

Vote 11

Department of Agriculture and Rural Development

Adjusted budget summary

R thousand	2016/17				
	Main appropriation	Special appropriation	Adjusted appropriation	Decrease	Increase
Total amount to be appropriated	745 825		750 681	(2 249)	7 105
<i>of which economic classification:</i>					
Current payments	425 633		425 947	(2 249)	2 563
Transfers and subsidies	300 248		302 455		2 207
Payments for capital assets	19 944		22 279		2 335
Payments for financial assets					
<i>of which source of funding:</i>					
Equitable Share	368 843		370 501	(2 249)	3 907
Conditional Grants	241 387		241 387		
Earmarked funds	102 744		105 942		3 198
Provincial Receipts	32 851		32 851		
Direct charge against the Provincial Revenue Fund	745 825		750 681	(2 249)	7 105
Amount not to be appropriated - Aid Assistance					
Executive Authority	MEC for Agriculture and Rural Development				
Accounting Officer	Head of Department: Agriculture and Rural Development				
Website address	www.ard.fs.gov.za				

Aim

The vision of the Free State Department of Agriculture and Rural Development is “A dynamic, prosperous agricultural sector and a better life for rural communities.

Changes to programme purposes, objectives and measures

There were no changes to programme purposes, objectives and measures of any budget programme during the course of the current financial year.

Vote11 – Agriculture and Rural Development

2016 Adjusted Estimates of Provincial Revenue & Expenditure

Adjusted Estimates of Provincial Revenue & Expenditure 2016

Table 11.1(a): Adjusted Estimates per programme

2016/17								
Programme	Main appropriation	Special appropriation	Adjustment appropriation				Total adjustment appropriation	Adjusted appropriation
			Unforeseeable /unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R'thousand			Roll-overs					
1. Administration	155 462		391	1 375	(1 700)		66	155 528
2. Sustainable Resource Management	32 635		1 000				1 000	33 635
3. Farmer Support and Development	395 789			(962)			(962)	394 827
4. Veterinary Services	57 175			(20)	(549)	2 543	1 974	59 149
5. Research, Technology & Development Services	53 811		2 198	(133)			2 065	55 876
6. Agricultural Economics Services	10 262							10 262
7. Structured Agricultural Training	21 458							21 458
8. Rural Development	19 233		973	(260)			713	19 946
Subtotal	745 825		4 562		(2 249)	2 543	4 856	750 681
Direct charge against the Provincial Revenue Fund								
Item								
Total	745 825		4 562		(2 249)	2 543	4 856	750 681

Economic classification

Table 11.1(b): Adjusted Estimates by economic classification

Economic classification	Main appropriation	Special appropriation	Adjustments Appropriation				Total adjustment appropriation	Adjusted appropriation
			Unforeseeable/ unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R'thousand			Roll-overs					
Current payments	425 633		523	(503)	(2 249)	2 543	314	425 947
Compensation of employees	349 991			1 200			1 200	351 191
Goods and Services	75 642		523	(1 708)	(2 249)	2 543	(891)	74 751
Interest and rent on land				5			5	5
Transfers and subsidies to	300 248		1 973	234			2 207	302 455
Provinces and municipalities	63							63
Departmental agencies and accounts	357							357
Universities and technikons								
Public corporations and private enterprises								
Foreign governments and international organisations								
Non-profit institutions								
Households	299 828		1 973	234			2 207	302 035
Payments for capital assets	19 944		2 066	269			2 335	22 279
Buildings and other fixed structures	18 744		1 675				1 675	20 419
Machinery and equipment	1 200		391	269			660	1 860
Cultivated assets								
Software and other intangible assets								
Land and subsoil assets								
Heritage assets								
Payments for financial assets								
Total	745 825		4 562		(2 249)	2 543	4 856	750 681

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2016 Adjusted Estimates of Provincial Revenue & Expenditure

Programme 1: Administration

Table 11.1.1: Adjusted Estimates

		2016/17							
Administration		Adjustment appropriation							
R'thousand	Main appropriation	Special appropriation	Roll-overs	Unforeseeable /unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustment appropriation	Adjusted appropriation
1. Office of the MEC	6 515		146					146	6 661
2.Senior Management	35 413				400	(1 000)		(600)	34 813
3. Corporate Services	80 485		245		1 475			1 720	82 205
4. Financial Management	27 853				(500)	(700)		(1 200)	26 653
5.Communication Services	5 196								5 196
Total	155 462		391		1 375	(1 700)		66	155 528
Economic classification									
Current payments	151 788				870	(1 700)		(830)	150 958
Compensation of employees	114 478								114 478
Goods and Services	37 310				865	(1 700)		(835)	36 475
Interest and rent on land					5			5	5
Transfers and subsidies to	2 474				236			236	2 710
Provinces and municipalities	63								63
Departmental agencies and accounts	284								284
Universities and technikons									
Public corporations and private enterprises									
Foreign governments and international organisations									
Non-profit institutions									
Households	2 127				236			236	2 363
Payments for capital assets	1 200		391		269			660	1 860
Buildings and other fixed structures									
Machinery and equipment	1 200		391		269			660	1 860
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Heritage assets									
Payments for financial assets									
Total	155 462		391		1 375	(1 700)		66	155 528

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2016 Adjusted Estimates of Provincial Revenue & Expenditure

Programme 2: Sustainable Resource Management

Table 11.1.2: Adjusted Estimates

		2016/17							
Sustainable Resources Management		Special appropriation	Adjustment appropriation					Total adjustment appropriation	Adjusted appropriation
R'thousand	Main appropriation		Roll-overs	Unforeseeable /unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
1. Engineering Services	11 103							11 103	
2. Landcare	18 770							18 770	
3. Land Use Management	653							653	
4. Disaster Risk Management	2 109		1 000				1 000	3 109	
Total	32 635		1 000				1 000	33 635	
Economic classification									
Current payments	27 285							27 285	
Compensation of employees	24 175							24 175	
Goods and Services	3 110							3 110	
Interest and rent on land									
Transfers and subsidies to	5 350		1 000				1 000	6 350	
Provinces and municipalities									
Departmental agencies and accounts									
Universities and technikons									
Public corporations and private enterprises									
Foreign governments and international organisations									
Non-profit institutions									
Households	5 350		1 000				1 000	6 350	
Payments for capital assets									
Buildings and other fixed structures									
Machinery and equipment									
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Heritage assets									
Payments for financial assets									
Total	32 635		1 000				1 000	33 635	

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2016 Adjusted Estimates of Provincial Revenue & Expenditure

Programme 3: Farmer Support and Development

Table 11.1.3: Adjusted Estimates

		2016/17						
Farmer Support and Development		Adjustment appropriation						
R'thousand	Main appropriation	Special appropriation	Unforeseeable Roll-overs	Virements /unavoidable	Declared unspent and shifts	Other funds adjustments	Total adjustment appropriation	Adjusted appropriation
1. Farmer Settlement & Development	174 289							174 289
2. Extension & Advisory Services	220 144				(521)		(521)	219 623
3. Food Security	1 356				(441)		(441)	915
Total	395 789				(962)		(962)	394 827
Economic classification								
Current payments	105 187				(960)		(960)	104 227
Compensation of employees	89 135				950		950	90 085
Goods and Services	16 052				(1 910)		(1 910)	14 142
Interest and rent on land								
Transfers and subsidies to	290 602				(2)		(2)	290 600
Provinces and municipalities								
Departmental agencies and accounts	73							73
Universities and technikons								
Public corporations and private enterprises								
Foreign governments and international organisations								
Non-profit institutions								
Households	290 529				(2)		(2)	290 527
Payments for capital assets								
Buildings and other fixed structures								
Machinery and equipment								
Cultivated assets								
Software and other intangible assets								
Land and subsoil assets								
Heritage assets								
Payments for financial assets								
Total	395 789				(962)		(962)	394 827

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2016 Adjusted Estimates of Provincial Revenue & Expenditure

Programme 4: Veterinary Services

Table 11.1.4: Adjusted Estimates

2016/17									
Veterinary Services	Main appropriation	Special appropriation	Adjustment appropriation					Total adjustment appropriation	Adjusted appropriation
			Unforeseeable /unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Roll-overs		
R'thousand									
1. Animal Health	40 566				(205)	(549)	2 543	1 789	42 355
2. Export Control	1 201				(83)			(83)	1 118
3. Veterinary Public Health	5 110								5 110
4. Veterinary Laboratory Services	10 298				268			268	10 566
...									
Total	57 175				(20)	(549)	2 543	1 974	59 149
Economic classification									
Current payments	57 175				(20)	(549)	2 543	1 974	59 149
Compensation of employees	51 089								51 089
Goods and Services	6 086				(20)	(549)	2 543	1 974	8 060
Interest and rent on land									
Transfers and subsidies to									
Provinces and municipalities									
Departmental agencies and accounts									
Universities and technikons									
Public corporations and private enterprises									
Foreign governments and international organisations									
Non-profit institutions									
Households									
Payments for capital assets									
Buildings and other fixed structures									
Machinery and equipment									
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Heritage assets									
Payments for financial assets									
Total	57 175				(20)	(549)	2 543	1 974	59 149

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2016 Adjusted Estimates of Provincial Revenue & Expenditure

Programme 5: Research, Technology and Development Services

Table 11.1.5: Adjusted Estimates

		2016/17						
Technology, Research & Development Services		Adjustment appropriation						
R'thousand	Main appropriation	Special appropriation	Unforeseeable /unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustment appropriation	Adjusted appropriation
1. Research	25 970				155		155	26 125
2. Technology Transfer Services								
3. Infrastructure Support Services	27 841		2 198	(288)			1 910	29 751
Total	53 811		2 198	(133)			2 065	55 876
Economic classification								
Current payments	35 067		523	(133)			390	35 457
Compensation of employees	28 111			250			250	28 361
Goods and Services	6 956		523	(383)			140	7 096
Interest and rent on land								
Transfers and subsidies to								
Provinces and municipalities								
Departmental agencies and accounts								
Universities and technikons								
Public corporations and private enterprises								
Foreign governments and international organisations								
Non-profit institutions								
Households								
Payments for capital assets	18 744		1 675				1 675	20 419
Buildings and other fixed structures	18 744		1 675				1 675	20 419
Machinery and equipment								
Cultivated assets								
Software and other intangible assets								
Land and subsoil assets								
Heritage assets								
Payments for financial assets								
Total	53 811		2 198	(133)			2 065	55 876

Vote11 – Agriculture and Rural Development

2016 Adjusted Estimates of Provincial Revenue & Expenditure

Programme 6: Agricultural Economics Services

Table 11.1.6: Adjusted Estimates

		2016/17							
Agricultural Economics Services		Main appropriation	Special appropriation	Adjustment appropriation				Total adjustment appropriation	Adjusted appropriation
R'thousand				Unforeseeable /unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
1. Agric-Business Support & Development	9 745					(70)		(70)	9 675
2. Macro-Economic Support	517					70		70	587
Total	10 262								10 262
Economic classification									
Current payments	10 262								10 262
Compensation of employees	9 383								9 383
Goods and Services	879								879
Interest and rent on land									
Transfers and subsidies to									
Provinces and municipalities									
Departmental agencies and accounts									
Universities and technikons									
Public corporations and private enterprises									
Foreign governments and international organisations									
Non-profit institutions									
Households									
Payments for capital assets									
Buildings and other fixed structures									
Machinery and equipment									
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Heritage assets									
Payments for financial assets									
Total	10 262								10 262

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2016 Adjusted Estimates of Provincial Revenue & Expenditure

Programme 7: Structured Agricultural Training

Table 11.1.7: Adjusted Estimates

		2016/17							
Structured Agricultural	R'thousand	Main appropriation	Special appropriation	Adjustment appropriation				Total adjustment appropriation	Adjusted appropriation
				Unforeseeable /unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
1. Higher Education & Training		15 695				(961)		(961)	14 734
2. Further Education & Training(FET)		5 763				961		961	6 724
Total		21 458							21 458
Economic classification									
Current payments		21 458							21 458
Compensation of employees		17 582							17 582
Goods and Services		3 876							3 876
Interest and rent on land									
Transfers and subsidies to									
Provinces and municipalities									
Departmental agencies and accounts									
Universities and technikons									
Public corporations and private enterprises									
Foreign governments and international organisations									
Non-profit institutions									
Households									
Payments for capital assets									
Buildings and other fixed structures									
Machinery and equipment									
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Heritage assets									
Payments for financial assets									
Total		21 458							21 458

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2016 Adjusted Estimates of Provincial Revenue & Expenditure

Programme 8: Rural Development

Table 11.1.8: Adjusted Estimates

2016/17								
Rural Development	Main appropriation	Special appropriation	Adjustment appropriation				Total adjustment appropriation	Adjusted appropriation
			Roll-overs	Unforeseeable /unavoidable	Virements and shifts	Declared unspent funds		
R'thousand								
1. Development Planning & Monitoring	9 683		973		(202)		771	10 454
2. Social Facilitation	9 550				(58)		(58)	9 492
Total	19 233		973		(260)		713	19 946
Economic classification								
Current payments	17 412				(260)		(260)	17 152
Compensation of employees	16 038							16 038
Goods and Services	1 374				(260)		(260)	1 114
Interest and rent on land								
Transfers and subsidies to	1 821		973				973	2 794
Provinces and municipalities								
Departmental agencies and accounts								
Universities and technikons								
Public corporations and private enterprises								
Foreign governments and international organisations								
Non-profit institutions								
Households	1 821		973				973	2 794
Payments for capital assets								
Buildings and other fixed structures								
Machinery and equipment								
Cultivated assets								
Software and other intangible assets								
Land and subsoil assets								
Heritage assets								
Payments for financial assets								
Total	19 233		973		(260)		713	19 946

Details of adjustments to Estimates of Provincial Revenue & Expenditure 2016

Roll-overs – R4.562 million

Roll-over received in 2016/17 financial year:

- Equitable Share R1.364 million
- Infrastructure Enhancement Allocation R2.198 million
- Disaster Management R1.000 million

Vote11 – Agriculture and Rural Development

2016 Adjusted Estimates of Provincial Revenue & Expenditure

Unforeseeable and unavoidable expenditure

No unforeseeable and unavoidable funds were received in 2016/17 adjustments to Estimates of Provincial Revenue & Expenditure.

Virements and shifts

There were several virements of funds between main divisions of the vote during the current financial year. The virements are as follows:

- **Programme 1: Administration**

An amount of R1.375 million was effected as a virement from different programmes that indicated possible saving on goods and services and compensation of employees to defray excess over expenditure on goods and services and compensation of employees on programme 1: Administration.

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

Farmer Support & Development effected virements amounting to R0.250 million from compensation of employees to relieve pressure on Programme 5: Research & Technology Development Services on compensation of employees. The programme further allocated an amount of R0.712 million from operational budget to Programme 1: Administration to defray excess expenditure on goods and services.

- **Programme 4: Veterinary Services**

The programme relocated an amount of R0.020 million from GG Vehicle (F/Ser: kilometres) to Programme 1: Administration where the budget for F/Ser: kilometres is centralised.

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

The programme received an amount of R0.250 million to augment compensation of employees that projected possible over expenditure. However the programme also released an amount of R0.383 million to Programme 1: Administration to avoid over-expenditure on goods and services.

- **Programme 8: Rural Development**

The programme reflected the slow spending on its operational budget from the beginning of the 2016/17 financial year. Therefore the amount of R0.260 million from goods and services was effected as a virements to supplement goods and services on Programme 1: Administration.

Vote11 – Agriculture and Rural Development

2016 Adjusted Estimates of Provincial Revenue & Expenditure

Details of the virements:

Table 11.2: Details on virements and shifts

Programmes		FROM:			TO:
1. Administration		(234)	Administration		1 609
2. Sustainable Resource Management					
3. Farmer Support and Development		(962)			
4. Veterinary Services		(20)			
5. Tech, Research & Development Services		(383)	Tech, Research & Development Services		250
6. Agricultural Economics Services					
7. Structured Agricultural Training					
8. Rural Development		(260)			
FROM:			TO:		
Programme by Economic classification	Motivation	R' thousand	Programme by Economic classification	Motivation	R' thousand
Programme 1		(234)	Programme 1		234
Machinery and equipment	To relieve pressure on leave gratuity on the same programme	(234)	Transfers and subsidies	To relieve pressure on leave gratuity on the same programme	234
Percentage of programme budget			0.69%		
		-			
Percentage of programme budget			0.26%		
Programme 3		(250)	Programme 5		250
Compensation of employees	To relieve pressure on compensation of employees on programme 5	(250)	Compensation of employees	To relieve pressure on compensation of employees on programme 5	250
Percentage of programme budget			0.26%		
Programme 3		(712)	Programme 1		712
Goods and services	To move the budget for GG Vehicle to the correct centralised budget programme	(710)	Goods and services	To move the budget for GG Vehicle to the correct centralised budget programme	710
Transfers and subsidies	Leave gratuity amount that was budgeted incorrectly moved to the centralise budget in programme 1	(2)	Transfers and subsidies	Leave gratuity amount that was budgeted incorrectly moved to the centralise budget in programme 1	2
Percentage of programme budget			0.22%		
Programme 4		(20)	Programme 1		20
Goods and services	To relieve pressure on Goods and Services on programme 1	(20)	Goods and services	To relieve pressure on Goods and Services on programme 1	20
Percentage of programme budget					
Programme 5		(383)	Programme 1		383
Goods and services	reprioritised to goods and services in programme 1 to avoid possible over expenditure	(383)	Goods and services	reprioritised to goods and services in programme 1 to avoid possible over expenditure	383
Percentage of programme budget			0.34%		
Programme 8		(260)	Programme 1		260
Goods and services	reprioritised to goods and services in programme 1 to avoid possible over expenditure	(260)	Goods and services	reprioritised to goods and services in programme 1 to avoid possible over expenditure	260
Percentage of programme budget			1.25%		
Total		(1 859)			1 859

Vote11 – Agriculture and Rural Development

2016 Adjusted Estimates of Provincial Revenue & Expenditure

Other adjustments - R2.543 million

An amount of R2.543 million was allocated to the Department of Agriculture and Rural Development for vaccines to eradicate Swine Fever, Brucellosis and also for working capital for export certification to export animals and products.

Adjustments due to significant and unforeseeable economic and financial events

No amount allocated due to significant and unforeseeable economic and financial events.

Use of funds in emergency situations in terms of section 16 of the PFMA

No funds are allocated in emergency situations in terms of section 16 of the PFMA.

Self-financing expenditure

Not applicable.

Funds shifted between votes following a transfer of function

No shift of funds between votes following a transfer of function

Funds shifted within a vote to follow a functions shift within the same vote

No funds were shifted within the vote to follow a function shift.

Gifts, donations and sponsorships – R 0.650 million

The department will be awarding an amount of R0.150 million for outstanding effort and achievement to the Extension Personnel in 2016/17 financial year.

The 2016/17 financial year Female Entrepreneur Awards allocated to the following winners: An amount of R0.125 million was awarded for Top Entrepreneur Smallholder: Rammulotsi Agricultural Coop, R0.125 million was awarded for Top Entrepreneur Commercial: Rosemead Farming and Overall winner awarded an amount R0.250 million.

Declared unspent funds – R2.249 million

- A reduction of R1.049 million was reduced from the department regarding provincial events to the Department of the Premier.
- A reduction of R1.200 million was reduced from the department regarding the Global Trade Bridge to the Department of the Premier.

Vote11 – Agriculture and Rural Development

2016 Adjusted Estimates of Provincial Revenue & Expenditure

Expenditure 2015/16 and preliminary expenditure 2016/17

Table 11.3: Expenditure trends

R thousand	2015/16					2016/17			
	Audited outcome					Actual expenditure			
	Adjusted appropriation	Apr 2015 - Sep 2015	Apr 2015 - Sep 2015 (% of adjusted appropriation)	Apr 2015 - Mar 2016	Apr 2015 - Mar 2016 (% of adjusted appropriation)	Adjusted appropriation	Adjusted appropriation / Total (%)	Apr 2016 - Sep 2016	Apr 2016 - Sep 2016 (% of adjusted appropriation)
Programmes									
1. Administration	165 280	80 070	48.4%	157 883	95.5%	156 528	20.9%	80 983	51.7%
2. Sustainable Resource Management	30 210	15 607	51.7%	30 582	101.2%	33 635	4.5%	16 314	48.5%
3. Farmer Support and Development	401 998	224 420	55.8%	399 177	99.3%	394 827	52.6%	151 844	38.5%
4. Veterinary Services	55 977	26 844	48.0%	54 030	96.5%	59 149	7.9%	26 756	45.2%
5. Research, Technology and Dev Serv	50 876	30 888	60.7%	47 020	92.4%	55 876	7.4%	18 379	32.9%
6. Agricultural Economics Services	9 461	4 785	50.6%	9 784	103.4%	10 262	1.4%	5 148	50.2%
7. Structured Agricultural Training	19 898	9 382	47.2%	17 893	89.9%	21 458	2.9%	10 202	47.5%
8. Rural Development	27 651	8 293	30.0%	25 182	91.1%	18 946	2.5%	6 869	36.3%
Subtotal	761 351	400 289	52.6%	741 551	97.4%	750 681	100.0%	316 495	42.2%
Direct charge against the Provincial Revenue Fund			0.0%		0.0%		0.0%		0.0%
Total	761 351	400 289	52.6%	741 551	97.4%	750 681	100.0%	316 495	42.2%
Economic Classification									
Current payments	430 883	200 382	46.5%	407 217	94.5%	425 947	56.7%	207 548	48.7%
Compensation of employees	345 380	167 278	48.4%	330 413	95.7%	350 191	46.6%	174 055	49.7%
Goods and services	85 503	33 104	38.7%	76 798	89.8%	75 751	10.1%	33 489	44.2%
Interest and rent on land			0.0%	6	0.0%	5	0.0%	4	80.0%
Transfers and subsidies	298 546	179 502	60.1%	306 482	102.7%	302 455	40.3%	106 843	35.3%
Provinces and municipalities	60		0.0%		0.0%	63	0.0%		0.0%
Departmental agencies and accounts	339		0.0%		0.0%	357	0.0%		0.0%
Universities and technikons									
Public corporations and private enterprises									
Foreign governments and international organisations									
Non-profit institutions									
Households	298 147	179 502	60.2%	306 482	102.8%	302 035	40.2%	106 843	35.4%
Payments for capital assets	31 922	20 372	63.8%	26 089	81.7%	22 279	3.0%	2 103	9.4%
Buildings and other fixed structures	21 428	19 453	90.8%	19 846	92.6%	20 419	2.7%	1 329	6.5%
Machinery and equipment	10 494	919	8.8%	6 178	58.9%	1 860	0.2%	774	41.6%
Biological assets			0.0%	65	0.0%		0.0%		0.0%
Software and other intangible assets									
Land and subsoil assets									
Heritage assets									
Payments for financial assets		33	0.0%	1 763	0.0%	0.0%	0.0%	1	0.0%
Total	761 351	400 289	52.6%	741 551	97.4%	750 681	100.0%	316 495	42.2%

Main expenditure trends for the first half of the 2016/17 financial year

Expenditure in the first six months of 2016/17 financial year amounted to R316.495 million or 42.2 percent of the Adjusted Budget as compared to 52.6 percent for 2015/16 in the same period. The main reasons for the spending trends are as follows:

Programme 1: Administration

Expenditure from this programme is at 51.7 percent at the end of the second quarter. The programme spent according to the required benchmark of 50 percent for the second quarter. The expenditure is expected to rise during the third and fourth quarter of the financial year. However it is expected that the programme will break-even at the end of the financial year.

Programme 2: Sustainable Resource Management

The programme spent 48.5 percent at the end of the second quarter. The programme has implemented its projects effectively that related to Land Care in the first six months of the financial year. No over or under expenditure is foreseen on this programme in the current financial year.

Programme 3: Farmer Support and Development

The programme is expending slow from the beginning of the financial year. The programme spent 38.5 percent at the end of the second quarter. The slow spending is due to CASP and Ilima/Letsema Conditional Grants projects that implemented towards the end of the first quarter as the results of delay to appoint the Implementing Agencies. It is expected that the expenditure will rise in the third quarter of the financial year as the all projects are up and running.

Programme 4: Veterinary Services

Programme spent 45.2 percent at the end of the second quarter. The slow spending on this programme can be attributed to the cost containment measures that the department intensify in 2016/17 financial year. However it is expected that the expenditure to be on par in the third and fourth quarter of the financial year.

Programme 5: Research, Technology, and Development Services

The programme spent only 32.9 percent of the allocated budget. The main area where the programme is spending slowly is on the Infrastructure Enhancement Allocation area. It is projected that the expenditure will increase from the third quarter of the financial year.

Programme 6: Agricultural Economics

The spending of 50.2 percent for this programme is in line with the budget objective.

Programme 7: Structure Agricultural Training

The spending of 47.5 percent for this programme is in line with the budget objective.

Programme 8: Rural Development

Programme 8 spent 36.3 percent at the end of first six months, the expenditure is anticipated to increase in third and fourth quarter of 2016/17 financial year.

Current Payments

Current expenditure during the first half of the current financial is R207.548 million or 48.5 percent of the adjusted budget. The accurate estimates forecast that current payments will break-even at the end of the financial year.

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Transfers and subsidies

Transfer payments to the value of R106.843 million or 35.6 percent were made during the first six months of the financial year, almost all of which can be attributed to projects. Included in the figure is expenditure for leave gratuities which is under pressure currently.

Payments for capital assets

The spending on payments for capital assets is moving very slow, especially on Building and other fixed structure where only 6 percent has been spent. Machinery and other equipment spent 36.8 percent of the allocated budget.

Departmental receipts

Table 11.4: Departmental receipts

R thousand	2015/16					2016/17				
	Audited outcome					Actual receipts				
	Adjusted estimate	Apr 2015 - Sep 2015	Apr 2014 - Sep 2014 (% of adjusted appropriation)	Apr 2015 - Mar 2016	Apr 2015 - Mar 2016 (% of adjusted estimate)	Budget estimate	Adjusted estimate	Adjusted receipts estimate / Total (%)	Apr 2016 - Sep 2016	Apr 2016 - Sep 2016 (% of adjusted estimate)
Departmental receipts	2 362	1 133	48.0%	4 511	191.0%	1 966	2 825	100.0%	1 199	42.4%
Tax receipts			0.0%		0.0%			0.0%		0.0%
Sales of goods and services other than capital receipts	1 825	721	39.5%	1 963	107.6%	1 650	1 932	68.4%	869	45.0%
Transfers received										
Fines, penalties and forfeits										
Interest, dividends and rent on land	3	2	66.7%		0.0%	4	2	0.1%	1	50.0%
Sales of capital assets	60		0.0%	117	195.0%		492	17.4%		0.0%
Financial transactions in assets and liabilities	474	410	86.5%	2 431	512.9%	312	399	14.1%	329	82.5%
Provincial Revenue Fund receipts (non-departmental receipts)										
Restructuring proceeds from SASRIA										
Structured levy account from SARB										
Total departmental receipts	2 362	1 133	48.0%	4 511	191.0%	1 966	2 825	100.0%	1 199	42.4%

Main departmental revenue trends for the first half of 2016/17

The overall revenue budget for the 2016/17 financial year is adjusted upwards by R0.859 million to a total amount of R2.825 million. This upwards adjustment is mainly due to increases in sale of capital assets and financial transactions in assets and liabilities.

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Changes to transfers and subsidies, including conditional grants

Transfer and Subsidies

Table11.5: Summary of changes to transfers and subsidies per programme

R thousand	2016/17								Adjusted appropriation
	Main appropriation	Special appropriation	Adjustment appropriation					Total adjustments appropriation	
			Roll-overs	Unforeseeable /unavoidable	Virement and shifts	Declared unspent funds	Other adjustments		
1. Administration	2 474					236		236	2 710
Economic sphere									
Current/Capital									
Provinces and municipalities	63								63
Departmental agencies and accounts	284								284
Households	2 127					236		236	2 363
2. Sustainable Resource Management	5 350		1 000					1 000	6 350
Economic sphere									
Current/Capital									
Economic classification item									
Households	5 350		1 000					1 000	6 350
3. Farmer Support and Development	290 602					(2)		(2)	290 600
Economic sphere									
Current/Capital									
Economic classification item									
Departmental agencies and accounts	73								73
Households	290 529					(2)		(2)	290 527
4. Rural Development	1 821		973					973	2 794
Economic sphere									
Current/Capital									
Economic classification item									
Departmental agencies and accounts									
Households	1 821		973					973	2 794
Total transfers and subsidies	300 247		1 973			234		2 207	302 454

Conditional grants

Not applicable

Earmarked funds:

Table 11.6(b): Summary of changes to provincial earmarked funds

R thousand	2016/17								Adjusted appropriation
	Main appropriation	Special appropriation	Adjustment appropriation					Total adjustments appropriation	
			Roll-overs	Unforeseeable /unavoidable	Virement and shifts	Declared unspent funds	Other adjustments		
1. Programme 2: Sustainable Resource Management			1 000					1 000	1 000
Economic sphere									
Current/Capital									
Earmarked fund									
Disaster management			1 000					1 000	1 000
Households									
2. Programme 3: Farmer Support & Development	80 000								80 000
Economic sphere									
Current/Capital									
IEA									
Mohoma Mobung	34 000					(253)		(253)	33 747
Vrede Dairy	46 000					253		253	46 253
3. Programme 5: Tech, Research & Development Services	22 744		2 198					2 198	24 942
Economic sphere									
Current/Capital									
IEA									
Office Maintenance	4 000		523					523	4 523
Glen Upgrading	18 744		1 675					1 675	20 419
Total earmarked funds	102 744		3 198					3 198	105 942

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2016 Adjusted Estimates of Provincial Revenue & Expenditure

Revised Infrastructure project list

The table below should cater for amendments on infrastructure projects (including those on retention) for the current financial year as well as projects which were not included/ were omitted in the Estimate of Provincial Revenue and Expenditure for 2016/17 Revised Infrastructure project list.

Table 11.7: Revised infrastructure project list

No.	Project name	Municipality	Region/ district	Source of funding	Project description	Project duration		Programme	Date Captured on IRM	Total project cost	Expenditure to date from previous years	Professional fees budget	Const/ maint budget	Total budget 2016/17 (TO)	Total budget 2016/17 (FROM)	Captured on EPRE Yes/ No	EPWP Yes/No
						Date: Start	Date: Finish										
2. Maintenance and repair (R thousand)																	
2	Office Maintenance	All Districts	All Districts	IEA		01/04/2015	31/03/2016	5		4 000				523		Yes	No
Total maintenance and repair														523			
3. Upgrades and additions (R thousand)																	
1	Glen Upgrading	Masilonyana	Lejweleputswa	IEA	Upgrading of Glen Agricu	01/04/2006	31/03/2025	5		450 000				1 675		Yes	No
Total upgrades and additions														1 675			
6. Infrastructure transfers capital (R thousand)																	
01/04/4. Returbishment																	
	Vreder Dairy	Phumelela	Thabo-Mofutsanyana		Construction dairy	01/04/2012	31/03/2019			342 000				253		Yes	No
1	Mohoma Mobung	All District	All	Equitable share	Infrastructure Enhanceme	01/04/2012	31/03/2016	3		500 000				(253)		Yes	No
Total infrastructure transfers capital														253	(253)		
TOTAL														2 451	(253)		

The final amendment to infrastructure is the additional amount of R2.198 million which is mainly the rollover from the previous financial year.

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2016 Adjusted Estimates of Provincial Revenue & Expenditure

The table below illustrates the summary of infrastructure adjustment according to infrastructure categories.

Table 11.8: Summary of adjusted infrastructure appropriation

Infrastructure	Main Appropriation 2016/17	Increase/ Decrease	Adjusted Appropriation 2016/17
Existing infrastructure assets	30 411	2 198	32 609
Maintenance and repair	4 000	523	4 523
Upgrades and additions	26 411	1 675	28 086
Refurbishment and rehabilitation			
New infrastructure assets			
Infrastructure transfers	80 000		80 000
Current	80 000		80 000
Capital			
Infrastructure: Payments for financial assets			
Infrastructure: Leases			
Total Infrastructure	110 411	2 198	112 609
<i>Capital infrastructure</i>			
<i>Current infrastructure</i>			
Economic classification			
Current payments	4 000	523	4 523
Compensation of employees			
Goods and Services	4000	523	4 523
Interest and rent on land			
Transfers and subsidies to	80 000		80 000
Provinces and municipalities			
Departmental agencies and accounts			
Universities and technikons			
Public corporations and private enterprises			
Foreign governments and international organisations			
Non-profit institutions			
Households	80 000		80 000
Payments for capital assets	26 411	1 675	28 086
Buildings and other fixed structures	26 411	1 675	28 086
Machinery and equipment			
Cultivated assets			
Software and other intangible assets			
Land and subsoil assets			
Heritage assets			
Payments for financial assets			
Total	110 411	2 198	112 609