DEPARTMENT OF AGRICULTURE

Annual report

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Foreword by the Minister

Ms Lulu Xingwana (MP)

MINISTER FOR AGRICULTURE AND LAND AFFAIRS

In view of rising food inflation experienced worldwide during 2007/08, food production, availability and affordability have become serious issues affecting the lives of all South Africans, but impacting most severely on the poor. Rising fuel costs, shrinking resources such as land and water, poor crop production by grain-producing countries in the previous season and the increased demand for food from fast-growing countries, further contributed to this crisis. Locally, the agricultural sector has been on a decline because of high input costs, cheap imports and the effects of globalisation.

To meet the increasing demand for food, we believe, however, that the new entrants in the sector will have a critical role to play in expanding production capacity.

Through the Ilima/Letsema campaign, we will actively encourage emerging farmers to improve crop production and increase the use of underutilised land to further accelerate agrarian reform through Operation Gijima.

In 2007, we reviewed the adequacy of post-settlement support in all land reform programmes. To fast-track land delivery towards attaining the presidential priorities for 2007 to 2009, the departments of Agriculture and Land Affairs aligned their functions and launched the Land and Agrarian Reform Project (LARP). The approach also included alignment with provincial departments of agriculture (PDAs) and local government to meet the targets of the LARP. This will be coupled with ensuring that adequate resources are available for the creation of settlement models or agricultural villages. In this way, we will have a vibrant, growing agricultural sector.

Accordingly, we will expand the process of engaging with emerging farmers to promote and massify agricultural production and to meet future demands for food, especially in the context of the devastating effects of climate change and the negative impact of high food prices. Through departmental support programmes, such as the Comprehensive Agricultural Support Programme (CASP) and Micro-agricultural Financial Institutions of South Africa (Mafisa), new entrants into the farming sector will be encouraged to access post-settlement support and improved access to financing.

Improved service delivery, most importantly, hinges on the sector's commitment to realise the vision stated in *The strategic plan for South African agriculture* in 2001 of creating a united and prosperous agricultural sector. We have seen a growing trend towards public-private partnerships and investments, as well as mentoring relationships between commercial agriculture and emerging farmers, who are sharing skills, knowledge and even infrastructure.

In this regard, Agricultural Black Economic Empowerment (AgriBEE) remains a very important programme in redressing the economic inequalities created by past discriminatory policies and ultimately achieving fundamental transformation. The publishing of the AgriBEE Sector Charter in the *Government Gazette* on 20 March 2008, will further allow us to realise enterprise development, grow the sector through benefits from our collective strengths, increase value chain activities as well as food parks and therefore move closer to achieving the millennium development goals of halving poverty and food insecurity by 2014.

We commenced with an extension recovery plan by profiling the state of extension and advisory services in all nine provinces. The results showed understaffing by 5 490 extension officers and a need to intensify training and visibility. Our recruitment plan will result in upgrading the skills of more than 1 000 extension officers. This will be supported by a Professional Development Programme, which will focus on developing high-level skills for the benefit of the entire sector and will be implemented within the framework of the External Bursary Scheme and Entrepreneurship Programme. In terms of further skills assessment, we will also focus on the development and implementation of comprehensive training plans for CASP beneficiaries, especially for women and young adults.

Through further strengthening of associations such as Women in Agriculture and Rural Development (WARD) and Youth in Agriculture and Rural Development (YARD), rural women and youth will be empowered to access agricultural support services, to improve their skills and obtain ownership of land. Ultimately, the ability to utilise the land effectively will be the determining factor to make a livelihood from farming, hence our continued support in training and capacity building. A very successful Youth Summit on Agrarian and Land Reform was held in August 2007 in an effort to increase participation by the youth in agriculture.

We have learned that effective combating of poverty, hunger and joblessness requires adopting an across-the-board empowerment approach. We focused on the empowerment of women and youth as active participants in the agricultural sector by encouraging and rewarding them for successful entrepreneurship. By means of the annual Female Farmer of the Year Awards, we once again rewarded runners-up and winner female farmers for their achievements in 2007.

Climate change and extreme weather conditions continue to affect agricultural production and the livelihood of communities adversely. During 2007, we issued early warning climate advisories on a monthly basis to the agricultural sector, to assist farmers in managing the risks of climate change. To deal with these challenges, the scientific capacity and further investment in research have to be improved continuously to manage disaster risks effectively.

South Africa hosted the General Assembly of the Forum for Agricultural Research in Africa (FARA) in June 2007. A Research and Development Strategy, developed in consultation with sector partners was also approved during the year. This year, we intend to formulate a research agenda for the sector to promote synergies within the national research system, focusing on national priorities.

We will continue to strengthen international relations, focusing on efforts to consolidate the African agenda of the African Agricultural Development Programme (AADP), strengthen South-South cooperation with our India, Brazil and South African (IBSA) co-operation partners, North-South relations and contribute towards the UN reform process.

Through the Comprehensive African Agricultural Development Programme (CAADP), we contributed to the New Partnership for Africa's Development (NEPAD) programme by providing pest control support services to Mali, and dispatched agricultural expertise and resources to combat pest outbreaks to other Sub-Saharan African countries.

Within the Southern African Development Community (SADC) subregion, we made a donation of food relief, food production recovery and established the Food Insecurity and Vulnerability Information Mapping System (FIVIMS) to an amount of R100 million to combat the effects of drought and food insecurity.

I would like to extend my appreciation to the agricultural industry, organised agriculture and our agribusiness partners for their contribution and participation to promote progress in the sector. I would also like to thank the Department of Agriculture, PDAs and State-owned enterprises for their contribution in meeting the broader Government objectives. In our effort to eradicate hunger and halving poverty to meet the millennium development goals, it is clear that this year it will be *Business unusual—all hands on deck to speed up change!*

Ms Lulu Xingwana (MP)

MINISTER FOR AGRICULTURE AND LAND AFFAIRS

The Honourable Minister

for

Agriculture and Land Affairs

Ms Lulu Xingwana (MP)

Dear Minister

I have the pleasure of presenting the Annual report of the Department of Agriculture for the period 1 April 2007 to 31 March 2008.

Mr Masiphula Mbongwa

DIRECTOR-GENERAL: DEPARTMENT OF AGRICULTURE

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Acronyms

AADP	African Agricultural Development Programme
ABET	adult basic education and training
AGOA	African Growth and Opportunity Act (USA Act)
AGIS	Agricultural Geo-referenced Information System
AgriBEE	Agricultural Broad-Based Black Economic Empowerment
AgriSETA	Agricultural Sector Education and Training Authority
AQIS	Animal Quarantine Inspection Services
ARC	Agricultural Research Council
ASGISA	Accelerated and Shared Growth Initiative of South Africa
ASRDC	Agriculture and Sustainable Rural Development Committee (DEXCO subcommittee)
BBBEE	Broad-Based Black Economic Empowerment
BEE	Black Economic Empowerment
BSE	bovine spongiform encephalopathy (mad-cow disease)
CAADP	Comprehensive African Agricultural Development Programme
CAL	Central Analytical Laboratory
CARA	Conservation of Agricultural Resources Act
CASP	Comprehensive Agricultural Support Programme
CEO	Chief Executive Officer
CBO	community based organisation
CGIAR	Consultative Group on International Agricultural Research
COMBUD	Computerised Budget (income/cost budgets for farm enterprises)
CSD	Commission for Sustainable Development
CSF	classical swine fever
D: AAP	Directorate Animal and Aquaculture Production
D: ADM	Directorate Agricultural Disaster Management
D: ADF	Directorate Agricultural Development Finance
D: AES	Directorate Agricultural Engineering Services
D: AIS	Directorate Agricultural Information Services
D: APIS	Directorate Agricultural Product Inspection Services
D: BED	Directorate Business and Entrepreneurial Development
D: FA	Directorate Financial Administration
D: FSQA	Directorate Food Safety and Quality Assurance
D: GR	Directorate Genetic Resources
D: HRM	Directorate Human Resources Management
D: IR	Directorate International Relations
D: I&SR	Directorate Intergovernmental and Stakeholder Relations
D: LS	Directorate Legal Services
D: LUSM	Directorate Land Use and Soil Management
D: PH	Directorate Plant Health
D: PP	Directorate Plant Protection
D: PRE	Directorate Production and Resource Economics
D: RTD	Directorate Research and Technology Development
D: SCM	Directorate Supply Chain Management
D: SP	Strategic Planning
D: SS	Directorate Security Services
D: VS	Directorate Veterinary Services
D: WUID	Directorate Water Use and Irrigation Development
DBC	Departmental Budget Committee
DCC	Departmental Control Committee
DEXCO	Departmental Executive Committee
DMC	Departmental Management Committee
DoA	Department of Agriculture
DORA	Division of Revenue Act
DPSA	Department of Public Service and Administration
EA	Employee Assistance
EAP	Employee Assistance Programme
EC	European Community
EETCF	Employment Equity and Transformation Consultative Forum
EFTA	European Free Trade Association
ENE	Estimates of National Expenditure
ERP	Enterprise Resource Planning
EU	European Union
FAO	Food and Agriculture Organization
FARA	Forum for Agricultural Research in Africa
FET	Further Education and Training
FINREC	Financial Record System for Farms and Enterprises
FIVIMS	Food Insecurity and Vulnerability Information Mapping System
GADI	Grootfontein Agricultural Development Institute
GAP	good agricultural practices
GMO	genetically modified organism
GOPC	Governance and Operational Policy Committee (DEXCO subcommittee)
HDI	Historically Disadvantaged Individual
HIV/Aids	Human Immunosuppressant Virus/Acquired Immune Deficiency Syndrome
IBSA	India, Brazil and South Africa
ICC	International Co-operation Committee (DEXCO subcommittee)
ICE	International Congress of Entomology
ICM	Integrated Committee of Ministers (SADC)
ICT	information communication technology
IFSNP	Integrated Food Security and Nutrition Programme

INTERGIS	Integrated Registration and Genetic Information System
IOD	injury on duty
IPPC	International Plant Protection Convention
ISPM	International Standards for Phytosanitary Measures
ITAC	International Trade and Administration Commission
ITC	Information Technology Committee
ITCA	Intergovernmental Technical Committee for Agriculture
JE	job evaluation
JMC	Joint Management Committee
KIMS	Knowledge and Information Management Systems
LADA	Land Assessment in Dryland Areas
LAN	local area network
LARP	Land and Agrarian Reform Project
LIMS	Logistical Information Management System
LOGIS	Logistical Information System
LRAD	Land Redistribution for Agricultural Development
LRRP	Land Reform and Revitalisation Project
MADSED	Make a Difference to Socio-economic Development
Mafisa	Micro-agricultural Financial Institutions of South Africa
MEC	Member of the Executive Council
MinCom	Ministers' Committee
MoU	Memorandum of Understanding
MPO	Milk Producers' Organisation
MRL	maximum residue limit
NAC	National Agro-meteorological Committee
NAFU	National African Farmers' Union
NAMC	National Agricultural Marketing Council
NARF	National Agricultural Research Forum
NARS	National Agricultural Research System
NEPAD	New Partnership for Africa's Development
Nerpo	National Emergent Red Meat Producers' Organisation
NPGRC	National Plant Genetic Resources Centre
NPP	net primary production
NQF	National Qualifications Framework
NTB	nontarrif barrier
NWGA	National Wool Growers' Association
OBP	Onderstepoort Biological Products
ODC	Organisation Development Committee
OECD	Organisation for Economic Co-operation and Development
OHS	Occupational Health and Safety
OIE	*Office International des Epizooties*/ International Office of Epizootics
OIV	International Organisation for Wine and Vine
PAA	Public Audit Act
PBR	plant breeder's right
PDA	Provincial Department of Agriculture
PDI	previously disadvantaged individual
PFMA	Public Finance Management Act
PGRFA	plant genetic resources for food and agriculture
PILIR	Policy and Procedures on Incapacity and Ill-health Retirement
PoA	Programme of Action
PPECB	Perishable Products Export Control Board
PSCBC	Public Service Commission Bargaining Council
R&D	Research and Development
SABIO	South African BEE Industry Organisation
SACU	Southern African Customs Union
SADC	Southern African Development Community
SAPPO	South African Pork Producers' Organisation
SASCO	South African Students Congress
SAVVEM	Suid-Afrikaanse Verbandversekerings-maatskappy Beperk
SABS	South African Bureau of Standards
SCOA	Standard Chart of Accounts
SDI	Service Delivery Improvement
SDIS	SADC Documentation and Information System
SHG	selfhelp group
SLAG	Settlement Land Acquisition Grant
SMME	small, medium and micro-enterprises
SMS	Senior Management Service
SOP	standard operating procedure
SPAM	unsolicited e-mail/spyware
SPFS	Special Programme for Food Security
STC	Science and Technology Committee (DEXCO subcommittee)
SUPAR	Sustainable Utilisation and Protection of Agricultural Resources (Bill)
TDCA	Trade, Development and Co-operation Agreement
USA	United States of America
WAN	Wide Area Network
WARD	Women in Agriculture and Rural Development
WTO	World Trade Organisation
YARD	Youth in Agriculture and Rural Development

Acts referenced in the report

- African Growth and Opportunity Act (AGOA) of 2000, Title 1 of The Trade and Development Act of 2000 (Act of the United States of America) as amended
- Agricultural Credit Act, 1966 (Act No. 28 of 1966)
- Agricultural Debt Management Act, 2001 (Act No. 45 of 2001)
- Agricultural Pests Act, 1983 (Act No. 36 of 1983)
- Agricultural Product Standards Act, 1990 (Act No. 119 of 1990)
- Agricultural Research Act, 1990 (Act No. 86 of 1990)
- Animal Improvement Act, 1998 (Act No. 62 of 1998)
- Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003)
- Conservation of Agricultural Resources Act, 1983 (Act No. 43 of 1983)
- Division of Revenue Act, 2007 (Act No. 1 of 2007)
- Employment Equity Act, 1998 (Act No. 55 of 1998)
- Genetically Modified Organisms Amendment Act, 2006 (Act No. 23 of 2006)
- Land and Agricultural Development Bank Act, 2002 (Act No.15 of 2002)
- Land Bank Act, 1912 (Act No. 18 of 1912)
- Land Bank Act, 1944 (Act No. 13 of 1944)
- Marketing of Agricultural Products Act, 1996 (Act No. 47 of 1996)
- Onderstepoort Biological Products Incorporation Act, 1999 (Act No. 19 of 1999)
- Perishable Products Export Control Act, 1983 (Act No. 9 of 1983)
- Plant Breeders' Rights Act, 1976 (Act No. 15 of 1976)
- Plant Improvement Act, 1976 (Act No. 53 of 1976)
- Promotion of Equality and Prevention of Unfair Discrimination Act, 2000 (Act No. 4 of 2000)
- Public Finance Management Act, 1999 (Act No.1 of 1999) (amended by Act No. 29 of 1999)
- Water Research Act, 1971 (Act No. 34 of 1971)

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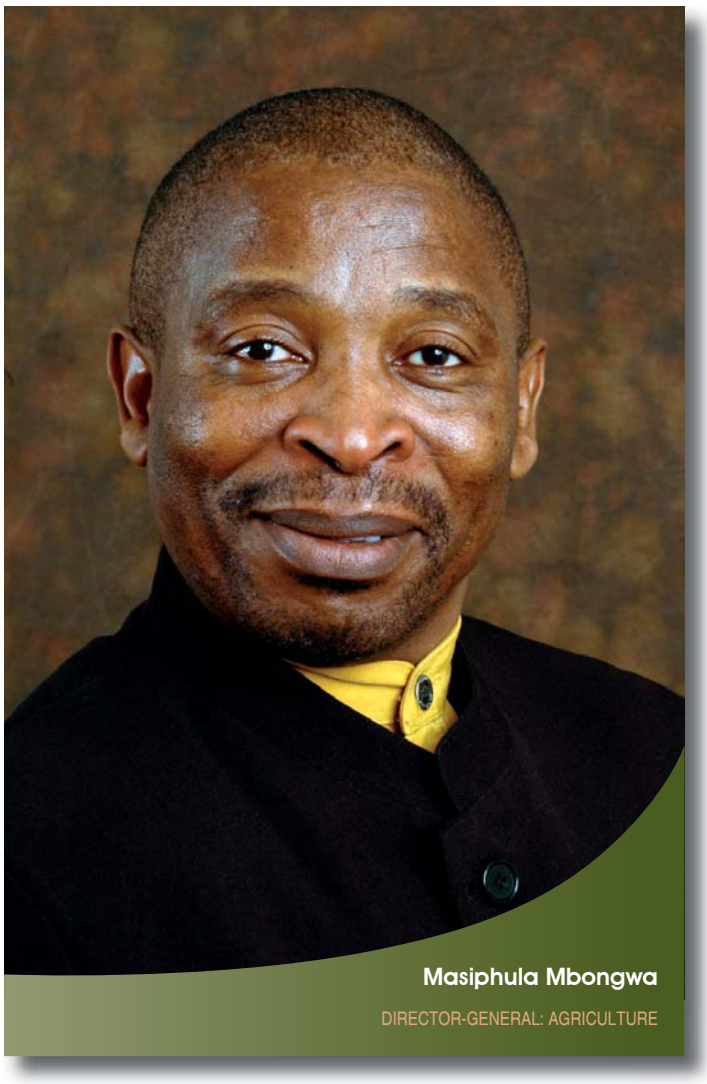
General information

Director-General's overview



Masiphula Mbongwa

DIRECTOR-GENERAL: AGRICULTURE

With the restructuring of the programme structure of previous years now behind us, the Department of Agriculture (DoA) entered the 2007/08 financial year, eager to streamline the functional operation of programmes and subprogrammes to provide the quality of leadership that will enable us to create *"a united and prosperous agricultural sector"*.

Our starting point was to ensure that all functions were aligned, enabling acceleration and improvement of service delivery. We were at all times guided by the *Strategic plan for the Department of Agriculture 2007* (referred to as the *Strategic plan 2007*), as approved by Parliament in March 2007. Working towards clear, measurable targets, the department held regular reviews to assess performance and ensure that all programmes were focused on achieving the priorities and deliverables we set in the *Strategic plan 2007*.

We have structured this Annual report to report on service delivery in the eight priority areas as stated in the *Strategic plan 2007*.

AFRICAN AGRICULTURAL DEVELOPMENT PROGRAMME

To strengthen relations on the continent, the implementation of the AADP through continuous engagements with African countries remained a high priority during 2007. In the area of multilateral engagements, effective partnerships were established with the National Agricultural Research System (NARS), the Consultative Group on International Agricultural Resources (CGIAR), the FARA and the SADC.

Through the CAADP we advanced the objectives of the NEPAD programme for agriculture. We trained officials from Swaziland and Lesotho and we increased collaboration with Mozambique and the Democratic Republic of the Congo through the implementation of agreed upon programmes. We also provided exposure opportunities to our NEPAD partners to the full range of our poultry operations in collaboration with the South African Poultry Association.

In addition to the signing of agreements with different partners, we focused on the implementation and monitoring of bilateral and multilateral agreements with trading partners on the African continent. Providing technical assistance to African countries, where it emerged that phytosanitary issues are of concern, was another focus area.

AGRICULTURAL BROAD-BASED BLACK ECONOMIC EMPOWERMENT

Through AgriBEE, transformation of the sector is well on track and the process will now move on to the establishment of the AgriBEE Charter Council that will monitor and report to the Black Economic Empowerment (BEE) Advisory Council on the performance of BEE in the sector.

During 2006/07, expenditure in funding six AgriBEE equity deals, amounting to R43 million, resulted in the creation of 309 job opportunities. The annual allocation for AgriBEE is R50 million and our aim is to increase the number of black entrepreneurs in the agribusiness industry by 10 % over the next 3 years.

To further advance the process of transformation, support structures will be put in place to transform colleges of agriculture into national agricultural training institutes to position these institutions as Centres of Excellence in various agro-ecological zones.

COMPREHENSIVE AGRICULTURAL SUPPORT PROGRAMME

The LARP was established in 2007 as a 2-year project to accelerate service delivery in the areas of restitution, redistribution of agricultural land, security of tenure, AgriBEE and family farming. Through the LARP "one-stop shop" service centres, located close to farming communities, will be created.

This is a joint project of the departments of Agriculture and Land Affairs, which aims to reduce poverty and unemployment. Projects will be aligned to share resources and to ensure national support to newly settled emerging black farmers.

In attaining the five presidential priorities through the LARP, we intend to increase the number of black entrepreneurs in the sector, provide access to agricultural support services, increase agricultural production for emerging farmers and boost agricultural trade by 10 to 15 % for the target groups.

More than 45 000 emerging black farmers and 1 100 projects were supported through the CASP in 2006/07. To accelerate support to beneficiaries, funds allocated for CASP have been increased from R200 million in 2004/05 to R415 million in 2007/08.

We will continue to support beneficiaries of land reform and other black farmers through Mafisa. The purpose of this programme is to enhance the degree and quality of support available to new and emerging farmers and to improve the prospects of profitability and sustainability of their agricultural enterprises.

In March 2008 we held an Extension Indaba in the Eastern Cape to create a platform for information sharing as a mechanism to develop a turnaround strategy for extension and advisory services. Through the utilisation of partnerships in both the private and public sector, targeted training programmes will be developed, focusing on extension staff and the beneficiaries of land reform.

We will continue to rely on the National Agricultural Education and Training Forum to engage with partners regarding training. To further speed up the process of skills development in the sector, we are working towards reaching a target of 1 000 bursary holders per annum by 2014. Our recruitment strategy is to focus on women and learners with mathematics and science.

A mentorship programme for emerging farmers was piloted in the Northern, Eastern and Western Cape in 2007. The mentoring projects, based on sound principles, have shown that mentorship can make an important contribution to the success of emerging farmers. Surveys will also be undertaken in the Free State, North West and Mpumalanga provinces.

Following the approval of the Livestock Development Strategy, commercialisation of the emerging sector and particularly goat commercialisation, was identified and therefore the Goat Productivity Improvement Programme was initiated as an Accelerated and Shared Growth Initiative of South Africa (ASGISA) intervention. Through this programme a substantial number of farmers will be reached in nodal areas such as the Eastern Cape, Northern Cape, North West and KwaZulu-Natal provinces as well as other potential areas in South Africa.

Through the Livestock Massification Programme we also aim to increase livestock production by 10 to 15 % in the next 3 to 4 years. The objective of this programme is to transform dead assets in the hands of the poor into valuable commercial assets by establishing the basics for livestock production, expanding the national herd to meet the national demand and opening up domestic livestock markets for subsistence and small-scale farmers.

INTEGRATED FOOD SECURITY AND NUTRITION PROGRAMME

We played an active role within the Social Cluster with regard to the implementation of the Integrated Food Security and Nutrition Programme (IFSNP). To increase the levels of household food production, agricultural production inputs were provided to food insecure households as part of the Special Programme for Food Security (SPFS).

The FIVIMS, which was first piloted in Ga-Sekhukhune district in Limpopo Province in 2006, will now be extended to other provinces, starting with the roll-out of the project in Mpumalanga Province in 2008/09. Other provinces that have shown interest in FIVIMS are the Free State and Northern Cape.

KNOWLEDGE AND INFORMATION MANAGEMENT SYSTEMS

Knowledge and Information Management Systems (KIMS) is regarded as a key enabler in establishing a knowledge-directed agricultural sector. In the interest of accelerating service delivery and improving efficient and effective functioning of the department, we will continue to improve access to agricultural information to our stakeholders.

During 2007/08, we focused on providing current, reliable information on the performance of the sector. The economic performance of the sector was also monitored quarterly and overviews of economic changes and the impact on the sector, were made available on a regular basis. In collaboration with the National Agricultural Marketing Council (NAMC), we also published quarterly food price trend reports to inform the public on consumer food prices.

In addition, we developed and launched a web-based Agricultural Marketing Information System to address the information needs of producers, processors, manufacturers and consumers to assist them in making sound business decisions. The system also provides basic agricultural marketing information to the farming community.

We issued monthly early warning climate advisories to assist farmers in managing climatic risks. Furthermore, we conducted weather and climate awareness campaigns, aimed at the transfer of technology in six provinces.

NATURAL RESOURCES MANAGEMENT

In co-operation with various stakeholders, including organised agriculture, local government, the farming community and academic institutions we developed an Agricultural Drought Management Plan. The plan seeks to identify the causes of drought, reduce the exposure and vulnerability of farming communities and economic assets in order to minimise losses, as well as concentrate on the management of drought after its occurrence. We still aim to submit this plan to the Directors-General and Ministers Clusters for tabling and adoption by Cabinet.

During 2007/08 an amount of R46,7 million was transferred to the provinces to be spent on LandCare projects. Because of LandCare awareness activities, community awareness of conserving natural resources in the country has improved vastly. In addition, Junior LandCare activities currently also involve the participation of learners and other young people.

NATIONAL REGULATORY SERVICES

The ban on agricultural exports to the European Union (EU), especially meat exports, was a great concern in the second half of 2007. The EU's initial concern about the backlog on the testing of samples was resolved by agreeing that both the EU and South Africa would do the testing to finalise the samples. Secondly, it was agreed that South Africa would stop the export of inactive commodities, especially pork, lamb and chicken, concentrating on building a resource base to establish substantial quantities for export. To activate the export of these commodities when stock levels are sufficient to resume trade, we would then apply again.

Gauteng, the Western Cape and Eastern Cape provinces reported outbreaks of African horse sickness during 2007. Quarantine restrictions were imposed in the affected areas and all movements to and from farms were stopped. As a precautionary measure, horses have to be vaccinated before the onset of the risk season. A quarantine facility was established at Beaufort West in the Western Cape for all horses entering this area from high-risk areas.

An outbreak of classical swine fever in the Eastern Cape was brought well under control by movement and border control restrictions, culling of infected pigs and compensating their owners. A porcine respiratory and reproductive syndrome outbreak in the Western Cape and suspected cases in the Eastern Cape were controlled by slaughtering pigs and farmers were compensated through an incentive from the South African Pig Producers' Organisation.

Currently, South Africa is recognised internationally as free from notifiable avian influenza. As a precautionary measure, an extensive surveillance protocol is in place for continuous monitoring of all commercial ostriches, commercial and noncommercial chickens for avian influenza, as well as surveillance of migratory birds. Very strict import requirements are also in place to prevent the entry of the virus into South Africa.

Biosecurity of agricultural products remains very important to ensure successful international trade. At ports of entry, additional personnel have been appointed to prevent the importation of harmful foreign pests and diseases.

International trade of South African agricultural plant products was expanded by the conclusion of four bilateral export agreements with trading partners. These agreements allow for the export of table grapes and tobacco leaf to China, Clementine citrus fruit to Japan and persimmons to Israel. Agricultural trade between China and South Africa was further strengthened through the approval of imports of apples and pears from China.

RESEARCH AND DEVELOPMENT

All major stakeholders within the national agricultural research system were consulted in formulating the Research and Development (R&D) Strategy in 2007. Inputs were consolidated and the National Agricultural Research Forum (NARF) endorsed the strategy. We aim to focus on a National Research Agenda in 2008, with clearly defined funding mechanisms.

CONCLUSION

During the Departmental Management Committee's (DMC) quarterly review meetings in the provinces, the DMC visited the agricultural industries with the purpose of ensuring that Government is knowledgeable about the industry's needs, and secondly, to monitor and assist in identifying possible areas of growth and partnerships. These visits were well received and contributed towards a better understanding between these two sectors.

May I take the opportunity to express my gratitude to the Minister, the Deputy Minister and the Chairpersons of the Parliamentary Committees for their political leadership, guidance and expertise. Secondly, I would like to extend my appreciation to the agricultural State-owned enterprises, the agribusiness community and farmer organisations for continued support. I would lastly, like to thank my management team and all the staff members in the department for their dedication and hard work to ensure that we meet our commitments to the South African agricultural public.

Masiphula Mbongwa

DIRECTOR-GENERAL: AGRICULTURE

Economic overview

This report gives an overview of the major macroeconomic changes in the agricultural sector for the period 1 April 2007 to 31 March 2008.

GROSS FARMING INCOME

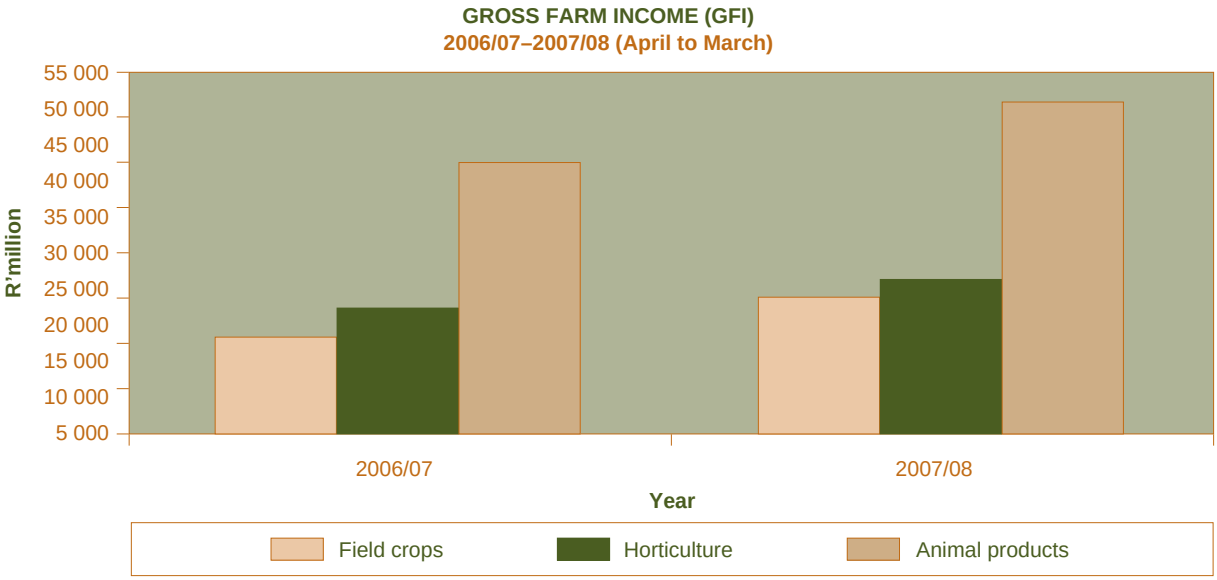
Gross farming income refers to the agricultural production that is both marketed and used for own consumption, valued at basic prices.

Gross income from all agricultural products amounted to R101 509 million for the year ended 31 March 2008, which is 21,8% higher than the previous year. This increase can mainly be attributed to an increase of 30,9% from field crops, 19,7% from animal products and 18,3% from horticultural products.

The gross income from field crops increased by 30,9% and amounted to R24 279 million. The income from maize rose by 48,0 % and that from wheat increased by 39,9%. Income from sunflower seed increased by 58,3% and that from tobacco decreased by 8,8%.

The income from horticultural products increased by 18,3% to R26 207 million as a result of an increase of 52,7% to R5 014 million in the income from citrus fruit and a 20,9% increase to R9 230 in the income from vegetables. The income from subtropical fruit increased by 13,8% to R1 736 million and that from deciduous and other fruit by 6,4% to R6 054 million.

Income from animal products showed an increase of 19,7%, from R42 616 million to R51 023 million. This growth is mainly the result of an increase in the income from animals slaughtered. Income from milk increased by 45,6% from R5 676 million to R8 265 million. Income from poultry meat (broilers, ducks, geese and turkeys, etc.), sheep/lambs slaughtered, eggs, and cattle and calves slaughtered rose by 15,7, 13,6, 12,9 and 11,3%, respectively.



EXPENDITURE ON INTERMEDIATE PRODUCTION INPUTS

Expenditure on intermediate production inputs refers to the value of the goods and services that were purchased to be consumed as inputs during the production process.

Expenditure on intermediate goods and services increased by 11,8% to R52 036 million for the year ended 31 March 2008. Expenditure on fertilisers showed the biggest increase at 50,6%, followed by expenditure on building and

fencing materials, which rose by 17,5%. Expenditure on farm services, seeds and plants as well as fuel, increased by 12, 12 and 7,2%, respectively.

Farm feeds made the biggest contribution to expenditure on intermediate inputs, accounting for 26,6%, followed by fuel with 12,2% and farm services with 11,6%.

PRICES RECEIVED AND PRICES PAID BY FARMERS AS WELL AS TERMS OF TRADE

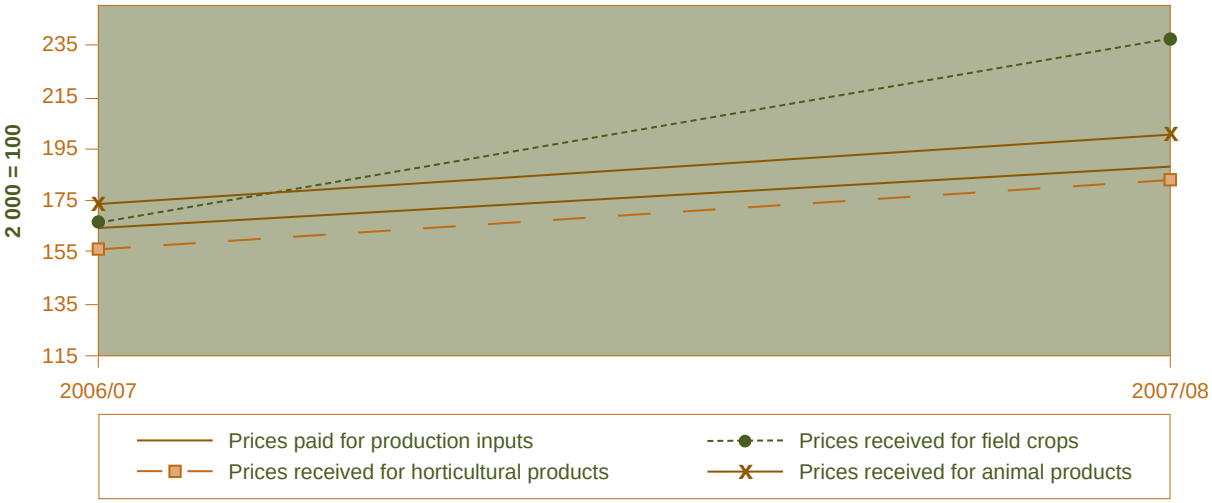
On average, prices received by farmers for their products increased by 24,6%. The weighed average price of field crops rose by 42,6%, mainly because of increases in the prices of oil seeds (87%), winter grains (83,5%), hay (42,2%), dried beans (40%), summer grains (36,2%) and prices of horticultural products increased by 16,8%. Prices of vegetables rose by 29% and prices of fruit increased by 12,4%.

The prices of animal products increased on average by 15,5%. The average price of milk rose by 40,4% and that of pastoral products rose by 25,7%, while prices received for poultry meat increased by 11,3% and prices for animals slaughtered for red meat rose by 7,9%.

The prices paid for farming requisites, including machinery and implements, material for fixed improvements as well as intermediate goods and services, increased by 14,5%, compared to 6% for the previous year. Prices for fertilisers showed an increase of 44,8% and prices paid for fuel rose by 30,7%. Prices paid by farmers for building material, seeds and packing material increased by 21,7, 15 and 11,3%, respectively.

The increase in prices received compared to the rise in prices paid by farmers resulted in an increase in the domestic terms of trade of 8,8%.

PRICES PAID AND RECEIVED BY FARMERS
2006/07–2007/08 (April to March)



NET FARM INCOME AND CASH FLOW

An increase of 21,8% in gross farm income against an increase of 11,8% in expenditure on intermediate production inputs resulted in a rise in farming profit by 57,1% to R33 697 million. Interest payments increased by 7,7% because of higher interest rates. Labour and rent payments increased by approximately 7 and 5,2%, respectively.

The rise in the net income of farmers had a positive impact on their cash flow.

CONCLUSION

During the period under review, the gross income of farmers rose by 21,8 % as a result of increased income from field crops and horticultural and animal products. The higher income can mainly be attributed to the continuing upward trend in prices that farmers received for their products. In addition to this, farming expenses continued to rise owing to pressures from increasing prices, especially from production inputs.

The Ministry

The purpose of the Office of the Minister is to provide leadership and determine national policy in terms of agricultural development and land reform.

This is done by:

- Issuing policy directives, i.e. cabinet memoranda, draft legislation, regulations, policy discussion documents, meetings (National Intergovernmental Forum for Agriculture and Land, management) and public statements, including speeches.
- Providing leadership and motivation to management, staff and partners in agricultural development and land reform.
- Executing constitutional and legislative mandates.

PUBLIC ENTITIES REPORTING TO THE MINISTER

The following public entities report directly to the Minister:

- Agricultural Research Council
- Land and Agricultural Development Bank
- National Agricultural Marketing Council
- Onderstepoort Biological Products
- Perishable Products Export Control Board
- Ncera Farms

BILLS SUBMITTED TO THE LEGISLATURE

No Bills were submitted to Parliament during the period under review.

MINISTERIAL VISITS TO FOREIGN COUNTRIES

During the period under review, the Minister undertook 17 official visits to the following foreign countries for a variety of purposes:

Country	Date	Purpose
New York, United states of America (USA)	30 April to 11 May 2007	Attendance of the 15th Session of the Commission for Sustainable Development (CSD)
Windhoek, Namibia	14 to 16 June 2007	Attendance of the SADC Integrated Committee of Ministers (ICM) meeting
Rome, Italy	18 to 22 June 2007	Participation in the 132nd Session of the Food and Agriculture Organization (FAO) Council
Lesotho	4 to 5 July 2007	Signing of a Memorandum of Understanding (MoU) between RSA and Lesotho
Malaysia and South Korea	5 to 14 July 2007	Signing of a MoU with the Malaysian Ministry of Agriculture Ministerial visit to South Korea to attend bilateral meetings
Lusaka, Zambia	4 August 2007	Attendance of the 81st Agricultural and Commercial show
Lusaka, Zambia	10 to 17 August 2007	Attend the SADC Council and Summit of Heads of State and Government meeting

Country	Date	Purpose
Kinshasa, DRC	17 to 21 August 2007	Attend the 4th Binational Commission
Lelystad, The Netherlands	17 September 2007	Visit to the Animal Science Group in Lelystad
Beijing, People's Republic of China (PRC)	21 to 26 September 2007	Attendance of the South Africa-People's Republic of China Binational Congress
London, United Kingdom	26 to 29 September 2007	Visit students partaking in the Africa Land and Food Fellowship Programme
New Delhi, India	2 to 5 October 2007	Ministerial visit
London, United Kingdom	5 to 7 October 2007	Attend the African Land and Food Fellowship orientation at the Royal College in Cirencester
Des Moines, Iowa, USA	18 to 19 October 2007	Deliver a major address on biofuels and attend the Norman E. Borlaugh Symposium
Namibia	30 to 31 October 2007	Attendance of the Investors Conference
Geneva, Switzerland	15 November 2007	Attendance of the G-20 Ministerial meeting
Rome, Italy	17 to 24 November 2007	Participation in the 34th Session of the FAO Conference

Mission statement

VISION

The vision of the DoA is to strive for *A united and prosperous agricultural sector*.

MISSION

The aim of the DoA is to lead and support sustainable agriculture and promote rural development through:

- Ensuring availability and access to sufficient, safe and nutritious food
- Eliminating skewed participation and inequity in the sector
- Increasing growth, income and remunerative job opportunities in agriculture
- Enhancing the sustainable management and efficient use of natural agricultural resources and production inputs
- Ensuring efficient and effective governance and partnerships
- Ensuring knowledge and information management
- Ensuring national biosecurity and effective risk management

OBJECTIVES

KRA 1: Ensure availability and access to sufficient safe and nutritious food

Key objectives

- Promote production, handling, processing and consumption of nutritious foods
- Promote and support household income generation and food production
- Provide leadership in the implementation of the IFSNP

KRA 2: Eliminate skewed participation and inequity in the sector

Key objectives

- Increase access to existing resources and opportunities within the agricultural sector for historically disadvantaged groups and individuals
- Ensure increased black economic empowerment
- Ensure equitable access and sustained participation in the sector
- Improve social and working conditions in the sector

KRA 3: Increase growth, income and remunerative job opportunities in agriculture

Key objectives

- Increase agricultural productivity, competitiveness and profitability in South Africa, the SADC and Africa
- Increase market access for South Africa and African agricultural products, domestically and internationally
- Increase remunerative opportunities in the agricultural value chain
- Increase the level of public and private investment for agricultural development

KRA 4: Enhance the sustainable management and efficient use of natural agricultural resources and production inputs

Key objectives

- Ensure the management of agricultural indigenous genetic resources, land and water
- Promote effective production systems, including the use of energy, labour and mechanisation
- Promote efficient use of production factors

KRA 5: Ensure efficient and effective governance and partnerships

Key objectives

- Achieve departmental service excellence and implement Batho Pele principles

- Effectively manage risks
- Provide leadership and co-operative governance in the agricultural sector
- Implement quality standards in the department to ensure effective organisational performance and co-operative government
- Promote and protect South African agricultural interests internationally
- Align policy and legislation with the principles of sustainable development

KRA 6: Ensure knowledge and information management

Key objectives

- Provide leadership and manage effective communication and information management
- Provide leadership and support to agricultural research, training and extension in the sector
- Improve knowledge management in the department
- Ensure consumer confidence in agricultural products and services

KRA 7: Ensure national biosecurity and effective risk management

Key objectives

- Establish and maintain effective early warning and mitigation systems in agriculture
- Manage the levels of risks associated with food, diseases, pests, natural disasters and trade
- Promote safe and nutritious food
- Ensure consumer confidence in agricultural products and services

VALUES

Bambanani	We believe that the sum of our collective efforts will and should be greater than the total of our individual efforts.
Drive	We are purposeful and energised in all that we do.
Excellence	We are committed to exceeding our customers' expectations for quality, responsiveness and professional excellence.
Innovation	We motivate and reward creativity, innovation and new knowledge generation that support outstanding performance.
Integrity	We maintain the highest standards of ethical behaviour, honesty and professional integrity.
Maak 'n plan	We always will find a way to make it happen.

KEY CLIENTS

The key clients of the DoA are:

- Consumers of agricultural products and services
- Producers of agricultural products
- Processors, traders and exporters of agricultural products
- Providers of agricultural services
- National departments
- Provincial departments of agriculture
- State-owned enterprises in agriculture
- International agricultural organisations

PRODUCTS AND SERVICES

National leadership	In terms of national policy, legislation, strategic priorities, advice, norms and standards, information, monitoring and evaluation, supervision and reporting.
National regulatory services	With respect to national legislation, compliance, controls, auditing services and inspection services.

National co-ordination services	Facilitate national, provincial, municipal and public entity co-ordination, international agreements, professional networks, public/private community partnerships and agricultural human resource development.
National agricultural risk management	Manage early warning systems, disaster management policy, response, recovery, mitigation and preparedness, pest control and plant and diseases control.

Top management

Masiphula Mbongwa
DG: AGRICULTURE

Luvuyo Mabombo
CHIEF OPERATING OFFICER

Njabulo Nduli
DDG: BIOSECURITY, AND DISASTER MANAGEMENT

Vangile Titi
DDG: SECTOR SERVICES AND PARTNERSHIPS

Tommie Marais
DDG: CORPORATE AND FINANCIAL SERVICES

Phil Mohlahlane
DDG: LIVELIHOODS, ECONOMICS AND BUSINESS DEVELOPMENT

Kgabi Mogajane
DDG: PRODUCTION AND RESOURCES MANAGEMENT

Attie Swart
CHIEF PROGRAMMES OFFICER

P. Tsotso Sehoole
CHIEF COMMUNICATIONS OFFICER

Legislative mandate

The DoA derives its core mandate from section 27(1)(b) of the Constitution. It is currently responsible for about 30 pieces of legislation. Underpinning the scope of the mandate of the department, is understanding agriculture as being inclusive of all economic activities, from the provision of farming inputs and farming per se, to adding value to agricultural activities. The agricultural sector is continuously subjected to changes in the production and marketing environment and therefore the policy and legislative environment that governs the sector has to be adjusted continually by means of amendments and the replacement of some pieces of legislation.

The DoA is primarily responsible for all agriculture-related legislation. The following Acts reflect the legislative mandate of the department:

Performing Animals Protection Act, 1935	(Act No. 24 of 1935)
Fertilizers, Farm Feeds, Agricultural Remedies and Stock Remedies Act, 1947	(Act No. 36 of 1947)
Animal Protection Act, 1962	(Act No. 71 of 1962)
Fencing Act, 1963	(Act No. 31 of 1963)
Subdivision of Agricultural Land Act, 1970	(Act No. 70 of 1970)
Plant Breeders' Rights Act, 1976	(Act No. 15 of 1976)
Plant Improvement Act, 1976	(Act No. 53 of 1976)
Veterinary and Para-veterinary Professions Act, 1982	(Act No. 19 of 1982)
Perishable Products Export Control Act, 1983	(Act No. 9 of 1983)
Agricultural Pests Act, 1983	(Act No. 36 of 1983)
Conservation of Agricultural Resources Act, 1983	(Act No. 43 of 1983)
Animal Diseases Amendment Act, 1991	(Act No. 18 of 1991)
Liquor Products Act, 1989	(Act No. 60 of 1989)
Agricultural Research Act, 1990	(Act No. 86 of 1990)
Agricultural Product Standards Act, 1990	(Act No. 119 of 1990)
Agricultural Produce Agents Act, 1992	(Act No. 12 of 1992)
Groot Constantia Trust Act, 1993	(Act No. 58 of 1993)
Societies for the Prevention of Cruelty to Animals Act, 1993	(Act No. 169 of 1993)
Marketing of Agricultural Products Act, 1996	(Act No. 47 of 1996)
Agriculture Laws Extension Act, 1996	(Act No. 87 of 1996)
Genetically Modified Organisms Act, 1997	(Act No. 15 of 1997)
Animal Improvement Act, 1998	(Act No. 62 of 1998)
Agricultural Laws Rationalisation Act, 1998	(Act No. 72 of 1998)
Onderstepoort Biological Products Incorporation Act, 1999	(Act No. 19 of 1999)
Meat Safety Act, 2000	(Act No. 40 of 2000)
Agricultural Debt Management Act, 2001	(Act No. 45 of 2001)
Animal Identification Act, 2002	(Act No. 6 of 2002)
Land and Agricultural Development Bank Act, 2002	(Act No. 15 of 2002)
KwaZulu Cane Growers' Association Act Repeal Act, 2002	(Act No. 24 of 2002)
South African Abattoir Corporation Act Repeal Act, 2005	(Act No. 17 of 2005)

STATUTORY BODIES

The department administers the following statutory bodies:

- Perishable Products Export Control Board
- Agricultural Research Council
- National Agricultural Marketing Council
- Onderstepoort Biological Products
- Land and Agricultural Development Bank
- Ncera Farms

PERISHABLE PRODUCTS EXPORT CONTROL BOARD

The Perishable Products Export Control Board (PPECB) was established in terms of section 2 of the Perishable Products Export Control Act of 1983, and its functions are as follows:

- It controls the export shipments of perishable products from the Republic of South Africa and the order of shipment of these products at all ports.
- It makes recommendations pertaining to the handling of perishable products when being moved to and from railway trucks and other vehicles, as well as cold stores.
- It promotes uniform freight rates for the export of perishable products, with due allowance for specific perishable products, port of export and means of conveyance.

Accountability arrangements

In terms of section 16 of the Perishable Products Export Control Act of 1983, the board must furnish the Minister, and all registered exporters, with a report on its activities within 6 months of the end of each financial year.

AGRICULTURAL RESEARCH COUNCIL

The Agricultural Research Council (ARC) was established in terms of section 2 of the Agricultural Research Act of 1990, and its functions are as follows:

- It establishes and controls facilities in the fields of research, development and the transfer of technology, which the council may determine from time to time.
- It promotes co-operation between the Republic of South Africa and other countries with regard to research, development and the transfer of technology to other countries.

Accountability arrangements

In terms of section 22(3) of the Agricultural Research Act of 1990, the council must furnish the Minister with an annual report on its activities at the end of each financial year.

NATIONAL AGRICULTURAL MARKETING COUNCIL

The NAMC was established in terms of section 3 of the Marketing of Agricultural Products Act of 1996, and its functions are as follows:

- It prepares and submits statutory measures and changes to statutory measures to the Minister for consideration.
- It monitors the application of statutory measures and reports on these to the Minister, and evaluates and reviews these measures at least every two years.

Accountability arrangements

In terms of section 8(A)(4)(c) of the Marketing of Agricultural Products Act of 1996, the accounting officer must furnish the Minister with a year-end financial statement within 4 months after the end of each financial year.

ONDERSTEPOORT BIOLOGICAL PRODUCTS

Onderstepoort Biological Products (OBP) was established in terms of section 2 of the Onderstepoort Biological Products Incorporation Act of 1999.

OBP manufactures and distributes vaccines and other biological products pertaining to animals.

Accountability arrangements

In terms of section 55 of the Public Finance Management Act (PFMA) of 1999, OBP, as a national government business enterprise, is entitled to submit the audited financial statements and annual report to the Minister within 5 months of the end of the financial year.

LAND BANK

The bank was established in terms of section 3 of the Land Bank Act of 1912, continued to exist in terms of section 3 of the Land Bank Act of 1944, and currently exists under the name of the Land and Agricultural Development Bank of South Africa (trading as the Land Bank), in terms of the Land and Agricultural Development Bank Act of 2002.

The functions of the Land Bank are as follows:

- It promotes equitable ownership of agricultural land; and the increase of ownership of agricultural land by historically disadvantaged persons in particular.
- It provides wholesale as well as retail financing to the commercial and developing farming sectors, as well as to other agriculture-related businesses.
- It administers the agricultural credit scheme, Mafisa, on behalf of the department.

Accountability arrangements

In terms of section 35(3) of the Land and Agricultural Development Bank Act of 2002, the board must ensure that budgets, annual reports and audited financial statements are submitted annually within 5 months of the end of the financial year, in accordance with the provisions of the PFMA.

NCERA FARMS (PTY) LTD

Ncera Farms is a public company, listed under Schedule 3B of the PFMA, with the department as the sole shareholder. Ncera Farms is situated at Kidd's Beach near East London in the Eastern Cape, on State-owned land, totalling approximately 3 102 ha.

The primary function of Ncera Farms is to assist small and emerging farmers, by providing a variety of services, such as advice, extension services, training and information on ploughing methods.

Accountability arrangements

The company's board of directors is accountable to the department and reports to the Minister for Agriculture and Land Affairs in her capacity as executive authority. In terms of the PFMA, annual reports and financial statements are submitted annually within 6 months of the end of the financial year.

2

Programme performance

Programme performance

VOTED FUNDS

Appropriation	Main appropriation	Adjusted appropriation	Actual amount spent	Under-spending
ENE	R2 281 166 000	R3 469 603 000	R3 328 417 123	R141 185 877
Responsible Minister Administrating department Accounting officer	Minister for Agriculture and Land Affairs Department of Agriculture Director-General of Agriculture			

AIM

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

KEY MEASURABLE OBJECTIVES, PROGRAMMES AND ACHIEVEMENTS

The strategic role of the DoA is to facilitate the transformation objectives for agricultural development, food security and growth of the sector and the sustainable use of natural resources.

To achieve this, the department provides support for the growth and transformation of the agricultural sector, poverty eradication and rural development, and for establishing farmer support programmes. These include access to technology, markets, finance, information and training. The department also seeks to mitigate risks by formulating strategies for disaster management, quality assurance, food safety, as well as plant and animal health.

The activities of the DoA are organised in five programmes:

Programme 1 **Administration** provides the department with political and strategic leadership and management, and manages capital works and infrastructure.

Measurable objective To ensure overall effective, efficient and timely delivery on the department's mandate within the allocated resources.

Programme 2 **Livelihoods, Economics and Business Development** promotes equitable access to the agricultural sector, the growth and commercial viability of emerging farmers, and food security and rural development. Facilitates market access for South African agricultural products nationally and internationally by developing and implementing appropriate policies and targeted programmes. Promotes Broad-Based Black Economic Empowerment (BBBEE) in the sector. Provides economic and statistical services to support economic growth and development.

Measurable objective Improve emerging farmers' access to and sustained participation in agriculture, and improve food security in the medium term through providing better opportunities and more equitable access in order to maximise growth and employment in the sector.

Programme 3 **Biosecurity and Disaster Management** develops and implements policies for food safety, agricultural disaster risk management and for preventing and controlling animal and plant diseases.

Measurable objective Reduce the incidence of animal and plant diseases and pests and ensure compliance with international and national agricultural risk and disaster management measures through improved risk management systems.

Programme 4 **Production and Resources Management** manages productivity and sustainability in agriculture, monitors and controls genetically modified organisms and develops and implements policies and legislation on the sustainable use of agricultural land and water resources.

Measurable objective Improvement of the productivity and profitability in the agricultural sector and sustainable use of land and water resources.

Programme 5 **Sector Services and Partnerships** manages and co-ordinates intergovernmental, stakeholder and international relations, agricultural education and training, extension and advisory services, and scientific research and technology development.

Measurable objective Maximise growth in the sector through providing skills, agricultural education and support services to emerging and established farmers, including women, youth and the disabled.

ACHIEVEMENTS

Highlights of the department's achievements during 2007/08 in relation to key measurable objectives include the following:

Programme	Highlights of achievements
1. Administration	Approved departmental strategies were managed and executed by efficient utilisation of available resources, both financial and human. Financial and administrative support services were rendered satisfactorily in terms of predetermined service standards.
2. Livelihoods, Economics and Business Development	The Agricultural Sector Charter was gazetted under Section 12 of the Broad-Based Black Economic Empowerment Act of 2003. The charter has been developed as a transformation blueprint for the agricultural sector and provides guidelines for empowerment in the sector. An Agricultural Tariff Policy Framework that is *en route* for tabling in Parliament was completed. The purpose of this policy framework is to ensure that the determination and application of the Agricultural Tariff Policy between the Department of Trade and Industry, through the International Trade and Administration Commission (ITAC) and the DoA is co-ordinated and synchronised. Commodity-based agricultural marketing training materials that are Agricultural Sector Education and Training Authority (AgriSETA) accredited were developed. The benefit of getting the materials accredited ensures that all farmers undergoing the training and using the materials will get certificates of competency in a specific National Qualifications Framework (NQF) category. The materials will be used as a basis to impart agricultural marketing skills to farmers on grains, livestock and horticultural products across the country. A process leading to the ratification of the Southern African Customs Union/European Free Trade Association (SACU/EFTA) Free Trade Agreement by all parties was finalised. This agreement will improve market opportunities for a significant number of South African agricultural products in the markets of Switzerland-Lichtenstein, Norway and Iceland. As part of the development and improvement of the crop forecasting system, the new producer independent crop estimation system was implemented in all 9 provinces, the objective yield optimised (5 points per field *versus* 2 points per field previously), and the digitising of field crop boundaries was completed for the entire country.
3. Biosecurity and Disaster Management	Additional sniffer dogs for the detection of prohibited agricultural substances/objects at airports were procured and dog handlers trained. Service level standards for agricultural products were drafted and finalised to provide information to the public on service delivery time lines. A risk profiling system and a certification system that can be used during inspections was also drafted. Further improvements in international market access was achieved through the implementation of two additional export protocols with China, namely for table grapes and dried tobacco leaf. By facilitating bilateral agreements on importing apples and pears from China, new import opportunities were created. To ensure the inclusion of local input in the drafting of new international phytosanitary standards, comments were submitted on six draft international standards for phytosanitary measures. This was followed by participation in the annual meeting of the International Plant Protection Convention (IPPC). In terms of early warning systems for exotic pests of plants, a rapid response plan, the Alien Plant Pest Disaster Management Plan using fruitflies as an example, was completed.
4. Production and Resources Management	An actual soil loss (erosion) map was compiled for South Africa and onsite verification was completed. This map is available at provincial and local level for planning purposes. The area-wide master plan for the rehabilitation of the Taung/Vaalharts irrigation scheme was completed.

Programme	Highlights of achievements
4. Production and Resources Management (*cont*.)	Databases for fruit, vegetables and grain-production guidelines, management calendars and crop profiles for various crops grown in South Africa, were completed. These databases contain valuable information to assist farmers in decision making in their farming operations and will also act as critical support system to extension officers to provide advisory services to farmers. Significant strides were made in terms of the conservation and sustainable use of Plant Genetic Resources for Food and Agriculture (PGRFA). An increasing number of accessions have been stored at the Plant Genetic Resources Centre from various agro-ecological zones. Within participating communities, this has created awareness of the importance of PGRFA.
5. Sector Services and Partnerships	A MoU was signed between the DoA and the Malaysian Department of Agriculture that will be used as a framework to guide future productive engagements to broaden market access and strengthen agricultural development co-operation between the two countries. The MoU focuses on livestock production, research and development as well as aquaculture production. With regard to multilateral engagements, the DoA continued to promote and safeguard the interests of South African agriculture through enhanced co-operation and engagements with the Organisation for Economic Co-operation and Development (OECD), International Organisation for Wine and Vine (OIV), *Office International des Epizooties* (OIE), FAO and World Trade Organisation (WTO). Within the OECD, the main activities revolved around the completion of the review of the agricultural policies of member countries. A DoA delegation, led by the Minister, participated in the FAO Council and Conference in November 2007. The focus of the conference and the meeting was the discussion of the independent external evaluation of the FAO.

OVERVIEW OF THE SERVICE DELIVERY ENVIRONMENT

The starting point for effective service delivery in DoA was the identification of those aspects of products or services that satisfy the needs and expectations of our clients. This requires a shift in terms of functions and programmes from '*What do we do?*' to a focus on *'What do our functions and programmes produce that is specifically useful to our clients in enabling them to do what they need to do?'*

A series of workshops were held with the directorates responsible for the delivery of our various products and services to redefine these in terms of how they benefited our clients, and a schedule of impact-focused products and services was consequently produced.

The same workshops were used to define those aspects of the products and services that were of direct benefit or use to the client, together with standards that could be used to measure the efficacy of service delivery in these terms. In some cases, the standards already existed, and their definitions were accepted or improved upon, and in other cases new standards were produced which were more relevant to the concept of client needs focused measurement.

The ratification and agreement with our clients of the service delivery standards for our products and services will form a crucial part of the Service Delivery Improvement Plan for this year. This will constitute the first activity of the Service Delivery Focused Operational Planning Initiative planned for the next financial year, in which we aim to achieve a department-wide focus on a set of mutual external and internal objectives supported by an effective monitoring and evaluation system.

We aim, through a series of workshops and interactions, to confirm and agree on the key existing and new service standards laid out in this plan with our clients and stakeholders.

Part of the process of identifying roles and support needs addresses the way functions should ideally be carried out in order to contribute effectively to service delivery outcomes, along with any barriers there may be to these changes. These may, for instance, take the form of a lack of information communication technology (ICT) systems; a requirement for changes to policy or legislation; shortage of skills; an insufficient budget—or other factors that would prevent or slow down service delivery.

Many of these obstacles will be addressed by the internal support functions. However, some may require the intervention of management or external organisations. This intervention will provide the DoA with a method of ensuring maximum service delivery impact for budget spent in the formulation of strategy and planning for the following years.

OVERVIEW OF THE ORGANISATIONAL ENVIRONMENT

Following the restructuring process of 2006, the refinement of the directorates Biosafety and Intergovernmental and Stakeholder Relations was finalised and implemented in 2007. The restructuring process was therefore finalised and the structure is now fully operational.

The Organisation Development Committee (ODC), which was established in 2006 to facilitate organisational refinement and post establishment management has shown good results. Through its processes the vacancy rate in the department dropped from 18 to 13,6% during the period under review. There was also an improvement in the prioritisation of work study investigations. Work study processes are now managed in such a manner that there is a reduction in grievances owing to the expectations that were created by the previous process.

The ODC also facilitated the alignment of the human resources management in the DoA with the requirements of the Department of the Public Service and Administration (DPSA) by creating a separate directorate for employee development.

The co-ordinated job evaluation process between the national and provincial departments of agriculture in respect of salaries offered to professionals on the same level, has been performed as planned; the only challenge is the implementation of the results thereof because of financial constraints.

To promote the principles of co-operative government, integration, alignment and co-ordination, the departments of Agriculture and Land Affairs developed the LARP. The project was submitted and accepted by the Presidency as one of the 24 Presidential priorities. This project has resulted in the two departments aligning their functions for improved service delivery. The alignment process was also facilitated by the planning calendar, which was developed together. Joint planning of events improved the use of resources, both financial and human.

Contingency plans were put in place to minimise the public service strike of 25 May to 28 June 2007. As a result, service delivery in the department was not affected. The strike was managed according to the guidelines set out by the DPSA. The “no work, no pay” rule was implemented by the department and the statistics were reported to the DPSA on a daily basis.

STRATEGIC OVERVIEW AND KEY POLICY DEVELOPMENTS

A major challenge for the agricultural sector during 2007/08 has been to accelerate the pace of land and agrarian reform and to embark on an integrated programme for rural development. The LARP was therefore developed during 2007/08 to provide a new paradigm for sector service delivery, a “business unusual” framework for delivery and collaboration on land reform and agricultural support to accelerate the rate and sustainability of transformation through aligned and joint action by all involved stakeholders. The purpose is to create a delivery paradigm for agricultural and other support services based on the concept of “one-stop shop” service centres located close to farming and rural beneficiaries. The objectives of the LARP are the following:

- Increasing black entrepreneurs in the agribusiness industry by 10%;
- Providing universal access to agricultural support services to the emerging black farmers;
- Increasing agricultural production by 10 % for emerging black farmers under the Ilima/Letsema campaign;
- Increasing agricultural trade by 10 to 15% for the target groups.

The LARP is a focus area for the DoA, with considerable alignment and sharing of resources to ensure support to newly settled emerging black farmers. National, provincial and local governments are committed to jointly lead this process of accelerating land and agrarian reform.

A second very important challenge for the agricultural sector was rising food prices, globally as well as nationally and at household level. Factors that contributed towards these high prices included low availability of grains worldwide, increased demand, unfavourable weather conditions, increasing fuel costs and high input costs—especially fertiliser. The impact on the purchasing power of poor households had a very negative effect in the country. Government departments in the Social and Economic Clusters were therefore instructed by Cabinet to expand on programmes that support vulnerable groups in South Africa. For agriculture, these include agricultural starter packs for household vegetable production and promoting food gardens. Under the Ilima/Letsema campaign, the acceleration and improvement of agricultural crop production will be promoted actively.

Another important challenge for the department has been ensuring that animal and plant products are disease-free, therefore improving public health. This still remains a priority as it has a direct bearing on agriculture's ability to provide safe and nutritious food to the South African public as well as optimising trade opportunities.

Key policy developments and legislative changes

Support to beneficiaries of land reform

To support beneficiaries of land reform and other black farmers, norms and standards for extension and advisory services were developed. Strategies were also designed for agricultural education and training as well as a research and development strategy. Following a study on the profile of extension in all the provinces, an extension recovery plan was developed to increase the number of extension officers employed and to provide the opportunity to current extension officers to improve their qualifications.

Broad-Based BEE framework for agriculture

The DoA strives to incorporate the small, medium and micro-enterprises (SMME) Excellence Model into higher learning institutions and colleges of agriculture towards the creation of Centres of Excellence for changing mindsets and for capacity building in the sector. In addition, the department intends to transform the agricultural sector by means of value chain commodity and empowerment strategies.

Optimising productivity for the sustainable use of resources

The Sustainable Utilisation and Protection of Agricultural Resources (SUPAR) Bill is being finalised to ensure that limited agricultural resources are protected and used in a sustainable manner. This Bill will also ensure that natural resources are conserved for agricultural production and development of livelihoods.

An Irrigation Strategy was finalised and emphasises the governance of agricultural water. The strategy also prioritises implementation options, namely the revitalisation of existing irrigation schemes and the efficient use of irrigation water.

DEPARTMENTAL REVENUE, EXPENDITURE AND OTHER SPECIFIC TOPICS

Collection of departmental revenue

The DoA's collected revenue exceeds the estimated amount for the sale of goods and services mainly because of the increase in exports. A significant portion of revenue is derived from the sale of goods and services, which include statutory services such as registering fertilisers, farm feeds, stock remedies and plant breeders. Other receipts came from interest received as well as an amount of R92 000 for penalties forfeited in favour of the department in 16 court cases. The sale of scrap, which had an additional inflow of R9,9 million, was not included in the budget.

The DoA started with the implementation of an enhanced control process on revenue collected from its different offices to ensure identification of revenue collected per office and updated procedural manuals at all revenue collection points. The departmental policy on revenue was also reviewed and the changes made will enable the reconciliation between services rendered and revenue collected.

	2004/05 Actual	2005/06 Actual	2006/07 Actual	2007/08 Target	2007/08 Actual	% deviation from target
	R'000	R'000	R'000	R'000	R'000	
Nontax revenue						
Sales of goods and services other than capital assets	62 732	71 695	59 211	56 236	65 825	17,1
Administrative fees	58 252	59 023	55 477	52 865	61 275	15,9
Sales of goods and services	4 477	4 456	3 691	3 366	4 346	29,1
Sale of scrap, waste and other used current goods	3	8 216	43	5	204	3 980,0
Transfers received	–	300	–	–	26	2 500,0
Public corporations and private enterprises	–	300	–	–	26	2 500,0
Fines, penalties and forfeits	16	54	3	3	92	2 966,7

	2004/05 Actual	2005/06 Actual	2006/07 Actual	2007/08 Target	2007/08 Actual	% deviation from target
	R'000	R'000	R'000	R'000	R'000	
Interest, dividends and rent on land	14 193	1 596	1 391	166	1 483	793,4
Interest	13 994	654	888	–	763	76 200,0
Rent on land	199	942	503	166	720	333,7
Sales of capital assets (capital revenue)	11 865	208	211	380	9 957	2 520,3
Other capital assets	11 865	208	211	380	9 957	2 520,3
Financial transactions (recovery of loans and advances)	11 814	2 283	33 798	2 366	4 666	97,2
Total departmental receipts	**100 620**	**76 136**	**94 614**	**59 151**	**82 049**	**38,7**

DEPARTMENTAL EXPENDITURE

The table sets out the expenditure of the department per programme for the period under review, and includes adjustments made and additional funds received during the year. The department was allocated an amount of R2 281,2 million in the Estimate of National Expenditure (ENE) with a further addition of R700 million in a special adjustments estimate to address the liquidity shortage of the Land Bank, while a further amount of R488,4 million was appropriated in the Adjustments Estimate, R188,7 million for the classical swine fever (CSF) combating campaign and R300 million for agricultural disasters, bringing the total voted funds for 2007 to R3 469,6 million. An amount of R141,2 million (4,07 % of total appropriation) of the voted funds has not been spent and can be attributed to the following:

Claims totalling R96,3 million for compensation payments to farmers in respect of the CSF campaign are still awaited from the Eastern Cape Department of Agriculture. An amount of R19,8 million was paid to the Department of Public Works in March 2007 for the new Durban Quarantine Station and the Agriculture Place renovation programme but was returned on 28 March 2008 as they have not started with the projects. A drilling rig was only partly delivered, resulting in a further underspending of R3,97 million, which is to be rolled over to the 2008/09 financial year. Please refer to the report of the Accounting Officer for further detail.

Programmes	Voted for 2007/08	Roll-overs and adjustments	Virement	Total voted	Actual expenditure	Variance
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	283 335	(2 187)	(15 754)	265 394	238 813	26 581
Livelihoods, Economics and Business Development	886 951	673 007	(8 470)	1 551 488	1 541 955	9 533
Biosecurity and Disaster Management	243 611	489 062	7 357	740 030	641 799	98 231
Production and Resources Management	247 780	(4 297)	(10 962)	232 521	226 320	6 201
Sector Services and Partnerships	619 489	32 852	27 829	680 170	679 530	640
Total	**2 281 166**	**1 188 437**	**–**	**3 469 603**	**3 328 417**	**141 186**

Transfer payments

Transfers to provinces

Province	Amount transferred	Estimated expenditure
	R'000	R'000
Eastern Cape	96 848	89 700
Free State	66 354	55 000
Gauteng	22 921	22 900

Province	Amount transferred	Estimated expenditure
	R'000	R'000
KwaZulu-Natal	115 311	4 000
Limpopo	115 864	52 600
Mpumalanga	90 338	53 500
Northern Cape	79 630	73 400
North West	112 763	54 000
Western Cape	61 696	57 000
Total	**761 725**	**462 100**

The purposes of these transfers are discussed under Conditional grants and earmarked funds on p. 26.

Transfers to local governments

Name of institution	Amount transferred	Estimated expenditure
	R'000	R'000
Various local governments in respect of:		
Vehicle licences payable to municipalities	374	374
Total	**374**	**374**

Transfers to departmental agencies and accounts

Name of institution	Amount transferred	Estimated expenditure
	R'000	R'000
Agricultural Research Council	488 499	488 499
National Agricultural Marketing Council	17 020	17 020
Water Research Commission	3 250	3 250
National Student Financial Aid Scheme	8 300	8 300
Public Service Education and Training Authority	500	500
Perishable Products Export Control Board	4 600	4 600
Total	**522 169**	**522 169**

The ARC was established under the Agricultural Research Act of 1990, and is the principal governmental agricultural research institution in South Africa. Its primary mandate is to conduct research, and develop and transfer technology that promote agriculture and the related industries. The ARC continues to be highly responsive to new needs expressed by its clients, supporting this with good performance in the development and transfer of technologies to and for the resource-poor farming sector. In line with its statutory mandate of transferring technology, the following research products and technologies were transferred to resource-poor farmers: cotton production management strategies, evaluation and selection of seeds, integrated natural resource management strategies, promotion of urban agriculture, water-conservation strategies, beekeeping commercialisation, disease appraisal, beef production, field testing of contagious abortion in cattle, legume protein programme, mushroom farming and commercialisation, quality fruit production strategies, indigenous crops programme and agricultural research for development. These products and technologies have contributed to sustainable job creation and income generation in communities previously excluded from participating meaningfully in agriculture.

The NAMC was established by the Marketing of Agricultural Products Act of 1996 in terms of which the council provides strategic advice to the Minister for Agriculture and Land Affairs on agricultural marketing to ensure improved market access by all participants, marketing efficiency, optimising export earnings, and the viability of the agricultural sector. Among its responsibilities, the NAMC undertakes investigations on agricultural marketing and marketing policy, and undertakes annual reviews of all statutory levies collected by various industries in accordance with the Act. The NAMC provides guidelines to the industry on statutory levies so that a proportion of the proceeds

is used to fund the empowerment of previously disadvantaged individuals (PDIs) in the areas of training, exposure and market access. For the latter, the NAMC has an annual outreach programme to inform emerging black farmers about the marketing environment.

The Water Research Commission is a statutory entity established in terms of section 2 of the Water Research Act of 1971 as amended. The commission undertakes research projects which are funded by the DoA. As part of the monitoring process, the department evaluates the achievements of these research projects against the predetermined deliverables as set out in the memoranda of agreement. The commission provides reports on all the research projects periodically to the department.

The National Student Financial Aid Scheme was established with the primary aim of managing the department's external bursary scheme for students undertaking studies in the agricultural field.

The PPECB is a statutory organisation, which conducts its business in terms of the Perishable Products Export Control Act of 1983. In its early years export products under its control comprised mainly deciduous and citrus fruit, however, the product range soon extended to include fish, meat, flora and other perishable products. There are now more than 200 product types under the board's control. The PPECB also operates as an assignee for the department under the requirements of the Agricultural Product Standards Act of 1990. It is listed as a Schedule 3A entity of the PFMA. The board controls all perishable exports from South Africa, the value of which is in excess of R9 billion a year.

Transfers to public corporations and private enterprises

Name of institution	Amount transferred	Estimated expenditure
	R'000	R'000
Ncera Farms (Pty) Ltd	1 866	1 866
Land Bank	998 000	998 000
Red meat industry	1	1
Claims against the State	178	178
Total	**1 000 045**	**1 000 045**

Ncera Farms (Pty) Ltd is a public company listed under Schedule 3B of the PFMA, with the department as the sole shareholder. It is a service centre situated in Eastern Cape in the Kidd's Beach area and its purpose is to provide extension services, training and other agricultural support services to newly settled farmers and neighbouring communities to enable them to become self-sufficient.

The Land Bank operates as a development finance institution within the agricultural and agribusiness sectors and is regulated by the Land and Agricultural Development Bank Act of 2002. It provides a range of finance options to a broad spectrum of clients within the agricultural sector, including wholesale and retail financing for commercial and developing farmers, co-operatives and other agriculture-related businesses. It provides long, medium and short-term loans to all agricultural sectors. The bank is the sole shareholder in the Suid-Afrikaanse Verbandversekeringsmaatskappy Beperk (SAVVEM), a company which provides mortgage insurance cover to the bank's clients. The bank also manages the funds transferred from the department to Mafisa.

Transfers to foreign organisations

Name of institution	Amount transferred	Estimated expenditure
	R'000	R'000
Office International des Epizooties	794	794
Organisation for Economic Co-operation and Development	52	52
International Grains Council	133	133
Office International de la Vigne et du Vin	544	544
Food and Agriculture Organization of the United Nations	23 260	7 924
Consultative Group on International Agricultural Research	7 681	7 681

Name of institution	Amount transferred	Estimated expenditure
	R'000	R'000
Commonwealth Agricultural Bureau International	138	138
International Dairy Federation	30	30
International Cotton Advisory Council	136	136
Foreign rates and taxes	97	97
Total	**32 865**	**32 865**

The above table sets out membership fees that the department pays to organisations approved by Parliament.

Transfers to nonprofit institutions

Name of institution	Amount transferred	Estimated expenditure
	R'000	R'000
National Movement for Rural Woman	1 000	1 000
Collaborative International Pesticides Analytical Council	50	50
National Emerging Red Meat Producers' Organisation	1 040	1 040
Aquaculture Association of Southern Africa	40	40
SA Sheep Shearing Federation	100	100
Entomology Congress	500	500
Sterile Insect Technique	3 000	3 000
Food and Trees for Africa	50	50
Total	**5 780**	**5 780**

Transfers to households

Name of institution	Amount transferred	Estimated expenditure
	R'000	R'000
Social benefits	3 593	3 593
Classical swine fever—compensation paid to farmers	88 376	88 376
Total	**91 969**	**91 969**

Conditional grants and earmarked funds

The table on p. 23 (Transfers to provinces), includes transfers to provinces in respect of the CASP (R415 million), LandCare (R46,7 million) and agricultural disasters (R300 million). CASP is aimed at making provision for agricultural support to targeted beneficiaries of the land and agrarian reform programmes, while the LandCare Programme was established to address the degradation problems of natural/agricultural resources in the country and to improve the socio-economic status and food security of rural communities. These transfers were administered in accordance with the Division of Revenue Act (DORA) of 2007. The Act contains frameworks, which prescribe the monitoring mechanisms to ensure that provinces achieve the envisaged goals. Monitoring mechanisms employed included quarterly progress reports on outputs against plans, and quarterly visits to provinces and projects by the national Department of Agriculture to monitor performance and provide support.

Purpose and expected outputs of the grants

COMPREHENSIVE AGRICULTURAL SUPPORT PROGRAMME

The primary purpose of CASP is to make provision for agricultural support to the targeted beneficiaries of the land and agrarian reform programmes. Through implementing of the CASP the following outputs are expected:

- Increased access to and improvement in the quality of agricultural support services provided to targeted beneficiaries (such as advisory, information and knowledge management, training and capacity building, market and business development support, financial support and on and off-farm infrastructure such as dipping).
- Improvement in the capacity of the department to deliver agricultural support services.

- Increase in the number of targeted beneficiaries (from land and agrarian reform programmes) getting access to public agricultural support services.
- Increased access by resource-poor farmers to market and technical information.
- Improvement of availability of on and off-farm infrastructure in support of targeted farmers (for example dipping tanks, fencing, rehabilitation of irrigation schemes, etc.).
- Increase in the number of Land Redistribution for Agricultural Development (LRAD) reform beneficiaries who access markets, market information and training on the marketing of products.

The department increased its capacity to monitor all CASP projects by including 43 land settlement co-ordinators. The involvement of these co-ordinators enabled the department to monitor 520 out of 817 CASP projects during the financial year.

Funds were temporarily withheld from one province due to slow spending but after intervention from the department, implementation of the projects took place with a resultant increase in spending of the allocated funds.

LANDCARE

The LandCare Programme was established to address the degradation problems in connection with natural agricultural resources in the country and to improve the socio-economic status and food security of rural communities. Not only does the programme aim at addressing degradation problems, but also to encourage South Africans to use natural resources in a way that will improve their quality of life and that of future generations. The programme's specific outputs for the period under review were measured by using the following criteria:

- Number of beneficiaries and kilometres of irrigation channels rehabilitated
- Hectares of veld under improved management systems
- Number of beneficiaries benefiting from improved production systems
- Number of farmers benefiting from farming practices in reducing the depletion of soil fertility and acidity
- Number of awareness activities to show how the inappropriate use of agricultural resources impact negatively on the resources base, i.e. project launches, farmers' days
- Number of youth benefiting from sound management practices.

Transfer of funds

The funds destined for payment to PDAs as conditional grants were transferred and deposited into the primary bank accounts of each province as advised by the National Treasury and in accordance with the provision of the DORA and the approved payment schedule.

CAPITAL INVESTMENT, MAINTENANCE AND ASSET MANAGEMENT PLAN

Capital investment

The Department of Public Works was instructed to proceed with the construction of an additional administration building at the Plant Health Quarantine Station at Stellenbosch. This building will accommodate officials of the support and other line function directorates in the Cape Town region as part of the department's plan to consolidate office accommodation.

Maintenance

All maintenance and repairs at departmental buildings have been finalised in terms of normal procurement processes. The DoA also implemented an Energy Saving Policy at all its offices countrywide.

Asset management

During the 2007/08 financial year, the department has consolidated office accommodation at five major centres in order to streamline its Asset Management Plan for office accommodation.

The DoA disposed of assets during the 2007/08 financial year to the value of R5 810 563. Assets to the value of R212 626 were written off as a result of theft and losses during this period.

In order to ensure effective control over the assets in the department all assets were physically barcoded. The department's asset register is also updated on a continuous basis as and when assets are procured or disposed of by means of the Logistical Information System (LOGIS). The department embarked on a project to record the current state of its capital stock regarding the condition thereof on LOGIS.

PROGRAMME 1

Administration

PURPOSE

The programme provides the department with political and strategic leadership and management, and manages capital works and infrastructure.

The programme has two main components:

Corporate Services provides internal infrastructure support services to enable customer-orientated programmes to meet their strategic objectives through the optimal use of human resources, legal expertise and security services.

Financial Management ensures sound financial management, evaluates the feasibility of programmes and projects, renders financial and supply chain management services, manages agricultural debt collection and coordinates budgetary matters. These activities are at all times governed by the PFMA, the Treasury Regulations and the Departmental Financial Instructions.

Support services, as a component of Programme 1, are inclusive of the following:

Subprogramme Corporate Services

Directorate Human Resources Management
Directorate Legal Services
Directorate Security Services

Subprogramme Financial Management

Directorate Budgets and Reporting
Directorate Financial Administration
Directorate Supply Chain Management

Subdirectorate Corporate Support Services

The nature of their business depends on the support areas indicated by the business units. The pace at which these units support the requests in terms of resolving problems, availing resources, attracting the most-needed skills, etc., is very important for the achievement of targets set by the department in totality.

Issues relating to the capacity of the department to deliver essential services within the context of the *Batho Pele* framework cannot be dealt with in isolation without first engaging the nature of support as rendered by those units responsible to service delivery units. A questionnaire is distributed on a quarterly basis for business units to ascertain the level of satisfaction regarding the support that they receive from the support units mentioned.

This assessment tool is not sufficient on its own to give a true perspective of performance, hence the existence of an ongoing exercise designed to refine the mechanism. The anticipated approach should enable the business units to determine their support requirements within the planning calendar, thereby enabling the operational planning unit to compile the list of action items for support units to respond to as part of their operational plan.

KEY RESULT AREAS

The programme takes responsibility for overall effective, efficient and timely delivery of the department's mandate within the allocated resources as a key result area of the department. To achieve this objective, the programme ensures that the department consistently applies methodologies for continuous improvement in service delivery and quality of service. This programme continues to review existing performance management systems for their effectiveness, in order to support the department's overall objective of service excellence.

MEASURABLE OBJECTIVE

To conduct the overall management of the department, to provide central corporate services and supply project management and support to the department.

SERVICE DELIVERY ACHIEVEMENTS

Information on outputs of the programme for the 2007/08 period, is reported per directorate. Reports on services rendered by the directorates Agricultural Information Services; Information and Communication Technology; Internal Audit; Monitoring and Evaluation; Strategic Planning; as well as the Transformation Unit have also been included.

Human Resources Management

During the year under review the directorate submitted the following policies to GOPC for consideration and approval:

- Recruitment and Selection Policy
- Employee Development Policy
- Camping Facilities and Allowance Policy
- Working Hours Policy
- Exit Interview Policy

Legal Services

In terms of legislation, this directorate handled the drafting of the following bills during 2007/08:

- Liquor Products Amendment Bill
- Sustainable Utilisation and Protection of the Agricultural Resources Bill
- Agricultural Debt Management Repeal Bill
- Veterinary and Para-veterinary Professions Amendment Bill
- Meat Safety Amendment Bill
- Animal Diseases Amendment Bill
- Fertilizers, Farm Feed, Agricultural Remedies and Stock Remedies Amendment Bill
- Groot Constantia State Estate Bill.

Security Services

The purpose of the Directorate Security Services is to render and administer the total security function of the DoA, which includes the protection of personnel, State assets and information through the development and implementation of security services. The directorate conducted a survey to assess the level of satisfaction regarding its services. Out of the 70 clients who responded to the questionnaire, 96% was satisfied with its services, whereas only 4% was not satisfied.

During the period under review, the directorate conducted security evaluations of the DoA offices at ports of entry which included the upgrading and installation of electronic security systems in all offices of the department, zoning of sensitive areas, installation of proper fire alarm systems at the Delpen and Sefala buildings and the installing and upgrading of the current fire alarm system in Agriculture Place. Security surveys were conducted at regional offices and security measures were implemented.

Budgets and Reporting

The directorate renders a service of managing the budgetary process and financial reporting in the DoA. During the year under review, clients who accessed the services rendered by the directorate indicated that they were satisfied.

The directorate is responsible for co-ordinating the State of Expenditure/Medium Term Expenditure Framework/ ENE inputs and reporting on expenditure and departmental revenue to the National Treasury, the Minister and the Director-General. During the year under review the monthly state of expenditure in respect of the budget and conditional grants were co-ordinated and submitted; National Treasury's approval for transfer payments were obtained; budget related assistance rendered; and budgetary structures maintained.

The directorate focused on the handling of virements, shifting of funds and roll-over requests, updating of the budget on the Basic Accounting System, disbursement of funds in terms of the DORA and maintaining of Paymaster-General and commercial bank accounts. Monthly reconciliation of bank accounts and monthly requisitioning of funds to finance expenditure were concluded. Other services rendered included managing revenue collection and reconciliations, i.e. payments for permits, rent, farm produce, etc.; compiling annual financial statements; managing audit queries and matters relating to the Standing Committee on Public Accounts; maintaining continuous support on financial systems; implementation of the new Standard Chart of Accounts (SCOA) structure; and rendering a secretarial and support service to the Departmental Control Committee (DCC) as well as the management of departmental entertainment expenditure.

Financial Administration

This directorate has a mandate to render financial support services to the department, and its duties and responsibilities are, inter alia: the payment of salaries and allowances, payment of claims, i.e. interdepartmental, subsistence and transport, etc., and miscellaneous payments, i.e. courses, cellphones, etc. It is also responsible for the reconciliation of income tax and the issuing of IRP 5 certificates, administering departmental debt and agricultural debt and maintaining agricultural debt securities. It further maintains financial records, conducts departmental inspections where necessary, manages losses of and damage to departmental assets and claims against the department and exercises internal control.

During the year under review, the directorate experienced a high staff turnover, which made it difficult to render some of the services within the set standards. Other problems involved 'budget-blocking', owing to some directorates not adhering to prescribed requirements before submitting documents for payment.

Performance against the service standards during the period under review, was as follows:

Service	Transactions	Service standard	Performance %
Subsistence and travel: foreign advances	52	8 days	99% < 4 days 1% < 5–8 days
Foreign claims	55	8 days	98% < 4 days 1% < 5–8 days 1% > 8 days
Subsistence and travel: domestic advances	501	8 days	96% < 8 days 4% > 8 days
Domestic claims	2 029	8 days	90% < 4 days 9% < 5–8 days 1% > 8 days
Service providers (invoices)	3 220	8 days	65% < 4 days 5% < 5–8 days 30% > 10 days
Overtime claims	1 007	10 days	90% < 5 days 10% < 6–10 days
Supplementary salary payments	4 813	10 days	90% < 5 days 10% > 6–10 days

Service	Transactions	Service standard	Performance %
Monthly distribution of debtor accounts	5 609	3 days	Within 1 day
Verification of payments (invoices)	5 077	24 hours	100 % < 24 hours
Petty cash advances/payment	442	Daily	100 %

Supply Chain Management

The Directorate Supply Chain Management renders a supply chain management and transport service to the department. The directorate also renders demand, acquisitions, logistical, assets, and transport management services.

During the 2007/08 financial year, the draft policy on the repair and maintenance of vehicles was incorporated into Chapter 15 of the Departmental Financial Instructions and the development and implementation of the Logistical Information Management System (LIMS) was finalised. A draft document was finalised on the directorate's participation in specification and evaluation committees and the implementation of the barcode system was finalised.

Corporate Support

The Subdirectorate Corporate Support provides corporate support services with regard to accommodation and infrastructure-related requirements, records management, secretariat, events, switchboard and reception services within the DoA.

During the year under review the consolidation of office accommodation in Bloemfontein, East London, Kimberley and Polokwane was finalised. The Repairs and Maintenance Project at Harvest House has been completed. Various *ad hoc* projects such as erecting carports at Agriculture Place and Harvest House were undertaken. A Policy on Records Management was drafted and a total of 20 000 file boxes were transferred to Metro File (Pty) Ltd for off-side storage. Secretariat support services were rendered to 134 high-level meetings during the year under review.

Agricultural Information Services

During the year under review, communication support services were provided to the Office of the Director-General. The directorate co-ordinated nominations for the Female Farmer of the Year awards and arranged the national awards ceremony, which included advertising the awards nationally in the media and organising the gala dinner in Nelspruit, Mpumalanga on 31 August 2007. Winners received awards in four categories: Top Producer for Export Markets, Top Producer for National Markets, Top Producer for Informal Markets and Top Producer for Household Use.

Communication support was provided for the World Food Day celebrations, which took place on 16 October 2007 in Mopani district (near Nelspruit), Mpumalanga and provided communication and media support for the rabies campaign during September 2007, by developing messages and adverts for the 11 SABC radio stations, all SABC TV stations, e-TV and newspaper adverts. The directorate also co-ordinated the AgriBEE showcasing event held in Cape Town on 21 February 2008.

The departmental Annual report 2006/07 was published and tabled in Parliament on 27 September 2007. The *Strategic plan 2008/09–2010/11* was published, presented to the Portfolio Committee on Agriculture and Land Affairs, and the Select Committee on Land and Environmental Affairs and tabled in Parliament on 27 February 2008. Altogether 52 InfoPaks, flyers and booklets were printed/reprinted on animal diseases, cultivating vegetables and other farming topics and distributed to the farming community. In addition, information on Products and services of the Department of Agriculture was published on the Intranet.

Information and Communication Technology

The Directorate Information and Communication Technology has been mandated with managing and providing information and communication technology-support services to the department. As part of its mandate, the directorate has to provide general and specialised advice on ICT to all levels of the organisation, and to undertake ICT services management with regard to ICT services rendered directly to customers.

During the year under review, the directorate upgraded the Agricultural Geo-referenced Information System (AGIS) successfully. As part of its service delivery support to the DoA, the Local Area Network (LAN) management software

was installed, the overflow of unsolicited e-mail/spyware (SPAM) e-mails during December 2007 was solved and the back-up solution implementation was completed. The regional offices investigation on the Wide Area Network (WAN) and LAN is now in the final stage and the good agricultural practices (GAP) analysis was completed. An image server was built and installed and the image server data were moved and decompressed to the relevant servers.

The directorate had to deal with many challenges relating to power failures and load shedding—to this end, it is investigating UPS solutions as back-up for power cut-offs.

Internal Audit

The Directorate Internal Audit renders an independent and objective assurance and consulting activity designed to add value and to improve the department's operations.

In addition to the performance of audits, the directorate is also responsible for investigations and conducting risk assessments.

During the period under review, the directorate produced the following reports: Travel and subsistence, City Deep, Internal bursaries, Occupational health and safety, Grootfontein Agricultural Development Institute (GADI), Stellenbosch, Leave, Directorate Agricultural Engineering Services (fuel and lubricants), Transport and the DORA. Follow-up audit reports were also done on the Stellenbosch Office, City Deep and the Kempton Park Quarantine Station. All these reports complied with the Departmental Financial Instructions, Treasury Regulations, the PFMA and DoA policies and procedures where applicable.

Monitoring and Evaluation

The DoA products and services catalogue was drafted and circulated to directorates to verify the information and review the service standards, language usage and the description of services.

Quarterly organisational performance reports were compiled and presented to the DMC.

Strategic Planning

This directorate developed a standard format for DoA directorates' strategic planning and review processes. Strategic and operational sessions of line-function directorates were facilitated in partnership with the Directorate Monitoring and Evaluation. A hierarchy of planning and performance indicators was drafted. Further work from 4 x 4 interactions will improve the process.

Transformation

The Transformation Unit focused on achieving best practices through research and benchmarking. The unit facilitated the implementation of Employment Equity Act of 1998 and managed and reported on the Batho Pele Programme of Action (PoA) of Government.

During the year under review, responses to queries raised by employees and members of the public through the Talk to Director-General ideas box was facilitated. The unit ensured the review of policies and programmes in accordance with transformation and change management imperatives. Officials from the unit participated in departmental structured meetings such as job evaluation (JE), Governance and Operational Policy Committee (GOPC), Employment Equity and Transformation Consultative Forum (EETCF), Departmental Budget Committee (DBC) and Information Technology Committee (ITC) to provide direction regarding transformation issues and assisted in identifying transformation projects and facilitating the implementation thereof.

State of transformation in the DoA

The Batho Pele plan of action, is informed by the mandate as a unit, and what the department is obliged to deliver on.

Employment equity

The department has a steady success rate in achieving employment equity regarding women at the Senior Management Service (SMS) levels.

PROGRAMME 2

Livelihoods, Economics and Business Development

Phil Mohlahlane
DEPUTY DIRECTOR-GENERAL

PURPOSE

To promote equitable access to the agricultural sector, promote the growth and commercial viability of emerging farmers, and work towards achieving food security and rural development.

The programme facilitates market access for South African agricultural products nationally and internationally by developing and implementing appropriate policies and targeted programmes. It promotes Broad-Based Black Economic Empowerment (BBBEE) in the sector, and provides information for developing and promoting the agricultural sector.

The programme comprises three subprogrammes: Livelihoods, Trade and Business Development and Economic and Statistical Services

Livelihoods Development Support provides post-settlement support to emerging farmers, promotes farmer co-operatives and villages and is responsible for food security policy and legislation, programmes and information.

Trade and Business Development facilitates international and domestic marketing access for South African agricultural products and promotes BEE in the sector. It also interacts with the National Agricultural Marketing Council.

Economic and Statistical Services provides for the collection and analysis of agricultural statistics, monitors and evaluates the economic performance of the sector and produces quarterly reports on sector trends. It also interacts with Statistics South Africa.

MEASURABLE OBJECTIVE

To improve emerging farmers' access to and sustained participation in agriculture, and improve food security in the medium-term by providing better opportunities and more equitable access in order to maximise growth and employment in the sector.

SERVICE DELIVERY OBJECTIVES AND INDICATORS

Sub-programme	Output	Performance indicator/ measure	Actual performance	
			Target	Actual achievement
Livelihoods Development Support	Post-settlement support to land reform beneficiaries	Increased number of CASP beneficiaries	From 67 366 to 80 000 beneficiaries	575 projects were assisted through CASP and the number of participants who benefited from this assistance was 54 135.
	Agricultural food production packages	Number of households receiving agricultural food production packages	6 364 households	*Mpumalanga*: A total of 4 041 households in Mpumalanga were provided with agricultural starter packs. *Free State*: distributed a total number of 1 337 packages with an estimated number of 16 408 participants. *Gauteng*: distributed a total of 9 280 production packages. *Western Cape*: To date 54 households received 25 indigenous chickens each. *Limpopo*: the province is targeting revitalisation of 29 micro-enterprises budgeted at the value of R6 million. They further distributed 585 units (layers). *Northern Cape*: To date 350 households, 75 schools and 40 clinics benefited. To date Telefood supported 3 projects in South Africa. Total number of participants benefiting was 94. A total of 15 765 production packages was distributed. This figure excludes the number of micro-enterprises revitalised in Limpopo.
	Dispose of all unencumbered State land	Number of hectares disposed of by July 2007	10 000 hectares	A total of 20 farms with an extent of 11 044 hectares were disposed of during the current financial year.
	Accelerate implementation of Mafisa	Number of emerging farmers and rural entrepreneurs accessing Mafisa products	4 000 farmers and entrepreneurs	45 clients received loans and R15 million was disbursed (in the Eastern Cape by Uvimba) during quarter 1. A total of 27 poultry enterprises totalling R81 369 and 9 cash crop projects totalling R24 650 were funded from Mafisa. This amounts to R106 019 to 36 clients in the Eastern Cape for quarter 2. An amount of R3 462 790 was disbursed to 738 crop enterprises, R282 481 to 73 broiler enterprises and R8 900 000 for 89 ostrich enterprises. A total of R12 645 271 was disbursed to 900 clients during October/December 2007. An additional R11 million was approved for the Vaalharts cotton project involving 120 farmers. The amount disbursed during quarter 3 was R8 506 488 to a total of 906 clients. Two individual clients on ostrich enterprises were funded for R200 000. A total of 49 broiler enterprise clients received funding for R230 143. 855 clients received funding for crop enterprises to the amount of R8 070 845.

Sub-programme	Output	Performance indicator/ measure	Actual performance	
			Target	Actual achievement
Trade and Business Development	AgriBEE Charter, scorecards and codes	Charter and codes finalised	March 2008	AgriBEE Charter was published in the *Government Gazette* on 20 March 2008. A submission was sent to the Minister on the appointment and institution of the Charter Council.
	AgriBEE Equity Fund	Percentage of ownership	10% of ownership of all assisted agricultural enterprises comprising farmworkers, and 20% of ownership towards designated groups	Land Bank received 16 AgriBEE deal requests to the amount of R514 million with an employment potential of 2 844 people. The appraisal process is underway. In all cases 10% ownership goes to workers.
	Sector-specific strategies incorporating broad-based BEE	Number of strategies aligned with broad-based BEE guidelines and norms	2 strategies	The cotton contract between the DoA and the cotton industry for the implementation of the strategy and transformation process and establishment of cotton commodity structures was signed by the Director-General. The Grain Strategy was adopted by the Intergovernmental Technical Committee for Agriculture (ITCA).
Economic and Statistical Services	Report on the performance of the sector	Number and range of reports published	10 economic reviews, 15 topical reports, 6 statistical reports, 2 economic maps	*Economic reviews* – Annual Africa economic review and outlook report – Quarterly economic review and forecast report on South African agriculture – Economic review of the South African agricultural sector. *Reports* – Report on economic indicators of agricultural resource use in Africa – Report on the management and use of the national Financial Record System for Farms and Enterprises (FINREC) for economic analysis and farm planning and advice – Report on the management and use of the Computerised Budget (COMBUD) System – Monthly reports compiled and submitted to the Regional Early Warning Unit of the SADC – Report on a case study on equity access to land and water resources – Economic indicators relating to capital investment in agriculture – Comparative bench-mark studies for SADC countries on the utilisation of agricultural resources – Monthly crop estimate reports – Quarterly livestock estimates – Quarterly crops and markets report – Weekly commodity price watch reports – Monthly food security bulletins – Report on trends in the agricultural sector – Abstract of agricultural statistics 2008 – Report on statistics of sales of fruit and vegetables on fresh produce markets.

SERVICE DELIVERY ACHIEVEMENTS

Outputs of the programme, as specified in the *Strategic plan 2007*, are reported per quarter.

Quarter 1

Mafisa-funded projects during the first quarter included ostrich projects for 13 clients to the value of R1 175 000, broiler production for 26 clients to the value of R100 000, cash crops projects for 4 clients to the value of R107 000, implements for one client to the value of R10 000 and a piggery project for one client to the value of R10 400. Eleven savings accounts were opened by self-help groups (SHGs) and co-operatives as part of a savings mobilisation drive within Mafisa which comprised six accounts in Mpumalanga and five accounts in the Eastern Cape Province.

During quarter 1, loans to the value of R15 million were disbursed to 45 emerging-farmer clients in the Eastern Cape Province.

A total of 125 market access permits were issued during the quarter, R37 500 was raised in respect of issuing permits and seven Land Reform Revitalisation Projects (LRRPs) were assisted in the Gauteng Province.

During quarter 1, a total of 42 agricultural co-operatives were established in eight provinces. Two secondary co-operatives (the Bakenberg poultry secondary co-operative and Vhembe fresh produce marketing co-operative) were established, and a total of 189 agricultural co-operatives and SHGs were profiled to identify associated challenges.

The Agricultural market outlook report has been completed and published in the New Farmer Magazine and the Marketing Information System website for public access. The Economic review of the South African agriculture 2006 was published on 2 April 2007. The quarterly report on economic review and forecast on South African Agriculture was completed, and published on the web. The Crops and markets report was released on 23 May 2007. This report gives an indication of short-term market and economic indicators, as well as an overview of field crop production and of fruit and vegetable sales on the major South African fresh produce markets.

Quarter 2

A total of 27 poultry enterprises valued at R81 369 and cash-crop projects valued at R24 650 were funded from Mafisa during this quarter. This amounts to a total of R106 019 to 36 clients in the Eastern Cape Province for the quarter.

Six savings accounts were opened with the Post Bank by the following SHGs and/or co-operatives, which included Masoyi in Mpumalanga, Msinga Peace and Development Co-operative (KwaZulu-Natal), Udengezi project (KwaZulu-Natal), Vosloorus Farmers' Co-operative (Gauteng), De Deur Farmers' Co-operative (Gauteng) and Umzimbuvu Goat Co-operative (Eastern Cape).

Three Agricultural Co-operative Chambers of Commodities were established in the Eastern Cape (at Tsolwana Municipality), in North West (the Bojanala Chamber) as well as a sisal production and agro-processing chamber.

During this quarter, a total of 304 agricultural co-operatives and SHGs were profiled, including 8 SHGs in Gauteng, 4 co-operatives (poultry) in the Eastern Cape, 152 co-operatives and SHGs in Free State, 7 SHGs in KwaZulu-Natal, 30 SHGs in Mpumalanga, 91 co-operatives/SHGs in the Northern Cape and 5 co-operatives and 7 SHGs in Limpopo.

The implementation of the pilot of the Farmer-to-farmer Mentorship Policy began in the Northern Cape, Western Cape and Eastern Cape. Tenders for North West and Free State were resubmitted. The total number of projects was 667, and the number of beneficiaries 37 230.

As part of the LRRP five projects were completed in Gauteng Province and the total number submitted was eight. In Mpumalanga, 30 projects were submitted and two completed, at a cost of R679 270. Tenders on 12 projects were cancelled, and three new tenders were submitted. The other projects were assisted through quotations. In the Free State Province, 11 projects were submitted, of which three were assisted by the end October 2007. In the Northern Cape Province, 22 projects were submitted for assistance, and tenders are in for equipping these with solar-powered borehole pumps. The total number of projects submitted by the provinces is 71, but only 60 of these were to be assisted through the LRRP by December 2007. The total number of projects completed by the end of the quarter, was seven.

During quarter 2, a total of 27 agricultural co-operatives and three SHGs were formed. In the Free State Province, one for beef production in Hennenman, in KwaZulu-Natal Province, three (two vegetable co-operatives in Mtubatuba and Jozini, and one poultry co-operative in Jozini), in Mpumalanga two (one vegetable co-operative in Hazyview and one rice production in Zoeknog), in North West Province, 16 co-operatives (poultry, livestock and vegetables) and in Limpopo Province, five co-operatives and three SHGs.

Training was provided to 6 municipalities in the Free State, Buffalo City Municipality in the Eastern Cape, 3 municipalities in Gauteng, 2 districts in Mpumalanga, uMkhanyakude District in KwaZulu-Natal, 4 municipalities in North West and 3 municipalities in Limpopo.

The Food security bulletin was compiled monthly and submitted to the Regional Early Warning Unit of the SADC. A report on food price trends was completed and published.

Quarter 3

A total of 36 new agricultural co-operatives were established during quarter 3, including 15 in Mpumalanga at Gert Sibande and Inkomazi districts, four in the Eastern Cape at Inxuba Yethemba and Alfred Nzo districts and 17 in KwaZulu-Natal in Uthungulu and Zululand districts.

A total of 89 SHGs were established in all provinces through the Jobs for Growth Community Based Organisation (CBO) Programme.

A total of 172 bank accounts for SHGs were recorded during quarter 3. These included 107 accounts opened by Corn Masoyi co-operative members, 50 accounts by the Udengezi project in KwaZulu-Natal and 15 accounts by SHGs in Mangaung local municipality in the Free State. A Provincial Planning, Savings, Grant and Credit Committee was established in Mpumalanga to oversee savings and credit issues.

A breakdown of disbursed loans of Mafisa funded projects during quarter 3, indicated R3 462 790 to 738 crop enterprises, R282 481 to 73 broiler enterprises and R8,9 million to 89 ostrich enterprises.

Altogether R12 645 271 was disbursed to 900 clients during the period between October and December 2007. This was disbursed through Uvimba Finance in the Eastern Cape. An additional R11 million was approved by the Land Bank for the Vaalharts cotton project, involving 120 farmers.

An inventory of South Africa's nontariff barriers (NTBs) affecting agricultural trade was compiled and submitted to the SACU Secretariat. A draft position on the phasing out of NTBs has been completed.

Telefood supported three projects in South Africa, which are the Vuk'unzele project (Free State) with an amount of R69 300, the Tfutfukani MaSwati Vegetable Production Project (Mpumalanga) with an amount of R69 695 and the Ekujabulweni Ekhaya Labantwana (KwaZulu-Natal) with an amount of R70 000.

A total of 7 339 households benefited from various forms of production packages, including Gauteng, 1 518 production packages; in the Western Cape, 54 households received 25 indigenous chickens each; in Limpopo, targeting revitalisation of 29 micro-enterprises budgeted at R6 million and further distribution of 294 units (layers); and in the Northern Cape, 350 households: 75 schools and 40 clinics benefited.

Quarter 4

Funds were disbursed to two Centres of Excellence. The MoU was signed with Tompi Seleka College of Agriculture on the establishment of a Centre of Excellence within Limpopo Province.

The Farmer-to-farmer Mentorship Programme was implemented in 23 projects. A total of 16 land-reform projects from Gauteng and Mpumalanga have benefited from the LRRP and 14 Settlement Land Acquisition Grant (SLAG) projects benefited from CASP during the 2007/08 financial year.

The draft Marketing of Agricultural Products Amendment Bill was completed and discussed with all provinces for inputs and comments, and is now ready to be sent to the Directorate Legal Services before it is published for public comment.

A draft proposal has been completed to link the permit allocation policy with the AgriBEE Policy. The proposal could only be concluded after the AgriBEE Charter was approved. This project will now be concluded in quarter 1 of 2008/09.

A total of 162 market-access permits were issued on time during the quarter.

Awareness of the Commodity Approach Model was conducted in two local municipalities, Thembisile Local Municipality and Dr JS Moroka. Farmers and officials attended the session.

Ten information-sharing workshops on co-operative development were conducted during the quarter in the following districts: 2 in Vhembe, 1 in Capricorn, 1 in Waterberg and 6 in Sekhukhune.

Seven members of the Nama co-operative in the Free State were trained in co-operative governance. Approximately 45 members of a newly established co-operative in the Naledi District (Free State) were inducted in co-operative governance and management. Eleven extension officers were orientated in co-operative development in Fezile Dabi district municipalities; 10 extension officers and three local economic development officers were trained in co-operative governance and co-operative principles in the Cradock (Inxhuba yethemba) Service Organisation.

A financial and credit management course for 25 Mafisa provincial champions was presented and facilitated by personnel from the Directorate Agricultural Development Finance.

PROGRAMME 3

Biosecurity and Disaster Management

PURPOSE

To develop and implement policies for food safety, agricultural risk and disaster management and for controlling animal and plant diseases.

The programme comprises two subprogrammes:

Plant Health and Inspection Services focuses on policies and systems to control plant diseases and on making sure that illegal agricultural products do not enter and leave South Africa. It also ensures that plant products are of good quality.

Food, Animal Health and Disaster Management manages animal diseases and assists in negotiating protocols for importing and exporting animals and animal products, makes sure that animal products are of good quality and safe, and develops the agricultural risk and disaster management policy framework.

MEASURABLE OBJECTIVE

Reduce the incidence of animal and plant diseases and pests and ensure compliance with international and national agricultural risk and disaster management measures through improved risk management systems.

SERVICE DELIVERY OBJECTIVES AND INDICATORS

Sub-programme	Output	Performance indicator/ measure	Actual performance	
			Target	Actual achievement
Plant Health and Inspection Services	Strategy on the evaluation and certification of regulated articles	Approved strategy	March 2008	Certification system has been drafted.

Sub-programme	Output	Performance indicator/ measure	Actual performance	
			Target	Actual achievement
Plant Health and Inspection Services (*cont.*)	Risk profiling system for regulated articles	Approved system	March 2008	Three risk profiling systems have been developed according to the type of environment, i.e. airports, seaports and land borders. The risk profiling system for the airport was drafted and is being implemented. The risk profiling system for the land border and seaports: a draft is ready, but is not implemented yet.
	Expansion plan for sniffer dogs at ports of entry	Approved roll-out programme	June 2007	Sniffer dog roll-out plan was tabled for approval at the end of June 2007. New officials at the dog unit have completed their 3 months' training. The directorate is currently in the process of procuring a further 5 sniffer dogs that will form part of the Sedupe K9 Sniffer Dog Roll-out Programme.
	Plant Protection Bill	Approved Plant Protection Bill	March 2008	Draft Proposed National Plant Protection Bill: Pending a decision on the Plant Health Policy.
Food, Animal Health and Disaster Management	Climate awareness campaigns and advisories	Increase in percentage of technology transfer officers reached in terms of disaster risk	10% increase in officers reached annually	Risk and disaster information was provided to 600 technology transfer officers last year. 105 officials have been reached this year.
	Manage veterinary bio-security risks	Reports on contingency plans completed	March 2008	No new contingency plans were completed this year.
		Report on surveillance and sound rapid response for veterinary biosecurity risks completed	September 2007	An implementation protocol was signed by all provincial Heads of Departments and the Director-General. Bovine spongiform encephalopathy (BSE) surveillance is continuing. 13 veterinary movement permits were issued, a total of 2 701 export-related certificates were issued, 9 437 veterinary import permits were issued, some consignments were detained, and there are risks assessments on the way.
	Food Control Strategy	Approved strategic plan for food control system for South Africa	March 2008	The process of compiling the country profile—75% of work has been done. Final draft will be submitted by end of April 2008 for government inputs. Final completion of project: end May 2008.

SERVICE DELIVERY ACHIEVEMENTS

Further information on outputs of the programme, as specified in the *Strategic plan 2007*, is provided per quarter.

Quarter 1

Coping strategies for drought were completed and translated into 10 official languages. A total of 1 500 fruitfly bookmarks were distributed and 3 900 pamphlets on activities of the Directorate Plant Health and plant health matters were distributed. A draft pamphlet on South African quarantine matters was finalised.

An audit inspection of wood was done simultaneously with import and export inspections. Inspections conducted, amounted to 10 852 and included physical inspections, nursery, field, bulk and liquor inspections. A system has been put in place to detect importers who do not comply with the extended detections. The golden cyst nematode survey protocol is being revised and updated, and the survey is ongoing.

During the first quarter, 1 513 samples (that represent the same number of export consignments) were analysed by the laboratories. A total of 772 (or 51% of the samples) were found to contain pesticide residue. Of these, 23 samples (or 3%) that contained pesticide residue above the maximum residue limit (MRL) were confirmed by a gas chromatograph/mass spectrometer, and were subsequently rejected for export. A total of 16 samples of rooibos tea had a total bacterial count exceeding the legal limit, and were rejected for export.

A total of 5 709 analyses of wine were conducted for compositional compliance; 33 analyses of wine for heavy metals; 97 analyses of wine alcohols; 20 analyses of wine for Ochratoxin-A; 19 analyses of wine for malic acid, and 57 analyses of wine for artificial sweeteners.

During quarter 1, the following import permits were issued or amended:

- 852 permits were issued, 38 permits amended and 195 applications sent to the pest risk analysis (PRA) division for risk analysis.
- Stellenbosch office issued 15 permits for the importation of genetic material, 2 permits for importation of strawberries.
- Phytosanitary citrus registrations for fruit exported to South Korea and persimmon exports to Israel were conducted.
- 6 504 new animal identification marks were finalised and 5 449 certificates in this regard issued.
- 89 marking operators were registered in the National Register of marking operators.

Quarter 2

A submission of the proposed amendments with regard to the export standards and requirements for cherries was sent to the Executive Officer of the Agricultural Product Standards Act of 1990 for signature. Export standards and requirements for plums and prunes as well as export standards and requirements for peaches and nectarines were published on 17 August 2007.

A microbiological analysis of rooibos tea was conducted, and a total number of 845 samples were received and analysed by the laboratory, of which a total number of 18 samples had a bacterial count exceeding the legal limit and were subsequently rejected for export.

An article on an Awareness pogramme on exotic fruitflies was published in the *Nufarmer* and *African Entrepreneur* newspapers. Articles submitted for publication in *AgriNews* included an extraordinary meeting of the Commission on Phytosanitary Measures of the International Plant Protection Convention, held in Rome, Italy, The South African fruitfly action plan, Notice on Annual Citrus Export Co-ordination meeting as well as a report on the meeting mentioned, which was held in Stellenbosch. A report entitled Plant health early warning systems workshop: surveillance of exotic fruitflies was also published in *AgriNews*. Co-ordination took place with role players to draft an article on Movement of citrus propagation material to be published in *AgriNews*.

Regarding the export of regulated articles, one pest list and 25 import requirements were finalised; 2 import protocols and one interception were assessed. An article was finalised on the export of regulated articles; 2 pest information packages were finalised/communicated and two export protocols assessed. One phytosanitary certification request was assessed as well as three noncompliance assessments.

Quarantine evaluation of genetic material takes place before varieties are released onto the local agricultural scene. During this quarter, 34 new varieties were tested, imported units at external quarantine sites were monitored/sampled, pest and disease management of imported units were handled and regular liaison with importers continued. The construction of a new chemical pesticide store at Stellenbosch is underway and quotations are being obtained.

A presentation dealing with the prohibition of movement of citrus propagation material within South Africa was conducted at the Letaba Agricultural Show in Limpopo Province from 9 to 11 August 2007. Emerging farmers from the Tzaneen municipality and Letaba district attended the show, where about 300 clients visited the stand. At the Sasol Techno Expo, presentations on rabies prevention and control were made to children from various surrounding schools. This was held from 13 to 17 August 2007. Presentations were also made at the Pretoria Agricultural Show.

Three surveys were conducted on the larger grain borer, national exotic fruitfly surveillance and, as part of research projects through the ARC, the American foal brood survey. Four provincial audits were done on ostrich-meat export establishments, and two national audits on registered farms for export of ostrich meat to the European Union (EU).

The Animal Quarantine Inspection Services (AQIS) personnel issued 2 913 export certificates, one of which was rejected (0,03 %). The Pretoria Permit Office issued 1 117 import permits for plants, plant products and related regulated articles and the Stellenbosch Permit Office issued 59 permits for the importation of genetic plant propagation material of 180 new varieties. A total of six permits were issued for the importation of commercial quantities of plant propagation material from various countries.

The permit office of the Directorate Veterinary Services issued 11 475 permits during this quarter. Approximately 2 966 permits were issued for poultry meat, 914 permits for dairy products as well as 2 457 for products for own consumption.

Organised youth in agriculture at Mnquma municipality were trained as marking operators during this quarter.

Veterinary procedural notices were updated to include reference to the ostrich protocol on avian influenza and the requirements in terms of residue monitoring.

Quarter 3

A drought assessment was conducted in Gauteng, while flood assessments were carried out in North West, the Eastern Cape and Western Cape provinces.

Regarding the import of regulated articles, one draft pest list on *Prunus* conditions was updated; two interceptions were assessed; 26 import requirements were finalised; two import protocols; and seven interceptions were assessed. Assessments made on the export of regulated articles included eight phytosanitary certification requests and finalising 12 noncompliance assessments. A total of 15 287 diagnostic assessments were made; 9 779 detections and identifications; and 11 quarantine interceptions.

The office of the Directorate Veterinary Services issued 12 435 veterinary import permits during this quarter. A total of 3 100 export certificates were issued by AQIS personnel and none was rejected (0 %). The Stellenbosch Permit Office issued 59 permits for the importation of genetic plant propagation material of 180 new varieties. Six permits were issued for the importation of commercial quantities of plant propagation material from various countries. The Pretoria Permit Office issued 1 170 import permits for plants, plant products and related regulated articles. Plant permits totalled 2 441; animal permits were 1 069, and 1 618 health certificates were issued.

Three-monthly advisories were issued to the sector. Some 112 daily severe weather warnings were also issued. A report on monthly advisories and daily warnings issued in 2007 is available. Standard operating procedures (SOPs) for disasters were developed and forwarded to the provinces. Preliminary disaster assessments were carried out in the provinces within a week.

Awareness posters were developed on the movement of citrus propagation material. About 300 bookmarks and 12 posters on fruitfly were distributed as well as 1 600 plant health pamphlets and 900 inspection services pamphlets.

During this quarter, 6 124 imported consignments were inspected, 31 of which were rejected (0,5 %); 30 282 plant inspections were conducted; 223 annual and routine inspections were carried out at veterinary-approved facilities to maintain import or export registration and supervision where these facilities fall under AQIS control. Altogether 1 392 production units and 233 packhouses were registered. Notification of 47 interceptions was received from trading partners. The number of rejections issued amounted to 2 237.

The International Standards for Phytosanitary Measures (ISPM) registered 15 treatment providers, and manufacturers for wood packaging material are still being audited. The early warning system for fruitfly surveillance continues and fruitfly traps are being serviced regularly by the inspectors. Galley waste bins are still being monitored and audited according to the SOP. The delimiting survey on golden cyst nematode on potatoes in the different regions is continuing. The citrus black spot survey in the Vredendal area was concluded. The Knysna and Mossel Bay area survey was cancelled because of heavy rain and floods.

A detection survey is in progress to determine the extent of the spread of *Phytophthora palmivora* in the citrus-production areas. Control measures were developed in terms of the Agricultural Pests Act of 1983, which included the establishment of a 5-km buffer zone around the citrus foundation block. An amendment to the Act will also provide for the prohibition on the movement of citrus propagation material. As a potato control measure, an area in the Northern Cape has been proclaimed as a potato-production area.

A training session was held at Sebokeng, where 12 farmers were trained as marking operators. Ten emerging farmers were empowered with quality assurance training on citrus fruit.

Quarter 4

During this quarter, disaster assessments were conducted in Limpopo, Mpumalanga, Free State and North West provinces.

A total of 47 weed assessments were concluded; 14 import requirements were finalised; 27 biological control assessments were finalised; 38 research or laboratory analysis applications were assessed and three surveys were completed.

Altogether 5 317 phytosanitary certificates were issued and 2 115 inspections conducted during this quarter.

The Stellenbosch Permit Office issued import permits for plants, plant products and related regulated articles. A total of 59 permits were issued for the importation of genetic plant propagation material of 180 new varieties. Six permits were issued for the importation of commercial quantities of plant propagation material from various countries. The Pretoria office issued 1 002 import permits for plants, plant products and related regulated articles.

Three-monthly advisories for 2007/08 were issued to the sector as well as 112 daily severe weather warnings.

The programme participated at the Science Unlimited Exhibition held at the Pretoria Show to promote the activities of the directorates Plant Health and Agricultural Product Inspection Services which, together, form the National Plant Protection Organisation of South Africa, and promoted plant health matters regarding import and export of plants and plant products. Plant health legislation was also promoted and information sessions were conducted on the organisation and functions of these two directorates, as well as FARA, ASGISA and the African Growth and Opportunity Act (AGOA) of 2000 of the United States of America (USA). Approximately 850 bookmarks and 45 posters on exotic fruitfly *(Bactrocera invadens)* were distributed, as well as 750 bookmarks on exotic fruitfly *(Bactrocera zonata)*, 8 400 pamphlets on South African quarantine matters, 10 posters on citrus propagation materials and 2 000 pamphlets on the activities of the Directorate Plant Health.

Nakop and Vioolsdrif border posts were visited as part of the monitoring awareness programme.

The dissemination of National Agro-meteorological Committee (NAC) advisories was monitored during the financial year 2007/08 in Limpopo, Mpumalanga and the Eastern Cape, as well as the departmental programmes, i.e. Mafisa, CASP and LandCare.

Capacity-building workshops were conducted in three provinces, namely North West, KwaZulu-Natal and the Western Cape. Short courses on agrometeorology were conducted for NAC members in July 2007, February 2008 and March/April 2008 by the University of the Free State. About 83 officials were trained.

Three risk-profiling systems have been developed according to the type of environment, i.e. airports, seaports and land borders. The risk-profiling system for airports was drafted, and is being implemented. A draft is ready for the risk-profiling system for the land borders and seaports, however, it has not been implemented yet. A certification system has been drafted.

The following were amended and published in the *Government Gazette*:

- Regulations relating to grading, packing and marking of maize products
- Standards and requirements regarding the export of citrus
- Amendments for pineapple and cut flower export standards and requirements
- Amendments of local regulations for pome fruit, subtropical fruit and free-range and barn poultry products.

During this quarter, 2 115 inspections were conducted by the Directorate Plant Health. This included a total of 36 365 inspections of imported consignments, 37 of which were rejected.

A report on *Plant health early warning systems workshop: Surveillance of exotic fruitflies* was published in *AgriNews*, as well as a report on *Warning: declare all quarantine items on arrival in South Africa* in the following magazines: *Sawubona*, *Equinox* and *Explore South Africa*. An editorial article with regard to import control entitled *Help safeguard South African agriculture and biodiversity: don't bag a bug!* was published in *Sawubona*; 25 000 bookmarks on exotic fruitfly (*Bactrocera zonatas*) were printed; and 25 000 bookmarks on exotic fruifly *(Bactrocera invadens*) were reprinted. An article was also published in *AgriNews* on the *Movement of citrus propagation material.*

The net primary production (NPP) contact point submission to the International Congress of Entomology (ICE) presentation was accepted.

A pamphlet was drafted on plant health (phytosanitary) issues relating to import and export of plants and plant products—currently waiting for inputs for layout and design. Draft documents were also developed for plum pox disease caused by plum pox virus; Pierce's disease of grapes caused by *Xylella fastidiosa* and sudden oak death caused by *Phytopthora Ramorum,* and more information was collected to develop a draft on citrus canker disease.

PROGRAMME 4

Production and Resources Management

PURPOSE

To manage productivity and sustainability in agriculture, monitor and control genetically modified organisms, and develop and implement policies and legislation on the sustainable use of agricultural land and water resources.

The programme comprises two subprogrammes:

Agricultural Production facilitates improvements in agricultural productivity with the emphasis on sustainable animal, aquaculture and plant production systems and administers the Plant Improvement Act of 1976, Plant Breeders' Rights Act, of 1976 and the Animal Improvement Act of 1998.

Engineering, Energy, Resource Use and Management facilitates the development of agricultural infrastructure and use of agricultural resources. Other activities include auditing natural resources, controlling migratory pests, rehabilitating and protecting agricultural land and running the community-based LandCare Programme.

MEASURABLE OBJECTIVE

Improvement of productivity and profitability in the agricultural sector, and sustainable use and protection of land and water resources.

SERVICE DELIVERY OBJECTIVES AND INDICATORS

Sub-programme	Output	Performance indicator/ measure	Actual performance	
			Target	Actual achievement
Agricultural Production	Animal Improvement Programme	Livestock support and mentorship programmes for black farmers	March 2008	Livestock support and mentorship programme report was published. Feedlot programme/annual progress report was published, titled *Development of feedlots and market access for emerging and communal beef farmers.*

Sub-programme	Output	Performance indicator/ measure	Actual performance	
			Target	Actual achievement
Agricultural Production (*cont.*)	Information management system on plant production	Database for fruit, grain and vegetables published on agricultural geographic information system	March 2008	The composition of the database was completed. The information includes production guidelines for various crops, crop profiles, management calendars and other related matters. The databases will be valuable tools to extension officers in terms of decision-making processes.
	Plant and Farm Animal Genetic Resources Conservation Programme	Status report on establishment of farm conservation projects published	March 2008	All projects are nearing completion, and reports in terms of service level agreements with the ARC were received for groundnuts, beans and maize. Onfarm conservation in Sterkspruit implemented and monitored (8 villages and 19 farmers). All onfarm multiplication projects of the National Plant Genetic Resources Centre (NPGRC) in KwaZulu-Natal, Mpumalanga and Limpopo were planted for the 2007/08 season.
Engineering, Energy, Resource Use and Management	Land Rehabilitation Programme	Published National Action Plan	March 2008	Action plan and methodology for national Land Assessment in Dryland Areas (LADA) Programme was finalised.
	Irrigation Development Programme	Status report on water use efficiency programme on 50 000 ha of irrigated land published	March 2008	Database for 50 000 hectares under irrigation is available. The Irrigation Strategy was approved by the Agriculture and Sustainable Rural Development Committee (ASRDC) and the Departmental Executive Committee (DEXCO). The analytical report on the water use efficiency programme on 50 000 ha of irrigated land was compiled and submitted.
	Infrastructure Development Programme for Biofuels	Infrastructure database established	December 2007	Maps showing production potentials for feedstock production areas were developed. These maps will then inform infrastructure surveys in production areas.

SERVICE DELIVERY ACHIEVEMENTS

Outputs of the programme, as specified in the *Strategic plan 2007*, are reported per quarter.

Quarter 1

The project of introducing agro-forestry species on the soil moisture regime of traditional cropping systems in rural areas was implemented.

Three boreholes were drilled in the Eastern Cape.

During this quarter authorisations were granted under the Plant Breeders' Rights Act of 1976, including 27 varieties granted under the plant breeders' rights (PBR), 29 varieties rejected for PBR and PBR expired/cancelled for 6 varieties. Authorisations granted under the Genetically Modified Organism Act of 2006, included 33 import permits, 24 export permits, 20 used as commodities, one extension permit and 59 genetically modified organisms (GMO) status certificates issued.

The Genetically Modified Organisms Amendment Act was signed by the President on 11 April 2007.

The Gene Bank maintains 5 601 wild and landrace accessions, and approximately 1 300 open-pollinated varieties. Three precollection missions (Mafikeng, Rustenburg and Lebowa Kgomo) were carried out during the quarter. Other Gene Bank procedures included multiplications: ongoing; all crops have been harvested and cleaned; germination testing: 0 accessions; characterisation: cob and seed characters of 50 maize accessions; documentation:

268 active, 39 storage, 0 germination; characterisation: 200; maize storage: 621; tissue culture: all sweet potato and cassava and 60 accessions of strawberries were subcultured during the quarter.

During the period under review, posters were developed on indigenous ornamental crops, pot plants and cut flowers. Brochures were also developed on indigenous food crops, grain crops, medicinal plants and fruit: subtropical, deciduous and citrus.

Approximately 105 requests for information and advice, which were dealt with promptly and timeously, were received. These referred to the following matters: List of maize, wheat and flower seed producers for export opportunities as well as information on matters relating to the production of various crops as part of departmental inputs towards updating the South Africa Yearbook.

Quarter 2

The capacity-building programme for the production of proteas was successfully completed. It was conducted in the Alfred Nzo district of the Eastern Cape Province. About 20 candidates were trained in various cultivation practices relating to proteas.

The following import authorisations were handled: semen straws—232 366; embryos—1 429; cattle (slaughter)—192 970; cattle (grazing)—41; cattle (research)—17; cattle (permanent)—57; sheep (slaughter)—92 515; sheep (permanent)—1 484; goats (slaughter)—200 401; goats (grazing)—45; goats (shows)—29; goats (permanent)—3 362; horses (shows)—215; horses (permanent)—225; poultry—148 807; pigs (permanent)—88; and water buffaloes—4. During this quarter export authorisations handled included: embryos (cattle)—856; embryos (sheep)—44; cattle—49; sheep—490; goats—340; and horses—31.

All onfarm multiplication projects were visited for monitoring purposes and these included six farmers in KwaZulu-Natal (KwaNgwanase and Bergville), two farmers in Mpumalanga (KwaNdebele) and seven farmers in Limpopo (Sekhukhune).

The Gene Bank presently maintains 5 678 wild and landrace accessions and approximately 1 400 open-pollinated varieties. Two collection missions were carried out within the quarter: one in North West Province (Mafikeng and Zeerust), during which 34 accessions were collected, and one in Limpopo (Sekhukhune), during which 80 accessions were collected.

During this quarter certificates issued in terms of the Plant Breeders' Rights Act of 1976 included the following: 45 varieties were granted, 13 varieties were rejected and 16 varieties expired/cancelled of which 3 were GMOs.

Posters were developed on citrus fruit and grain crops as well as brochures on fibre crops and cut flowers.

During the period under review 95 requests were received for information and advice, which were dealt with promptly and timeously. These referred to the following matters: production areas of sunflower in SA and the list of co-operatives; list and location of silos; dry bean production and marketing; oganic farming; production practices for sugar cane, cotton, honey bush tea and tobacco; acquisition of planting material for herbs; training on production on use of herbs for medicinal purposes; marketing of essential oils; production practices and diseases of mango; production of olives and strawberries; list of maize, wheat and flower seed producers for export opportunities; growing season of maize, beans and sorghum; production practices of sweet sorghum; and list of producers of dry bean and red speckled bean.

Quarter 3

The Integrated Registration and Genetic Information System (INTERGIS) database, is fully functional, and the annual report was published.

The capacity-building programme conducted in the Vhembe district of Limpopo Province for production of mangoes was completed successfully. About 35 candidates were trained in various cultivation practices for mangoes.

An annual progress report was published, entitled *Development of feedlots and market access for emerging and communal beef farmers*. The guidelines on production of dryland crop farming were developed and completed during the period under review. Various stakeholders made inputs into these guidelines.

Capacity-building programmes were concluded on Fish Health Management for Veterinarians; Working in Groups Approach for Animal Scientists in Extension and Milch Goat Programme for Extension Officers.

Import authorisations processed during quarter 3 included semen straws (cattle)—143 680; semen straws (horses)—7 341; cattle (feedlot)—183 074; cattle (slaughter)—300; cattle (pasture)—81; cattle (research)—1 135; cattle (permanent)—1 135; sheep (feedlot)—84 200; sheep (slaughter)—4 500; sheep (shows)—36; sheep (permanent)—1 550; goats (feedlot)—169 100; goats (slaughter)—1 250; goats (shows)—7 701; goats (permanent)—63; horses (shows)— 63; horses (permanent)—123; and poultry—151 565. Export authorisations handled during this quarter included: cattle—133; sheep—156; goats—311; and horses—137.

The Gene Bank presently maintains 5 778 wild and landrace accessions and approximately 1 400 open-pollinated varieties.

Other Gene Bank procedures included multiplications: ongoing. All crops for planting were removed and delivered to the ARC (300 maize, 112 groundnuts, 333 common beans and 10 pumpkins). All crops for planting at the NPGRC were planted, field-emergence monitored and replanted where necessary. Other Gene Bank tests included 114 accessions for purity testing, 165 accessions for sealing and storage, 108 accessions for germination testing, documentation: 100 registrations; germination: 24; collection data: 79; tissue culture: 14 sweet potatoes and 45 accessions of strawberries were subcultured in the quarter.

An onfarm conservation project was implemented in Sterkspruit (8 villages and 19 farmers). Preparations have been made to initiate onfarm conservation in Venda (Thulamela and Mutale Municipalities).

A capacity-building programme on the production of mangoes was successfully completed. It was conducted in the Vhembe district of Limpopo Province and about 35 candidates were trained in various cultivation practices of mangoes.

During the period under review, posters were developed on subtropical fruits, beverages and fibre crops. Brochures were also developed on fruit: cherries and strawberries; indigenous crops: amaranthus, bambara, cowpea, cassava, mungbean, marula and baobab. Brochures on indigenous food crops were submitted to Directorate Agricultural Information Services for design: industrial crops—cotton, tobacco, coffee, african potato and kooigoed. Brochures on flax, rooibos, sugarcane and sisal were printed.

During this quarter 353 samples were tested for purity and for germination. This was made up of 161 for trade control and 192 imported seed. About 706 purity and germination tests were conducted on these samples. Of these, 30 samples did not comply with the requirements as specified in legislation, and recommendations were made for action to be taken, i.e. remarking where applicable, and withdrawal of nonconforming seed lots.

A total of 16 complaints were received for investigation, 12 of which were resolved successfully to the satisfaction of affected parties. Approximately 139 samples were received and 139 international certificates issued, i.e. 106 seed-lot (orange) and 33 seed samples (blue), for this purpose. The seed types included a range of agronomic and horticultural crops such as onion species, carrot, sunflower, lupins and dry beans. Another 11 samples were received for the issuing of national test reports. One sample was received for identification by the National Seed Collection taxonomist for the private sector. Six investigations were conducted during this period. A total of 45 germination tests were also conducted for the National Gene Bank, and 10 samples were in order to obtain seedlings that were then grown in their glasshouse.

Quarter 4

At Spitskop the operation and maintenance of soil conservation structures included the removal of 60 ha trees from sediment behind structures. Prosopis was removed on 2 744 ha (LRAD-support) and 70 ha were completed at Witsyfer (Calvinia).

At Kosi Bay, a 45-km fence was completed and 21 culverts constructed. At Punda Maria, a 28-km elephant fence was erected and one structure across dongas was completed. At Letaba River, a 12-km elephant fence was completed and a large river crossing is in the process of being constructed. At Altien, a 12-km elephant fence and at Kruidfontein, a 9-km fence were completed. At Malala Drift, 15 km of fence was cleared and at Bray, a 6-km fence was completed.

Export authorisations included: cattle—13, sheep—189, goats—470, and horses—30. During this quarter the following import authorisations were processed: semen straws for cattle and horses—307 054, cattle embryos—256; cattle, sheep, and goats for feedlots—248 400; cattle, sheep, and goats for slaughter—60 925; cattle, sheep, and goats for pasture—546; cattle, sheep, and goats (permanent)—6 612; horses, sheep and goats for shows—4 567; and stud mating sheep—one.

A total of 375 inspections were conducted on 33 887 hectares for CASP, LRAD and related projects to resolve malpractice related to regulations of the Conservation of Agricultural Resources Act (CARA) of 1983. A further 111 inspections were conducted on 8 246 hectares of land to resolve malpractice relating to CARA regulations and 56 inspections were conducted on 32 380 hectares of land to monitor CARA compliance on LandCare projects.

The Programme on Poultry Production for the SADC linked to AviAfrica 2008, was approved by the Minister, and implemented.

Import authorisations were processed on seed crops; 108 authorisations for 360 varieties; and four authorisations were issued for establishment of other varieties (unlisted other).

Other import authorisations processed during this quarter included semen straws (cattle)—306 740; semen straws (horses)—134; embryos (cattle)—256; cattle (feedlot)—90 950; cattle (slaughter)—6 852; cattle (pasture)—125; cattle (permanent)—714; sheep (feedlot)—70 700; sheep (slaughter)—33 350; sheep (pasture)—231; sheep (shows) 4 379; sheep (stud mating)—1; sheep (veterinary services)—3; sheep (permanent)—2 232; goats (feedlot)—86 800; goats (slaughter)—20 723; goats (pasture)—190; goats (shows)—88; goats (permanent)—3 672; horses (shows)—100; horses (permanent)—250; and poultry—147 701. Export authorisations during this quarter included: cattle—13; sheep—189; goats—470; and horses—30.

The Gene Bank presently maintains 5 789 wild and landrace accessions of 1 664 varieties, including authentic seed samples for variety control. There is one collection mission of wild species in the Waterberg and one in Loskop Dam Nature Reserve. With regard to multiplications, all projects are nearing completion, and reports in terms of service level agreements with the ARC were received for groundnuts, beans and maize. Millet and sorghum production failed because of severe bird damage (extended rains late into the season caused the brown paper bags used to control pollination and protect against birds to weaken, allowing panicles to push through). The cowpea trial at the Range and Forage Unit were 'harvested' by wild animals (100 % loss).

Other Gene Bank procedures included 27 accessions for purity and cleaning, 173 accessions for germination testing, 225 for maize characterisation, 118 sorghum and 28 millet (vegetative characters only). Other processes included documentation: 185 registration; 0 active; 0 storage; 173 germination; 0 characterisation, 11 SADC Documentation and Information System (SDIS) collection data; storage: 88 accessions. The Gene Bank also subcultured/resterilised the tissue culture of 95 sweet potatoes; 143 strawberries were subcultured and attempted to be cleaned (bacterial infection) using Streptomycin; and growing of wild species: four accessions.

The composition of the databases was completed during the period under review. The information includes production guidelines for various crops, crop profiles, management calendars and other related matters. The databases will be valuable tools to extension officers and farmers in terms of decision-making processes.

During the period under review, 180 requests for information were received on industrial crops, seed production, organic farming, ornamental plants, breeding programmes, indigenous plants, fruit and grain crops. Information on how to start a cut-flower business was also requested and the client was furnished with detailed information on the subject, and given a list of cut flowers to consider. Other information provided was on how to get a certificate for bush-harvesting of proteas.

During the period under review 314 samples were tested for purity and germination. This was made up of 150 trade control and 164 imported seed. About 628 purity and germination tests were conducted on these samples. Out of these, 47 tests did not comply with the requirements as specified in legislation, and recommendations were made for action to be taken, i.e. re-marking were applicable, and withdrawal of nonconforming seed lots.

A total of 16 complaints were received for investigation, and all have been completed successfully. A number of these complaints have been from farmers with regard to poor emergence under field conditions for groundnuts and maize. In most cases, samples were received from the farmers, however, only in a few cases could an official sample be taken from a sealed bag from the original seed lot at the farmer's premises.

Follow-up was done with the assistance of the Agricultural Product Inspection Services audit officers, and comparative testing of the company laboratory samples was conducted. Reports were finalised and sent to the applicable persons. However, as a regulatory authority, only observations were made. It remains the responsibility of the farmers and the seed companies to resolve the dispute, using the results that were found as the basis for the discussions between them.

Another 75 samples were received and 152 international certificates issued, i.e. 141 seed lot (orange) and 11 seed samples (blue), for this purpose. Seed types included small quantities of various horticultural crops, with the majority for sunflower and maize. Only one sample was received for the issuing of national test reports. One sample was received for identification by the National Seed Collection taxonomist for the private sector. Ten investigations were conducted during this period. Most were for internal purposes, and 246 samples were tested for the National Gene Bank for the purposes of evaluating the quality of seed samples before or during the storage process. The investigation of *Hibiscus cannabinus* (kenaf) had results varying from good to poor. An optimum germination method had to be developed on this new crop type before the investigation could be finalised. The client was very satisfied with the results. Altogether 45 germination tests were also conducted for the National Gene Bank, and 10 samples were in order to obtain seedlings that were then grown out in glasshouses.

PROGRAMME 5

Sector Services and Partnerships

PURPOSE

To manage and co-ordinate intergovernmental, stakeholder and international relations, agricultural education and training, extension and advisory services, as well as research and technology development.

The programme has two subprogrammes:

Sector Services focuses on policy and strategy for agricultural education and training, research, extension and advisory services and manages the transfer of funds to the ARC.

International, Intergovernmental and Stakeholder Relations provides leadership and co-ordination in all facets of international relations within agriculture and co-ordinates intergovernmental and stakeholder relations nationally.

The programme provides services to the sector and department in the areas of intergovernmental, stakeholder and international relations, manages and co-ordinates education and training and the Grootfontein Agricultural Development Institute. It also guides agricultural research and extension and advisory services.

MEASURABLE OBJECTIVE

To maximise growth in the sector through providing skills, agricultural education and support services to emerging and established farmers, including women, youth and the disabled.

SERVICE DELIVERY OBJECTIVES AND INDICATORS

Sub-programme	Output	Performance indicator/ measure	Actual performance	
			Target	Actual achievement
Sector Services	Performance improvement plan for extension and advisory services	Approval of the plan by sector partners	By March 2008	The capacity-building plan for extension personnel was approved by DEXCO as part of the recommendations of the report on the profile of Government extension officers. A Ministerial Extension Indaba was held in East London, and numerous inputs were formulated regarding the implementation of the plan; particularly roles and responsibilities of partners.

Sub-programme	Output	Performance indicator/ measure	Actual performance	
			Target	Actual achievement
Sector Services (*cont.*)	Agricultural Research and Development Strategy	Adoption of the strategy by sector partners	By June 2007	The strategy was approved in June 2007, and by the end of quarter 3, the Strategy Implementation Plan Framework was approved by DEXCO.
	Training and mentorship of agrarian and land reform beneficiaries	Number of beneficiaries trained and mentored in 2007/08	10 000 beneficiaries	About 7 200 mentees were enrolled for mentorship support through the commodity organisations. About 808 mentees completed short courses (skills programmes through GADI in the area of sheep and goat production, including aspects of value addition and mechanisation).
International, Inter-govern-mental and Stakeholder Relations	Strengthened international agricultural relations	Number of signed bilateral and multilateral agreements in 2007/08	Four agreements	A five-year capacity-building for South African Professionals in the field of Agriculture and Food Security (with initial emphasis on International Development Co-operation) was signed between the FAO and the Minister. ARC signed a co-operation agreement with the Japanese University of Agriculture Technology.
	Strengthened inter-govern-mental and stakeholder relations	Protocol on the implement-ation of norms and standards signed and implemented	March 2008	Participation of DoA in cluster meetings was facil-itated. Meeting of the Minister and principals was facil-itated. Meetings of Chief Executive Officer (CEO) Forum Steering Committee were facilitated.

SERVICE DELIVERY ACHIEVEMENTS

Further information on outputs of the programme, as specified in the *Strategic plan 2007*, is provided per quarter.

Quarter 1

A Memorandum of Understanding or Agreement in the field of agriculture between the Republic of South Africa and Lesotho was prepared for two ministers.

Six public training institutions were identified to provide short, accredited generic training programmes to 100 government-employed extension officers. These institutions are Pretoria University, Fort Hare, Free State, Free State Technikon, Stellenbosch and KwaZulu-Natal. A service level agreement was reached with these institutions to provide accredited Project Management training to 100 extension officers.

An agreement between the DoA and the FAO was signed on 30 April 2007. A list of 50 names of extension officers linked to CASP projects together with their respective profiles has been finalised in consultation with the PDAs to undertake an exchange programme with Kenya. An orientation workshop with these 50 officers was conducted in Pretoria on 26 June 2007, in preparation for the visit.

Eight agricultural commodity organisations that entered into a service level agreement with the DoA during the 2006/07 submitted their Year 2 workplans for the 2007/08 financial year. In total, for all eight commodity organisations, there are 397 mentorship programmes in place. All nine provinces are covered by one or the other of these projects. The projects involve 29 qualified Master Mentors. The total number of mentors developed is 49 and the total number of mentees developed is 6 999. Altogether 4 188 mentees are women, 2 148 males and 722 youth.

Training and mentorship of agrarian and land reform beneficiaries included the following: 367 PDIs attended accredited Further Education and Training (FET) courses; 383 PDIs attended information days and 68 PDIs received individual advice.

Quarter 2

Regarding the Wines and Spirits Agreement, the European Community (EC) agreed to address South African concerns on geographical indications, taxation, use of certain vine varieties, labelling of certain wines and other oeno-

logical practices. With regard to the Cheese Agreement, South Africa and the EC have agreed on the conditions and principles of normalising the Trade, Development and Co-operation Agreement (TDCA) text. The visit of the Director-General and exporters to explore market opportunities for South African products in China was hosted. The multidatabase of multilateral organisations was completed, as well as a database of all agreements. An agreement template was also finalised.

The GADI research report was finalised and submitted to the ASRDC for notification. The training of 100 extension staff recruited from all nine provinces in accredited Project Management training commenced during September 2007.

With regard to international exposure and capacity building of extension officers, a group of 25 extension officers from all nine provinces successfully visited Kenya on a Technical Exchange Programme. The visit took place from 14 to 22 October 2007.

A total of 9 000 beneficiaries associated with commodity organisations benefited from the mentorship programme. Based on the reports presented, improvements and achievements have been recorded. Through mentoring facilitated by the Shungu Women's Group to eight projects in KwaZulu-Natal, the beneficiaries at one farm harvested their own sugar cane without relying on contractors. Improvement was been noted in the quality and quantity of products in the Limpopo projects of the Citrus Growers' Association. A total of 102 000 cartons of citrus were exported from two farms.

The registration of Thibang Tlala as a youth co-operative facilitated by Make a Difference to Socio-economic Development (MADSED) was approved. Through the facilitative role of Cotton South Africa, 1 380 Siyavuna Packs (seeds, fertilisers and chemicals) were distributed to farmers by the Mpumalanga PDA. This contributed to better levels of farm production, particularly for the farming mentees.

Communal producers from the 305 communal sheds attended a high-level decision-making regional congress of the National Wool Growers' Association in the Eastern Cape. There is general improvement in sheep management, because of training courses on flock management, selection of sheep and marketing attended by producers.

Through the mentorship facilitated by the Milk Producers' Organisation (MPO), a farm in North West Province that used to produce 90 litres of milk a day now produces 200 litres per day. Through mentoring provided by the South African Wine Industry, a farm in the Northern Cape successfully negotiated with the PDA and was granted R1 500 000 for the development of 25 hectares of wine grape plantings in the five projects. Through mentorship facilitated by National Emergent Red Meat Producers' Organisation (Nerpo), several farmers were registered as Bonsmara breeders, and have registered with the South African Bonsmara Society.

Training of Master Mentors took place in Gauteng (Pretoria and Johannesburg), Limpopo (Marble Hall), KwaZulu-Natal (Durban), Western Cape (Cape Town), Eastern Cape (Port Elizabeth) and North West (Mafikeng). A total of 102 new Master Mentors went through an accredited Master Mentorship Training Programme. By the end of the quarter under review, all the trained Master Mentors had commenced with their respective portfolios of evidence.

The newly-trained Master Mentors came from the following Commodity Organisations: Nerpo, Senwes, NWK Ltd, MPO, National Wool Growers' Association (NWGA), MADSED, Shungu, Grain SA, Cotton SA, National African Farmers' Union (NAFU) Provincial Representatives, South African Pork Producers' Organisation (SAPPO), South African BEE Industry Organisation (SABIO), SA Olives, Dry Bean Producers' Organisation, SA Organic and the North West PDA.

Quarter 3

During the quarter under review, the programme facilitated and attended meetings with a delegation from the DoA and ARC with government and academic institutions during November 2007 in Japan. The meetings explored co-operation in capacity-building and research in the agricultural sector; and the ARC signed a co-operation agreement with the Japanese University of Agricultural Technology.

The EU/South Africa Economic Cluster meeting on proposed projects and submitted programmes was held on 5 October 2007. This was followed by the EC future employment promotion/support programme workshop with donors. National Treasury, with the EU delegation, has undertaken a programming study for the Economic Cluster. The preliminary finding was discussed at the workshop. These findings and recommendations will be sent to the EC Council for further discussion in January 2008.

The document served at both the ASRDC/STC and DEXCO. Further work is focused on developing guidelines for funding research activities and programmes.

With regards to the training of extension staff in accredited Project Management, 75 of the 100 extension officers registered for the accredited generic training course in Project Management have completed their training successfully. All 75 have been declared competent after undergoing assessment. They were trained at the Stellenbosch, KwaZulu-Natal and Free State universities.

Through mentoring facilitated by the Shungu Women's Group to the eight projects in KwaZulu-Natal, the beneficiaries succeeded in securing the funds to revive the tunnels and catchment dam at one project; fencing off 4 hectares of land at another project; receiving donations of potato seeds from municipalities for the projects involved in vegetable production; and constructing a mushroom house, which is now functional at one project. Participants in two projects were able to harvest and sold their goods to local fruit and vegetable outlets.

Through the mentoring work of the Citrus Growers' Association, one project succeeded in obtaining R2,5 million to upgrade the project's packhouses. Through interaction with marketing agencies such as Pack House, Letsitele Pack House and Minnaar Pack House, two projects in Limpopo exported 152 000 and 280 000 cartons respectively, a significant increase on the previous exports.

MADSED's mentoring work resulted in two further co-operatives joining others to receive mentoring support in producing essential oils.

Cotton South Africa organised two demonstration trials, one in Limpopo and another in Mpumalanga, to stimulate cotton production in 2008/09.

The NWGA organised training at the Pretoria University for mentors involved in sheep and wool production. Mentors will pass on learned skills to the beneficiaries.

Through the mentorship facilitated by the MPO, a strong relationship was established with the food manufacturer Nestlé. Nestlé provided one project with a generator to produce electricity, and assisted another project to erect a water tank. Farmers in the Free State sell their milk to Nestlé.

Through mentoring provided by the SA Wine Industry, 15 hectares of grapes were planted in the Northern Cape. The Orange River Wine Co-operative funded a project in the province to provide employment for temporary labour at peak periods.

Through mentorship facilitated by Nerpo, farmers sold their livestock at auctions, and one farmer was able to sell 15 weaners at an auction. Additional grazing areas were acquired: 1 200 hectares from Limpopo PDA and 8 523 hectares from North West PDA, which will also be used as incubators.

A well-attended graduation ceremony, attended by the Minister, took place on 29 November 2007 at the Premier Hotel in the Eastern Cape, where 68 Master Mentors and 12 mentees received certificates of competence.

Quarter 4

The highlight of the quarter was the hosting of a Ministerial Extension Indaba in East London, which was attended by more than 600 delegates, against the target of 500. Each province brought a minimum of 40 delegates, ranging from frontline extension officers to senior managers. Both women and youth in agriculture and rural development were well represented. Papers on the experiences of Kenya, Cuba and local commodity organisations were delivered and shared during the Indaba. Farmers at grassroots were given an opportunity to share their experiences about the relevance of government universal farmer support. Numerous recommendations were formulated, and presented to the Ministers' Committee (MinCom).

The implementation of the Extension Recovery Plan within the DORA CASP framework was finalised, and each province was made aware of the expected deliverables.

In terms of training and mentorship of agrarian and land reform beneficiaries, 760 PDIs attended accredited FET courses, 859 PDIs attended information days and 303 PDIs received individual advice.

The Chinese Agricultural Machinery Company was engaged to identify areas for co-operation with Limpopo Province, as a follow-up to Member of the Executive Council (MEC) Magadzi's visit to China in August 2007. A successful visit of the Chinese Agricultural Machinery Company to Limpopo Province was facilitated to discuss prioritised agricultural mechanisation projects.

Discussions were held with the tractor company Foton Lovol to facilitate the visit of MEC Pule of Mpumulanga Province to China, to discuss the possibility of signing an agreement with the company to train diesel tractor mechanics from Mpumalanga and to procure tractors for emerging farmers.

The South African Joint Commission meeting with Indonesia to strengthen agricultural development was attended, and the proposed terms of reference for the Joint Agriculture Committee was discussed.

Research and Development project reports were presented to the ASRDC/STC, as well as reports pertaining to human resource development in the sector.

In terms of implementation of farmer development training programmes, GADI has continued to play a pivotal role, particularly in the Eastern and Northern Cape provinces. Numerous short courses and information days were held for the benefit of the emerging farmers. GADI is currently involved in a process intended to finalise a co-operation agreement with the Northern Cape PDA in all matters pertaining to training and research.

The Africa Strategy was reviewed and the Stakeholder Engagement Strategy developed. The review undertaken identified a need for financial and human resources to allow the DoA to engage effectively and to make an impact on the continent. The review also proposed specific interventions to guide future engagements in Africa, as well as on international emerging issues of interest to South Africa. The DoA was engaged in the implementation of signed agreements and bilateral engagements with China, the USA and the EU. South African exports to China were promoted through the participation of the agricultural sector in the first phase of the 10th Anniversary celebrations of diplomatic relations between the People's Republic of China and the Republic of South Africa.

In advancing the consolidation of the African agenda, the Agriculture Joint Management Committee meeting between South Africa and Lesotho was held during January 2008 in Bloemfontein. The focus was on plant production and plant health.

The DoA participated in the Joint Ministerial Commission (JMC) between South Africa and Ethiopia in March 2008. At this meeting it was agreed that the proposed draft MoU in the fields of animal health and phytosanitary measures needed to be finalised.

The Annual report on the implementation of norms and standards for extension and advisory services was finalised and approved by the ASRDC/STC. The 2006 annual report, reflecting the status quo in the agricultural sector in terms of learnerships and skills development has been finalised, and was tabled at the ASRDC/STC.

The Annual report on the implementation of the Master Mentorship Programme was presented at the ASRDC/STC meeting, and was approved. The Annual report on international training programmes, in line with the approved strategy, was finalised early in March 2008 and approved by the International Co-operation Committee (ICC). The 2006 annual report on graduate enrolment and outputs of faculties of agriculture at universities and colleges was finalised in February 2008. The report was tabled at the ASRDC/STC meeting of February 2008 and was approved.

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Report of the Audit Committee

DEPARTMENT OF AGRICULTURE

REPORT OF THE AUDIT COMMITTEE

for the year ended 31 March 2008

We are pleased to present our report for the financial year ended 31 March 2008.

Audit Committee members and attendance

The audit committee consists of the members listed hereunder and meets 4 times per annum as per its approved terms of reference. During the financial year 4 meetings were held.

Name of member	Number of meetings attended
P. Mzizi (Chairperson)	3
R. Theunissen	4

Audit Committee responsibility

The Audit Committee reports that it has complied with its responsibilities arising from **section 38(1)(a) of the PFMA** and **Treasury Regulation 3.1.13**.

The Audit Committee also reports that it has adopted an audit committee charter, regulates its affairs in compliance with its charter and will discharge its responsibilities as contained therein.

The effectiveness of internal control

The system of control is designed to provide cost effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed. In line with the PFMA and the King II Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and management with regular feedback regarding the appropriateness and effectiveness of internal controls. This is achieved by means of a risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. From the various reports of the Internal Auditors and the Audit Report on the Annual Financial Statements it was noted that no significant or material noncompliance with prescribed policies and procedures have been reported. Accordingly, we can report that the system of internal control for the period under review was effective and efficient.

The Audit Committee is, however, concerned that Internal Audit is inadequately resourced and funded, thereby adversely affecting the reliance that the Committee is able to place on the functions of Internal Audit. It is also of concern that the Audit Committee comprises only 2 persons from outside the department and believes that additional representation of appropriately experienced persons on the Committee is required.

Cognisance should be taken of significant transfer payments and subsidies by the department where no control is exercised by the department after payment is effected. The transfers and subsidies of the Department comprise 73 % of the total actual expenditure.

Evaluation of Financial Statements

The Audit Committee has

- Reviewed and discussed the audited annual financial statements to be included in the annual report with the Auditor-General; and
- Reviewed the Auditor-General's management letter and management's response thereto.

REPORT OF THE AUDIT COMMITTEE

for the year ended 31 March 2008

The Audit Committee concurs and accepts the Auditor-General's conclusions on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.

Ms P. Mzizi

CHAIRPERSON OF THE AUDIT COMMITTEE

31 May 2008

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Annual financial statements

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ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2008

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REPORT OF THE ACCOUNTING OFFICER

for the year ended 31 March 2008

Report by the Accounting Officer to the Executive Authority and Parliament of the Republic of South Africa.

General review of the state of financial affairs

1.1 Important strategic issues:

MAFISA, AgriBEE and CASP (Comprehensive Agricultural Support Programme) are still some of the more important programmes managed by the Department. Amounts of R248,0 million, R58,1 million and R415,0 million respectively were appropriated for the mentioned programmes as transfer payments in 2007/08. Funds for the first two programmes were transferred to the Land Bank whilst CASP funds were transferred to the Provincial Departments of Agriculture in terms of the annual Division of Revenue Act.

1.2 Significant events that have taken place during the year:

It was mentioned in the previous report that the Classical Swine Fever in the Eastern Cape Province was not eradicated during 2006/07 and that it will spill over to the 2007/08 financial year. In this regard an amount of R88,7 million was rolled over to 2007/08 and an additional amount of R100,0 million was appropriated by Parliament, bringing the additional amount to R188,7 million and, including departmental funds, the total available funds amounted to R209,1 million. Although the combating campaign came to an end during the 2007/08 financial year, all claims have not yet been processed by the relevant Provincial Department and will only be finalised during 2008/09. Furthermore, the liquidity shortage and cash adequacy ratio of the Land Bank was addressed by the National Treasury in a special adjustments estimate and an amount of R700,0 million was transferred to the Bank via this Department's Vote.

1.3 Budget allocation

	R'000	R'000
Main estimate		2 281 166
Plus: Special adjustments appropriation		700 000
Adjustments estimate		488 437
Total amount appropriated		3 469 603
Less: Actual expenditure		3 328 417
Surplus		141 186

1.4 Actual expenditure

• In terms of input cost:		
Compensation of employees	446 279	
Goods and services	419 331	
Transfers and subsidies	2 418 733	
Payment for capital assets	44 074	3 328 417

REPORT OF THE ACCOUNTING OFFICER

for the year ended 31 March 2008

	R'000	R'000
• In terms of Programmes:		
Programme 1: Administration	238 813	
Programme 2: Livelihoods, economics and business development	1 541 955	
Programme 3: Bio-security and disaster management	641 799	
Programme 4: Production and resources management	226 320	
Programme 5: Sector services and partnerships	679 530	3 328 417

1.5 Spending trends	2007/08 %	2006/07 %
• In terms of input cost as a percentage of total actual expenditure:		
Compensation of employees	13,4	19,5
Goods and services	12,6	19,5
Transfers and subsidies	72,7	58,2
Payment for capital assets	1,3	2,7
• In terms of programmes as a percentage of total actual expenditure:		
Programme 1: Administration	7,2	10,2
Programme 2: Livelihoods, economics and business development	46,3	30,7
Programme 3: Bio-security and disaster management	19,3	19,6
Programme 4: Production and resources management	6,8	9,8
Programme 5: Sector services and partnerships	20,4	29,7
• In terms of total actual spending as a percentage of the total appropriated amount:	95,9	93,7

- If specific services rendered by the Department are analysed in terms of actual expenditure, the following trends in spending came to the fore:

  The transfer to the Land Bank amounted to R700,0 million or 21,0%; agricultural disasters to R300,0 million or 9,0%; the Comprehensive Agricultural Support Programme to R415,0 million or 12,5%; MAFISA to R249,9 million or 7,5%; Classical Swine Fever to R112,7 million or 3,4%; LandCare to R55,1 million or 1,7%; membership fees to international organisations to R18,4 million or 0,6%; AgriBEE to R69,8 million or 2,1%; land settlement to R33,5 million or 1,0%; agricultural engineering services to R59,3 million or 1,8%; food safety and quality assurance to R42,7 million or 1,3%; agricultural product inspection services to R69,2 million or 2,1%; animal health (excluding animal diseases) to R67,5 million or 2,0%; agricultural information services to R16,2 million or 0,5%; research and technology development to R28,6 million or 0,9%; the

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for the year ended 31 March 2008

Agricultural Research Council to R488,5 million or 14,7%; and the National Agricultural Marketing Council to R17,0 million or 0,5%.

- Virement

  In total six virement approvals, including the final virement, totalling R43,6 million, were granted during the 2007/08 financial year. Expenses funded through this process included that for the World Congress on Rural Woman, NERPO, the Sheep Shearing Federation, CGIAR and the National Agricultural Marketing Council. The shifting of funds were effected between all five programmes and were approved by the National Treasury or the Chief Financial Officer where applicable.

1.6 Underspending

A total amount of R3 469,6 million was appropriated by Parliament for the Department in the 2007/08 financial year whilst an amount of R3 328,4 million was spent. An amount of R141,2 million or 4,1% was thus not spent. Reasons for the underspending are as follows:

The amount appropriated for compensation for Classical Swine Fever claims of R184,7 million was advanced to the Provincial Department of Agriculture in the Eastern Cape whilst claims of only R88,4 million were paid, leaving an unclaimed amount of R96,3 million which is thus reflected as an unspent amount in the financial statements. Furthermore, an amount of R19,8 million was transferred to the Department of Public Works for capital projects but paid back to this Department in March 2008 as no progress was made with the projects, again reflected as an unspent amount in the financial statements. Also taking into account a drilling rig that was ordered during August 2007 but not delivered in time, only an amount of R21,1 million or 0,6% of the total appropriation was not spent by this Department.

1.7 Departmental receipts

Revenue amounting to R59,2 million was estimated for the 2007/08 financial year. However, additional revenue was received through e.g. the sale of redundant assets, bringing the total departmental receipts for 2007/08 to R82,1 million.

2. Services rendered by the Department

2.1 Some of the more important services rendered by the Department are as follows:

- Advisory services to small-stock farmers
- Education to and training of new entrants
- Agricultural campaigns
- Allocation of external bursaries
- Soil, water and plant analyses
- Registration of fertilisers, farm feeds, agricultural remedies and/or stock remedies
- Meat inspections at export abattoirs

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- Import certificates for liquor products
- Export exemption certificates
- Export certificates for liquor products
- National inspection services on plants and propagating material
- Analytical laboratory services with regard to agricultural products
- Animal quarantine and diagnostic services
- Plant quarantine and plant health diagnostic services
- National plant and plant product inspections
- Inspections at official ports of entry
- Combating animal diseases
- Registration of brands
- Issuing import/export permits (animals)
- Developing early warning systems for the detection of exotic pests
- Registration and approval of production units and packhouses for export of fresh fruit
- Issuing of import/export permits (plants)
- Construction of access roads for fire prevention
- Construction of key soil conservation works
- Drilling of boreholes
- Eradication of invasive weeds
- Control migratory pests
- Regulating the subdivision of agricultural land
- Variety listing
- Authorisation of the export of animal/genetic material from the RSA
- Authorisation of the import of animal/genetic material into the RSA
- Approval of an animal to donate genetic material
- Registration of a premises as a centre
- Registration of inseminators, collectors, transplanters and invocators
- Registration of facilities
- Issuing of GMO status certificates
- Contained use of genetically modified organisms
- Import/export of genetically modified organisms
- Veldt and pasture management
- National computerised record system for farmers
- Publication of industry brochures (maize and wheat)
- Quarterly economic review reports
- Statistical publications
- Farm profiles and sector demographics
- Commodity statistics
- Economic trends for the sector
- Economic performance of the sector
- Calculation of food utilisation
- Food balance sheets to monitor food security issues

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for the year ended 31 March 2008

- Quarterly estimate of livestock numbers
- Monthly crop forecasts for summer grains and winter cereals
- Food price monitoring
- Issuing of import and export permits in terms of free trade agreements
- Reporting on trade matters
- Providing information regarding trade matters

2.2 Tariff policy

In terms of section 76(2)(f) of the Public Finance Management Act, 1999 (Act No. 1 of 1999), the current tariff structure was developed by the Department and approved by the National Treasury. Amendments to the approved tariff structure are effected with the National Treasury's approval. Otherwise the tariffs are calculated according to the said structure. In terms of departmental policy, and if at all feasible, tariffs are adjusted annually to further phase in cost recovery in full for services rendered.

2.3 Free services

	R'000
The following free services were rendered by the Directorate: Agricultural Engineering Services:	
Drilling of boreholes	203
Sighting of boreholes	384
Rehabilitation of flood damaged riverbanks in the Western Cape	970
	1 557

2.4 Inventories

Inventory items are managed by means of the Logistical Information System (LOGIS). The Department has three stores: At Pretoria (Head Office), Grootfontein Agricultural Development Institute (GADI) at Middelburg in the Eastern Cape and at Stellenbosch. Inventory items such as cleaning materials and stationary are kept at these stores. The total value of the balance on hand of inventory items at 31 March 2008 amounted to R376 641.

3. Utilisation of donor funds

The Perishable Products Export Control Board (PPECB) being South Africa's official certification agency for the exporting of perishable agricultural products, in collaboration with the European Union (EU) are working together to effectively withdraw the use of approximately 400 chemical compounds from use on export crops. The withdrawal of these compounds is necessary in order for South Africa to comply with the stringent requirements from the EU.

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for the year ended 31 March 2008

The European Union has, for this purpose, contributed the following amounts to the South African Pesticides Initiative Programme:

2004/05	–	R5,170 million
2005/06	–	R5,590 million
2006/07	–	R15,025 million
2007/08	–	R10,673 million

4. Capacity constraints

Following on the previous report, the introduction of establishment management in the Department further reduced the vacancy rate. The approved establishment of the Department on 31 March 2008 consisted of 3 056 posts of which 2 639 posts were filled. This reflects a vacancy rate of 13,7% compared to 17,9% reported previously, thus a further decrease of 4,2 %.

5. Public entities

In terms of section 48(1) and Schedule 2 and 3 of the Public Finance Management Act, 1999 (Act No. 1 of 1999), the Public Entities that function within the sphere of the Department of Agriculture, are classified as follows:

- Land and Agricultural Development Bank of South Africa (Major Public Entity and listed in Schedule 2)

  The Land and Agricultural Development Bank, constituted in terms of the Land and Agricultural Development Bank Act, 2002 (Act No. 15 of 2002), operates as a development finance institution within the agricultural and agribusiness sectors. It provides a range of finance options to a broad spectrum of clients within the agricultural sector, including wholesale and retail financing for commercial and developing farmers, co-operatives and other agriculture related business. During this financial year an amount of R700,0 million was appropriated by Parliament in a special adjustments estimate to assist the Bank with its turn around strategy – these funds were made available *via* this Department's Vote.

- Agricultural Research Council (ARC)(National Public Entity and listed in Schedule 3: Part A)

  The ARC is a statutory body established in terms of the Agricultural Research Act, 1990 (Act No. 86 of 1990). Its primary mandate is to conduct research and develop and transfer technology that promotes agriculture and related industries. The ARC reports through its CEO and Board to the Minister of Agriculture and Land Affairs as the Executive Authority.

- National Agricultural Marketing Council (NAMC)(National Public Entity and listed in Schedule 3: Part A)

  The NAMC was established in terms of the Marketing of Agricultural Products Act, 1996 (Act No. 47 of 1996). The Council undertakes investigations and advises the Minister of Agriculture and Land Affairs on agricultural marketing policies. The Council is accountable to its Board and to the Minister of Agriculture and Land Affairs as the Executive Authority.

- Onderstepoort Biological Products Ltd (OBP)(National Government Business Enterprise and listed in Schedule 3: Part B)

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OBP was established in accordance with the Onderstepoort Biological Products Incorporation Act, 1999 (Act No. 19 of 1999). It is a biotechnical company which manufactures vaccines and related products for the global animal health care industry. The national Department of Agriculture is the sole shareholder. The Company is accountable to its Board and the Minister of Agriculture and Land Affairs as the Executive Authority.

- Perishable Products Export Control Board (PPECB)(National Public Entity and listed in Schedule 3: Part A)

  The PPECB, established in terms of the Perishable Products Export Control Board Act, 1983 (Act No. 9 of 1983), must ensure that perishable products intended for export from South Africa meet with international quality standards. The Board is accountable and reports to the Minister of Agriculture and Land Affairs. As was previously mentioned, the PPECB is also managing the South African Pesticide Initiative Programme on behalf of the Department of Agriculture.

- Ncera Farms (Pty) Ltd (National Government Business Enterprise and listed in Schedule 3: Part B)

  Ncera Farms is a small public company and the Department of Agriculture is the sole shareholder. The purpose of the Company is to assist small farmers in the Kidds Beach area of the Eastern Cape through various services, such as advice, extension and ploughing services, training and more. The Board is accountable and reports to the Minister of Agriculture and Land Affairs. Farmers were settled on Ncera land during 2007/08 and the erection of the Service Centre will be finalised during 2008/09.

- Transfer payments from the Department in support of these Public Entities:

	Voted R'000	Actual R'000
Land Bank	700 000	700 000
Agricultural Research Council	488 499	488 499
National Agricultural Marketing Council	17 020	17 020
Ncera Farms (Pty) Ltd	1 866	1 866

Further payments to any of the mentioned Entities were either for agency services or services rendered. All the above Entities must, in terms of section 55(3) of the Public Finance Management Act, 1999, submit annual reports, including financial statements, to the Executive Authority and Parliament via the Accounting Officer of the Department.

6. Transfer payments made

	Voted R'000	Actual R'000
Vehicle licenses	390	374
LandCare	46 725	46 725
Comprehensive Agricultural Support Programme	415 000	415 000
Agricultural Research Council	488 499	488 499

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	Voted R'000	Actual R'000
National Agricultural Marketing Council	17 020	17 020
Membership fees to international organisations	18 277	18 271
FAO capacity building	14 498	14 498
Foreign rates and taxes	161	97
Agricultural disasters	300 000	300 000
Land Bank	700 000	700 000
MAFISA (Land Bank)	248 000	248 000
AgriBEE (Land Bank)	50 000	50 000
AgriBEE	8 100	–
Classical Swine Fever	184 687	88 376
National Student Financial Aid Scheme	8 300	8 300
Service Sector Education and Training Authority	500	500
Perishable Products Export Control Board	4 600	4 600
Red Meat Industry Forum	2	1
National Emergent Red Meat Producers Organisation	1 040	1 040
National Movement for Rural Woman	1 000	1 000
Sterile Insect Technique	3 000	3 000
Entomology Congress	500	500
Aquaculture Association of Southern Africa	40	40
S A Sheep Shearing Federation	100	100
University of Pretoria	200	200
University of Stellenbosch	3 606	3 606
Water Research Commission	3 250	3 250
Ncera Farms	1 866	1 866
Collaborative International Pesticides Analytical Council	50	50
Food and Trees for Africa	50	50
Social benefits	3 775	3 593
Non life insurance premiums	54	–
Claims against the State	188	178
	2 523 478	2 418 734

7. Corporate governance arrangements

A new Audit Committee was established during the 2007/08 financial year. The two members from outside the public service are:

Chairperson: Ms P. Mzizi
Member: Mr R.N. Theunissen

The Audit Committee adopted the formal terms of reference and the Audit Committee Charter. The Anti Fraud Charter was signed by the Director-General and a zero tolerance attitude to fraud was adopted.

REPORT OF THE ACCOUNTING OFFICER

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8. New activities

Through the Medium Term Expenditure Framework process and with the approval of the Cabinet, additional funds amounting to R100 million were provided for extension services as a pillar of the Comprehensive Agricultural Support Programme and R30 million for bio-security to improve import inspections at ports of entry. Lastly, the Office of the Deputy Minister for Agriculture and Land Affairs was transferred from the Department of Land Affairs to this Department with effect from 1 April 2008.

9. Performance information

Information on the Department's performance is still compiled on a quarterly basis and evaluated during the Department's quarterly report meetings. However, an electronic system is currently being introduced that will support monthly reporting to the Department's Executive Committee. The system should be operational within the next month or two. Performance information is again taken up in Part 2 of this report.

10. Asset management

The Department disposed of assets at Pretoria, Stellenbosch and the Grootfontein Agricultural Development Institute during the 2007/08 financial year to the value of R5,8 million. Losses during the period under review amounted to R373 269. All other requirements/milestones have been adhered to/reached.

11. SCOPA resolution

The Department did not appear before SCOPA during the 2007/08 financial year.

12. Agricultural debt

12.1 General

Agricultural debt is managed in accordance with the provisions of the Agricultural Debt Management Act, 2001 (Act No. 45 of 2001), and debt management frameworks. According to the Act, agricultural debt is defined as any amount contractually or statutorily owed to the State as a result of assistance, loans or subsidies granted in terms of the provisions of the Agricultural Credit Act, 1966 (Act No. 28 of 1966), and other related legislation or financial assistance schemes. The Auditor-General, in his Report on the Agricultural Debt Account for 2006/07, again qualified his opinion because of difficulties with the valuation of pledged securities. The Auditor-General further stated:

> "In my opinion, …, the financial statements present fairly, in all material respects, the financial position of the Agricultural Debt Account as at 31 March 2007 and its financial performance and cash flows for the year then ended, in accordance with Generally Accepted Accounting Practice and in the manner required by the PFMA."

It was mentioned in the previous report that the Agricultural Debt Account will be closed and that the legislative process should be finalised by the end of the 2007/08 financial year. The legislative process took longer than expected, but the Agricultural Debt Management Repeal Bill has been tabled in

REPORT OF THE ACCOUNTING OFFICER

for the year ended 31 March 2008

Parliament. With the Agricultural Debt Management Act, 2001, repealed, the debt recovery process will be managed according to the provisions of the Public Finance Management Act, 1999.

12.2 Agricultural Debt Account

Section 3(1) of the Agricultural Debt Management Act, 2001 (Act No. 45 of 2001), provides for the Agricultural Debt Account and payments from the recovery of agricultural debt are deposited into this Account. Funds in the Account are disbursed in terms of section 5 of the mentioned Act. The status of the Account on 31 March 2008, was as follows:

Total debt outstanding	–	R329 208 709
Number of debtors	–	2 098
Number of accounts	–	3 022
Net amount recovered (2007/08)	–	R56 766 635
Credit balance in the Account	–	R686 923 869

12.3 Agricultural debt administered in terms of the said Act, consists of debt that resulted from loan assistance to farmers and prospective farmers granted by the former Agricultural Credit Board for payment of debt, construction of improvements, purchase of farms, farming equipment and production inputs and other debt that resulted from other financial assistance schemes such as the Production Loan Scheme for Small and Beginner Farmers and multiple debt that resulted from the implementation of certain subsidy schemes.

12.4 When financial assistance to farmers was phased out during 1998, the debt in the former Agricultural Credit Account amounted to R1 140,7 million, the number of debtors to 9 614 and the number of accounts to 16 432. Compared to the amount and numbers mentioned in paragraph 12.2 above, it is clear that great strides were made towards the recovery of the outstanding debt.

12.5 Following from previous reports, the status of the Production Loan Scheme for Small and Beginner Farmers and multiple debt is again reported on:

12.5.1 Production Loan Scheme for Small and Beginner Farmers

12.5.1.1 Grovida

The State Attorney was requested on 29 April 1999, to take steps to recover the outstanding debt, which amounted to R1 030 321 (capital) and R919 682 (interest) on 31 March 2008. In terms of a resultant offer, total payments of R528 500 were received.

However, Grovida defaulted on this offer and the matter was again referred to the State Attorney. Following a new repayment agreement, amounts of R9 000, R14 082 and R7 000 were received for 2005/06, 2006/07 and 2007/08, respectively.

12.5.1.2 Central Primary Co-operative (CPAC)

The State Attorney was requested on 29 June 1999 to assist with the recovery of the outstanding debt. Following on the report for 2007/08 a financial advisor was

REPORT OF THE ACCOUNTING OFFICER

for the year ended 31 March 2008

appointed to conduct an investigation into the financial viability of CPAC and to report to the Department. According to this report, the Co-operative was not operational and did not have the financial ability to repay the outstanding debt. The debt amounting to R13,4 million (capital and interest were equal) was thus written off during 2007/08.

12.5.1.3 Production loans (administrative costs)

All outstanding administrative costs were written off as part of the individual agency write-offs.

12.5.2 Multiple debt

12.5.2.1 Conversion of marginal ploughed lands

This debt originated from the non-compliance with the conditions of the scheme by participants. In terms of these conditions, successful establishment of perennial pastures had to be achieved within two seasons and thereafter maintained for at least six years, failing which the subsidy plus interest have to be repaid immediately. The outstanding debt, amounting to R5 436 was paid in full during 2007/08.

12.5.2.2 Emergency drought relief and interim veldt recovery

The debt originated from the non-compliance by participants with the prescripts of the scheme. Only two cases are still pending and the State Attorney is in the process of recovering the outstanding debt amounting to R662 775 on 31 March 2008.

Approval

The Annual Financial Statements set out on pages 78 to 159 have been approved by the Chief Financial Officer in terms of delegations granted on behalf of the Accounting Officer.

T. Marais
CHIEF FINANCIAL OFFICER
for DIRECTOR-GENERAL
31 MAY 2008

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF VOTE 24: DEPARTMENT OF AGRICULTURE FOR THE YEAR ENDED 31 MARCH 2008

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Department of Agriculture, which comprise the appropriation statement, statement of financial position as at 31 March 2008, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 78 to 145.

Responsibility of the accounting officer for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy note 1.1 to the financial statements and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA). This responsibility includes:
   - designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
   - selecting and applying appropriate accounting policies
   - making accounting estimates that are reasonable in the circumstances.

Responsibility of the Auditor-General

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on these financial statements based on my audit.

4. I conducted my audit in accordance with the International Standards on Auditing and *General Notice 616 of 2008*, issued in *Government Gazette* No. 31057 of 15 May 2008. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance on whether the financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

6. An audit also includes evaluating the:
   - appropriateness of accounting policies used
   - reasonableness of accounting estimates made by management
   - overall presentation of the financial statements.

7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF VOTE 24: DEPARTMENT OF AGRICULTURE FOR THE YEAR ENDED 31 MARCH 2008

Basis of accounting

8. The department's policy is to prepare financial statements on the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy note 1.1.

Opinion

9. In my opinion the financial statements present fairly, in all material respects, the financial position of the Department of Agriculture as at 31 March 2008 and its financial performance and cash flows for the year then ended, in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy note 1.1 and in the manner required by the PFMA.

Other matter

Without qualifying my audit opinion, I draw attention to the following matter that relates to my responsibilities in the audit of the financial statements.

Matters of governance

10. The PFMA tasks the accounting officer with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of certain key governance responsibilities, which I have assessed as follows:

Matter of governance	Yes	No
Audit committee		
• The department had an audit committee in operation throughout the financial year.	√	
• The audit committee operates in accordance with approved, written terms of reference.	√	
• The audit committee substantially fulfilled its responsibilities for the year, as set out in section 77 of the PFMA and Treasury Regulation 3.1.10/27.1.8.	√	
Internal audit		
• The department had an internal audit function in operation throughout the financial year.	√	
• The internal audit function operates in terms of an approved internal audit plan.	√	
• The internal audit function substantially fulfilled its responsibilities for the year, as set out in Treasury Regulation 3.2/27.2.	√	

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF VOTE 24: DEPARTMENT OF AGRICULTURE FOR THE YEAR ENDED 31 MARCH 2008

Matter of governance (*cont*.)	Yes	No
Other matters of governance		
The annual financial statements were submitted for auditing as per the legislated deadlines (section 40 of the PFMA).	√	
The financial statements submitted for auditing were not subject to any material amendments resulting from the audit.	√	
No significant difficulties were experienced during the audit concerning delays or the unavailability of expected information and/or the unavailability of senior management.	√	
The prior year's external audit recommendations have been substantially implemented.	√	

OTHER REPORTING RESPONSIBILITIES

Report on performance information

11. I have reviewed the performance information as set out on pages 17 to 54.

Responsibility of the accounting officer for the performance information

12. The accounting officer has additional responsibilities as required by section 40(3)(a) of the PFMA to ensure that the annual report and audited financial statements fairly present the performance against predetermined objectives of the department.

Responsibility of the Auditor-General

13. I conducted my engagement in accordance with section 13 of the PAA read with *General Notice 616 of 2008*, issued in *Government Gazette* No. 31057 of 15 May 2008.

14. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.

15. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the audit findings reported below.

Audit findings (performance information)

16. Lack of sufficient appropriate audit evidence

    I was unable to obtain sufficient appropriate audit evidence in relation to the performance information of the Department of Agriculture, as the following actual achievement of measures, indicators and targets could not be substantiated by adequate evidence and source documentation.

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF VOTE 24: DEPARTMENT OF AGRICULTURE FOR THE YEAR ENDED 31 MARCH 2008

Programme 2: Livelihoods, Economics and Business development			
Outputs per sub-programme	Measure/ indicator per output	Target per output	Actual performance
Agricultural food production packages	Number of households receiving agricultural food production packages	A total of 6 364 households	*Mpumalanga*: A total of 4 041 households in Mpumalanga were provided with agricultural starter packs. *Free State*: Distributed a total number of 1 337 packages with an estimated number of 16 408 participants. *Gauteng*: Distributed a total of 9 280 production packages. *Western Cape*: To date 54 households received 25 local chickens each. *Limpopo*: The province is targeting revitalisation of 29 micro-enterprises budgeted at the value of R6 million. They further distributed 585 units (layers). *Northern Cape*: To date 350 households, 75 schools and 40 clinics benefited. To date TeleFood supported three projects in South Africa. Total number of participants benefiting was 94. A total of 15 765 production packages were distributed. This figure excludes the number of micro-enterprises revitalised in Limpopo.

APPRECIATION

17. The assistance rendered by the staff of the Department of Agriculture during the audit is sincerely appreciated.

Auditor-General

Pretoria

31 July 2008

AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS OF THE AGRICULTURAL DEBT ACCOUNT FOR THE YEAR ENDED 31 MARCH 2008

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Agricultural Debt Account, which comprise the balance sheet as at 31 March 2008, income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 146 to 159.

Responsibility of the accounting officer for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Statements of Generally Accepted Accounting Practice and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA). This responsibility includes:
   - designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
   - selecting and applying appropriate accounting policies
   - making accounting estimates that are reasonable in the circumstances.

Responsibility of the Auditor-General

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004), my responsibility is to express an opinion on these financial statements based on my audit.

4. I conducted my audit in accordance with the International Standards on Auditing and *General Notice 616 of 2008*, issued in *Government Gazette* No. 31057 of 15 May 2008. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance on whether the financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

6. An audit also includes evaluating the:
   - appropriateness of accounting policies used
   - reasonableness of accounting estimates made by management
   - overall presentation of the financial statements.

7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS OF THE AGRICULTURAL DEBT ACCOUNT FOR THE YEAR ENDED 31 MARCH 2008

Basis of accounting

8. The trading entity's policy is to prepare financial statements in accordance with South African statements of Generally Accepted Accounting Practice, as set out in accounting policy note 1.

Opinion

9. In my opinion the financial statements present fairly, in all material respects, the financial position of the Agricultural Debt Account as at 31 March 2008 and its financial performance and cash flows for the year then ended, in accordance with South African Statements of Generally Accepted Accounting Practice and in the manner required by the PFMA.

Emphasis of matter

Without qualifying my audit opinion, I draw attention to the following matter:

10. Going concern

    The Department of Agriculture is currently in the process of repealing the enabling legislation of the Agricultural Debt Account (the Agricultural Debt Management Act, 2001 [Act No. 45 of 2001]), as disclosed in note 13 to the annual financial statements.

    They envisage this process to be completed before the end of the next financial year, resulting in the Agricultural Debt Account being incorporated into the Department of Agriculture's accounts and not being accounted for as a separate entity.

APPRECIATION

11. The assistance rendered by the staff of the Agricultural Debt Account during the audit is sincerely appreciated.

Auditor-General

Pretoria

31 July 2008

AUDITOR-GENERAL

DEPARTMENT OF AGRICULTURE
VOTE 24

APPROPRIATION STATEMENT

for the year ended 31 March 2008

Appropriation per programme	2007/08							2006/07	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Administration									
Current payments	244 274	(1 960)	(15 928)	226 386	224 271	2 115	99,1	211 009	199 407
Transfers and subsidies	727	34	174	935	868	67	92,8	1 149	835
Payment for capital assets	36 147	1 926	–	38 073	13 674	24 399	35,9	32 237	26 787
2. Livelihoods, economics and business development									
Current payments	113 404	(336)	(5 168)	107 900	107 227	673	99,4	109 313	94 273
Transfers and subsidies	1 445 070	15	(3 302)	1 441 783	1 433 680	8 103	99,4	583 848	580 513
Payment for capital assets	1 484	321	–	1 805	1 048	757	58,1	6 736	5 776
3. Bio-security and disaster management									
Current payments	225 826	(2 968)	10 693	233 551	233 303	248	99,9	297 644	291 706
Transfers and subsidies	496 558	107	(3 336)	493 329	397 010	96 319	80,5	219 026	130 048
Payment for capital assets	10 289	2 861	–	13 150	11 486	1 664	87,3	14 400	12 868
4. Production and resources management									
Current payments	171 693	(4 952)	(11 145)	155 596	154 752	844	99,5	147 437	144 821
Transfers and subsidies	55 486	1 392	183	57 061	56 878	183	99,7	65 813	60 791
Payment for capital assets	16 304	3 560	–	19 864	14 690	5 174	74,0	12 538	11 632

DEPARTMENT OF AGRICULTURE
VOTE 24

APPROPRIATION STATEMENT

for the year ended 31 March 2008

Appropriation per programme	2007/08							2006/07	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
5. Sector services and partnerships									
Current payments	124 106	(1 461)	23 684	146 329	146 057	272	99,8	137 616	136 833
Transfers and subsidies	526 353	–	4 017	530 370	530 297	73	100,0	525 525	519 844
Payment for capital assets	1 882	1 461	128	3 471	3 176	295	91,5	3 339	2 760
Total	**3 469 603**	**–**	**–**	**3 469 603**	**3 328 417**	**141 186**	**95,9**	**2 367 630**	**2 218 894**

Reconciliation with statement of financial performance				
Departmental receipts	82 049		94 614	
Local and foreign aid assistance received	10 673		15 025	
Actual amounts per statements of financial performance (total revenue)	**3 562 325**		**2 477 269**	
Local and foreign aid assistance		10 673		15 025
Prior year unauthorised expenditure approved		–		663
Actual amounts per statements of financial performance (total expenditure)		**3 339 090**		**2 234 582**

DEPARTMENT OF AGRICULTURE
VOTE 24

APPROPRIATION STATEMENT

for the year ended 31 March 2008

Appropriation per economic classification	2007/08							2006/07	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	477 963	(29 025)	(1 387)	447 551	446 279	1 272	99,7	444 011	431 835
Goods and services	401 340	17 348	3 198	421 886	419 012	2 874	99,3	456 852	433 721
Financial transactions in assets and liabilities	–	–	325	325	319	6	98,2	2 156	1 484
Transfers and subsidies									
Provinces and municipalities	762 086	29	–	762 115	762 099	16	100,0	401 977	401 802
Departmental agencies and accounts	518 469	–	3 700	522 169	522 169	–	100,0	532 790	532 790
Universities and technikons	3 806	–	–	3 806	3 806	–	100,0	–	–
Foreign governments and international organisations	28 915	–	4 021	32 936	32 865	71	99,8	15 646	9 974
Public corporations and private enterprises	965 722	–	42 488	1 008 210	1 000 045	8 165	99,2	250 541	245 482
Non-profit institutions	5 640	–	140	5 780	5 780	–	100,0	9 965	7 664
Households	239 556	1 519	(52 613)	188 462	91 969	96 493	48,8	184 442	94 319
Payments for capital assets									
Buildings and other fixed structures	31 319	(3 711)	–	27 608	5 208	22 400	18,9	27 832	23 427
Machinery and equipment	33 305	12 985	128	46 418	37 000	9 418	79,7	39 501	34 592
Biological or cultivated assets	540	(13)	–	527	527	–	100,0	79	79
Software and other intangible assets	942	868	–	1 810	1 339	471	74,0	1 838	1 725
Total	**3 469 603**	**–**	**–**	**3 469 603**	**3 328 417**	**141 186**	**95,9**	**2 367 630**	**2 218 894**

DEPARTMENT OF AGRICULTURE
VOTE 24

DETAIL PER PROGRAMME 1—ADMINISTRATION

for the year ended 31 March 2008

Programme per subprogramme	2007/08							2006/07	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1 Minister									
Current payments	938	–	–	938	908	30	96,8	887	582
1.2 Management									
Current payments	83 401	(641)	(9 485)	73 275	72 800	475	99,4	72 700	67 737
Transfers and subsidies	54	–	113	167	111	56	66,5	346	71
Payment for capital assets	2 593	1 848	–	4 441	3 501	940	78,8	8 004	7 524
1.3 Corporate services									
Current payments	121 128	(1 319)	(6 480)	113 329	113 065	264	99,8	103 211	98 948
Transfers and subsidies	673	34	61	768	757	11	98,6	803	764
Payment for capital assets	2 371	78	–	2 449	2 282	167	93,2	3 563	2 810
1.4 Capital works									
Payment for capital assets	31 183	–	–	31 183	7 891	23 292	25,3	20 670	16 453
1.5 Property management									
Current payments	38 807	–	–	38 807	37 464	1 343	96,5	34 140	32 073
1.6 Thefts and losses									
Current payments	–	–	37	37	34	3	91,9	71	67
Total	**281 148**	**–**	**(15 754)**	**265 394**	**238 813**	**26 581**	**90,0**	**244 395**	**227 029**

DEPARTMENT OF AGRICULTURE
VOTE 24

DETAIL PER PROGRAMME 1—ADMINISTRATION

for the year ended 31 March 2008

Economic classification	2007/08							2006/07	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	119 070	(6 509)	(7 578)	104 983	104 434	549	99,5	99 885	95 266
Goods and services	125 204	4 549	(8 387)	121 366	119 803	1 563	98,7	111 053	104 074
Financial transactions in assets and liabilities	–	–	37	37	34	3	91,9	71	67
Transfers and subsidies									
Provinces and municipalities	103	28	–	131	123	8	93,9	225	188
Departmental agencies and accounts	500	–	–	500	500	–	100,0	70	70
Public corporations and private enterprises	54	–	56	110	54	56	49,1	66	15
Households	70	6	118	194	191	3	98,5	788	562
Payment for capital assets									
Buildings and other fixed structures	31 227	(3,711)	–	27 516	5 116	22 400	18,6	20 670	16 453
Machinery and equipment	4 504	5 118	–	9 622	7 824	1 798	81,3	10 783	9 585
Software and other intangible assets	416	519	–	935	734	201	78,5	784	749
Total	**281 148**	**–**	**(15 754)**	**265 394**	**238 813**	**26 581**	**90,0**	**244 395**	**227 029**

DETAIL PER PROGRAMME 2—LIVELIHOODS, ECONOMICS AND BUSINESS DEVELOPMENT

for the year ended 31 March 2008

Programme per subprogramme	2007/08							2006/07	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1 Management									
Current payments	1 968	–	(753)	1 215	1 214	1	99,9	1 884	1 421
Transfers and subsidies	–	–	–	–	–	–	–	1	1
Payment for capital assets	30	–	–	30	21	9	70,0	40	34
2.2 Livelihoods development support									
Current payments	51 513	449	425	52 387	52 126	261	99,5	51 452	45 924
Transfers and subsidies	1 380 666	–	(7 474)	1 373 192	1 365 090	8 102	99,4	500 239	500 232
Payment for capital assets	263	611	–	874	561	313	64,2	5 308	4 997
2.3 Trade and business development									
Current payments	35 289	385	(4 436)	31 238	31 150	88	99,7	38 731	32 174
Transfers and subsidies	51 084	15	–	51 099	51 098	1	100,0	70 874	67 553
Payment for capital assets	940	(310)	–	630	224	406	35,6	817	372
2.4 Economic and statistical services									
Current payments	24 634	(1 170)	(404)	23 060	22 737	323	98,6	17 190	14 698
Transfers and subsidies	–	–	472	472	472	–	100,0	24	17
Payment for capital assets	251	20	–	271	242	29	89,3	571	373

DEPARTMENT OF AGRICULTURE
VOTE 24

DETAIL PER PROGRAMME 2—LIVELIHOODS, ECONOMICS AND BUSINESS DEVELOPMENT

for the year ended 31 March 2008

Programme per subprogramme	2007/08							2006/07	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.5 National Agricultural Marketing Council									
Transfers and subsidies	13 320	–	3 700	17 020	17 020	–	100,0	12 710	12 710
2.6 Thefts and losses									
Current payments	–	–	–	–	–	–	–	56	56
Total	**1 559 958**	**–**	**(8 470)**	**1 551 488**	**1 541 955**	**9 533**	**99,4**	**699 897**	**680 562**

DEPARTMENT OF AGRICULTURE
VOTE 24

DETAIL PER PROGRAMME 2—LIVELIHOODS, ECONOMICS AND BUSINESS DEVELOPMENT

for the year ended 31 March 2008

Economic classification	2007/08							2006/07	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	57 339	(448)	–	56 891	56 386	505	99,1	51 642	50 934
Goods and services	56 065	112	(5 168)	51 009	50 841	168	99,7	57 615	43 283
Financial transactions in assets and liabilities	–	–	–	–	–	–	–	56	56
Transfers and subsidies									
Provinces and municipalities	415 000	–	–	415 000	415 000	–	100,0	300 067	300 037
Departmental agencies and accounts	13 320	–	3 700	17 020	17 020	–	100,0	12 710	12 710
Public corporations and private enterprises	965 666	–	42 361	1 008 027	999 926	8 101	99,2	245 206	245 204
Non-profit institutions	1 000	–	–	1 000	1 000	–	100,0	4 850	2 549
Households	50 084	15	(49 363)	736	734	2	99,7	21 015	20 013
Payment for capital assets									
Machinery and equipment	1 255	275	–	1 530	1 002	528	65,5	6 668	5 776
Software and other intangible assets	229	46	–	275	46	229	16,7	68	–
Total	**1 559 958**	**–**	**(8 470)**	**1 551 488**	**1 541 955**	**9 533**	**99,4**	**699 897**	**680 562**

DETAIL PER PROGRAMME 3—BIO-SECURITY AND DISASTER MANAGEMENT

for the year ended 31 March 2008

Programme per subprogramme	2007/08							2006/07	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1 Management									
Current payments	1 981	(840)	(587)	554	547	7	98,7	1 796	1 732
Transfers and subsidies	–	–	–	–	–	–	–	1	1
Payment for capital assets	–	100	–	100	98	2	98,0	46	45
3.2 Plant health and inspection services									
Current payments	99 108	(1 329)	(4 810)	92 969	92 869	100	99,9	78 093	76 579
Transfers and subsidies	3 500	106	171	3 777	3 775	2	99,9	4 305	4 293
Payment for capital assets	3 608	2 015	–	5 623	5 565	58	99,0	6 822	6 575
3.3 Food, animal health and disaster management									
Current payments	124 737	(799)	15 802	139 740	139 602	138	99,9	216 781	212 424
Transfers and subsidies	493 058	1	(3 507)	489 552	393 235	96 317	80,3	214 720	125 754
Payment for capital assets	6 681	746	–	7 427	5 823	1 604	78,4	7 532	6 248
3.4 Thefts and losses									
Current payments	–	–	288	288	285	3	99,0	974	971
Total	**732 673**	**–**	**7 357**	**740 030**	**641 799**	**98 231**	**86,7**	**531 070**	**434 622**

DEPARTMENT OF AGRICULTURE
VOTE 24

DETAIL PER PROGRAMME 3—BIO-SECURITY AND DISASTER MANAGEMENT

for the year ended 31 March 2008

Economic classification	2007/08							2006/07	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	161 837	(9 827)	5 352	157 362	157 304	58	100,0	177 670	172 268
Goods and services	63 989	6 859	5 053	75 901	75 714	187	99,8	119 000	118 467
Financial transactions in assets and liabilities	–	–	288	288	285	3	99,0	974	971
Transfers and subsidies									
Provinces and municipalities	300 000	1	–	300 001	300 001	–	100,0	45 568	45 480
Departmental agencies and accounts	4 000	–	–	4 000	4 000	–	100,0	8 000	8 000
Public corporations and private enterprises	–	–	26	26	23	3	88,5	16	13
Non-profit institutions	3 550	–	–	3 550	3 550	–	100,0	4 000	4 000
Households	189 008	106	(3 362)	185 752	89 436	96 316	48,1	161 442	72 555
Payment for capital assets									
Buildings and other fixed structures	–	–	–	–	–	–	–	262	260
Machinery and equipment	9 749	2 501	–	12 250	10 600	1 650	86,5	13 908	12 378
Biological or cultivated assets	540	(13)	–	527	527	–	100,0	–	–
Software and other intangible assets	–	373	–	373	359	14	96,2	230	230
Total	**732 673**	**–**	**7 357**	**740 030**	**641 799**	**98 231**	**86,7**	**531 070**	**434 622**

DEPARTMENT OF AGRICULTURE
VOTE 24

DETAIL PER PROGRAMME 4—PRODUCTION AND RESOURCES MANAGEMENT

for the year ended 31 March 2008

Programme per subprogramme	2007/08							2006/07	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
4.1 Management									
Current payments	1 937	–	(581)	1 356	1 351	5	99,6	184	105
Payment for capital assets	80	–	–	80	36	44	45,0	–	–
4.2 Agricultural production									
Current payments	44 698	(3 838)	(3 712)	37 148	37 089	59	99,8	33,504	32,413
Transfers and subsidies	5 663	3	148	5 814	5 811	3	99,9	773	765
Payment for capital assets	1 383	429	–	1 812	1 545	267	85,3	1 465	872
4.3 Engineering, energy, resource use and management									
Current payments	125 058	(1 114)	(6 852)	117 092	116 312	780	99,3	113 366	111 921
Transfers and subsidies	49 823	1 389	35	51 247	51 067	180	99,6	65 040	60 026
Payment for capital assets	14 841	3 131	–	17 972	13 109	4 863	72,9	11 073	10 760
4.4 Thefts and losses									
Current payments	–	–	–	–	–	–	–	383	382
Total	**243 483**	**–**	**(10 962)**	**232 521**	**226 320**	**6 201**	**97,3**	**225 788**	**217 244**

DEPARTMENT OF AGRICULTURE
VOTE 24

DETAIL PER PROGRAMME 4—PRODUCTION AND RESOURCES MANAGEMENT

for the year ended 31 March 2008

Economic classification	2007/08							2006/07	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	93 527	(9 878)	(2 136)	81 513	81 369	144	99,8	75 885	75 046
Goods and services	78 166	4 926	(9 009)	74 083	73 383	700	99,1	70 506	69 394
Financial transactions in assets and liabilities	–	–	–	–	–	–	–	1 046	381
Transfers and subsidies									
Provinces and municipalities	46 973	–	–	46 973	46 965	8	100,0	56 075	56 062
Departmental agencies and accounts	3 250	–	–	3 250	3 250	–	100,0	2 250	2 250
Universities and Technikons	3 806	–	–	3 806	3 806	–	100,0	–	–
Public corporations and private enterprises	–	–	43	43	40	3	93,0	5 249	247
Non-profit institutions	1 090	–	140	1 230	1 230	–	100,0	1 115	1 115
Households	367	1 392	–	1 759	1 587	172	90,2	1 124	1 117
Payment for capital assets									
Buildings and other fixed structures	92	–	–	92	92	–	100,0	6 900	6 714
Machinery and equipment	16 142	3 630	–	19 772	14 598	5 174	73,8	4 882	4 172
Software and other intangible assets	70	(70)	–	–	–	–	–	756	746
Total	**243 483**	**–**	**(10 962)**	**232 521**	**226 320**	**6 201**	**97,3**	**225 788**	**217 244**

DEPARTMENT OF AGRICULTURE
VOTE 24

DETAIL PER PROGRAMME 5—SECTOR SERVICES AND PARTNERSHIPS

for the year ended 31 March 2008

Programme per subprogramme	2007/08							2006/07	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
5.1 Management									
Current payments	2 198	(323)	–	1 875	1 814	61	96,7	1 389	1 382
Transfers and subsidies	–	–	–	–	–	–	–	1	1
Payment for capital assets	34	–	–	34	32	2	94,1	16	10
5.2 Sector services									
Current payments	87 278	(2 391)	1 799	86 686	86 557	129	99,9	99 527	98 917
Transfers and subsidies	8 939	–	(5)	8 934	8 932	2	100,0	9 480	9 475
Payment for capital assets	1 569	1 414	128	3 111	2 927	184	94,1	2 208	2 086
5.3 Intergovernmental and stakeholder relations									
Current payments	34 630	1 253	21 885	57 768	57 686	82	99,9	36 691	36 525
Transfers and subsidies	28 915	–	4 022	32 937	32 866	71	99,8	15 654	9 978
Payment for capital assets	279	47	–	326	217	109	66,6	1 115	664
5.4 Agricultural Research Council									
Transfers and subsidies	488 499	–	–	488 499	488 499	–	100,0	500 390	500 390
5.5 Thefts and losses									
Current payments	–	–	–	–	–	–	–	9	9
Total	**652 341**	**–**	**27 829**	**680 170**	**679 530**	**640**	**99,9**	**666 480**	**659 437**

DEPARTMENT OF AGRICULTURE
VOTE 24

DETAIL PER PROGRAMME 5—SECTOR SERVICES AND PARTNERSHIPS

for the year ended 31 March 2008

Economic classification	2007/08							2006/07	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	46 190	(2 363)	2 975	46 802	46 786	16	100,0	38 929	38 321
Goods and services	77 916	902	20 709	99 527	99 271	256	99,7	98 678	98 503
Financial transactions in assets and liabilities	–	–	–	–	–	–	–	9	9
Transfers and subsidies									
Provinces and municipalities	10	–	–	10	10	–	100,0	42	35
Departmental agencies and accounts	497 399	–	–	497 399	497 399	–	100,0	509 760	509 760
Foreign governments and international organisations	28 915	–	4 021	32 936	32 865	71	99,8	15 646	9 974
Public corporations and private enterprises	2	–	2	4	2	2	50,0	4	3
Households	27	–	(6)	21	21	–	100,0	73	72
Payment for capital assets									
Machinery and equipment	1 655	1 461	128	3 244	2 976	268	91,7	3 260	2 681
Biological or cultivated assets	–	–	–	–	–	–	–	79	79
Software and other intangible assets	227	–	–	227	200	27	88,1	–	–
Total	**652 341**	**–**	**27 829**	**680 170**	**679 530**	**640**	**99,9**	**666 480**	**659 437**

NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2008

1. Detail of transfers and subsidies as per Appropriation Act (after virement)

Detail of these transactions is taken up in note 7 (Transfers and subsidies) and Annexure 1(C-L) to the Annual Financial Statements.

2. Detail of specifically and exclusively appropriated amounts voted (after virement)

Detail of these transactions is taken up in note 1 (Annual appropriation) to the Annual Financial Statements.

3. Detail on financial transactions in assets and liabilities

Detail of these transactions per programme is taken up in note 6 (Financial transactions in assets and liabilities) to the Annual Financial Statements.

4. Explanations of material variances from amounts voted (after virement)

4.1 Per programme	Final appropriation	Actual expenditure	Variance	Variance as a % of final appropriation
	R'000	R'000	R'000	%
Administration	265 394	238 813	26 581	10,0
Livelihoods, economics and business development	1 551 488	1 541 955	9 533	0,6
Bio-security and disaster management	740 030	641 799	98 231	13,3
Production and resources management	232 521	226 320	6 201	2,7
Sector services and partnerships	680 170	679 530	640	0,1
Total	**3 469 603**	**3 328 417**	**141 186**	**4,1**

Administration

As the new Durban Quarantine Station and the Repairs and Maintenance Project (RAMP) at Agriculture Place have not yet commenced, the Department of Public Works returned an amount of R19,8 million on 28 March 2008 to the Department.

Livelihoods, economics and business development

AgriBEE funds, R8,1 million were not paid to Khula as anticipated.

NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2008

Bio-security and disaster management

An amount of R184,7 million was advanced to the Eastern Cape Provincial Department of Agriculture for compensation paid to farmers for pigs culled during the Classical Swine Fever combating campaign. In this respect claims to the amount of R96,3 million are still outstanding.

Production and resources management

A drilling rig ordered in August 2007 was only partly delivered resulting in underspending of R3,970 million.

4.2 Per economic classification	Final appropriation	Actual expenditure	Variance	Variance as a % of final appropriation
	R'000	R'000	R'000	%
Current expenditure				
Compensation of employees	447 551	446 279	1 272	0,3
Goods and services	421 886	419 012	2 874	0,7
Financial transactions in assets and liabilities	325	319	6	1,9
Subtotal	**869 762**	**865 610**	**4 152**	**0,5**
Transfers and subsidies				
Provinces and municipalities	762 115	762 099	16	–
Departmental agencies and accounts	522 169	522 169	–	–
Universities and technikons	3 806	3 806	–	–
Public corporations and private enterprises	1 008 210	1 000 045	8 165	0,8
Foreign governments and international organisations	32 936	32 865	71	0,2
Non-profit institutions	5 780	5 780	–	–
Households	188 462	91 969	96 493	51,2
Subtotal	**2 523 478**	**2 418 733**	**104 745**	**4,2**
Payments for capital assets				
Buildings and other fixed structures	27 608	5 208	22 400	81,1
Machinery and equipment	46 418	37 000	9 418	20,3
Biological or cultivated assets	527	527	–	–
Software and other intangible assets	1 810	1 339	471	26,0
Subtotal	**76 363**	**44 074**	**32 289**	**42,3**
Total	**3 469 603**	**3 328 417**	**141 186**	**4,1**

DEPARTMENT OF AGRICULTURE
VOTE 24

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2008

	Notes	2007/08 R'000	2006/07 R'000
REVENUE			
Annual appropriation	1	3 469 603	2 367 630
Departmental revenue	2	82 049	94 614
Local and foreign aid assistance	3	10 673	15 025
TOTAL REVENUE		3 562 325	2 477 269
EXPENDITURE			
Current expenditure			
Compensation of employees	4	446 279	431 835
Goods and services	5	419 012	433 721
Financial transactions in assets and liabilities	6	319	1 484
Local and foreign aid assistance	3	10 673	15 025
Unauthorised expenditure approved		–	663
Total current expenditure		876 283	882 728
Transfers and subsidies	7	2 418 733	1 292 031
Expenditure for capital assets			
Buildings and other fixed structures	8	5 208	23 427
Machinery and equipment	8	37 000	34 592
Biological or cultivated assets	8	527	79
Software and other intangible assets	8	1 339	1 725
Total expenditure for capital assets		44 074	59 823
Total expenditure		3 339 090	2 234 582
Surplus		223 235	242 687
Surplus for the year		223 235	242 687
Reconciliation of surplus for the year			
Voted funds	14	141 186	148 073
Departmental revenue	15	82 049	94 614
SURPLUS FOR THE YEAR		223 235	242 687

DEPARTMENT OF AGRICULTURE
VOTE 24

STATEMENT OF FINANCIAL POSITION

at 31 March 2008

	Notes	2007/08 R'000	2006/07 R'000
ASSETS			
Current assets		153 091	152 688
Cash and cash equivalents	*10*	50 173	41 490
Prepayments and advances	*11*	94 967	101 146
Receivables	*12*	7 951	10 052
Non-current assets		18 680	18 831
Investments	*13*	18 680	18 831
TOTAL ASSETS		171 771	171 519
LIABILITIES			
Current liabilities		146 274	147 183
Voted funds to be surrendered to the National Revenue Fund	*14*	141 186	120 073
Departmental revenue to be surrendered to the National Revenue Fund	*15*	4 579	25 634
Payables	*16*	509	1 476
Non-current liabilities			
Payables	*17*	18 680	18 831
TOTAL LIABILITIES		164 954	166 014
NET ASSETS		6 817	5 505
Represented by:			
Recoverable revenue		6 817	5 505
TOTAL		6 817	5 505

DEPARTMENT OF AGRICULTURE
VOTE 24

STATEMENT OF CHANGES IN NET ASSETS

for the year ended 31 March 2008

	Notes	2007/08 R'000	2006/07 R'000
Recoverable revenue			
Opening balance		5 505	8 858
Transfers		1 312	(3 353)
Debts written off	*6.2*	(319)	(1 484)
Debts recovered (included in departmental revenue)		(24 291)	(28 828)
Debts raised		25 922	26 959
Closing balance		6 817	5 505
TOTAL		6 817	5 505

DEPARTMENT OF AGRICULTURE
VOTE 24

CASH FLOW STATEMENT

for the year ended 31 March 2008

	Notes	2007/08 R'000	2006/07 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		3 552 368	2 449 058
Annual appropriated funds received	*1*	3 469 603	2 339 630
Departmental revenue received	*2*	72 092	94 403
Local and foreign aid assistance received	*3*	10 673	15 025
Net (increase)/decrease in working capital		7 313	(95 019)
Surrendered to the National Revenue Fund		(223 177)	(98 882)
Current payments		(876 283)	(882 065)
Transfers and subsidies paid		(2 418 733)	(1 292 031)
Net cash flow available from operating activities	*18*	41 488	81 061
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets		(44 074)	(59 823)
Proceeds from sale of capital assets		9 957	211
(Increase)/decrease in investments		151	58
Net cash flows from investing activities		(33 966)	(59 554)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		1 312	(3 353)
Increase/(decrease) in non-current payables		(151)	(58)
Net cash flows from financing activities		1 161	(3 411)
Net increase/(decrease) in cash and cash equivalents		8 683	18 096
Cash and cash equivalents at the beginning of the period		41 490	23 394
Cash and cash equivalents at end of period	*19*	50 173	41 490

DEPARTMENT OF AGRICULTURE
VOTE 24

ACCOUNTING POLICIES

for the year ended 31 March 2008

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, 1999 (Act No. 1 of 1999 (as amended by Act No. 29 of 1999)), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, 2007 (Act No. 1 of 2007).

1. Presentation of the Financial Statements

1.1 Basis of preparation

The Financial Statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid.

1.2 Presentation currency

All amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the Department.

1.3 Rounding

Unless otherwise stated all financial figures have been rounded to the nearest one thousand Rand (R'000).

1.4 Comparative figures

Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

1.5 Comparative figures – Appropriation Statement

A comparison between actual amounts and final appropriation per major classification of expenditure is included in the appropriation statement.

2. Revenue

2.1 Appropriated funds

Appropriated funds are recognised in the financial records on the date the appropriation becomes effective. Adjustments to the appropriated funds made in terms of the adjustments budget process are recognised in the financial records on the date the adjustments become effective.

ACCOUNTING POLICIES

for the year ended 31 March 2008

Total appropriated funds are presented in the Statement of Financial Performance.

Unexpended appropriated funds are surrendered to the National Revenue Fund. Amounts owing to the National Revenue Fund at the end of the financial year are recognised in the Statement of Financial Position.

2.2 Departmental revenue

All departmental revenue is paid into the National Revenue Fund when received, unless otherwise stated. Amounts owing to the National Revenue Fund at the end of the financial year are recognised in the Statement of Financial Position. Amounts receivable at the reporting date are disclosed in the disclosure notes to the annual financial statements.

2.2.1 Tax revenue

Tax revenue consists of all compulsory unrequited amounts collected by the Department in accordance with laws and/or regulations (excluding fines, penalties and forfeits).

Tax receipts are recognised in the Statement of Financial Performance when received.

2.2.2 Sales of goods and services other than capital assets

The proceeds received from the sale of goods and/or the provision of services is recognised in the Statement of Financial Performance when the cash is received.

2.2.3 Fines, penalties and forfeits

Fines, penalties and forfeits are compulsory unrequited amounts which were imposed by a court or quasi-judicial body and collected by the Department. Revenue arising from fines, penalties and forfeits is recognised in the Statement of Financial Performance when the cash is received.

2.2.4 Interest, dividends and rent on land

Interest, dividends and rent on land are recognised in the Statement of Financial Performance when the cash is received.

2.2.5 Sale of capital assets

The proceeds received on sale of capital assets are recognised in the Statement of Financial Performance when the cash is received.

2.2.6 Financial transactions in assets and liabilities

Repayments of loans and advances previously extended to employees and public corporations for policy purposes are recognised as revenue in the Statement of Financial Performance on receipt of the funds.

ACCOUNTING POLICIES

for the year ended 31 March 2008

Cheques issued in previous accounting periods that expired before being banked are recognised as revenue in the Statement of Financial Performance when the cheque becomes stale. When the cheque is reissued the payment is made from Revenue.

Forex gains are recognised on payment of funds.

2.2.7 Transfers received (including gifts, donations and sponsorships)

All cash gifts, donations and sponsorships are paid into the National Revenue Fund and recorded as revenue in the Statement of Financial Performance when received. Amounts receivable at the reporting date are disclosed in the disclosure notes to the financial statements.

All in-kind gifts, donations and sponsorships are disclosed at fair value in the annexures to the financial statements.

2.3 Local and foreign aid assistance

Local and foreign aid assistance is recognised as revenue when notification of the assistance is received from the National Treasury or when the Department directly receives the cash from the donor(s).

All in-kind local and foreign aid assistance are disclosed at fair value in the annexures to the annual financial statements.

The cash payments made during the year relating to local and foreign aid assistance projects are recognised as expenditure in the Statement of Financial Performance. The value of the assistance expensed prior to the receipt of the funds is recognised as a receivable in the Statement of Financial Position.

Inappropriately expensed amounts using local and foreign aid assistance and any unutilised amounts are recognised as payables in the Statement of Financial Position.

3. Expenditure

3.1 Compensation of employees

3.1.1 Short term employee benefits

Salaries and wages comprise payments to employees (including leave entitlements, thirteenth cheques and performance bonuses). Salaries and wages are recognised as an expense in the Statement of Financial Performance when final authorisation for payment is effected on the system (by no later than 31 March of each year).

All other payments are classified as current expense.

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements. These amounts are not recognised in the Statement of Financial Performance or position.

ACCOUNTING POLICIES

for the year ended 31 March 2008

3.1.2 Post retirement benefits

The Department provides retirement benefits (pension benefits) for certain of its employees through a defined benefit plan for government employees. These benefits are funded by contribution from both the employer (13%) and employee (7,5%). Employees appointed for less than 12 months are not admitted to the pension fund and receive an allowance of 30% of their basic salary *in lieu* of service bonus, medical assistance, pension fund contributions and home owner's allowances. Employees with contracts exceeding 12 months have the choice to be admitted to the pension fund or to receive the allowance of 30%. Special advisors and daily paid workers are not admitted to the pension fund.

Employer contributions to the fund are expensed when the payment to the fund is effected on the system (by no later than 31 March of each year). No provision is made for retirement benefits in the financial statements of the Department. Any potential liabilities are disclosed in the financial statements of the National Revenue Fund and not in the financial statements of the employer department.

The Department provides medical benefits for certain of its employees. Employer contributions to the medical funds are expensed when final authorisation for payment to the fund is effected on the system (by no later than 31 March of each year).

3.1.3 Termination benefits

Termination benefits such as severance packages are recognised as an expense in the Statement of Financial Performance as a transfer (to households) when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

3.1.4 Other long-term employee benefits

Other long-term employee benefits (such as capped leave) are recognised as an expense in the Statement of Financial Performance as a transfer (to households) when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

3.2 Goods and services

Payments made for goods and/or services are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). The expense is classified as capital if the goods and services were used for a capital project or an asset of R5 000 or more is purchased. All assets costing less than R5 000 will also be reflected under goods and services.

3.3 Interest and rent on land

Interest and rental payments are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). This item excludes rental for the use of buildings or other fixed structures. If it is not possible to

ACCOUNTING POLICIES

for the year ended 31 March 2008

distinguish between payment for the use of land and the fixed structures on it, the whole amount should be recorded under goods and services.

3.4 Financial transactions in assets and liabilities

Debts are written off when identified as irrecoverable. Debts written off are limited to the amount of savings and/or underspending of appropriated funds. The write-off occurs at year end or when funds are available. No provision is made for irrecoverable amounts but amounts are disclosed as a disclosure note.

Forex losses are recognised on payment of funds.

All other losses are recognised when authorisation has been granted for the recognition thereof.

3.5 Unauthorised expenditure

When discovered unauthorised expenditure is recognised as an asset in the Statement of Financial Position until such time as the expenditure is either approved by the relevant authority, recovered from the responsible person or written off as irrecoverable in the Statement of Financial Performance.

Unauthorised expenditure approved with funding is recognised in the Statement of Financial Performance when the unauthorised expenditure is approved and the related funds are received. Where the amount is approved without funding it is recognised as expenditure, subject to availability of funds, in the Statement of Financial Performance on the date of approval.

3.6 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recognised as an asset in the Statement of Financial Position until such time as the expenditure is recovered from the responsible person or written off as irrecoverable in the Statement of Financial Performance.

3.7 Irregular expenditure

Irregular expenditure is recognised as expenditure in the Statement of Financial Performance. If the expenditure is not condoned by the relevant authority it is treated as an asset until it is recovered or written off as irrecoverable.

3.8 Transfers and subsidies

Transfers and subsidies are recognised as an expense when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

3.9 Expenditure for capital assets

Payments made for capital assets are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

ACCOUNTING POLICIES

for the year ended 31 March 2008

4. Assets

4.1 Cash and cash equivalents

Cash and cash equivalents are carried in the Statement of Financial Position at cost.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

4.2 Prepayments and advances

Amounts prepaid or advanced are recognised in the Statement of Financial Position when the payments are made.

4.3 Receivables

Receivables included in the Statement of Financial Position arise from cash payments made that are recoverable from another party.

Receivables outstanding at year-end are carried in the Statement of Financial Position at cost.

4.4 Investments

Capitalised investments are shown at cost in the Statement of Financial Position. Any cash flows such as dividends received or proceeds from the sale of the investment are recognised in the Statement of Financial Performance when the cash is received.

4.5 Inventory

Inventories purchased during the financial year are disclosed at cost in the notes.

4.6 Capital assets

A capital asset is recorded on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the capital asset may be stated at fair value. Where fair value cannot be determined, the capital asset is included in the asset register at R1.

Projects (of construction/development) running over more than one financial year relating to assets, are only capitalised as assets on completion of the project and at the total cost incurred over the duration of the project.

Disclosure Notes 28 and 29 reflect the total movement in the asset register for the current financial year.

5. Liabilities

5.1 Voted funds to be surrendered to the Revenue Fund

Unexpended appropriated funds are surrendered to the National Revenue Fund. Amounts owing to the National Revenue Fund at the end of the financial year are recognised in the Statement of Financial Position.

ACCOUNTING POLICIES

for the year ended 31 March 2008

5.2 Departmental revenue to be surrendered to the Revenue Fund

Amounts owing to the National Revenue Fund at the end of the financial year are recognised in the Statement of Financial Position at cost.

5.3 Payables

Recognised payables mainly comprise of amounts owing to other governmental entities. These payables are recognised at historical cost in the Statement of Financial Position.

5.4 Contingent liabilities

Contingent liabilities are included in the disclosure notes.

5.5 Commitments

Commitments are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance but are included in the disclosure notes.

5.6 Accruals

Accruals are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance but are included in the disclosure notes.

5.7 Employee benefits

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements. These amounts are not recognised in the Statement of Financial Performance or the Statement of Financial Position.

5.8 Lease commitments

Lease commitments are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance but are included in the disclosure notes.

Operating and finance lease commitments are expensed when the payments are made. Assets acquired in terms of finance lease agreements are disclosed in the annexures and disclosure notes to the financial statements.

5.9 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future event(s) not wholly within the control of the department; or

A contingent liability is a present obligation that arises from past events but is not recognised because:

- It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
- The amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are included in the disclosure notes.

5.10 Commitments

Commitments represent goods/services that have been approved and/or contracted, but where no delivery has taken place at the reporting date.

Commitments are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance but are included in the disclosure notes.

6. Receivables for departmental revenue

Receivables for departmental revenue are disclosed in the disclosure notes to the annual financial statements.

7. Net assets

7.1 Capitalisation reserve

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the Statement of Financial Position for the first time in the current reporting period. Amounts are transferred to the National Revenue Fund on disposal, repayment or recovery of such amounts.

7.2 Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year.

8. Key management personnel

Compensation paid to key management personnel including their family members where relevant, is included in the disclosure notes.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2008

1. Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act for National Departments (voted funds)

	Final appropri-ation	Actual funds received	Funds not requested/ not received	Appropri-ation received 2006/07
	R'000	R'000	R'000	R'000
Administration	265 394	265 394	–	240 395
Livelihoods, economics and business development	1 551 488	1 551 488	–	695 597
Bio-security and disaster management	740 030	740 030	–	511 370
Production and resources management	232 521	232 521	–	225 788
Sector services and partnerships	680 170	680 170	–	666 480
Total	3 469 603	3 469 603	–	2 339 630

2. Departmental revenue

	Notes	2007/08	2006/07
Sales of goods and services other than capital assets	*2.1*	65 825	59 211
Fines, penalties and forfeits		92	3
Interest, dividends and rent on land	*2.2*	1 483	1 391
Sales of capital assets	*2.3*	9 957	211
Financial transactions in assets and liabilities	*2.4*	4 666	33 798
Transfer received	*2.5*	26	–
Total revenue collected		82 049	94 614
Departmental revenue collected		82 049	94 614

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2008

		2007/08 R'000	2006/07 R'000
2.1	**Sales of goods and services other than capital assets**		
	Sales of goods produced and services rendered by the department	65 621	59 168
	Administrative fees	61 275	55 477
	Other sales	4 346	3 691
	Sales of scrap, waste and other used current goods	204	43
	Total	65 825	59 211
2.2	**Interest, dividends and rent on land and buildings**		
	Interest	763	888
	Rent on land and buildings	720	503
	Total	1 483	1 391
2.3	**Sale of capital assets**		
	Other capital assets	9 957	211
	Total	9 957	211
2.4	**Financial transactions in assets and liabilities**		
	Nature of recovery		
	Stale cheques written back	7	37
	Other receipts including recoverable revenue	4 659	33 761
	Total	4 666	33 798
2.5	**Transfers received**		
	International organisations	26	–
	Total	26	–

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2008

		2007/08 R'000	2006/07 R'000
3.	**Local and foreign aid assistance**		
	3.1 Assistance received in cash: RDP		
	Foreign		
	Opening balance	–	–
	Revenue	10 673	15 025
	Expenditure	10 673	15 025
	Current	10 673	15 025
	Closing Balance	–	–
	Total assistance		
	Opening balance	–	–
	Revenue	10 673	15 025
	Expenditure	10 673	15 025
	Current	10 673	15 025
	Closing balance	–	–
4.	**Compensation of employees**		
	4.1 Salaries and wages		
	Basic salaries	289 918	254 201
	Performance awards	12 809	11 346
	Service based	581	410
	Compensative/circumstantial	22 260	56 972
	Periodic payments	8 661	16 969
	Other non-pensionable allowances	55 575	43 353
	Total	389 804	383 251

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2008

	Notes	2007/08 R'000	2006/07 R'000
4.2 Social contributions			
4.2.1 Employer contributions			
Pension		37 053	32 631
Medical		19 330	15 875
Bargaining council		79	76
Insurance		13	2
Total		56 475	48 584
Total compensation of employees		446 279	431 835
Average number of employees		2 639	2 618
5. Goods and services			
Advertising		9 049	11 602
Attendance fees (including registration fees)		9 795	9 518
Bank charges and card fees		563	530
Bursaries (employees)		1 741	1 684
Catering		544	–
Communication		15 930	12 894
Computer services		16 186	15 976
Commission		3 024	1 764
Consultants, contractors and special services		104 236	119 799
Courier and delivery services		921	964
Tracing agents and debt collections		1	3
Drivers' licences and permits		28	24
Entertainment		406	1 337
External audit fees	*5.1*	3 998	5 102
Equipment less than R5 000		5 521	5 413
Freight services		13	6

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2008

		Notes	2007/08 R'000	2006/07 R'000
5.	**Goods and services** (*cont.*)			
	Honoraria (Voluntary workers)		–	24
	Inventory	*5.2*	53 312	50 641
	Legal fees		1 959	1 805
	Maintenance, repairs and running costs		14 439	11 495
	Medical services		66	94
	Operating leases		28 700	38 848
	Personnel agency fees		–	1
	Plants, flowers and other decorations		7	29
	Printing and publications		973	791
	Professional bodies and membership fees		23	13
	Resettlement costs		3 751	1 418
	School and boarding fees		1 579	51
	Subscriptions		279	370
	Storage of furniture		87	84
	Taking over of contractual obligations		854	520
	Owned leasehold property expenditure		15 507	1 048
	Translations and transcriptions		13	160
	Travel and subsistence	*5.3*	89 280	105 781
	Venues and facilities		25 971	17 173
	Protective, special clothing and uniforms		192	80
	Training and staff development		10 064	16 679
	Total		419 012	433 721

For the 2007/08 financial year the entertainment cost was split between entertainment and catering expenditure. Operating leases include the lease of photo copiers and vehicles, which in terms of the reporting is classified as finance lease transactions and disclosed in disclosure note 24. Furthermore, operating leases also include the payments of leases of office buildings which form part of the Department of Public Works asset register.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2008

		Notes	2007/08 R'000	2006/07 R'000
5.1	**External audit fees**			
	Regulatory audits		3 998	4 656
	Performance audits		–	62
	Other audits		–	384
	Total		3 998	5 102
5.2	**Inventory**			
	Domestic consumables		2 868	5 120
	Agricultural items		18 709	10 786
	Learning and teaching support material		11	7
	Food and food supplies		738	732
	Fuel, oil and gas		12 911	12 989
	Laboratory consumables		2 524	2 274
	Other consumables		278	364
	Parts and other maintenance material		2 312	6 305
	Stationery and printing		12 855	12 049
	Veterinary supplies		101	3
	Medical supplies		5	12
	Total		53 312	50 641
5.3	**Travel and subsistence**			
	Local		67 791	87 118
	Foreign		21 489	18 663
	Total		89 280	105 781
6.	**Financial transactions in assets and liabilities**			
	Debts written off	*6.2*	319	1 484
	Total		319	1 484

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2008

		Notes	2007/08 R'000	2006/07 R'000
6.1	**Debts written off**			
	Nature of debts written off			
	Irrecoverable/uneconomical		161	1 259
	Claims settled or waived to the advantage of the State		157	32
	Recovery would cause undue hardship		1	11
	Acts of grace		–	182
	Total		319	1 484
6.2	**Irrecoverable amounts written off**			
	Receivables written off		319	1 484
	Irrecoverable/uneconomical		161	1 259
	Claims settled or waived to the advantage of the State		157	32
	Recovery would cause undue hardship		1	11
	Acts of grace		–	182
	Total		319	1 484
7.	**Transfers and subsidies**			
	Provinces and municipalities	*Annex 1C and 1F*	762 099	401 802
	Departmental agencies and accounts	*Annex 1G*	522 169	532 790
	Universities and technikons	*Annex 1H*	3 806	–
	Public corporations and private enterprises	*Annex 1I*	1 000 045	245 482
	Foreign governments and international organisations	*Annex 1J*	32 865	9 974
	Non-profit institutions	*Annex 1K*	5 780	7 664
	Households	*Annex 1L*	91 969	94 319
	Total		2 418 733	1 292 031

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2008

	Notes	2007/08 R'000	2006/07 R'000
8. Expenditure for capital assets			
Buildings and other fixed structures	*28*	5 208	23 427
Machinery and equipment	*28*	37 000	34 592
Biological or cultivated assets	*28*	527	79
Software and other intangible assets		1 339	1 725
Computer software	*29.2*	1 307	1 411
Patents, licences, copyrights, brand names, trademarks	*29.2*	32	314
Total		44 074	59 823
The following amounts classified as capital have not been included as project costs in expenditure for capital assets:			
Compensation of employees		18 437	17 474
Goods and services		25 543	21 973
Total		43 980	39 447

Building and other fixed structures: The Department of Public Works returned an amount of R19,8 million on 28 March 2008 to this Department as construction at the Durban Quarantine Station and the RAMP at Agriculture Place have not yet commenced.

9. Unauthorised expenditure			
9.1 Reconciliation of unauthorised expenditure			
Opening balance		–	663
Amounts approved by Parliament		–	(663)
Current expenditure		–	(663)
Unauthorised expenditure awaiting authorisation		–	–

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2008

	2007/08 R'000	2006/07 R'000
10. Cash and cash equivalents		
Consolidated Paymaster-General Account	49 533	41 294
Cash receipts	477	33
Cash on hand	133	131
Cash with commercial banks (local)	30	32
Total	50 173	41 490

	2007/08 R'000	2006/07 R'000
11. Prepayments and advances		
Travel and subsistence	1 108	1 146
Advances paid to other entities	93 859	100 000
Total	94 967	101 146

An amount of R93,259 million is still outstanding in respect of advance payments made to the Eastern Cape Provincial Department of Agriculture for compensation for pigs culled during the Classical Swine Fever campaign.

12. Receivables

	Notes	Less than one year R'000	One to three years R'000	Older than three years R'000	2007/08 Total R'000	2006/07 Total R'000
Staff debtors	*12.1*	73	–	–	73	9
Other debtors	*12.2*	4 715	2 519	100	7 334	6 011
Intergovernmental receivables	*Annex 4*	544	–	–	544	4 032
Total		5 332	2 519	100	7 951	10 052

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2008

		2007/08 R'000	2006/07 R'000
12.1	**Staff Debtors**		
	Salaries: Deduction disallowance account	41	1
	Salaries: Tax debt	1	8
	Salaries: Reversal control	31	–
	Total	73	9
12.2	**Other debtors**		
	Debt account	1 553	1 093
	Inspection fees: Capital account	5 324	3 940
	Inspection fees: Interest account	385	900
	Claims recoverable from public entities	2	2
	Disallowance dishonoured cheques	70	76
	Total	7 334	6 011
13.	**Investments**		
	Non-current		
	Shares and other equity		
	Ncera Farms (Pty) Ltd	1	1
	Onderstepoort Biological Products (Pty) Ltd	1	1
	JS Pistorius Trust Fund	73	72
	Greenberg Trust Fund	36	32
	SAAU Fund	143	130
	Abattoir Industry Fund	18 426	18 595
	Total	18 680	18 831
	Analysis of non-current investments		
	Opening balance	18 831	18 889
	Additions in cash	18	19
	Disposals for cash	(169)	(77)
	Closing balance	18 680	18 831

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2008

	Notes	2007/08 R'000	2006/07 R'000
14. Voted funds to be surrendered to the National Revenue Fund			
Opening balance		120 073	27 429
Transfer from Statement of Financial Performance		141 186	148 073
Voted funds not requested	*14.1*	–	(28 000)
Paid during the year		(120 073)	(27 429)
Closing balance		141 186	120 073
14.1 Voted funds not requested/not received			
Funds to be rolled over		109 270	88 687
Funds not requested		–	28 000
Total		109 270	116 687
15. Departmental revenue to be surrendered to the National Revenue Fund			
Opening balance		25 634	2 473
Transfer from Statement of Financial Performance		82 049	94 614
Paid during the year		(103 104)	(71 453)
Closing balance		4 579	25 634

16. Payables – current

Description	Notes	30 days R'000	30+ days R'000	2007/08 Total R'000	2006/07 Total R'000
Advances received	*16.1*	30	70	100	845
Clearing accounts	*16.2*	210	199	409	621
Other payables	*16.3*	–	–	–	10
Total		240	269	509	1 476

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2008

		2007/08 R'000	2006/07 R'000
16.1	**Advances received**		
	Plant breeders' rights	–	4
	Drilling deposits	–	1
	Citrus Growers Association	100	838
	Sports fees (GADI)	–	2
	Total	100	845
16.2	**Clearing accounts**		
	Salary: ACB recalls	21	2
	Salary: Income tax	270	433
	Salary: Pension fund	3	6
	Salary: Reversal control	–	180
	Salary: Bargaining Council	1	–
	Disallowance miscellaneous	114	–
	Total	409	621
16.3	**Other payables**		
	Amounts owing to other entities	–	10
	Total	–	10

17. Payables – Non-current

	Notes	One to two years R'000	Two to three years R'000	More than three years R'000	2007/08 Total R'000	2006/07 Total R'000
Other payables	*17.1*	3 390	1 198	14 092	18 680	18 831
Total		3 390	1 198	14 092	18 680	18 831

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2008

		2007/08 R'000	2006/07 R'000
17.1	**Other payables**		
	Ncera Farms (Pty) Ltd	1	1
	Onderstepoort Biological Products (Pty) Ltd	1	1
	JS Pistorius Trust Fund	73	72
	Greenberg Trust Fund	36	32
	SAAU Fund	143	130
	Abattoir Industry Fund	18 426	18 595
	Total	18 680	18 831
18.	**Net cash flow available from operating activities**		
	Net surplus/(deficit) as per Statement of Financial Performance	223 235	242 687
	Add back non-cash/cash movements not deemed operating activities	(181 747)	(161 626)
	(Increase)/decrease in receivables – current	2 101	1 946
	(Increase)/decrease in prepayments and advances	6 179	(96 424)
	(Increase)/decrease in other current assets	–	663
	Increase/(decrease) in payables – current	(967)	(541)
	Proceeds from sale of capital assets	(9 957)	(211)
	Expenditure on capital assets	44 074	59 823
	Surrendered to the National Revenue Fund	(223 177)	(98 882)
	Voted funds not requested/not received	–	(28 000)
	Net cash flow generated by operating activities	41 488	81 061
19.	**Reconciliation of cash and cash equivalents for cash flow purposes**		
	Consolidated Paymaster-General Account	49 533	41 294
	Cash receipts	477	33
	Cash on hand	133	131
	Cash with commercial banks (local)	30	32
	Total	50 173	41 490

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2008

These amounts are not recognised in the Annual Financial Statements and are disclosed to enhance the usefulness of the Annual Financial Statements.

		Notes	2007/08 R'000	2006/07 R'000
20. Contingent liabilities				
Liable to	**Nature**			
Housing loan guarantees	Employees	*Annex 3A*	1 448	1 925
Other guarantees		*Annex 3A*	1 594 527	1 594 663
Claims against the Department		*Annex 3B*	20 599	45
Other departments (inter-departmental unconfirmed balances)		*Annex 5*	5 633	505
Total			1 622 207	1 597 138
21. Commitments				
Current expenditure				
Approved and contracted			72 422	46 599
Subtotal			72 422	46 599
Capital expenditure				
Approved and contracted			5 076	225
Subtotal			5 076	225
Total commitments			77 498	46 824

22. Accruals

Listed by economic classification	30 days R'000	30+ days R'000	2007/08 Total R'000	2006/07 Total R'000
Goods and services	221	1	222	1 492
Machinery and equipment	–	34	34	25
Total	221	35	256	1 517

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2008

	Notes	2007/08 R'000	2006/07 R'000
Listed per programme			
Administration		194	67
Livelihoods, economics and business development		1	96
Bio-security and disaster management		–	1 298
Production and resources management		27	43
Sector services and partnerships		34	13
Total		256	1 517
Confirmed balances with departments/entities	*Annex 5*	4 267	10
Total		4 267	10

23. Employee benefits

Leave entitlement	10 949	6 585
Thirteenth cheque	12 202	11 184
Performance awards	14 165	13 754
Capped leave commitments	30 727	31 272
Total	68 043	62 795

24. Lease commitments

Finance leases

	Land	Buildings and other fixed structures	Machinery and equipment	2007/08 Total	2006/07 Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	–	–	2 040	2 040	1 560
Later than 1 year and not later than 5 years	–	–	2 508	2 508	760
Total present value of lease liabilities	–	–	4 548	4 548	2 320

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2008

Analysis	Land	Buildings and other fixed struct-ures	Machinery and equip-ment	2007/08 Total	2006/07 Total
	R'000	R'000	R'000	R'000	R'000
Condoned	–	–	4 548	4 548	2 320
Total	–	–	4 548	4 548	2 320

The lease of photo copiers are disclosed as finance leases and have been accounted for under operating leases on BAS (Note 5)

		2007/08 R'000	2006/07 R'000
25.	**Irregular expenditure**		
25.1	**Reconciliation of irregular expenditure**		
	Opening balance	–	6 617
	Irregular expenditure – current year	4 548	–
	Less: Amounts condoned	4 548	6 617
	Current expenditure	4 548	6 617
	Irregular expenditure awaiting condonement	–	–

		No. of individuals	2007/08 R'000	2006/07 R'000
26.	**Key management personnel**			
	Political office bearer: Minister	1	1 052	985
	Officials: Level 14	11	7 014	6 594
	Levels 15 and 16	9	7 397	7 675
	Total		15 463	15 254

		2007/08 R'000	2006/07 R'000
27.	**Provisions**		
	Potential irrecoverable debts		
	Other debtors	2 097	1 814
	Total	2 097	1 814

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2008

28. Tangible capital assets

28.1 Movement in tangible capital assets per asset register for the year ended 31 March 2008

	Opening balance	Current year adjustments to prior year balances	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	**7 939**	**35**	**175**	**192**	**7 957**
Dwellings	7 615	35	175	192	7 633
Non-residential buildings	324	–	–	–	324
MACHINERY AND EQUIPMENT	**181 167**	**(18 233)**	**53 410**	**23 096**	**193 248**
Transport assets	47 859	981	13 375	6 584	55 631
Specialised military assets	62	–	–	–	62
Computer equipment	50 628	1 177	9 872	6 899	54 778
Furniture and offce equipment	9 460	(303)	2 668	313	11 512
Other machinery and equipment	73 158	(20 088)	27 495	9 300	71 265
BIOLOGICAL AND CULTIVATED ASSETS	**179**	**–**	**660**	**638**	**201**
Cultivated assets	179	–	660	638	201
Total tangible assets	**189 285**	**(18 198)**	**54 245**	**23 926**	**201 406**

The Department has minor assets at cost price amounting to R42,654 million at 31 March 2008.

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2008

28.2 Additions to tangible capital assets per asset register for the year ended 31 March 2008

	Cash	Non-cash fair value	Capital work in progress current costs	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	**5 208**	**83**	**(5 116)**	**–**	**175**
Dwellings	92	83	–	–	175
Non-residential buildings	5 116	–	(5 116)	–	–
MACHINERY AND EQUIPMENT	**37 000**	**16 457**	**–**	**(47)**	**53 410**
Transport assets	10 020	3 355	–	–	13 375
Computer equipment	9 536	377	–	(41)	9 872
Furniture and office equipment	2 248	460	–	(40)	2 668
Other machinery and equipment	15 196	12 265	–	34	27 495
BIOLOGICAL AND CULTIVATED ASSETS	**527**	**133**	**–**	**–**	**660**
Cultivated assets	527	133	–	–	660
Total	**42 735**	**16 673**	**(5 116)**	**(47)**	**54 245**

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2008

28.3 Disposals of tangible capital assets per asset register for the year ended 31 March 2008

	Sold (cash)	Non-cash fair value	Total cost	Cash received actual
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	**130**	**62**	**192**	**–**
Dwellings	130	62	192	–
MACHINERY AND EQUIPMENT	**5 344**	**17 752**	**23 096**	**9 957**
Transport assets	2 583	4 001	6 584	9 764
Computer equipment	165	6 734	6 899	5
Furniture and office equipment	34	279	313	25
Other machinery and equipment	2 562	6 738	9 300	163
BIOLOGICAL AND CULTIVATED ASSETS	**527**	**111**	**638**	**–**
Cultivated assets	527	111	638	–
Total	**6 001**	**17 925**	**23 926**	**9 957**

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2008

28.4 Movement in tangible capital assets per asset register for the year ended 31 March 2007

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	**834**	**23 616**	**16 511**	**7 939**
Dwellings	721	6 927	33	7 615
Non-residential buildings	113	16 689	16 478	324
MACHINERY AND EQUIPMENT	**146 045**	**45 941**	**10 819**	**181 167**
Transport assets	40 707	11 851	4 699	47 859
Specialised military assets	34	28	–	62
Computer equipment	37 505	15 842	2 719	50 628
Furniture and office equipment	6 751	3 303	594	9 460
Other machinery and equipment	61 048	14 917	2 807	73 158
CULTIVATED AND BIOLOGICAL ASSETS	**165**	**79**	**65**	**179**
Cultivated assets	165	79	65	179
Total tangible assets	**147 044**	**69 636**	**27 395**	**189 285**

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2008

29. INTANGIBLE CAPITAL ASSETS

29.1 Movement in intangible capital assets per asset register for the year ended 31 March 2008

	Opening balance	Current year adjustments to prior year balances	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
Computer software	2 086	(347)	1 317	–	3 056
Patents, licences, copyrights, brand names, tradmarks	2 642	(22)	32	–	2 652
Total intangible assets	**4 728**	**(369)**	**1 349**	**–**	**5 708**

29.2 Additions to intangible capital assets per asset register for the year ended 31 March 2008

	Cash	Non-cash fair value	Development work in progress current costs	Received current year, not paid (paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
Computer software	1 307	10	–	–	1 317
Patents, licences, copyrights, brand names, trademarks	32	–	–	–	32
Total	**1 339**	**10**	**–**	**–**	**1 349**

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2008

29.3 Movement in intangible capital assets per asset register for the year ended 31 March 2007

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
Computer software	2 086	–	–	2 086
Patents, licences, copyrights, brand names, trademarks	2 642	–	–	2 642
Total	**4 728**	**–**	**–**	**4 728**

DEPARTMENT OF AGRICULTURE
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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2008

ANNEXURE 1C

STATEMENT OF CONDITIONAL GRANT PAID TO PROVINCES

Name of province/grant	Grant allocation				Transfer		Spent			2006/07
	Division of Revenue Act	Roll overs	Adjust-ments	Total available	Actual transfer	% of avail-able funds transferred	Amount received by province	Amount spent by province	% of avail-able funds spent by province	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Comprehensive Agricultural Support Programme										
Eastern Cape	69 838	–	–	69 838	69 838	100,0	69 838	63 460	90,9	57 061
Free State	38 084	–	–	38 084	38 084	100,0	38 084	38 084	100,0	25 306
Gauteng	19 651	–	–	19 651	19 651	100,0	19 651	19 651	100,0	6 873
KwaZulu-Natal	68 301	–	–	68 301	68 301	100,0	68 301	3 468	5,1	55 524
Limpopo	62 921	–	–	62 921	62 921	100,0	62 921	46 789	74,4	50 143
Mpumalanga	41 133	–	–	41 133	41 133	100,0	41 133	41 133	100,0	28 355
Northern Cape	28 555	–	–	28 555	28 555	100,0	28 555	28 555	100,0	15 777
North West	53 091	–	–	53 091	53 091	100,0	53 091	45 091	84,9	40 313
Western Cape	33 426	–	–	33 426	33 426	100,0	33 426	33 426	100,0	20 648
Subtotal	**415 000**	**–**	**–**	**415 000**	**415 000**	**100,0**	**415 000**	**319 657**	**77,0**	**300 000**
Infrastructure development and poverty relief (LandCare)										
Eastern Cape	7 010	–	–	7 010	7 010	100,0	7 010	7 010	100,0	11 050
Free State	3 270	–	–	3 270	3 270	100,0	3 270	3 416	104,5	3 900
Gauteng	3 270	–	–	3 270	3 270	100,0	3 270	3 270	100,0	3 450
KwaZulu-Natal	7 010	–	–	7 010	7 010	100,0	7 010	4 663	66,5	10 355
Limpopo	7 943	–	–	7 943	7 943	100,0	7 943	6 815	85,8	7 950
Mpumalanga	4 205	–	–	4 205	4 205	100,0	4 205	4 028	95,8	4 350
Northern Cape	6 075	–	–	6 075	6 075	100,0	6 075	6 075	100,0	6 150

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2008

ANNEXURE 1C (*cont.*)

STATEMENT OF CONDITIONAL GRANT PAID TO PROVINCES

Name of province/grant	Grant allocation				Transfer		Spent			2006/07
	Division of Revenue Act	Roll overs	Adjust-ments	Total available	Actual transfer	% of avail-able funds transferred	Amount received by province	Amount spent by province	% of avail-able funds spent by province	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Infrastructure development and poverty relief (LandCare) (*cont.*)										
North West	4 672	–	–	4 672	4 672	100,0	4 672	4 672	100,0	4 800
Western Cape	3 270	–	–	3 270	3 270	100,0	3 270	3 268	99,9	3 730
Subtotal	**46 725**	**–**	**–**	**46 725**	**46 725**	**100,0**	**46 725**	**43 217**	**92,5**	**55 735**
Agricultural disaster management										
Eastern Cape	–	–	20 000	20 000	20 000	100,0	20 000	–	–	12 403
Free State	–	–	25 000	25 000	25 000	100,0	25 000	17 050	68,2	–
KwaZulu-Natal	–	–	40 000	40 000	40 000	100,0	40 000	3 430	8,6	–
Limpopo	–	–	45 000	45 000	45 000	100,0	45 000	–	–	–
Mpumalanga	–	–	45 000	45 000	45 000	100,0	45 000	8 382	18,6	–
Northern Cape	–	–	45 000	45 000	45 000	100,0	45 000	38 770	86,2	–
North West	–	–	55 000	55 000	55 000	100,0	55 000	5 205	9,5	–
Western Cape	–	–	25 000	25 000	25 000	100,0	25 000	25 000	100,0	33 000
Subtotal	**–**	**–**	**300 000**	**300 000**	**300 000**	**100,0**	**300 000**	**97 837**	**32,6**	**45 403**
Total	**461 725**	**–**	**300 000**	**761 725**	**761 725**	**100,0**	**761 725**	**460 711**	**18,5**	**401 138**

All transfers to a province were deposited into the primary bank account of a province as required by section 13(1)(d) of the Division of Revenue Act, 2007 (Act 1 of 2007)

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2008

ANNEXURE 1F

STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

Type	Grant allocation				Transfer		Spent			2006/07
	Amount	Roll overs	Adjust-ments	Total available	Actual transfer	% of avail-able funds transferred	Amount received by municipality	Amount spent by municipality	% of avail-able funds spent by municipality	Total available
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Regional Services Council Levies	–	–	–	–	–	–	–	–	–	430
Vehicle licences: Municipalities	357	–	33	390	374	95,9	–	–	–	369
Provincial Departments	–	–	–	–	–	–	–	–	–	40
Total	**357**	**–**	**33**	**390**	**374**	**95,9**	**–**	**–**	**–**	**839**

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2008

ANNEXURE 1G

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

Departmental agencies and accounts	Transfer allocation				Transfer		2006/07
	Adjusted Appropriation Act	Roll overs	Adjustments	Total available	Actual transfer	% of available funds transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
National Agricultural Marketing Council	13 320	–	3 700	17 020	17 020	100,0	12 710
Agricultural Research Council	488 499	–	–	488 499	488 499	100,0	508 390
Water Research Commission	3 250	–	–	3 250	3 250	100,0	2 250
National Student Financial Aid Scheme	8 300	–	–	8 300	8 300	100,0	8 300
Public Service Education and Training Authority	500	–	–	500	500	100,0	470
Perishable Products Export Control Board	4 600	–	–	4 600	4 600	100,0	600
South African Management Development Institution	–	–	–	–	–	–	70
Total	**518 469**	**–**	**3 700**	**522 169**	**522 169**	**100,0**	**532 790**

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

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ANNEXURE 1H

STATEMENT OF TRANSFERS TO UNIVERSITIES AND TECHNIKONS

Universities	Transfer allocation				Transfer			2006/07
	Adjusted Appropriation Act	Roll overs	Adjustments	Total available	Actual transfer	Amount not transferred	% of available funds transferred	Final Appropriation Act
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
University of Pretoria	200	–	–	200	200	–	100,0	–
University of Stellenbosch	3 606	–	–	3 606	3 606	–	100,0	–
Total	**3 806**	**–**	**–**	**3 806**	**3 806**	**–**	**100,0**	**–**

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2008

ANNEXURE 1I

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

Name of public corporation/private enterprise	Transfer allocation				Expenditure				2006/07
	Adjusted Appropriation Act	Roll overs	Adjustments	Total available	Actual transfer	% of available funds transferred	Capital	Current	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Public corporations									
Ncera Farms (Pty) Ltd	1 866	–	–	1 866	1 866	100,0	–	–	2 177
Red Meat Industry Forum	–	–	2	2	1	50,0	–	–	–
Land and Agricultural Bank of SA	948 000	–	50 000	998 000	998 000	100,0	–	–	243 000
Khula	15 800	–	(7 700)	8 100	–	–	–	–	–
Independent Development Trust	–	–	–	–	–	–	–	–	5 000
Subtotal	**965 666**	**–**	**42 302**	**1 007 968**	**999 867**	**99,2**	**–**	**–**	**250 177**
Private Enterprises									
Claims against the State	–	–	188	188	178	94,7	–	–	315
Non life insurance premiums	54	–	–	54	–	–	–	–	49
Subtotal	**54**	**–**	**188**	**242**	**178**	**73,6**	**–**	**–**	**364**
Total	**965 720**	**–**	**42 490**	**1 008 210**	**1 000 045**	**99,2**	**–**	**–**	**250 541**

DEPARTMENT OF AGRICULTURE
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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2008

ANNEXURE 1J

STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENTS AND INTERNATIONAL ORGANISATIONS

Foreign governments/ international organisations	Transfer allocation				Expenditure		2006/07
	Adjusted Appropriation Act	Roll overs	Adjustments	Total available	Actual transfer	% of available funds transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers: Membership fees							
Office International des Epizooties	795	–	–	795	794	99,9	706
International Seed Testing Association	–	–	–	–	–	–	43
Organisation for Economic Co-operation and Development	–	–	52	52	52	100,0	131
International Union for the Protection of New Varieties of Plants	–	–	–	–	–	–	321
International Grains Council	257	–	(123)	134	133	99,3	133
Office International de la Vigne et du Vin	–	–	545	545	544	99,8	456
Food and Agricultural Organisation of the United Nations	8 763	–	–	8 763	8 762	100,0	10 057
International Commission of Agricultural Engineering	–	–	–	–	–	–	53
Consultative Group on International Agricultural Research	3 663	–	4 019	7 682	7 681	100,0	3 209
Commonwealth Agricultural Bureau International	139	–	–	139	138	99,3	207
International Dairy Federation	–	–	30	30	30	100,0	30
International Cotton Advisory Council	137	–	–	137	136	99,3	149
Other							
Foreign rates and taxes	161	–	–	161	97	60,2	151
Food and Agricultural Organisation of the United Nations: Capacity building	15 000	–	(502)	14 498	14 498	100,0	–
Total	**28 915**	**–**	**4 021**	**32 936**	**32 865**	**99,8**	**15 646**

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2008

ANNEXURE 1K

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

Non-profit institutions	Transfer allocation				Expenditure		2006/07
	Adjusted Appropriation Act	Roll overs	Adjustments	Total available	Actual transfer	% of available funds transferred	Appropri-ation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Sterile Insect Technique	3 000	–	–	3 000	3 000	100,0	4 000
Food and Trees for Africa	50	–	–	50	50	100,0	1 000
National Movement for Rural Women	1 000	–	–	1 000	1 000	100,0	–
Collaborative International Pesticides Analytical Council	50	–	–	50	50	100,0	–
National Emergent Red Meat Producers Organisation	1 000	–	40	1 040	1 040	100,0	–
Aquaculture Association of Southern Africa	40	–	–	40	40	100,0	–
SA Sheep Shearing Federation	–	–	100	100	100	100,0	–
Entomology Congress	500	–	–	500	500	100,0	–
Co-operative Development Initiative	–	–	–	–	–	–	324
Grain Industry	–	–	–	–	–	–	300
Cotton Industry	–	–	–	–	–	–	500
Grassland Society	–	–	–	–	–	–	10
SA Pork Producers Organisation	–	–	–	–	–	–	65
Milk Producers' Organisation	–	–	–	–	–	–	40
Agricultural Economists of SA	–	–	–	–	–	–	14
Co-operatives Development Initiative	–	–	–	–	–	–	212
North West African Farmers' Union	–	–	–	–	–	–	1 000
Eastern Cape Commodity Organisation	–	–	–	–	–	–	500
Farmer Development Trust	–	–	–	–	–	–	1 000
National African Farmers' Union	–	–	–	–	–	–	1 000
Total	**5 640**	**–**	**140**	**5 780**	**5 780**	**100,0**	**9 965**

DEPARTMENT OF AGRICULTURE
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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2008

ANNEXURE 1L

STATEMENT OF TRANSFERS TO HOUSEHOLDS

Households	Transfer allocation				Expenditure		2006/07
	Adjusted Appropriation Act	Roll overs	Adjustments	Total available	Actual transfer	% of available funds transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Avian Influenza	–	–	–	–	–	–	12 537
Social benefits	869	–	2 906	3 775	3 593	95,2	2 067
Classical Swine Fever	188 687	–	(4 000)	184 687	88 376	47,9	148 310
Claims against the State	–	–	–	–	–	–	500
Broad-based Black Economic Empowerment Programme for Agriculture (AgriBEE)	50 000	–	(50 000)	–	–*	–	20 000
Woman in Agriculture and Rural Development	–	–	–	–	–	–	1 000
Foot and Mouth Disease	–	–	–	–	–	–	28
Total	**239 556**	**–**	**(51 094)**	**188 462**	**91 969**	**48,8**	**184 442**

*These funds were transferred to the Land Bank for the same purpose.

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2008

ANNEXURE 1M

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

Name of organisation	Nature of gift, donation or sponsorship	2007/08 R'000	2006/07 R'000
Received in cash			
Greenhouse Gases and Animal Agriculture	Conference in Christchurch New Zealand	26	–
Subtotal		**26**	**–**
Received in kind			
ABSA	4th World Congress for Rural Women in Durban	121	–
Riverbed	Riverbed Accelerate Conference in Lisbon Portugal	6	–
Tsolo College; Attache in Beijing; G Bruwer; Distell	Food, beverage and curious	2	–
True Cape and Mercury Media	SMS year end function	12	–
Arch Princess Holdings; Pro-Active College; SAADA; HR Practice and Edu-skills	Year end function	19	–
OIE	Contribution to attend working group for wildlife diseases	22	–
Donations	Department's annual team building day	91	98
Several gifts and donations	Grootfontein Students Association	117	–
SADC	Agricultural research and training	–	15
FARA	Contribution to attend FARA meetings	–	149
Various	Casual day 2006	–	2
Total SA; Absa AgriBusiness; Onderstepoort Biological Products Ltd; Farmers Weekly; Land Bank	Contribution to the Female Farmer of the Year Award 2006	–	2 353
Mitzakho Business Enterprise	Directorate Agricultural Information Service team building day	–	1
Nestle and SITA	Invitation to attend Sun City Golf Challenge	–	1
SADC; UNDC	Donations of inventory items to Directorate: Animal and Aquaculture Production*	–	–
Subtotal		**390**	**2 619**
Total		**416**	**2 619**

*The value of the donation cannot be calculated.

DEPARTMENT OF AGRICULTURE
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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2008

ANNEXURE 1M (*cont.*)

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

Name of organisation	Nature of gift, donation or sponsorship	2006/07 R'000	2005/06 R'000
Received in kind			
SADC	Agricultural research and training	15	–
FARA	Contribution to attend FARA meetings	149	–
Various	Casual day 2006	2	–
Total SA; Absa AgriBusiness; Onderstepoort Biological Products Ltd; Farmers Weekly; Land Bank	Contribution to the Female Farmer of the Year Award 2006	2 353	–
Several gifts and donations	Department's annual team building day	98	215
Mitzakho Business Enterprise	Directorate Agricultural Information Service team building day	1	–
Nestle and SITA	Invitation to attend Sun City Golf Challenge	1	–
SADC; UNDC	Donations of inventory items to Directorate: Animal and Aquaculture Production*	–	–
SADC	Contribution to attend a course on quantitative risk analysis	–	6
Aqua Master South Africa (Pty) Ltd	Water conditioner for irrigation purposes	–	26
International Livestock Research Institute	Allowance to attend a meeting at the ILRI headquarters in Nairobi, Kenya	–	16
FAO	Commemoration of World Food Day in the Northern Cape	–	10
TRALAC	Workshop	–	5
German government	Attending the 3rd International Expert Congress for Biofuels in Berlyn, Germany	–	10
Total		**2 619**	**288**

*The value of the donation cannot be calculated.

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2008

ANNEXURE 1N

STATEMENT OF LOCAL AND FOREIGN AID ASSISTANCE RECEIVED

Name of donor	Purpose	Opening balance R'000	Revenue R'000	Expenditure R'000	Closing balance R'000
Received in cash					
European Union	Pesticides Initiative Programme	–	10 673	10 673	–
Total		**–**	**10 673**	**10 673**	**–**

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DEPARTMENT OF AGRICULTURE
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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2008

ANNEXURE 1O

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE FOR THE YEAR ENDED 31 MARCH 2008

Nature of gift, donation or sponsorship	2007/08 R'000	2006/07 R'000
Paid in cash		
9th NTST Science & Technology event to sponsor the awards	20	–
Grain SA	50	–
Support to NERPO's 10th Anniversary Celebration	40	–
Support to AASA conference	40	–
Agric TV sponsor competition prizes	3	–
Trophies	12	–
Argentinean delegation	1	–
Food mountain during World Food Day commemorations	15	–
CIPAC Annual General Meeting	50	–
2008 Sheep Shearing and Wool Handling Championship	100	–
23rd International Congress of Entomology	500	–
Grassland Society of Southern Africa	–	10
Milk Producers' Organisation	–	40
Genetic Improvement Symposium on Pigs	–	65
International Association of Agricultural Economists	–	14
Public Service Trainers' Conference	–	70
Total	**831**	**199**

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2008

ANNEXURE 2B

STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO ENTITIES AS AT 31 MARCH 2008

Name of public entity	Nature of business	Cost of investment		Net asset value of investment		Amounts owing to entities		Amounts owing by entities	
		R'000		R'000		R'000		R'000	
		2007/08	2006/07	2007/08	2006/07	2007/08	2006/07	2007/08	2006/07
Controlled entities									
Ncera Farms (Pty) Ltd	Farmer support and related activities in Kidds Beach district	–	–	1	1	–	–	–	–
Onderstepoort Biological Products (Pty) Ltd	Manufacturing of vaccines and related products	–	–	1	1	–	–	–	–
Total		**–**	**–**	**2**	**2**	**–**	**–**	**–**	**–**

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2008

ANNEXURE 3A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2008—LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2007	Guarantees draw downs during the year	Guarantees repayments/ cancelled/re-duced/released during the year	Currency revaluations	Closing balance 31 March 2008	Guaranteed interest for year ended 31 March 2008	Realised losses not recoverable
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Standard Bank	Housing	687	360	–	99	–	261	–	–
Nedbank (Cape of Good Hope)	Housing	26	13	–	–	–	13	–	–
Nedbank Ltd	Housing	252	317	35	53	–	299	–	–
First Rand Bank FNB	Housing	425	133	–	36	–	97	–	–
Nedbank (included BOE Bank)	Housing	59	19	–	–	–	19	–	–
ABSA	Housing	1 239	484	–	133	–	351	–	–
Old Mutual Bank	Housing	17	9	–	9	–	–	–	–
Peoples Bank (FBC FID)	Housing	84	35	–	–	–	35	–	–
Nedbank Ltd (NBS)	Housing	216	86	11	40	–	57	–	–
FNB (formerly Saambou)	Housing	521	188	–	67	–	121	–	–
Old Mutual Bank (Ned/Perm)	Housing	454	239	–	74	–	165	–	–
United Bank	Housing	12	12	–	12	–	–	–	–
Green Star Home Loans	Housing	17	17	–	–	–	17	–	–
Unique Finance	Housing	13	13	–	–	–	13	–	–
Subtotal		**4 022**	**1 925**	**46**	**523**	**–**	**1 448**	**–**	**–**
	Other								
Land Bank	Grain silo loans	200 000	1 935	–	136	–	1 799	–	–
Land Bank	Consolidation of debt	100 000	92 728	–	–	–	92 728	–	–
Land Bank	Recapitalisation	1 500 000	1 500 000	–	–	–	1 500 000	–	–
Subtotal		**1 800 000**	**1 594 663**	**–**	**136**	**–**	**1 594 527**	**–**	**–**
Total		**1 804 022**	**1 596 588**	**46**	**659**	**–**	**1 595 975**	**–**	**–**

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2008

ANNEXURE 3B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2008

Nature of liability	Opening balance 01/04/2007	Liabilities incurred during the year	Liabilities paid/cancelled/ reduced during the year	Liabilities recoverable	Closing balance 31/03/2008
	R'000	R'000	R'000	R'000	R'000
Claims against the Department	45	20 599	45	–	20 599
Total	**45**	**20 599**	**45**	**–**	**20 599**

Nature of Liabilities recoverable	Opening balance 01/04/2007	Details of liability and recoverability	Movement during year	Closing balance 31/03/2008
	R'000		R'000	R'000
Ex gratia	7	Claim – Loss of private clothing	(7)	–
Vehicle accidents – Compensation	38	Claims – Motor vehicle accidents still under investigation	138	176
Claim on culling of pigs in the eradication of Classical Swine Fever	–	Appeal case against the Minister's decision in progress. Expected time of settlement is April 2009	20 423	20 423
Total	**45**		**20 554**	**20 599**

DEPARTMENT OF AGRICULTURE
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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2008

ANNEXURE 4

INTER-GOVERNMENT RECEIVABLES

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2008	31/03/2007	31/03/2008	31/03/2007	31/03/2008	31/03/2007
	R'000	R'000	R'000	R'000	R'000	R'000
Departments						
Foreign Affairs	–	45	–	–	–	45
Minerals and Energy	–	–	–	6	–	6
Trade and Industry	9	–	–	1	9	1
Justice and Constitutional Development	–	–	9	18	9	18
Health	–	–	–	11	–	11
National Intelligence Agency	–	–	–	8	–	8
Public Works	–	–	36	36	36	36
Land Affairs	–	–	–	3 489	–	3 489
SAMDI	–	1	–	–	–	1
Labour	–	–	–	8	–	8
Government Communication and Information Systems	–	–	–	11	–	11
Social Development	–	–	–	6	–	6
Education	–	–	–	1	–	1
Environmental Affairs and Tourism	1	3	–	–	1	3
The Office of the Presidency	16	–	–	–	16	–
Correctional Services	–	–	20	–	20	–
Water Affairs	53	–	10	–	63	–
National Treasury	–	–	59	–	59	–
Subtotal	**79**	**49**	**134**	**3 595**	**213**	**3 644**
Provincial departments						
Gauteng	17	13	93	87	110	100
Eastern Cape	22	–	24	208	46	208
Limpopo	12	–	67	68	79	68
Northern Cape	2	–	–	9	2	9
KwaZulu–Natal	–	–	28	–	28	–
Mpumalanga	–	–	19	–	19	–
North West	–	–	6	–	6	–
Western Cape	1	–	–	–	1	–
Subtotal	**54**	**13**	**237**	**372**	**291**	**385**
Other government entities						
Agricultural Research Council	–	1	2	2	2	3
Land Bank SA	24	–	–	–	24	–
International Trade Administration Communication of SA	–	–	14	–	14	–
Subtotal	**24**	**1**	**16**	**2**	**40**	**3**
Total	**157**	**63**	**387**	**3 969**	**544**	**4 032**

DEPARTMENT OF AGRICULTURE
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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2008

ANNEXURE 5
INTER-GOVERNMENT PAYABLES

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2008	31/03/2007	31/03/2008	31/03/2007	31/03/2008	31/03/2007
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
CURRENT						
National departments						
Justice and Constitutional Development	–	–	–	4	–	4
Trade and Industry	–	–	12	–	12	–
South African Police Services	–	–	132	–	132	–
Labour	–	–	40	–	40	–
Environmental Affairs and Tourism	–	–	14	–	14	–
Public Works	–	–	4 543	–	4 543	–
Government Printing Works	–	–	454	–	454	–
Provincial departments						
Gauteng Province						
Health	–	10	–	–	–	10
Western Cape Province						
Transport and Public Works	–	–	70	–	70	–
Mpumalanga Province						
Agriculture and Land Administration	–	–	9	–	9	–
Free State Province						
Agriculture	3 775	–	–	501	3 775	501
PUBLIC ENTITIES						
ARC	492	–	–	–	492	–
SITA	–	–	359	–	359	–
Total	4 267	10	5 633	505	9 900	515

AGRICULTURAL DEBT ACCOUNT
VOTE 24

BALANCE SHEET

as at 31 March 2008

	Notes	2007/08 R'000	2006/07 R'000
ASSETS			
Non-current assets			
Trade and other receivables	*4*	106 100	71 064
Current assets		724 048	1 073 022
Trade and other receivables	*4*	37 124	196 530
Cash and cash equivalents	*5*	686 924	876 492
Total assets		830 148	1 144 086
EQUITY AND LIABILITIES			
Equity			
Accumulated funds		830 114	1 143 853
Current liabilities			
Trade and other payables	*6*	34	233
Total equity and liabilities		830 148	1 144 086

AGRICULTURAL DEBT ACCOUNT
VOTE 24

INCOME STATEMENT

for the year ended 31 March 2008

	Notes	2007/08 R'000	2006/07 R'000
Revenue	*7*	37 205	24 615
Other income		87	–
Operating costs	*8*	(103 468)	(14 659)
Operating profit / (loss)		(66 176)	9 956
Interest on current account		2 437	1 926
Profit / (loss) for the year		(63 739)	11 882

AGRICULTURAL DEBT ACCOUNT
VOTE 24

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2008

	Notes	Accumulated funds 2007/08 R'000
Balance at 31 March 2006		1 331 971
Profit for the year		11 882
Funds transferred to the National Revenue Fund	*10*	(200 000)
Balance at 31 March 2007		1 143 853
Loss for the year		(63 739)
Funds transferred to the National Revenue Fund	*10*	(250 000)
Closing balance at 31 March 2008		830 114

AGRICULTURAL DEBT ACCOUNT
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CASH FLOW STATEMENT

for the year ended 31 March 2008

	Notes	2007/08 R'000	2006/07 R'000
Cash flows utilised from operating activities			
Cash generated from operations	*11*	(192 005)	(151 933)
Interest received		2 437	1 926
Net cash flow utilised from operating activities		(189 568)	(150 007)
Net decrease in cash and cash equivalents		(189 568)	(150 007)
Cash and cash equivalents at beginning of year		876 492	1 026 499
Cash and cash equivalents at end of year	*5*	686 924	876 492

AGRICULTURAL DEBT ACCOUNT
VOTE 24

ACCOUNTING POLICIES

for the year ended 31 March 2008

The principal accounting policies applied in the preparation of these annual financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1. BASIS OF PRESENTATION

The financial statements are prepared in accordance with and comply with Statements of Generally Accepted Accounting Practice in South Africa ("SA GAAP"). The financial statements are prepared under the historical cost convention.

The preparation of financial statements in conformity with SA GAAP requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Account's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

Standards that are not yet effective and have not been early adopted by the Account

There are no standards that have been published that are mandatory for the Account's accounting periods beginning on or after 1 January 2008 that the Account has not early adopted.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with SA GAAP requires the use of certain critical accounting estimates. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, rarely equate the related actual results. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the annual financial statements are disclosed below:

2.1 Effective interest rate

The interest rate as charged by the Land and Agricultural Bank of South Africa for similar loans has been regarded to be the market related interest rate for purposes of initial recognition of trade receivables and for purposes of discounting future cash flows.

2.2 Impairment of trade and other receivables

The Account follows the guidance of IAS 39 (AC 133): Financial instruments: Recognition and Measurement, to determine when trade and other receivables are impaired. This determination requires significant judgment. In making this judgment, the Account evaluates, among other factors, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, debtors whose outstanding interest are '*in duplum*' and default or delinquency in payments.

3. FINANCIAL ASSETS

The Account classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

ACCOUNTING POLICIES

for the year ended 31 March 2008

Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets.

4. TRADE RECEIVABLES

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for credit losses. An allowance for credit losses is established when there is objective evidence that the Account will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, debtors whose outstanding interest are '*in duplum'* and default or delinquency in payments, are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate less the fair value of pledged securities. The carrying amount of the asset is reduced through the use of a provision account, and the amount of the loss is recognised in the income statement within operating costs.

When a trade receivable is uncollectible, it is written off against the provision account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating costs in the income statement.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash in hand and deposits held with financial institutions. For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand and deposits held with financial institutions.

6. TRADE PAYABLES

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

7. REVENUE RECOGNITION

Revenue comprises interest on loans to farmers. Investment income comprises interest on cash and cash equivalents.

Interest

Interest is accrued on a time basis, by reference to the principal amount outstanding and the effective interest rate over the period to maturity. Interest is recognised in the income statement for all interest-bearing instruments on an accrual basis using the effective rate of interest method. Where financial assets have been

ACCOUNTING POLICIES

for the year ended 31 March 2008

impaired, interest continues to be recognised on the impaired value, based on the original effective interest rate. Interest includes the amortisation of any discount or premium or other differences between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated on an effective interest rate basis.

8. BOND PROTECTION

Costs relating to the purchase of immovable properties are expensed in terms of section 8(1)d of the Agricultural Debt Management Act, 2001 (Act 45 of 2001). Properties thus acquired are transferred at no consideration to the South African Government. The remaining balance of the trade receivable is written off against the allowance for credit losses. The property thus transferred is administered by the Department of Agriculture's Directorate: Land Settlement.

9. RELATED PARTIES

All transactions and balances with national Departments are regarded to be transactions with related parties and disclosed separately in the notes to the financial statements.

10. COMPARATIVES

Where necessary, comparatives have been adjusted to conform to changes in presentation in the current year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2008

1. FINANCIAL RISK MANAGEMENT

1.1 Financial risk factors

The Account's activities expose it to market risk and credit risk. The Account does not have an overall risk management programme as it is exposed to limited financial risks and it does not hedge its risk exposures. The Account is not exposed to any liquidity risks.

(a) Market risk

The Account is not exposed to any foreign exchange and price risks.

(i) Cash flow and fair value interest rate risk

The Account has significant interest-bearing assets, however an insignificant amount of the Account's income and operating cash flows are dependent on changes in market interest rates. Consequently the Account does not analyse or manage it's exposure to fluctuating market related interest rates as the impact thereof is not considered to be significant.

(b) Credit risk

The Account has significant concentrations of credit risk. It has policies and procedures in place to ensure that current and non-current loans to farmers are monitored for its credit risk and collected in accordance with the contracts in force. No new loans are provided which reduces the Account's credit risk exposure as the loan book matures over time.

The gross debtors balance as disclosed in note 4 of R318,8 million best represents the Account's maximum credit risk exposure.

1.2 Fair value estimation

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Account for similar financial instruments.

1.3 Capital management

The primary objective of the Account's capital management is to ensure that it maintains its ability to continue as a going concern and to maintain an optimal structure to reduce the cost of capital. In order to maintain the capital structure the Account has ensured a sound financial position by limiting exposure to debt and increasing cash balances.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2008

	2007/08 R'000	2006/07 R'000
Cash and cash equivalents	686 924	876 492

2. FINANCIAL INSTRUMENTS BY CATEGORY

The accounting policies for financial instruments have been applied to the line items below:

Assets per balance sheet – Loans and receivables		
Trade and other receivables	143 224	267 594
Cash and cash equivalents	686 924	876 492
	830 148	1 144 086

3. CREDIT QUALITY OF FINANCIAL ASSETS

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit rating (if available) or to historical information about the counterparty.

Trade receivables		
Counterparties without external credit rating:		
Loans to farmers that are not in default	35 687	39 239
	35 687	39 239
Cash at bank and short-term bank deposits		
Counterparties without external credit rating:		
Deposit: Public Investment Corporation Limited	685 654	875 854
Counterparties with external credit rating:		
Current account (Moody's – Baa1 rating)	1 270	638
	686 924	876 492

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2008

	2007/08 R'000	2006/07 R'000
4. TRADE AND OTHER RECEIVABLES		
Non-current trade and other receivables	106 100	71 064
Non-current portion of loans to farmers	109 678	76 911
Allowance for credit losses	(3 578)	(5 847)
Current trade and other receivables	37 124	196 530
Current portion of loans to farmers	208 937	343 538
Allowance for credit losses	(171 813)	(147 928)
Sundry debtors	169	173
Allowance for credit losses	(169)	(173)
Other receivables	–	920
Total trade and other receivables	143 224	267 594
Credit terms and sureties are negotiated with each debtor on merit.		
The fair value of trade and other receivables is as follows:		
Loans to farmers	143 224	266 674
Other receivables	–	920
	143 224	267 594
The effective interest rate on non-current receivables is as follows:		
Loans to farmers	10,0 to 24,9%	10,0 to 24,9%

As of 31 March 2008, loans to farmers of R33 953 335 (2007: R47 765 383) were fully performing.

Past due trade receivables guaranteed by collateral of whose nature and extent of default is considered acceptable by management are not considered to be impaired. As of 31 March 2008, trade receivables of R107 668 312 (2007: R222 311 008) were past due but not impaired. These relate to a number of farmers for whom adequate collateral are held or where there is no recent history of default. These trade receivables are analysed as follows:

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2008

	2007/08 R'000	2006/07 R'000
4. TRADE AND OTHER RECEIVABLES (*cont*.)		
Past due trade receivables fully guaranteed by collateral	84 651	109 037
Past due trade receivables not fully guaranteed by collateral	19 040	95 458
Trade receivables with acceptable history of default	3 978	17 816
	107 669	222 311
The ageing of past due debtors not impaired, grouped according to their latest financing arrangements on record, are as follows:		
Up to two years	915	258
Between two and four years	6 932	8 560
Between four and six years	4 292	4 695
Older than six years	95 530	208 798
	107 669	222 311
As of 31 March 2008, trade receivables of R194 662 420 (2007: R251 817 854) were impaired and provided for. The amount of the provision was R175 560 820 as of 31 March 2008 (2007: R153 948 382). The individually impaired receivables mainly relate to farmers, which are normally in difficult economic situations. It was assessed that a portion of the receivables is expected to be recovered. The ageing of these debtors, grouped according to their latest financing arrangements on record, are as follows:		
Up to two years	328	–
Between two and four years	567	14
Between four and six years	2 257	9 438
Older than six years	191 510	242 366
	194 662	251 818
The movement in the allowance for credit losses are as follows:		
Opening balance	153 948	184 789
Credit losses	(63 081)	(40 628)
Increase in allowance for credit losses	84 693	9 787
	175 560	153 948

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2008

	2007/08 R'000	2006/07 R'000
4. TRADE AND OTHER RECEIVABLES (*cont.*)		
The creation and release of an allowance for credit losses have been included in "operating costs" in the income statement (note 8). Amounts charged to the allowance account are generally written off, when there is no expectation of recovering additional cash.		
The other classes within trade and other receivables do not contain impaired assets.		
The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above.		
The Account holds collateral in the amount of R444 299 905 (2007: R818 887 374) in respect of loans granted to farmers. The Account is not permitted to sell or repledge the collateral in the absence of default by the owner of the collateral.		
5. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents included in the cash flow statement comprise of the following:		
Deposit: Public Investment Corporation Limited	685 654	875 854
Current account	1 270	638
	686 924	876 492
On instruction of the National Treasury, the Account did not earn any interest on the deposit with the Public Investment Corporation Limited.		
6. TRADE AND OTHER PAYABLES		
Trade payables	34	233
7. REVENUE		
Interest income		
Loans to farmers	37 205	24 615

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2008

		2007/08 R'000	2006/07 R'000
8.	**OPERATING COSTS**		
	Administrative expenses	34	240
	Amortised costs adjustment	18 741	3 210
	Bond protection costs	–	1 422
	Increase in allowance for credit losses	84 693	9 787
		103 468	14 659
9.	**INCOME TAX EXPENSE**		
	The Account is exempt from taxation in terms of section 10(1)(a) of the Income Tax Act, 1962 (Act No. 58 of 1962)		
10.	**TRANSFER TO NATIONAL REVENUE FUND**		
	In terms of a directive dated 15 March 2005 by the National Treasury an amount of R600 million has been transferred to the National Revenue Fund as follows:		
	Transferred in 2005/06 – R150 million		
	Transferred in 2006/07 – R200 million		
	Transferred in 2007/08 – R250 million		
11.	**CASH GENERATED FROM OPERATIONS**		
	Reconciliation of profit / (loss) to cash generated from operations:		
	Net profit/(loss) for the year	(63 739)	11 882
	Adjusted for:		
	Interest income	(2 437)	(1 926)
	Transfer to National Revenue Fund	(250 000)	(200 000)
	Operating profit/(loss) before working capital changes	(316 176)	(190 044)
	Changes in working capital:	124 171	38 111
	Decrease in receivables and prepayments	124 370	38 033
	(Decrease)/Increase in trade and other payables	(199)	78
	Cash generated from operations	(192 005)	(151 933)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2008

	2007/08 R'000	2006/07 R'000
12. RELATED PARTY TRANSACTIONS		
The Account is controlled by the Department.		
All transactions occurred under terms that are no less favourable than those arranged with third parties.		
The following transactions were carried out with the related party:		
12.1 Payment made		
Transfer to the National Revenue Fund	250 000	200 000
12.2 Year end balances arising from sales/purchases of goods/ services		
Deposit with the Public Investment Corporation Limited	685 654	875 854

13. SUBSEQUENT EVENTS

No events were identified subsequent to balance sheet date, that could materially misstate, or affect the financial statements. However, the Department is in the process to repeal the Agricultural Debt Management Act, 2001 which will have the effect that the outstanding debt on the Account will in future be recovered by the Department as departmental debt and accounted for within the Department's set of accounts.

14. CONTINGENCIES

It is not anticipated that any material liabilities will arise from the contingent liabilities other than those provided for.

5

Human resources management

Overview

On 31 March 2008, the post establishment of the department totalled 3 055 posts. During the period under review the vacancy rate of the department decreased from 18 to 13,6 %. The ODC was responsible for monitoring the management of vacancies in the department on a monthly basis with a view to downscale the vacancy rate.

A total of 323 new staff members, which includes 2 members of the Senior Management Service, were employed during the period under review and a total of 183 employees were promoted to higher positions in the department. A total of 281 employees, including 6 members of the Senior Management Service, terminated their services in the department as a result of resignations, transfers, death, retirements, dismissals and discharges. Most of the employees who left the department were on salary levels 6 to 8. The staff turnover rate for the period was 10,7 %.

The number of jobs that was subjected to job evaluation was 287 and this resulted in the upgrading of the salary levels of 85 posts and the downgrading of the salary levels of 16 posts. The Job Evaluation Unit of the Directorate Human Resources Management also played a leading role in the Interdepartmental Job Evaluation Co-ordination Committee for the agricultural public sector in order to develop generic job descriptions for identified agricultural specific jobs and to ensure consistent grading levels for these jobs across the sector.

The department was able to resolve 87,2 % of the grievances lodged with the Employee Relations Unit. A total of 19 disciplinary hearings were held and 2 disputes were lodged.

A total of 55 injuries on duty cases were addressed of which 52 cases required only basic medical attention.

During the 2007/08 performance cycle, 39 % of employees qualified for performance rewards.

Statistics

Statistical data, as set out on pages 163–197, is structured as follows:

1. Service delivery
2. Expenditure
3. Employment and vacancies
4. Job evaluation
5. Employment changes
6. Employment equity
7. Performance rewards
8. Foreign workers
9. Leave utilisation for the period 1 January to 31 December 2007
10. HIV/Aids and health promotion programmes
11. Labour relations
12. Skills development
13. Injury on duty
14. Utilisation of consultants

1. SERVICE DELIVERY

All departments are required to develop a Service Delivery Improvement (SDI) Plan. The following tables reflect the components of the SDI Plan as well as progress made in the implementation of the plan.

TABLE 1.1 Main services provided and standards

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards %
1. Organisational performance analysis	Director-General DEXCO DMC Stakeholders in agriculture	Other relevant departments Municipalities External bodies with an interest in the sector	Quarterly	100
2. Provincial department of agriculture (PDAs) performance analysis	Director-General DEXCO DMC PDAs National Treasury Provincial Treasury	Other relevant departments Municipalities External bodies with an interest in the sector	Quarterly	100
3. Sector performance and impact assessment	Director-General DEXCO DMC PDAs Stakeholders in agriculture		Annually	20
4. Service delivery reports	Director-General DEXCO DMC DoA clients		Quarterly	50

TABLE 1.2 Consultation arrangements with customers

Type of arrangement	Actual customers	Potential customers	Actual achievements
Workshops, meetings, forums, e-mails	Programmes Directorates PDAs	DoA DoA staff	100 %

TABLE 1.3 Service delivery access strategy

Access strategy	Actual achievements
1. Operational planning exercise, meetings, e-mails, reports and DEXCO meetings	All accessible and succeeded to access the clients

TABLE 1.4 Service information tool

Types of information tool	Actual achievements
1. Knowledge bank system	In operation
2. Quarterly reporting template and reports	In operation
3. Annual report	In operation
4. PDA reporting templates and reports	In operation

2. EXPENDITURE

This section covers the departmental budget expenditure in terms of clearly defined programmes. The following tables summarise final audited expenditure by programme (Table 2.1) and by salary bands (Table 2.2). In particular, it provides an indication of the amount spent on personnel costs in terms of each of the programmes or salary bands within the department.

TABLE 2.1 Personnel costs by programme 2007/08

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services (R'000)	Personnel cost as % of total expenditure	Average personnel cost per employee (R'000)
1. Administration	238 813	104 434	5 505	7 617	3,1	132
2. Livelihoods, Economics and Business Development	1 541 955	56 386	1 487	26 047	1,7	198
3. Biosecurity and Disaster Management	641 799	157 304	2 122	19 928	4,7	144
4. Production and Resources Management	226 320	81 369	2 478	16 586	2,4	130
5. Sector Services and Partnerships	679 530	46 786	1 489	34 057	1,4	175
TOTAL	**3 328 417**	**446 279**	**13 081**	**104 235**	**13,4**	**146**

TABLE 2.2 Personnel costs by salary bands 2007/08

Salary bands	Personnel expenditure (R'000)	% of total personnel costs	Average personnel cost per employee (R'000)
Lower skilled (Levels 1–2)	41 389	9,3	88
Skilled (Levels 3–5)	40 045	9,0	62
Highly skilled production (Levels 6–8)	165 718	37,1	180
Highly skilled supervision (Levels 9–12)	145 272	32,5	266
Senior management (Levels 13–16)	34 611	7,8	607
Contract (Level 1–2)	553	0,1	92
Contract (Level 3–5)	1 017	0,2	509
Contract (Level 6–8)	3 466	0,8	217
Contract (Level 9–12)	2 552	0,6	510
Contract (Level 13–16)	2 984	0,7	995
Periodical remuneration	2 950	0,7	13
Abnormal appointments	5 722	1,3	18
TOTAL	**446 279**	**13,4**	**146**

Owing to the disaster relief/combating campaigns the department had various bodies assisting. It is not possible for the department to establish the correct number of persons assisting.

The following tables provide a summary per programme (Table 2.3) and salary bands (Table 2.4), of expenditure incurred as a result of salaries, overtime, home owner's allowance and medical assistance. In each case, the table provides an indication of the percentage of the personnel budget that was used for these items.

TABLE 2.3 Salaries, overtime, home owner's allowance and medical assistance by programme 2007/08

Programme	Salaries		Overtime		Home owners allowance		Medical assistance	
	Amount (R'000)	% of personnel cost	Amount (R'000)	% of personnel cost	Amount (R'000)	% of personnel cost	Amount (R'000)	% of personnel cost
1. Administration	71 476	16,0	1 090	0,2	2 776	0,6	5 312	1,2
2. Livelihoods, Economics and Business Development	38 041	8,5	–	–	973	0,2	2 269	0,5
3. Biosecurity and Disaster Management	99 460	22,3	16 403	3,7	2 635	0,6	6 491	1,5
4. Production and Resources Management	55 422	12,4	168	–	1 844	0,4	3 587	0,8
5. Sector Services and Partnerships	25 218	5,7	281	0,1	1 323	0,3	1 672	0,4
TOTAL	**289 617**	**64,9**	**17 942**	**4,0**	**9 551**	**2,1**	**19 331**	**4,3**

TABLE 2.4 Salaries, overtime, home owner's allowance and medical assistance by salary band 2007/08

Salary bands	Salaries		Overtime		Home owners allowance		Medical assistance	
	Amount (R'000)	% of personnel cost	Amount (R'000)	% of personnel cost	Amount (R'000)	% of personnel cost	Amount (R'000)	% of personnel cost
Lower skilled (Levels 1–2)	29 155	6,5	708	0,2	1 611	0,4	2 364	0,5
Skilled (Levels 3–5)	28 162	6,3	757	0,2	1 551	0,4	2 600	0,6
Highly skilled production (Levels 6–8)	104 132	23,3	14 525	3,3	3 489	0,8	8 445	1,9
Highly skilled supervision (Levels 9–12)	100 489	22,5	1 952	0,4	1 809	0,4	5 145	1,2
Senior management (Levels 13–16)	20 211	4,5	–	–	995	0,2	740	0,2
Contract (Level 1–2)	417	0,1	–	–	–	–	–	–
Contract (Level 3–5)	773	0,2	–	–	–	–	–	–
Contract (Level 6–8)	2 613	0,6	–	–	–	–	–	–
Contract (Level 9–12)	1 878	0,4	–	–	–	–	–	–
Contract (Level 13–16)	1 787	0,4	–	–	96	–	37	–
Abnormal appointments	–	–	–	–	–	–	–	–
TOTAL	**289 617**	**64,9**	**17 942**	**4,0**	**9 551**	**2,1**	**19 331**	**4,3**

3. EMPLOYMENT AND VACANCIES

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff members who are additional to the establishment. This information is presented in terms of three key variables: programme (Table 3.1), salary band (Table 3.2) and critical occupations (Table 3.3). Departments have identified critical occupations that have to be monitored. Table 3.3 provides establishment and vacancy information for the key critical occupations of the department.

The vacancy rate reflects the percentage of posts that are not filled.

TABLE 3.1 Employment and vacancies by programme, 31 March 2008

Programme	Number of posts	Number of posts filled	Vacancy rate %	Number of posts filled additional to the establishment
1. Administration	789	666	15,6	8
2. Livelihoods, Economics and Business Development	284	228	19,7	8
3. Biosecurity and Disaster Management	1 096	982	10,4	1
4. Production and Resources Management	624	522	16,3	12
5. Sector Services and Partnerships	263	241	8,4	3
TOTAL	**3 056***	**2 639***	**13,6**	**32**

* Number of posts including Minister

TABLE 3.2 Employment and vacancies by salary bands, 31 March 2008

Salary band	Number of posts	Number of posts filled	Vacancy rate %	Number of posts filled additional to the establishment
Lower skilled (Levels 1–2)	498	466	6,4	6
Skilled (Levels 3–5)	751	673	10,4	3
Highly skilled production (Levels 6–8)	1 039	892	14,2	16
Highly skilled supervision (Levels 9–12)	703	554	21,2	3
Senior management (Levels 13–16)	64	53	17,2	4
TOTAL	**3 055***	**2 638***	13,6	**32**

* Number of posts excluding Minister

TABLE 3.3 Employment and vacancies by critical occupation at 31 March 2008

Critical occupations	Number of posts	Number of posts filled	Vacancy rate %	Number of posts filled additional to the establishment
Administrative related	123	97	21,1	3
Agricultural animal, oceanography, forestry and other science	151	116	23,2	
Agriculture related	296	247	16,6	5
Aircraft pilots and related associate professionals	1	1	–	
All artisans in the building, metal, machinery, etc.	60	46	23,3	
Appraisers-valuers and related professionals	19	18	5,3	
Archivists, curators and related professionals	2	2	–	
Artisan project and related superintendents	–	–	–	
Auxiliary and related workers	77	69	10,4	
Biochemistry, pharmacology, zoology and life science technicians	33	29	12,1	
Building and other property caretakers	25	23	8,0	
Bus and heavy vehicle drivers	7	7	–	
Chemists	1	1	–	
Civil engineering technicians	–	–	–	
Cleaners in offices, workshops, hospitals, etc.	100	95	5,0	
Client information clerks (switchboard, reception and information clerks)	8	7	12,5	

TABLE 3.3 Employment and vacancies by critical occupation at 31 March 2008 (*cont.*)

Critical occupations	Number of posts	Number of posts filled	Vacancy rate %	Number of posts filled additional to the establishment
Communication and information related	10	7	30,0	
Computer programmers	1	1	–	3
Computer system designers and analysts	9	9	–	
Custodian personnel	1	1	–	
Earth moving and related plant operators	1	–	100,0	
Economists	29	26	10,3	
Engineering sciences related	2	2	–	
Engineers and related professionals	13	8	38,5	
Farmhands and labourers	176	162	8,0	6
Farming, forestry advisors and farm managers	5	5	–	
Finance and economics related	71	48	32,4	
Financial and related professionals	26	21	19,2	
Financial clerks and credit controllers	100	79	21,0	
Food services aids and waiters	23	23	–	
General legal administration and related professionals	1	1	–	
Head of department/chief executive officer	1	1	–	
Health sciences related	4	3	25,0	
Horticulturists, foresters, agricultural and forestry technicians	154	133	13,6	
Household and laundry workers	19	19	–	
Human resources and organisational development and related professionals	27	23	14,8	2
Human resources clerks	56	49	12,5	1
Human resources related	13	12	7,7	
Information technology related	1	1	–	
Language practitioners, interpreters and other communicators	19	15	21,1	
Legal related	5	4	20,0	
Librarians and related professionals	1	1	–	
Library mail and related clerks	65	61	6,2	
Light vehicle drivers	7	7	–	

TABLE 3.3 Employment and vacancies by critical occupation at 31 March 2008 (*cont.*)

Critical occupations	Number of posts	Number of posts filled	Vacancy rate %	Number of posts filled additional to the establishment
Logistical support personnel	15	9	40,0	1
Material-recording and transport clerks	76	62	18,4	
Mechanical engineering technicians	2	1	50,0	
Messengers, porters and deliverers	60	58	3,3	
Motor vehicle drivers	46	41	10,9	
Motorised farm and forestry plant operators	5	5	–	
Nature conservation and oceanographically related technicians	56	50	10,7	
Other administrative and related clerks and organisers	250	219	12,4	4
Other administrative policy and related officers	67	56	16,4	1
Other information technology personnel	4	2	50,0	
Printing and related machine operators	8	8	–	
Printing planners and production controllers	1	1	–	
Rank: Minister	1	1	–	
Regulatory inspectors	17	17	–	
Risk management and security services	6	6	–	
Road trade workers	14	14	–	
Safety health and quality inspectors	56	48	14,3	
Secretaries and other keyboard operating clerks	79	66	16,5	2
Security guards	9	9	–	
Security officers	76	70	7,9	
Senior managers	59	47	20,3	4
Social sciences related	1	1	–	
Statisticians and related professionals	22	19	13,6	
Trade labourers	340	324	4,7	
Veterinarians	40	22	45,0	
Veterinary assistants	2	2	–	
Water plant and related operators	1	1	–	
TOTAL	**3 056***	**2 639***	**13,6**	**32**

* Number of posts including Minister

The information in each case reflects the situation as on 31 March 2008. For an indication of changes in staffing patterns over the year under review, please refer to section 5 of this report.

4. JOB EVALUATION

The Public Service Regulations, 1999 introduced job evaluation as a way of ensuring that work of equal value is remunerated equally. Within a nationally determined framework, executive authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the Regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled. This was complemented by a decision by the Minister for the Public Service and Administration that all SMS jobs must be evaluated before 31 December 2002.

The following table (Table 4.1) summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

TABLE 4.1 Job evaluation, 1 April 2007 to 31 March 2008

Salary band	Number of posts	Number of jobs evaluated	% of posts evaluated by salary bands	Posts upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (Levels 1–2)	498	4	0,8	–	–	–	–
Skilled (Levels 3–5)	751	10	1,3	4	1,4	6	2,1
Highly skilled production (Levels 6–8)	1 039	153	14,7	48	16,7	4	1,4
Highly skilled supervision (Levels 9–12)	703	116	16,5	33	11,5	5	1,7
Senior Management Service Band A	43	3	6,9	–	–	1	0,4
Senior Management Service Band B	14	1	7,1	–	–	–	–
Senior Management Service Band C	6	–	–	–	–	–	–
Senior Management Service Band D	1	–	–	–	–	–	–
TOTAL	**3 055***	**287**	**9,4**	**85**	**29,6**	**16**	**5,6**

* Number of posts excluding Minister

The following table provides a summary of the number of employees whose salary positions were upgraded owing to their posts being upgraded. The number of employees might differ from the number of posts upgraded because not all employees are absorbed automatically into the new posts and some of the posts upgraded could also be vacant.

TABLE 4.2 Profile of employees whose positions were upgraded owing to their posts being upgraded, 1 April 2007 to 31 March 2008

Beneficiaries	African	Asian	Coloured	White	Total
Female	19	1	2	8	30
Male	23	–	8	4	35
TOTAL	**42**	**1**	**10**	**12**	**65**

The following table summarises the number of cases where remuneration levels exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

TABLE 4.3 Employees whose salary levels exceeded the grade determined by job evaluation, 1 April 2007 to 31 March 2008 (in terms of PSR 1.V.C.3)

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Administrative related	1	9	10	Job evaluation
Administrative related	1	11	12	Job evaluation
Agriculture related	1	11	12	Job evaluation
Finance and economics related	1	9	11	Job evaluation
Finance and economics related	1	11	12	Job evaluation
Other administrative and related clerks and organisers	3	4	6	Job evaluation
Other administrative and related clerks and organisers	3	4	5	Job evaluation
Aircraft pilots and related associate professionals	1	11	12	Job evaluation
Human resources related	1	11	12	Job evaluation
Total number of employees whose salaries exceeded the level determined by job evaluation in 2007/08	**13**			
% of total employment	**0,5**			

Table 4.4 is a summary of the number of beneficiaries of the above in terms of race, gender and disability.

TABLE 4.4 Profile of employees whose salary levels exceeded the grade determined by job evaluation, 1 April 2007 to 31 March 2008 (in terms of PSR 1.V.C.3)

Beneficiaries	African	Asian	Coloured	White	Total
Female	3	–	1	2	6
Male	3	1	–	3	7
Total	**6**	**1**	**1**	**5**	**13**
Employees with a disability	–	–	–	–	–
% of total employment	**0,2**	**0,1**	**0,5**	**0,2**	**0,5**

5. EMPLOYMENT CHANGES

This section provides information on changes in employment over the financial year. Turnover rates provide an indication of trends in the employment profile of the department. The following tables provide a summary of turnover rates by salary band (Table 5.1) and by critical occupations (Table 5.2).

TABLE 5.1 Annual turnover rates by salary band for the period 1 April 2007 to 31 March 2008

Salary band	Number of employees per band as at 1 April 2007	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1–2)	737	38	36	4,9
Skilled (Levels 3–5)	390	105	58	14,9
Highly skilled production (Levels 6–8)	912	120	119	13,1
Highly skilled supervision (Levels 9–12)	524	58	62	11,8
Senior Management Service Band A	37	1	4	10,8
Senior Management Service Band B	11	–	1	9,1
Senior Management Service Band C	5	1	1	20,0
Senior Management Service Band D	1	–	–	–
TOTAL	**2 617**	**323**	**281**	**10,7**

TABLE 5.2 Annual turnover rates by critical occupation for the period 1 April 2007 to 31 March 2008

Occupation	Number of employees per occupation as at 1 April 2007	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative related	98	23	18	18,4
Agricultural animal, oceanography, forestry and other sciences	111	15	11	9,9
Agriculture related	224	40	17	7,6
Aircraft pilots and related associate professionals	1	1	1	100,0
All artisans in building, metal, machinery, etc.	46	1	4	8,7
Appraisers, valuers and related professionals	16	3	1	6,3
Archivists, curators and related professionals	2	1	–	–
Auxiliary and related workers	75	5	6	8,0
Biochemistry, pharmacology, zoology and life science technicians	25	–	6	24,0
Building and other property caretakers	33	1	4	12,1
Bus and heavy vehicle drivers	4	–	–	–
Chemists	3	–	–	–
Cleaners in offices, workshops, hospitals, etc.	92	11	2	2,2

TABLE 5.2 Annual turnover rates by critical occupation for the period 1 April 2007 to 31 March 2008 (*cont.*)

Occupation	Number of employees per occupation as at 1 April 2007	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Client information clerks	7	–	–	–
Communication and information related	9	–	2	22,2
Computer programmers	1	1	–	–
Computer system designers and analysts	4	3	–	–
Custodian personnel	1	–	–	–
Economists	24	5	6	25,0
Engineering sciences related	2	–	1	50,0
Engineers and related professionals	14	3	7	50,0
Farmhands and labourers	190	9	22	11,6
Farming, forestry advisors and farm managers	3	1	–	–
Finance and economics related	44	10	13	29,5
Financial and related professionals	22	2	3	13,6
Financial clerks and credit controllers	80	22	20	25,0
Food services aids and waiters	21	1	–	–
General, legal, administration and related professionals	1	–	–	–
Head of department/chief executive officer	1	–	–	–
Health sciences related	3	–	–	–
Horticulturists, foresters, agricultural and forestry technicians	127	12	8	6,3
Household and laundry workers	19	–	–	–
Human resources and organisational development and related professionals	18	5	5	27,8
Human resources clerks	44	11	8	18,2
Human resources related	10	3	1	10,0
Information technology related	2	–	1	50,0
Language practitioners, interpreters and other communicators	14	4	4	28,6
Legal related	4	1	1	25,0
Librarians and related professionals	1	–	–	–
Library, mail and related clerks	67	4	7	10,4

TABLE 5.2 Annual turnover rates by critical occupation for the period 1 April 2007 to 31 March 2008 (*cont.*)

Occupation	Number of employees per occupation as at 1 April 2007	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Light vehicle drivers	7	1	1	14,3
Logistical support personnel	9	1	1	11,1
Material-recording and transport clerks	64	10	9	14,1
Mechanical engineering technicians	1	–	–	–
Messengers, porters and deliverers	62	2	2	3,2
Motor vehicle drivers	39	–	–	–
Motorised farm and forestry plant operators	6	–	–	–
Nature conservation and oceanography related technicians	53	2	4	7,5
Other administrative and related clerks and organisers	210	37	24	11,4
Other administrative policy and related officers	60	3	10	16,7
Other information technology personnel	3	1	–	–
Printing and related machine operators	8	–	–	–
Printing planners and production controllers	1	–	–	–
Rank: Minister	1	–	–	–
Regulatory inspectors	16	–	1	6,3
Risk management and security services	3	2	–	–
Road trade workers	16	–	–	–
Safety health and quality inspectors	53	1	6	11,3
Secretaries and other keyboard operating clerks	64	11	9	14,1
Security guards	1	2	–	–
Security officers	49	31	7	14,3
Senior managers	48	3	6	12,5
Statisticians and related professionals	20	–	2	10,0
Social sciences related	1	–	–	–
Trade labourers	333	14	19	5,7
Veterinarians	22	4	1	4,5
Veterinary assistants	4	–	–	–
Water plant and related operators	1	–	–	–
TOTAL	**2 618***	**323**	**281**	**10,7**

* Number of employees including Minister

Table 5.3 identifies the major reasons why staff members are leaving the department.

TABLE 5.3 Reasons why staff are leaving the department

Termination type	Number	% of total
Death	21	7,5
Resignation	93	33,1
Dismissal—operational changes	6	2,0
Dismissal—misconduct	3	1,1
Retirement	40	14,2
Transfers	118	42,0
TOTAL	**281**	**100,0**

TABLE 5.4 Promotions by critical occupation

Occupation	Employees as at 1 April 2007	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within salary level	Notch progressions as a % of employees by occupation
Administrative related	98	9	9,2	47	48,0
Agricultural animal, oceanography, forestry and other sciences	111	12	10,8	55	49,5
Agriculture related	224	20	8,9	87	38,8
Aircraft pilots and related associate professionals	1	–	–	–	–
All artisans in building, metal, machinery, etc.	46	6	13,0	36	78,3
Appraisers, valuers and related professionals	16	1	6,3	2	12,5
Archivists, curators and related professionals	2	–	–	–	–
Auxiliary and related workers	75	3	4,0	53	70,7
Biochemistry, pharmacology, zoology and life science technicians	25	–	–	25	100,0
Building and other property caretakers	33	–	–	13	39,4
Bus and heavy vehicle drivers	4	3	75,0	4	100,0
Chemists	3	–	–	–	–
Cleaners in offices, workshops, hospitals, etc.	92	1	1,1	42	45,7
Client information clerks (switchboard, reception and information clerks)	7	–	–	3	42,9

TABLE 5.4 Promotions by critical occupation (*cont.*)

Occupation	Employees as at 1 April 2007	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within salary level	Notch progressions as a % of employees by occupation
Communication and information related	9	–	–	4	44,4
Computer programmers	1	1	100,0	1	100,0
Computer system designers and analysts	4	2	50,0	2	50,0
Custodian personnel	1	–	–	1	100,0
Economists	24	3	12,5	17	70,8
Engineering sciences related	2	–	–	1	50,0
Engineers and related professionals	14	1	7,1	10	71,4
Farmhands and labourers	190	–	–	72	37.9
Farming, forestry advisors and farm managers	3	1	33,3	3	100,0
Finance and economics related	44	8	18,2	32	72,7
Financial and related professionals	22	3	13,6	4	18,2
Financial clerks and credit controllers	80	17	21,3	36	45,0
Food services aids and waiters	21	–	–	–	–
General, legal, administration and related professionals	1	–	–	–	–
Head of department/chief executive officer	1	–	–	–	–
Health sciences related	3	–	–	1	33,3
Horticulturists, foresters, agricultural and forestry technicians	127	8	6,3	53	41,7
Household and laundry workers	19	–	–	8	42,1
Human resources, organisation development and related professionals	18	4	22,2	10	55,6
Human resources clerks	44	7	15,9	23	52,3
Human resources related	10	1	10,0	6	60,0
Information technology related	2	–	–	–	–
Language practitioners, interpreters and other communicators	14	2	14,3	2	14,3
Legal related	4	–	–	3	75,0
Librarians and related professionals	1	–	–	1	100,0
Library, mail and related clerks	67	1	1,5	30	44,8
Light vehicle drivers	7	–	–	6	85,7

TABLE 5.4 Promotions by critical occupation (*cont.*)

Occupation	Employees as at 1 April 2007	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within salary level	Notch progressions as a % of employees by occupation
Logistical support personnel	9	1	11,1	4	44,4
Material-recording and transport clerks	64	16	25,0	20	31,3
Mechanical engineer	1	–	–	–	–
Messengers, porters and deliverers	62	–	–	14	22,6
Motor vehicle drivers	39	6	15,4	37	94,9
Motorised farm and forestry plant operators	6	–	–	4	66,7
Nature conservation and oceanography related technicians	53	1	1,9	37	69,8
Other administrative and related clerks and organisers	210	14	6,7	101	48,1
Other administrative policy and related officers	60	2	3,3	22	36,7
Other information technology personnel	3	3	100,0	3	100,0
Printing and related machine operators	8	–	–	8	100,0
Printing planners and production controllers	1	–	–	–	–
Rank: Minister	1	–	–	–	–
Regulatory inspectors	16	1	6,3	14	87,5
Risk management and security services	3	–	–	3	100,0
Road trade workers	16	–	–	15	93,8
Safety, health and quality inspectors	53	1	1,9	19	35,8
Secretaries and other keyboard operating clerks	64	9	14,1	35	54,7
Security guards	1	–	–	1	100,0
Security officers	49	9	18,4	18	36,7
Senior managers	48	3	6,3	–	–
Social sciences related	1	–	–	1	100,0
Statisticians and related professionals	20	2	10,0	4	20,0
Trade labourers	333	1	0,3	231	69,4
Veterinarians	22	–	–	7	31,8
Veterinary assistants	4	–	–	3	75,0
Water plant and related operators	1	–	–	1	100,0
TOTAL	**2 618***	**183**	**7**	**1 295**	**49,5**

* Number of posts including Minister

TABLE 5.5 Promotions by salary band

Salary band	Employees as at 1 April 2007	Promotions to another salary level	Salary bands promotions as a % of employees by salary band	Progressions to another notch within salary level	Notch progression as a % of employees by salary band
Lower skilled (Levels 1–2)	737	1	0,1	414	56,2
Skilled (Levels 3–5)	390	40	10,3	275	70,5
Highly skilled production (Levels 6–8)	912	86	9,4	460	50,4
Highly skilled supervision (Levels 9–12)	524	51	9,7	145	27,7
Senior Management (Levels 13–16)	54	5	9,3	1	1,9
TOTAL	**2 617***	**183**	**7,0**	**1 295**	**49,5**

* Number of posts excluding Minister

6. EMPLOYMENT EQUITY

The tables in this section are based on the formats prescribed by the Employment Equity Act, Act No. 55 of 1998.

TABLE 6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as at 31 March 2008

Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	16	2	–	8	13	2	–	1	42
Professionals	209	16	5	77	199	10	11	70	597
Technicians and associate professionals	168	37	10	84	125	18	3	57	502
Clerks	101	20	–	17	173	46	7	193	557
Service and sales workers	21	4	1	25	13	3	–	1	68
Craft and related trade workers	41	4	–	17	–	–	–	–	62
Plant, machine operators and assemblers	57	9	–	2	1	–	–	–	69
Elementary occupations	508	99	1	8	93	27	–	5	741
TOTAL	**1 121**	**191**	**17**	**238**	**617**	**106**	**21**	**327**	**2 638**
Employees with disabilities	1	–	1	2	–	–	–	5	9

TABLE 6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as at 31 March 2008

Occupational bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	2	–	–	1	2	–	–	–	5
Senior management	19	2	1	8	10	2	2	4	48
Professionally qualified and experienced specialists and mid-management	74	6	5	60	58	5	5	40	253
Skilled technical and academically qualified workers, junior management, supervisors, foremen	380	46	10	136	334	37	12	238	1 193
Semiskilled and discretionary decision making	319	82	–	28	154	46	2	42	673
Unskilled and defined decision making	327	55	1	5	59	16	–	3	466
TOTAL	**1 121**	**191**	**17**	**238**	**617**	**106**	**21**	**327**	**2 638**

TABLE 6.3 – Recruitment for the period 1 April 2007 to 31 March 2008

Occupational bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	–	–	–	–	1	–	–	–	1
Senior management	–	–	–	–	–	1	–	–	1
Professionally qualified and experienced specialists and mid-management	10	–	1	6	15	2	1	5	40
Skilled technical and academically qualified workers, junior management, supervisors, foremen	58	1	–	–	73	1	1	4	138
Semiskilled and discretionary decision making	34	2	–	–	58	11	–	–	105
Unskilled and defined decision making	24	4	–	–	8	2	–	–	38
TOTAL	**126**	**7**	**1**	**6**	**155**	**17**	**2**	**9**	**323**

TABLE 6.4 Promotions for the period 1 April 2007 to 31 March 2008

Occupational bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	–	–	–	–	–	–	–	–	–
Senior management	2	–	–	–	1	2	–	–	5
Professionally qualified and experienced specialists and mid-management	7	1	–	2	11	2	–	4	27
Skilled technical and academically qualified workers, junior management, supervisors, foremen	33	1	–	–	60	7	2	7	110
Semiskilled and discretionary decision making	23	–	–	–	13	4	–	–	40
Unskilled and defined decision making	1	–	–	–	–	–	–	–	1
TOTAL	**66**	**2**	**–**	**2**	**85**	**15**	**2**	**11**	**183**

TABLE 6.5 Terminations for the period 1 April 2007 to 31 March 2008

Occupational bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	1	–	–	–	–	–	–	–	1
Senior management	1	–	–	1	3	–	–	–	5
Professionally qualified and experienced specialists and mid-management	12	1	1	12	9	–	1	2	38
Skilled technical and academically qualified workers, junior management, supervisors, foremen	43	1	2	13	55	1	2	26	143
Semiskilled and discretionary decision making	27	6	–	1	19	2	1	2	58
Unskilled and defined decision making	29	4	1	1	1	–	–	–	36
TOTAL	**113**	**12**	**4**	**28**	**87**	**3**	**4**	**30**	**281**

TABLE 6.6 Disciplinary action for the period 1 April 2007 to 31 March 2008

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Disciplinary action	12	2	–	2	3	–	–	–	19

TABLE 6.7 Skills development for the period 1 April 2007 to 31 March 2008

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	33	2	1	23	32	1	1	23	116
Professionals	143	6	1	54	123	4	6	46	383
Technicians and associate professionals	138	5	4	65	66	9	8	8	303
Clerks	163	7	–	14	216	35	17	116	568
Service and sales workers	70	9	–	23	53	5	–	5	165
Craft and related trade workers	137	4	3	65	65	8	8	7	297
Plant, machine operators and assemblers	34	3	–	2	3	–	–	–	42
Elementary occupations	885	28	–	1	75	11	–	7	1 007
TOTAL	**1 603**	**64**	**9**	**247**	**633**	**73**	**40**	**212**	**2 881**

7. PERFORMANCE REWARDS

To encourage good performance, the department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender and disability (Table 7.1), salary bands (Table 7.2) and critical occupations (Table 7.3).

TABLE 7.1 Performance rewards by race, gender and disability, 1 April 2007 to 31 March 2008

Race and gender	Beneficiary profile			Cost	
	Number of beneficiaries	Total number of employees in group	% of total within group	Total cost (R'000)	Average cost per employee
African, female	206	617	33,4	2 173	10 549
African, male	338	1 120	30,2	3 311	9 796
Asian, female	7	21	33,3	100	14 286
Asian, male	10	16	62,5	212	21 200
Coloured, female	43	106	40,6	411	9 558
Coloured, male	61	191	31,9	549	9 000
White, female	216	322	67,1	3 199	14 810
White, male	144	236	61,0	2 849	19 785
Employees with disabilities	5	9	55,6	95	19 000
TOTAL	**1 030**	**2 638**	**39,0**	**12 899**	**12 523**

TABLE 7.2 Performance rewards by salary bands for personnel below Senior Management Service, 1 April 2007 to 31 March 2008

Salary bands	Beneficiary profile			Cost		
	Number of beneficiaries	Number of employees	% of total within salary bands	Total cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
Lower skilled (Levels 1–2)	214	466	45,9	1 003	4 687	2,4
Skilled (Levels 3–5)	135	673	20,1	866	6 415	2,2
Highly skilled production (Levels 6–8)	430	892	48,2	5 593	13 007	3,4
Highly skilled supervision (Levels 9–12)	239	554	43,1	5 090	21 297	3,5
TOTAL	**1 018**	**2 585**	**39,4**	**12 552**	**12 330**	**3,2**

TABLE 7.3 Performance rewards by critical occupation, 1 April 2007 to 31 March 2008

Critical occupation	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total cost (R'000)	Average cost per employee
Administrative related	46	97	47,4	845	18 370
Agricultural animal, oceanography, forestry and other sciences	54	116	46,6	832	15 407
Agriculture related	58	247	23,5	1 126	19 414
Aircraft pilot and related associate professionals	–	1	–	–	–
All artisans in building, metal, machinery, etc.	14	46	30,4	135	9 643
Appraisers, valuers and related professionals	3	18	16,7	49	16 333
Archivists, curators and related professionals	1	2	50,0	4	4 000
Auxiliary and related workers	31	69	44,9	240	7 742
Biochemistry, pharmacology, zoology and life science technicians	27	29	93,1	464	17 185
Building and other property caretakers	8	23	34,8	41	5 125
Bus and heavy vehicle drivers	3	7	42,9	14	4 667
Chemists	1	1	100,0	14	14 000
Cleaners in offices, workshops, hospitals, etc.	46	95	48,4	258	5 609
Client information clerks (switchboard, reception and information clerks)	3	7	42,9	45	15 000

TABLE 7.3 Performance rewards by critical occupation, 1 April 2007 to 31 March 2008 (*cont.*)

Critical occupation	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total cost (R'000)	Average cost per employee
Communication and information related	6	7	85,7	142	23 667
Computer programmers	1	1	100,0	26	26 000
Computer system designers and analysts	2	9	22,2	37	18 500
Custodian personnel	1	1	100,0	15	15 000
Economists	15	26	57,7	278	18 533
Engineering sciences related	1	2	50,0	28	28 000
Engineers and related professionals	9	8	112,5	186	20 667
Farmhands and labourers	67	162	41,4	302	4 507
Farming, forestry advisors and farm managers	3	5	60,0	33	11 000
Finance and economics related	22	48	45,8	595	27 045
Financial and related professionals	12	21	57,1	167	13 917
Financial clerks and credit controllers	27	79	34,2	270	10 000
Food services aids and waiters	14	23	60,9	77	5 500
General legal administration and related professionals	–	1	–	–	–
Head of department/chief executive officer	–	1	–	–	–
Health sciences related	1	3	33,3	12	12 000
Horticulturists, foresters, agricultural and forestry technicians	31	133	23,3	419	13 516
Household and laundry workers	4	19	21,1	22	5 500
Human resources and organisational development and related professionals	4	23	17,4	66	16 500
Human resources clerks	23	49	46,9	323	14 043
Human resources related	5	12	41,7	168	33 600
Information technology related	1	1	100,0	41	41 000
Language practitioners, interpreters and other communicators	7	15	46,7	98	14 000
Legal related	–	4	–	–	–
Librarians and related professionals	–	1	–	–	–
Library, mail and related clerks	41	61	67,2	396	9 659
Light vehicle drivers	5	7	71,4	26	5 200

TABLE 7.3 Performance rewards by critical occupation, 1 April 2007 to 31 March 2008 (*cont.*)

Critical occupation	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total cost (R'000)	Average cost per employee
Logistical support personnel	3	9	33,3	52	17 333
Material-recording and transport clerks	17	62	27,4	160	9 412
Mechanical engineering technicians	–	1	–	–	–
Messengers, porters and deliverers	37	58	63,8	187	5 054
Motor vehicle drivers	8	41	19,5	39	4 875
Motorised farm and forestry plant operators	–	5	–	–	–
Nature conservation and oceanography related technicians	18	50	36,0	253	14 056
Other administrative and related clerks and organisers	98	219	44,7	962	9 816
Other administrative policy and related officers	28	56	50,0	461	16 464
Other information technology personnel	4	2	200,0	129	32 250
Printing and related machine operators	7	8	87,5	34	4 857
Printing planners and production controllers	–	1	–	–	–
Regulatory inspectors	9	17	52,9	116	12 889
Risk management and security services	3	6	50,0	65	21 667
Road trade workers	3	14	21,4	14	4 667
Safety health and quality inspectors	47	48	97,9	753	16 021
Secretaries and other keyboard operating clerks	44	66	66,7	612	13 909
Security guards	–	9	–	–	–
Security officers	15	70	21,4	125	8 333
Senior managers	10	47	21,3	282	28 200
Social sciences related	1	1	100,0	15	15 000
Statisticians and related professionals	4	19	21,1	78	19 500
Trade labourers	57	324	17,6	244	4 281
Veterinarians	16	22	72,7	474	29 625
Veterinary assistants	4	2	200,0	50	12 500
Water plant and related operators	–	1	–	–	–
TOTAL	**1 030**	**2 638**	**39,0**	**12 899**	**12 523**

TABLE 7.4 Performance related rewards (cash bonus) by salary band for Senior Management Service

Salary band	Beneficiary profile			Cost		
	Number of beneficiaries	Number of employees	% of total within salary bands	Total cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
Band A	10	36	27,8	291	29 100	1,5
Band B	1	12	8,3	26	26 000	0,3
Band C	1	4	25,0	30	30 000	0,4
Band D	–	1	–	–	–	–
TOTAL	**12**	**53**	**22,6**	**347**	**28 917**	**1,0**

8. FOREIGN WORKERS

The tables below summarise the employment of foreign nationals in the department in terms of salary bands and by major occupation. The tables also summarise changes in the total number of foreign workers in each salary band and by each major occupation.

TABLE 8.1 Foreign workers, 1 April 2007 to 31 March 2008, by salary band

Salary band	1 April 2007		31 March 2008		Change	
	Number	% of total	Number	% of total	Number	% change
Highly skilled supervision (Level 9–12)	1	50	–	–	-1	100
Senior management (Levels 13–16)	1	50	1	100	–	–
TOTAL	**2**	**100**	**1**	**100**	**-1**	**100**

TABLE 8.2 Foreign workers, 1 April 2007 to 31 March 2008, by major occupation

Major occupation	1 April 2007		31 March 2008		Change	
	Number	% of total	Number	% of total	Number	% change
Professionals and managers	2	100	1	100	-1	100
TOTAL	**2**	**100**	**1**	**100**	**-1**	**100**

9. LEAVE UTILISED FOR THE PERIOD 1 JANUARY TO 31 DECEMBER 2007

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave (Table 9.1) and disability leave (Table 9.2). In both cases, the estimated cost of the leave is also provided.

TABLE 9.1 Sick leave, 1 January to 31 December 2007

Salary band	Total days	% days with medical certification	Number of employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated cost (R'000)
Lower skilled (Levels 1–2)	1 976	100	212	13	9	338
Skilled (Levels 3–5)	2 749	92	342	21	8	588
Highly skilled production (Levels 6–8)	4 880	87	660	42	7	1 996
Highly skilled supervision (Levels 9–12)	2 253	85	345	22	7	1 629
Senior management (Levels 13–16)	180	91	31	2	6	244
TOTAL	**12 038**	**90**	**1 590**	**100**	**8**	**4 795**

TABLE 9.2 Disability leave (temporary and permanent), 1 January to 31 December 2007

Salary band	Total days	% days with medical certification	Number of employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated cost (R'000)
Lower skilled (Levels 1–2)	132	100	6	22	22	24
Skilled (Levels 3–5)	686	100	9	32	76	139
Highly skilled production (Levels 6–8)	400	100	9	32	44	150
Highly skilled supervision (Levels 9–12)	46	100	4	14	12	37
TOTAL	**1 264**	**100**	**28**	**100**	**45**	**350**

Table 9.3 summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent paying out high levels of accrued leave at the time of termination of service.

TABLE 9.3 Annual leave, 1 January to 31 December 2007

Salary band	Total days taken	Average per employee
Lower skilled (Levels 1–2)	9 694	21
Skilled (Levels 3–5)	12 825	21
Highly skilled production (Levels 6–8)	18 608	21
Highly skilled supervision (Levels 9–12)	11 191	21
Senior management (Levels 13–16)	1 231	21
TOTAL	**53 549**	**21**

TABLE 9.4 Capped leave, 1 January to 31 December 2007

Salary band	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2007
Lower skilled (Levels 1–2)	134	4	27
Skilled (Levels 3–5)	209	4	53
Highly skilled production (Levels 6–8)	357	5	48
Highly skilled supervision (Levels 9–12)	258	9	50
Senior management (Levels 13–16)	6	3	64
TOTAL	**964**	**5**	**46**

TABLE 9.5 Leave payouts for the period 1 April 2007 to 31 March 2008

The following table summarises payments made to employees as a result of leave that was not taken.

Reason	Total amount (R'000)	Number of employees	Average payment per employee
Leave payout for 2007/08 owing to non-utilisation of leave for the previous cycle	23	3	7 666
Capped leave payouts on termination of service for 2007/08	472	99	4 768
Current leave payout on termination of service for 2007/08	223	49	4 551
TOTAL	**718**	**151**	**4 755**

10. HIV/AIDS AND HEALTH PROMOTION PROGRAMMES

TABLE 10.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV and related diseases* (if any)	Key steps taken to reduce the risk
First aiders	Awareness programmes
Agricultural engineering services (camps)	Routine inspections of the premises and machinery
Veterinary services (camps, border posts, etc.)	Risk assessments
Drivers (migrant workers)	Occupational hygiene programme
Employees	Provision of protective clothing and equipment

* These people can be exposed if they come in contact with blood and body fluids, etc.

TABLE 10.2 Details of Health Promotion and HIV/Aids programmes [tick Yes/No and provide required information]

Questions	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position	√		Maria Sekgobela, Deputy Director: Employee Wellness
2. Does the department have a designated unit or have you designated specific staff members to promote the health and wellbeing of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	√		Subdirectorate Employee Wellness Designated staff members: 1 Deputy Director: Employee Wellness, 1 EAP Co-ordinator, 1 Health Promotion Officer, 1 OHS Co-ordinator, 1 OHS Officer, 1 EA Officer (vacant), 1 Senior Administrative Officer and 1 Administration Clerk (PILIR & IOD) • There is no specific budget for HIV/Aids programmes
3. Has the department introduced an employee assistance or health promotion programme for your employees? If so, indicate the key elements/services of the programme.	√		EAP programmes • Stress management • Substance abuse information • Life skill orientation • Trauma management • Financial management • Counselling • Policy and procedure on incapacity ill-health retirement (PILIR)

TABLE 10.2 Details of Health Promotion and HIV/Aids programmes [tick Yes/No and provide required information] (*cont*)

Questions	Yes	No	Details, if yes
3. Has the department introduced an employee assistance or health promotion programme for your employees? If so, indicate the key elements/services of the programme. (*cont.*)	√		HIV/Aids health promotion programmes • Lifestyle disease management • Voluntary counselling and testing • Awareness campaigns • Health related workshops • Weight management • Nutrition counselling • E-mail talk • Information brochures • Physical fitness testing
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	√		Sannie Seeletse – Directorate: HRM Queeneth Mokale – Directorate: SCM Mathews Sefura – Directorate: IR Hellen Mthombeni – Directorate: RTD Matshwane Motlhatlhedi – Directorate: FA Rendani Thovhogi – Directorate: PRE Siphiwe Mtshali – Directorate: HRM Yandisa Ndaba – Directorate: HRM Michael Mubva – Directorate: HRM Celia Maluleke – Directorate: VS DuDu Mogale – Directorate: Marketing Mabel Morontse – Directorate: AIS Mpanana Mothoa – Directorate: AIS Kate Makhonjwa – Directorate: SS Philemon Marota – Directorate: SCM Mavis Mashele – Directorate: LS Jerry Phangiso – Directorate: FSQA Sarie Louw – Directorate: HRM Felicty Ntsimane – Directorate: ADM Lebogang Motlhathudi – Directorate: HRM Benny Kgomo – Directorate: PH Rupert Hefer – Directorate: FSQA Refilwe Ngoepe – Directorate: GR Hilda Kamanyane – Directorate: PP Maria Sekgobela – Directorate: HRM

TABLE 10.2 Details of Health Promotion and HIV/Aids programmes [tick Yes/No and provide required information] (*cont*)

Questions	Yes	No	Details, if yes
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent. (*cont.*)	√		Nosipho Mkhumane – Directorate: APIS Rorisang Moleki – Directorate: PH Sylvia Beckford – Directorate: AES Tokkie Mitchell – Directorate: WUID Anastasia Davis – Directorate: AAP Lisa Letoaba – Directorate: LS John Tladi – Directorate: LUSM Anita Willms – Directorate: FA Sandara Lekhuleni – Directorate: HRM Yolo Phiisiwe – Directorate: HRM Evon Ramunyati – Directorate: HRM
5. Has the department reviewed its employment policies and practices of your department to ensure that these do not discriminate unfairly against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	√		HIV/Aids Policy of the department was reviewed in 2005 and again in 2007
6. Has the department introduced measures to protect HIV positive employees or those perceived to be HIV positive from discrimination? If so, list the key elements of these measures.	√		HIV/Aids Policy of the Department of Agriculture incorporated: • Employment Equity Act • Promotion of Equality and Prevention of Unfair Discrimination Act of 2000
7. Does the department encourage its employees to undergo voluntary counselling and testing? If so, list the results that you have achieved.	√		• The department has introduced voluntary counselling and testing and there has been a positive response • The programme was initiated by referring employees to nearest centres • Accredited by the Department of Health in October 2005 • Attended 140 cases through assistance of a nurse and EAP practitioner with confidentiality assured • It is intended that the programme should run once a quarter • We still face a challenge of a lack of privacy owing to office space • Proposals have been raised for establishing an information sharing forum
8. Has the department developed measures/indicators to monitor and evaluate the impact of your health promotion programme? If so, list these measures/indicators.	√		Human Resource Management to conduct impact analysis biannually in order to understand, evaluate and monitor the evolving epidemic and how it will impact in relation to its structure, operations, functions, knowledge and skills.

11. LABOUR RELATIONS

The following collective agreements were entered into with trade unions within the department.

TABLE 11.1 Collective agreements, 1 April 2007 to 31 March 2008

No collective agreements were entered into with trade unions within the department during the period under review.

The following table summarises the outcome of disciplinary hearings conducted within the department for the year under review.

TABLE 11.2 Misconduct and disciplinary hearings finalised, 1 April 2007 to 31 March 2008

Outcomes of disciplinary hearings	Number	% of total
Final written warning	2	10,5
Suspended without pay	10	52,6
Dismissal	1	5,3
Not guilty	1	5,3
Case withdrawn	5	26,3
TOTAL	**19**	**100,0**

TABLE 11.3 Types of misconduct addressed and disciplinary hearings

Type of misconduct	Number	% of total
Misuse of government vehicle	2	10,5
Abscondment	5	26,3
Theft	4	21,1
Absent without authorisation	6	31,6
Fraud	2	10,5
TOTAL	**19**	**100,0**

TABLE 11.4 Grievances lodged for the period 1 April 2007 to 31 March 2008

Number of grievances addressed	Number	% of total
Number of grievances resolved	34	87,2
Number of grievances not resolved	5	12,8
Total number of grievances lodged	**39**	**100,0**

TABLE 11.5 Disputes lodged with councils for the period 1 April 2007 to 31 March 2008

Number of disputes addressed	Number	% of total
Number of disputes upheld	–	–
Number of disputes dismissed	2	100,0
Still pending	–	–
Total number of disputes lodged	**2**	**100,0**

TABLE 11.6 Strike actions for the period 1 April 2007 to 31 March 2008

Strike actions	Cost R
Total number of person working days lost	2 300
Total cost of working days lost	387 975,20
Amount recovered as a result of no work no pay	387 975,20

TABLE 11.7 Precautionary suspensions for the period 1 April 2007 to 31 March 2008

No precautionary suspensions for the period 1 April 2007 to 31 March 2008.

12. SKILLS DEVELOPMENT

This section highlights the efforts of the department with regard to skills development.

TABLE 12.1 Training needs identified 1 April 2007 to 31 March 2008

Occupational categories	Gender	Number of employees as at 1 April 2007	Training needs identified at start of period under review			
			Learnerships	Skills programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	13	–	57	–	57
	Male	29	–	59	–	59
Professionals	Female	227	–	179	–	179
	Male	282	–	204	–	204
Technicians and associate professionals	Female	104	–	90	–	90
	Male	193	–	211	–	211
Clerks	Female	414	8	384	–	392
	Male	150	–	184	–	184
Service and sales workers	Female	13	–	63	–	63
	Male	42	–	102	–	102
Skilled agriculture and fishery workers	Female	–	–	–	–	–
	Male	–	–	–	–	–
Craft and related trades workers	Female	103	–	89	–	89
	Male	192	–	210	–	210
Plant and machine operators and assemblers	Female	1	–	3	–	3
	Male	65	–	39	–	39
Elementary occupations	Female	125	40	17	27	84
	Male	647	451	20	444	915
Gender subtotals	Female	1 000	48	882	27	957
	Male	1 600	451	1 029	444	1 924
TOTAL		**2 600**	**499**	**1 911**	**471**	**2 881**

TABLE 12.2 Training provided 1 April 2007 to 31 March 2008

Occupational categories	Gender	Number of employees as at 1 April 2007	Training provided within the period under review				
			Learnerships	Skills programmes and other short courses	Other forms of training		Total
					Bursaries	ABET	
Legislators, senior officials and managers	Female	13	–	47	3	–	50
	Male	29	–	53	8	–	61
Professionals	Female	227	–	296	36	–	332
	Male	282	–	282	57	–	339
Technicians and associate professionals	Female	104	–	63	4	–	67
	Male	193	–	103	14	–	117
Clerks	Female	414	8	288	23	–	319
	Male	150	–	124	6	–	130
Service and sales workers	Female	13	–	21	11	–	32
	Male	42	–	46	8	–	54
Skilled agriculture and fishery workers	Female	–	–	–	–	–	–
	Male	–	–	–	–	–	–
Craft and related trades workers	Female	103	–	63	–	–	63
	Male	192	–	102	–	–	102
Plant and machine operators and assemblers	Female	1	–	–	–	–	–
	Male	65	–	25	–	–	25
Elementary occupations	Female	125	15	49	–	14	78
	Male	647	7	55	–	380	442
Gender subtotals	Female	1 000	23	827	77	14	941
	Male	1 600	7	790	93	380	1 270
TOTAL		**2 600**	**30**	**1 617**	**170**	**394**	**2 211**

13. INJURY ON DUTY

The following tables provide basic information on injury on duty.

TABLE 13.1 Injury on duty, 1 April 2007 to 31 March 2008

Nature of injury on duty	Number	% of total
Required basic medical attention only	52	95
Temporary total disablement	3	5
TOTAL	**55**	**100**

14. UTILISATION OF CONSULTANTS

TABLE 14.1 Report on consultant appointments using appropriated funds

Project title	Total number of consultants who worked on the project	Duration: working days	Contract value in R
1. Sector Stakeholder Engagement Strategy (D: I&SR)	1	24	199 864,80
2. Mafisa pilot review report (D: ADF)	1	60	28 500,00
3. A review of the DoA's current strategic, operational planning, monitoring, evaluation and reporting guidelines (D: SP)	1	90	120 000,00
4. Onsite Knowledge Bank ERP and service delivery improvement support (D: SP)	3	180	118 800,00
5. AgriBEE Charter, Section 12 drafting and technical support (D: BED)	1	15	171 000,00
6. Evaluation of registration applications for fertilisers by Prof. R. Barnard (D: FSQA)	1	365	85 260,00
7. Evaluation of registration applications for farm feeds (D: FSQA)	1	30	981,60
8. Evaluation of registration applications for fertilisers by Prof. A. Claassens (D: FSQA)	1	365	30 916,80
9. Sample analysis for EU agreement (SABS) (D: FSQA)	1	365	129 538,20
10. Sample analysis for farm feed products of Bester Feeds, Royal Canin, Eagle's Rock and Noordwes Voere (ARC) (D: FSQA)	1	365	66 395,24
11. Sample analysis of heavy metals, cadmium levels of fertiliser products (CAL) (D: FSQA)	1	365	110 017,76
12. The University of Stellenbosch for meat bonemeal (D: FSQA)	1	365	29 750,00
13. Evaluation of registration applications for agricultural remedies (D: FSQA)	1	365	3 420,00
14. Evaluation of registration applications for stock remedies (D: FSQA)	5	365	22 080,00
15. Accreditation of NAS laboratories (D: FSQA)	1	28	88 920,00

TABLE 14.1 Report on consultant appointments using appropriated funds (*cont.*)

Project title	Total number of consultants who worked on the project	Duration: working days	Contract value in R
16. Development of capacity-building manuals for stock remedies and pesticides (D: FSQA)	1	180	193 500,00
17. Development of capacity-building manuals for farm feeds (D: FSQA)	1	180	235 000,00
18. Development of capacity-building plan (D: FSQA)	1	90	190 000,00
19. Compilation of country profile on food control in RSA (D: FSQA)	1	365	430 000,00
20. Services required of knowledgeable person to urgently assist with the extraction and processing of certain specified information pertaining to accounts of debtors of the department in terms of the Agricultural Debt Management Act, 2001 (Act No. 45 of 2001) (D: FA)	1	22	11 000,00
21. Services required of a financial expert to urgently investigate the financial circumstances of central primary agricultural co-operatives (D: FA)	1	1	9 500,00
22. Paradigm shift – promotional products (D: Marketing)	1	5	6 289,00
23. AgriSeta manual accreditation project (D: Marketing)	3	30	41 040,00
24. Freshmark price information provision project (D: Marketing)	3	365	32 832,00
25. Study on National Fresh Produce Development Agency (D: Marketing)	1	120	214 320,00
Total number of projects	**Total individual consultants**	**Total duration: work days**	**Total contract value in R**
25	35	4 705	2 568 925,40

TABLE 14.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs)

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups working on the project
1. Sector Stakeholder Engagement Strategy (D: I&SR)	100	100	1
2. Mafisa pilot review report (D: ADF)	–	–	–
3. A review of the DoA 's current strategic, operational planning, monitoring, evaluation and reporting guidelines (D: SP)	100	100	1
4. Onsite Knowledge Bank ERP and service delivery improvement support (D: SP)	50	50	3
5. AgriBEE Charter, Section 12 drafting and technical support (D: BED)	100	100	1
6. Evaluation of registration applications for fertilisers by Prof. R. Barnard (D: FSQA)	–	–	–

TABLE 14.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) (*cont.*)

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups working on the project
7. Evaluation of registration applications for farm feeds (D: FSQA)	–	–	–
8. Evaluation of registration applications for fertilisers by Prof. A. Claassens (D: FSQA)	–	–	–
9. Sample analysis for EU agreement (SABS) (D: FSQA)	–	–	–
10. Sample analysis for farm feed products of Bester Feeds, Royal Canin, Eagle's Rock and Noordwes Voere (ARC) (D: FSQA)	–	–	–
11. Sample analysis of heavy metals, cadmium levels of fertiliser products (CAL) (D: FSQA)	–	–	–
12. The University of Stellenbosch for meat bonemeal (D: FSQA)	–	–	–
13. Evaluation of registration applications for agricultural remedies (D: FSQA)	–	–	–
14. Evaluation of registration applications for stock remedies (D: FSQA)	–	–	–
15. Accreditation of NAS laboratories (D: FSQA)	–	–	–
16. Development of capacity-building manuals for stock remedies and pesticides (D: FSQA)	5	25	5
17. Development of capacity-building manuals for farm feeds (D: FSQA)	–	–	–
18. Development of capacity-building plan for Directorate: FSQA (D: FSQA)	–	–	–
19. Compilation of country profile on food control in RSA (D: FSQA)	–	–	–
20. Services required of knowledgeable person to urgently assist with the extraction and processing of certain specified information pertaining to accounts of debtors of the department in terms of the Agricultural Debt Management Act, 2001 (Act No. 45 of 2001) (D: FA)	–	–	–
21. Services required of a financial expert to urgently investigate the financial circumstances of central primary agricultural co-operatives (D: FA)	–	–	–
22. Paradigm shift—promotional products (D: Marketing)	100	100	1
23. AgriSeta manual accreditation project (D: Marketing)	–	–	–
24. Freshmark price information provision project (D: Marketing)	–	–	–
25. Study on National Fresh Produce Development Agency (D: Marketing)	100	100	1

TABLE 14.3 Report on consultant appointments using donor funds

No consultants were appointed using donor funds during the period under review.