develop and present suitable needs driven training programmes;
4. To ensure accessibility of training programmes to potential farmers.

### *ANALYSIS OF CONSTRAINTS*

1. Changing of the role and place of agricultural colleges with the education system;
2. Changing customer needs and circumstances;
3. Offering suitable and researched training programmes to satisfy sectoral needs;
4. Providing an adequate physical infrastructure to facilitate learning.

### *MECHANISMS TO OVERCOME CONSTRAINTS AND IMPROVEMENT PLANS*

1. All training programmes to be registered with SAQAA;
2. Develop short courses that meet NQF standards;

3. Work closely with PAETA to ensure quality assurance of training programmes;
4. Continuous improvements on existing training programmes through feedback from stakeholders.

### Sub Programme 7.1: Further Education and Training

Measurable objectives, performance indicators and targets						
<i>Measurable objective</i>	<i>Performance indicator</i>	<i>Year 1 2005/06</i>	<i>Year 2 2006/07</i>	<i>Year 3 2007/08</i>	<i>Year 4 2008/09</i>	<i>Year 5 2009/10</i>
1. Experiential learning and training	1. Number of farmers who complete and apply lessons learnt in their various commodity production areas.	100	200	300	300	300
2. Skills programme aimed at emerging and land restitution beneficiaries	1. Number of farmers with successful small scale farming enterprises	1,595	1,595	1,755	2,000	2,000
3. Learnership programme aimed at emerging and land restitution beneficiaries	1. Number of learner ships to be awarded	125	150	165	180	200
4. Outreach programme to farmers on laboratory analytical work, seed treatment etc.	1. Number of farmers reached and assisted in this Programme	1,100	1,100	1,210	1, 300	1,500

RECONCILIATION OF BUDGET AND PLANS

<b>Programme 7: Structured Agricultural Training</b>			
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<b>Summary of expenditure and estimates:</b>			
	<b>2005/06</b>	<b>2006/07</b>	<b>2007/08</b>
	<b>MTEF</b>	<b>MTEF</b>	<b>MTEF</b>
	<b>R' 000</b>	<b>R' 000</b>	<b>R' 000</b>
Further Education and Training	38,941	47,089	52,276
<b>Total</b>	<b>38,941</b>	<b>47,089</b>	<b>52,276</b>

<b>Summary of payments and estimates:</b>			
<b>Current payments</b>			
Compensation of employees	23,352	27,872	30,943
Goods and services	10,548	14,054	15,603
Interest and rent on land	-	-	-
Financial transactions related to policy execution	-	-	-
Unauthorized expenditure	-	-	-
<b>Total Current payments</b>	<b>33,900</b>	<b>41,926</b>	<b>46,546</b>
<b>Transfers and subsidies</b>			
To: Municipalities	65	68	75
Departmental agencies and accounts	-	-	-
Universities and technikons	-	-	-
Public corporations and private enterprises	20	21	23
Foreign govts and international organisations	-	-	-
Non-profit institutions	-	-	-
Households	-	-	-
<b>Total transfers and subsidies</b>	<b>85</b>	<b>89</b>	<b>98</b>

	2005/06	2006/07	2007/08
	MTEF	MTEF	MTEF
	R' 000	R' 000	R' 000
<b>Payments for capital assets</b>			
Buildings and other structures	3,150	3,159	3,507
Machinery and equipment	1,806	1,914	2,125
Cultivated assets	-	-	-
Software and other intangible assets	-	-	-
Land and subsoil assets	-	-	-
<b>Total capital assets</b>	<b>4,956</b>	<b>5,073</b>	<b>5,632</b>
<b>Total Payments</b>	<b>38,941</b>	<b>47,089</b>	<b>52,276</b>

## 8. OUTSOURCING PLANS AND RESTRUCTURING OF STATE OWNED ASSETS – AGRICULTURE RURAL DEVELOPMENT CORPORATION (ARDC)

### *SITUATIONAL ANALYSIS*

The Agricultural and Rural Development Corporation (ARDC) was established in 1996 by means of a proclamation in the Provincial Gazette in terms of Northern Province Corporation Act (NPCA), Act 5 of 1994. The affairs of the ARDC are managed and controlled by a Board of Directors in terms of section 8 of the said act, while its powers and obligations are set out in section 60 of the same Act. Section 6 (2) provides that the MEC for finance should assign any powers set out in the Act, to the Corporation, by notice in the Provincial Gazette in consultation with the MEC for Agriculture. This power was later delegated to the MEC for Agriculture by means of a proclamation. The Board is liable to perform certain duties but do not attract personal liability for their failure to do so, except in cases of dishonesty or gross negligence (section 12). The following commercial projects have been established by the ARDC as private companies with a share capital in terms of the Companies Act, 61 of 1973. These companies are taken up in the shareholding of the ARDC in terms of the NPCA, Act 5 of 1994 (all 100% shareholding to ARDC except Mununzwu with 95%) These companies are:

- Zebediela Citrus (Pty) Ltd;
- Gazankulu Vrugteboere (Pty) Ltd, trading as Lisbon Estate;
- Mununzwu Estate (Pty) Ltd;
- Mutale Agricultural Estate (Pty) Ltd;
- Mashashane Hatchery (Pty) Ltd.

Each of the above companies is functional through their Board of Directors which is appointed by the ARDC Board except Zebediela and Lisbon Estates that are now commercialised and their shareholders appoint their Board of Directors.

The following commercial projects on the other hand were established in terms of the section 4 of the NPCA, Act of 1994, by the ARDC without being registered as companies, thus without a separate legal personality. These projects are:

- Champagne;
- Lekgalameetse;
- Tsianda;
- The Oaks;
- Barotta;
- Sandford.

In addition to the above, 26 development/farmer settlement projects such as Mariveni, Mabunda, Phaswana and others were established by the ARDC as core estates for local economic development. Under these projects the unemployed would ideally be trained and settled on the land to become commercial farmers. In discharging their responsibility the management of the ARDC adopted a wrong approach that resulted into disastrous implications within the emerging farming communities for which the corporation was established. In view of this unacceptable state of operation in ARDC, the Executive Council of Limpopo Province adopted a recommendation, in 2000, of the Department, that ARDC be restructured and transformed since it could not continue as before, and be placed under the direct management of the Department of Agriculture. Since the restructuring process started in 2001 the ARDC, under the leadership of the current Board of Directors and Department of Agriculture, adopted a new strategic direction developed by the Department, as shareholder of ARDC, in consultation with the labour unions representing the employees of the ARDC.

#### *POLICY, PRIORITIES AND STRATEGIC OBJECTIVES*

- Restructure the ARDC projects in line with the Community Public Private Partnership (CPPP) principles in order to ensure the efficient utilisation of available resources and further economic growth;
- Empower farmers, communities and employees to share in the ownership, responsibilities and benefits created by ARDC projects;
- Establish an effective institutional framework in line with the existing legislation in order to attract the required investment;
- Infrastructural support for more efficient utilisation of available resources and more economical gains for the involved partners.

#### *ANALYSIS OF CONSTRAINTS*

The restructuring of ARDC projects is fully dependant upon finalisation of Land claim status of these projects since all are under claim. This process faces the following challenges:

- The lengthy and complicated process required to implement land restitution process;
- Lengthy and complicated IPILRA process;
- Lack of interim operational funding for farmer settlement and some commercial projects.

*MECHANISMS TO OVERCOME CONSTRAINTS AND IMPROVEMENT PLANS*

- The completion of the administrative process for land restitution as well as IPILRA needs the involvement of all role players at all levels;
- The process need to be enriched with an effective business model that will be negotiated with beneficiaries, strategic partners and employees;
- Engaging financial institutions such as Landbank and DBSA to channel funding to some farmer settlement projects;
- Including ARDC projects for new support initiatives such as CASP and MAFISA.





**Programme for outsourcing and restructuring of ARDC**

<i>Measurable objective</i>	<i>Performance indicator</i>	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5</i>
		<i>2005/06</i>	<i>2006/07</i>	<i>2007/08</i>	<i>2008/09</i>	<i>2009/10</i>
1. Reduce operational cost on ARDC commercial projects	1. All projects managed by operating contractor					
	2. Amount required from government for operational Expenditure					
		Less 10%	Less 20%	Less 30%	Less 30%	Less 30%
2. Accommodation of all ARDC employees in productive projects	1. Number of employees	200	250	300	0	0
3. Selling or transfer of non-core assets	1. Number of properties sold or transfers	10	10	14	0	0
	2. Income generated by selling of assets	Maximise	Maximise	Maximise		
4. Restructuring of commercial projects	1. Number of projects handed over in restructured form	12				
	2. Jobs created with SMME establishment	400	500	550		
5. Restructuring of developmental projects	1. Number of partnerships between strategic partner and farmers	5	7			
	2. Number of projects with effective institutional Arrangements	5	7			
	3. Number of projects handed over to communities	5	4			
6. Revitalisation of Integrated Broiler Project	1. Production level of breeder farmers	100%	100%	100%		
	2. Production level of hatchery	100%	100%	100%		
	3. Production level of broiler farms	80%	100%	100%	100%	100%
	4. Production level of abattoir	80%	100%	100%	100%	100%



## MEDIUM-TERM REVENUES

### REVENUE

Summary of receipts			
	2005/06 MTEF R' 000	2006/07 MTEF R' 000	2007/08 MTEF R' 000
<b>Receipts</b>			
Tax receipts	-	-	-
Sale of goods and services other than capital assets	1,692	1,777	1,865
Transfers received	-	-	-
Fines, penalties and forfeits	-	-	-
Interest, dividends and rent on land	851	894	938
Sale of capital assets	4,000	4,200	4,411
Financial transactions related to policy execution	2,153	2,260	2,373
<b>Total Receipts</b>	<b>8,696</b>	<b>9,131</b>	<b>9,587</b>

## CONDITIONAL GRANTS

### CONDITIONAL GRANTS (DORA) - DEPARTMENT OF AGRICULTURE

<b>Project name</b>	<b>2005/06 MTEF (R'000)</b>	<b>2006/07 MTEF (R'000)</b>	<b>2007/08 MTEF (R'000)</b>	<b>Project outcomes</b>	<b>Reporting responsibility</b>
1. Landcare: National Department o Agriculture	5,000	5,500	5,747	Address land and water degradations	Sustainable Resource Management
2. Comprehensive Agricultural Support Programme (CASP)	41,786	50,143	62,921	Provide farmers with on- and off-farm infrastructure	Farmer Settlement and Support
3. Rural Development Fund: Provincial Treasury	39,654	43,767	52,706	Provide support to LRAD and Communal farmers	Farmer Settlement and Support
<b>Total</b>	<b>86,440</b>	<b>99,410</b>	<b>124,374</b>		

## DONOR FUNDING

### EXTERNAL DONOR FUNDING – DEPARTMENT OF AGRICULTURE

Project name	External donors	2005/06 MTEF (R'000)	2006/07 MTEF (R'000)	2007/08 MTEF (R'000)	Project outcomes	Reporting responsibility
1. Limpopo Agricultural Development Program	Finnish Development Corporation	12,000	8,000	8,000	Establishment of communal food gardens	Farmer Support and Development
2. Broadening Access to Service and Extension Development	GTZ Germany	2,500	2,000	2,000	Enhance capacity of extension agents	Farmer Support and Development
<b>Total</b>		<b>14,500</b>	<b>10,000</b>	<b>10,000</b>		

## **FINANCIAL MANAGEMENT**

### *STRATEGIES TO ADDRESS AUDIT QUERIES*

1. Unqualified audit opinions were received for the Department as well as the ARDC in the last fiscal;
2. Maintain a good working relationship with Internal Audit and Auditor-General;
3. Attend to queries and management letters timeously and comprehensively.

### *IMPLEMENTATION OF PFMA*

The implementation of the PFMA had the following elements:

- Systems for Revenue, Expenditure, Assets and Liabilities;
- Delegations;
- Internal audit;
- Appointment of CFO;
- Risk and Fraud plans;
- Timeous Financial Statements;
- Supply Chain Management;
- Oversight over Public Entities.

Progress made to date:

- Systems for Revenue were introduced and the revenue strategy of the Treasury was largely adopted. Payment of revenue is done weekly. Baselines were set for budgeting and reporting purposes. Tariff structures have been finalised and will be revised annually;
- Expenditure systems were introduced and policies were put in place to streamline most expenditure items i.e. subsistence and travel, tender processes, cell phone policies etc. These are documented and available in the Department;
- The Treasury has introduced an assets management system. An asset management module on FINEST was introduced to update asset registers etc. Board of surveys is still in place to take care of redundant assets and stock;
- Systems to address liabilities and especially the collection of debt were put in place. The collection of debt remains priority and a debt collection unit was established to work closely with Provincial Treasury. The Department still has to finalise a debt write off policy and should also start aligning its budget to deal with this;
- Delegations were put in place and they include financial delegations applicable to line management as well as delegations for approval on the financial systems etc. Specimen signatures were put in place;
- An internal audit committee was established for each cluster (shared service). This function is continuing and the Department is engaged in assisting this section with all requests;
- A CFO was appointed;
- A risk management plan as well a fraud prevention policy and plan was adopted and implemented in 2001. A fraud certificate was also presented to the Provincial Treasury;

- Financial statements were presented on time to the Auditor-General, Treasury and the Legislature. All other monthly reports to Treasury are done in terms of the deadlines set and as prescribed by the PFMA;
- There is a strong oversight over the operations of the public entity resulting in unqualified audit reports;
- The conducting of PFMA awareness campaigns for line managers as well as finance staff;
- Establishing of baseline information on staff numbers, vehicles and other fixed commitments;
- Compiling a Departmental strategic plan that is outcome based;
- Developed budget guidelines and processes;
- Unqualified audit reports from the Auditor-General;
- Introducing of all normative measures as envisaged by the National Treasury;
- Compliance to the Supply Chain Management Framework and its related Acts and Regulations.