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**agriculture,
forestry & fisheries**

Department:
Agriculture, Forestry and Fisheries
REPUBLIC OF SOUTH AFRICA

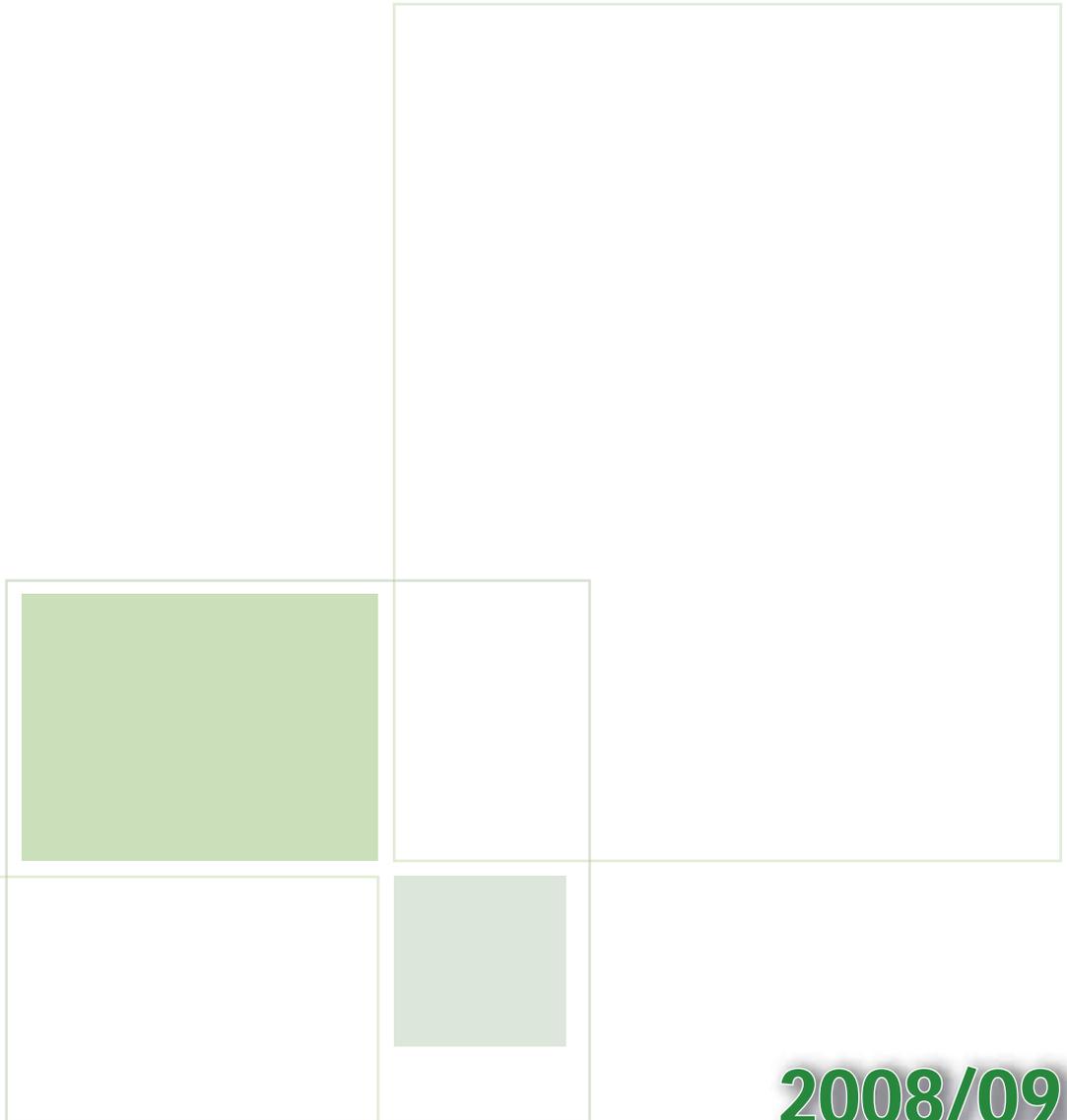
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2008/09

Annual report



2008/09

**Annual
report**

DEPARTMENT OF AGRICULTURE

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Foreword by the Minister

Rapidly increasing global food prices, linked to macroeconomic issues such as weather-induced lower crop yields, increased demand in the developing world, the increase in fuel prices, high input costs, as well as the effect of a deteriorating exchange rate, had a pronounced negative impact on the domestic economy, threatening the food security of poor households in the country. In 2009 imports exceeded exports for the first time in 5 years because of the global economic slow-down.

While South Africa does not experience food shortages, food is, unfortunately, unaffordable to a majority of households which spend a substantial part of their incomes on food. Despite the global downturn and lower fuel prices in the second half of 2008, food prices remained high because of various factors which include a high demand for food, increased input costs, collusion, etc.

To alleviate the impact of high food prices, government departments expanded on existing programmes to address poverty. These interventions included the provision of agricultural starter packs for household vegetable production, the promotion of food gardens and the allocation of additional funds for production projects such as mass food production and revitalisation of irrigation schemes. Funds were also made available for accelerating and improving agricultural crop production as part of the Ilima/Letsema campaign to ensure that no land lies fallow and that communities leverage land as a resource to fight poverty and hunger and increase food security.

The alignment of programmes of the Department of Agriculture (DoA) and the Department of Land Affairs (DLA) was internalised to meet the targets of the Land and Agrarian Reform Project (LARP) and the Agricultural Programme of Action (APoA). Through *Operation Gijima*, the delivery of support programmes for emerging farmers and beneficiaries of agrarian reform were accelerated further to fast track service delivery in support of government's War on Poverty campaign.

Technical support and capacity-building programmes have been strengthened to ensure adequate availability of young professional extension workers in rural areas. Our training involves partnerships and mentorship programmes in which relations with our stakeholders will be improved through this drive for development and growth of the sector.

Following the launch of the AgriBEE Charter Council, the requirements of the sector transformation charter and codes have now been fulfilled in terms of the Broad-Based Black Economic Empowerment Act of 2003. The number of AgriBEE equity deals will be increased annually by 10 %.

An issue that is also a serious concern is to provide quality food to South African citizens. It remains a priority to ensure that animal and plant products are disease free in the interest of protecting public health. Sanitary and phytosanitary controls and inspections included the strengthening of disease surveillance systems and improving controls at all our border posts.



Ms Lulu Xingwana (MP)

MINISTER FOR AGRICULTURE AND LAND AFFAIRS



Through the Khula-Mafisa Fund, established in partnership with Khula Enterprise Finance, commercial banks will be able to provide funding to emerging farmers who are able to repay loans but could lack the necessary collateral. Production loans will be provided through the leveraging of additional financial resources. Altogether 12 financial institutions were accredited, including Khula Enterprise, which acts as an indemnity for the Micro-agricultural Financial Institutions of South Africa (Mafisa) funds.

During 2008, we also focused on the empowerment of women and youth as active participants in the agricultural sector by encouraging and rewarding them for successful entrepreneurship. The annual Female Farmer of the Year Awards remains one of our main incentives to promote the participation of women in agriculture. Runners-up and female farmer winners were once again rewarded for their achievements at the awards ceremony held in the Western Cape Province on 26 August 2008.

Extreme weather conditions and climate change impact negatively on agricultural production and the livelihood of communities. Disaster risk management therefore remains a high priority area for the sector because of limited agricultural resources. We will therefore extend disaster risk management by developing a Flood Disaster Management Plan and continue to issue climate advisories and extreme weather warnings to assist farmers in managing climatic risks. Assessments will be conducted in monitoring the implementation of disaster risk measures. We shall also continue to promote programmes that mitigate against climate change and help farmers adapt.

We will also continue to strengthen relations on the African continent, through the implementation of the Comprehensive African Agricultural Development Programme (AADP) through bilateral agreements with African countries. In 2008, we focused on providing technical assistance, transfer of technology and market access to African countries. We also continued to work with Mozambique on joint projects, including animal improvement as well as research and development projects.

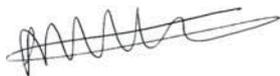
Within the Southern African Development Community (SADC) we focused on promoting regional integration, sanitary and phytosanitary control measures, food security, humanitarian assistance, as well as the development of early warning and risk management systems.

We will continue to participate in the India, Brazil and South Africa (IBSA) Agricultural Working Group and focus on strengthening research and capacity building, particularly in the fields of veterinary services and agri-engineering, animal production and animal health, agricultural trade and poverty reduction. Bilateral engagements with Argentina, China, India and Thailand are also at an advanced stage. Various areas of cooperation have been identified that will strengthen our capacity and relations with these countries even further.

In the international arena, we continued with efforts in the Doha Round of World Trade Organisation (WTO) negotiation to improve market access and trade conditions on a multilateral level. There are also ongoing efforts to improve market access into the European Union (EU), even beyond what was achieved in the existing Free Trade Agreement (FTA).

At the end of this government term, we reflect at the strides made in improving the lives of our people and take an optimistic view of the next term of government starting during 2009, continuing to fight hunger, poverty and joblessness.

In conclusion, I would like to extend my appreciation to all stakeholders in the agricultural sector, organised agriculture and our agribusiness partners for the commitment they have shown in realising our long-term vision of *A united and prosperous agricultural sector*. I would also like to thank the DoA, provincial departments of agriculture and state-owned entities for their contribution in meeting the objectives for the agricultural sector. By working together, we can do even more to speed up economic growth and transform our economy to create decent work and a sustainable livelihood!



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 2008 to 31 March 2009.



Ms Njabulo Nduli

DIRECTOR-GENERAL: DEPARTMENT OF AGRICULTURE





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Acronyms

| | | | |
|---------|--|---------|--|
| ACB | Agricultural Credit Board | D: IR | Directorate: International Relations |
| AADP | African Agricultural Development Programme | D: LS | Directorate: Legal Services |
| ADRM | Agricultural Disaster Risk Management | D: LUSM | Directorate: Land Use and Soil Management |
| AESTTAR | Agricultural Extension Services, Technology Transfer and Adaptive Research | D: M | Directorate: Marketing |
| AGIS | Agricultural Geo-referenced Information System | D: PH | Directorate: Plant Health |
| AgriBEE | Agricultural Black Economic Empowerment | D: PP | Directorate: Plant Protection |
| AI | Artificial Insemination | D: PRE | Directorate: Production and Resource Economics |
| AIDA | Animal Identification Act of 2002 | D: RTD | Directorate: Research and Technology Development |
| Aids | Acquired immune deficiency syndrome | D: SCM | Directorate: Supply Chain Management |
| ApoA | Agricultural Programme of Action | D: SP | Directorate: Strategic Planning |
| ARC | Agricultural Research Council | D: SS | Directorate: Security Services |
| ARV | antiretroviral | D: VS | Directorate: Veterinary Services |
| ASD | Assistant Director | D: WUID | Directorate: Water Use and Irrigation Development |
| ASRDC | Agriculture and Sustainable Rural Development Committee (DEXCO subcommittee) | DBSA | Development Bank of Southern Africa |
| ASWC | All Stakeholders Working Committee | DEXCO | Departmental Executive Committee |
| ASTIACO | Agricultural Science, Technology and Innovation Activities Coordination | DLA | Department of Land Affairs |
| ATHRP | Agricultural Technical and Human Resources Programmes | DoA | Department of Agriculture |
| BAS | Basic Accounting System | DORA | Division of Revenue Act |
| BBBEE | Broad-Based Black Economic Empowerment | DPSA | Department of Public Service and Administration |
| BEE | Black Economic Empowerment | DPW | Department of Public Works |
| BOE | Boland Bank | DST | Department of Science and Technology |
| BSE | bovine spongiform encephalopathy (mad-cow disease) | EAP | Employee Assistance Programme |
| CASP | Comprehensive Agricultural Support Programme | ENE | Estimates of National Expenditure |
| CEO | Chief Executive Officer | EU | European Union |
| CFO | Chief Financial Officer | Fala | Financial Assistance and Land Administration |
| CIPAC | Collaborative International Pesticides Analytical Committee | FAN | Farm Assured Namibian |
| CPO | Chief Programmes Officer | FAO | Food and Agriculture Organization |
| CRDP | Comprehensive Rural Development Programme | FBO | Food Business Operator |
| CSIR | Council for Scientific and Industrial Research | FET | Further Education and Training |
| CSO | Civil Society Organisation | FID | Fidelity Bank |
| D: AAP | Directorate: Animal and Aquaculture Production | FIVIMS | Food Insecurity and Vulnerability Information Mapping System |
| D: ADM | Directorate: Agricultural Disaster Management | FMD | foot-and-mouth disease |
| D: ADF | Directorate: Agricultural Development Finance | FNB | First National Bank |
| D: AES | Directorate: Agricultural Engineering Services | FTA | Free Trade Agreement |
| D: AIS | Directorate: Agricultural Information Services | GADI | Grootfontein Agricultural Development Institute |
| D: APIS | Directorate: Agricultural Product Inspection Services | GAP | good agricultural practices |
| D: BED | Directorate: Business and Entrepreneurial Development | GDP | gross domestic product |
| D: BS | Directorate: Bio-safety | GEP | Gauteng Enterprise Propeller |
| D: ED | Directorate: Employee Development | GMO | genetically modified organism |
| D: ETES | Directorate: Education, Training and Extension Services | GPS | Global Positioning System |
| D: FA | Directorate: Financial Administration | HDI | historically disadvantaged individual |
| D: FSQA | Directorate: Food Safety and Quality Assurance | HFPP | Household Food Production Programme |
| D: GR | Directorate: Genetic Resources | HIV | Human Immunosuppressant Virus |
| D: HRM | Directorate: Human Resources Management | HOA | home owner's allowance |
| | | HOD | Head of Department |
| | | HR | Human Resources |
| | | HRM | Human Resources Management |
| | | HSRC | Human Sciences Research Council |



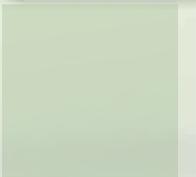
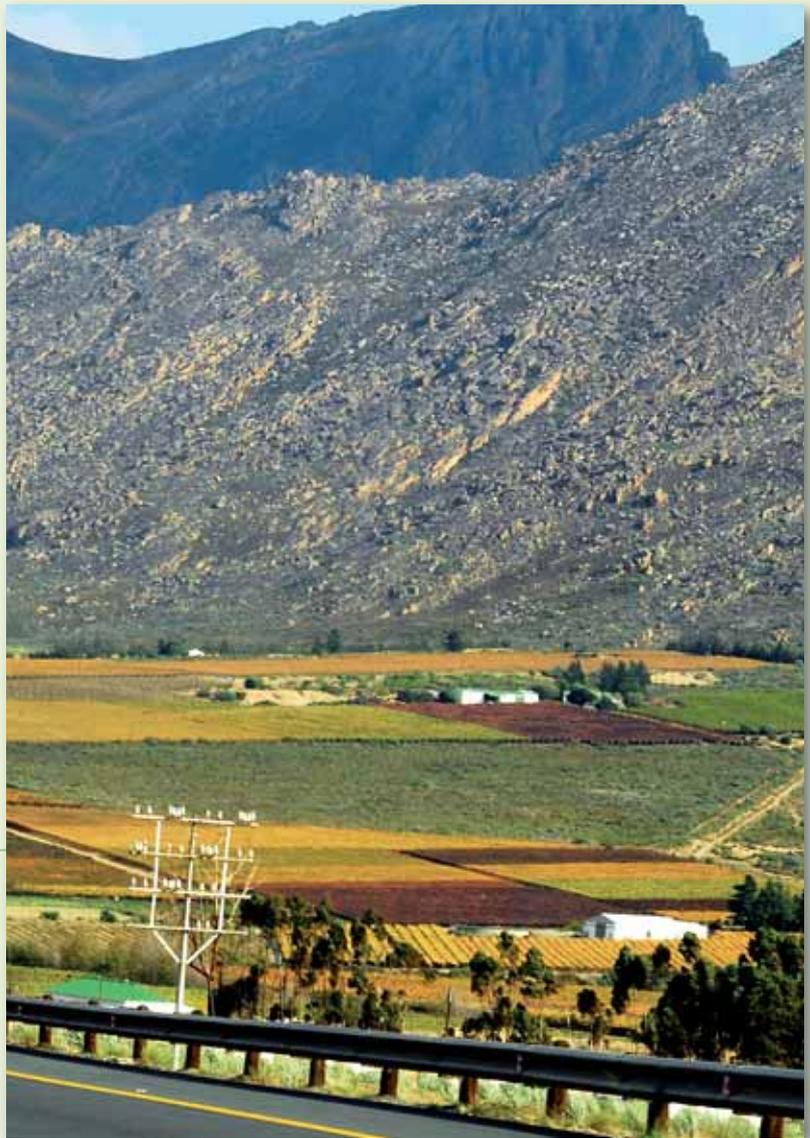
| | | | |
|----------|--|--------|--|
| IBSA | India, Brazil and South Africa | PEQ | post-entry quarantine |
| ICC | International Cooperation Committee (DEXCO subcommittee) | PFMA | Public Finance Management Act of 1999 |
| ICT | information communication technology | PIA | Plant Improvement Act |
| IFSNP | Integrated Food Security and Nutrition Programme | PIMD | Provincial Indices of Multiple Deprivation |
| ISVEE | International Veterinary Epidemiology and Economics Conference | PIMSA | Project Information Management System for Agriculture |
| ITCA | Intergovernmental Technical Committee for Agriculture | PLAS | Proactive Land Acquisition Strategy |
| | | PPECB | Perishable Products Export Control Board |
| | | PRC | People's Republic of China |
| | | PSCBC | Public Service Commission Bargaining Council |
| JES | job evaluation system | RAMP | Repair and Maintenance Project |
| JPCC | Joint Permanent Commission for Cooperation | R&D | Research and Development |
| | | RSA | Republic of South Africa |
| KRA | key result area | | |
| | | SA | South Africa |
| LAN | local area network | SAAU | South African Agricultural Union |
| LARP | Land and Agrarian Reform Programme | Sacu | Southern African Customs Union |
| LRAD | Land Redistribution for Agricultural Development | SADC | Southern African Development Community |
| | | SANSOR | South African National Seed Organisation |
| MADC | Mpumalanga Agricultural Development Corporation | SAPS | South African Police Service |
| Mafisa | Micro-agricultural Financial Institutions of South Africa | SAQA | South African Qualifications Authority |
| M&E | Monitoring and Evaluation | SASA | South African Sugar Association |
| Mercosur | Mercado Común del Sur | Sasco | South African Students Congress |
| MoU | Memorandum of Understanding | SASRI | South African Sugar Research Institute |
| MTEF | Medium Term Expenditure Framework | SCOPA | Select Committee on Public Accounts |
| | | SDI | Service Delivery Improvement |
| | | SDIP | Service Delivery Improvement Plan |
| | | SHG | selfhelp group |
| NAC | National Agro-meteorological Committee | Sita | State Information Technology Agency |
| NAMC | National Agricultural Marketing Council | SMME | small, medium and micro-enterprises |
| NARF | National Agricultural Research Forum | SMS | Senior Management Service |
| NBS | Natal Building Society | SO | strategic objective |
| Nerpo | National Emergent Red Meat Producers' Organisation | SOE | state-owned enterprise |
| | | SOPMER | strategic, operational, planning, monitoring, evaluating and reporting |
| NGO | nongovernmental organisation | SPFS | Special Programme for Food Security |
| NPPIS | National Plant Product Inspection Services | STC | Science and Technology Committee (DEXCO subcommittee) |
| NSTF | National Science and Technology Forum | | |
| | | STF | subtransformation forum |
| | | | |
| OBP | Onderstepoort Biological Products | TB | tuberculosis |
| ODC | Organisation Development Committee | TICAD | Tokyo International Conference on Africa's Development |
| OECD | Organisation for Economic Cooperation and Development | | |
| OIC | Orange International Certificate | UAE | United Arab Emirates |
| OIE | <i>Office International des Epizooties</i> /International Office of Epizootics | UN | United Nations |
| OSD | occupation specific dispensation | UPOV | International Union for the Protection of New Varieties |
| OVI | Onderstepoort Veterinary Institute | | |
| | | USA | United States of America |
| PABX | Private Automatic Branch Exchange | | |
| PBR | plant breeder's right | | |
| PDA | provincial department of agriculture | WAN | wide area network |
| PEPC | Port of Entry Port Control | WTO | World Trade Organisation |



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 Debt Management Repeal Act, 2008 (Act No. 15 of 2008)
- Agricultural Debt Management Repeal Bill
- Agricultural Product Standards Act, 1990 (Act No. 119 of 1990)
- Agricultural Research Act, 1990 (Act No. 86 of 1990)
- Animal Diseases Amendment Bill
- Animal Identification Act, 2002 (Act No. 6 of 2002)
- Animal Improvement Act, 1998 (Act No. 62 of 1998)
- Appropriation Act, 2008 (Act No. 9 of 2008)
- Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003)
- Division of Revenue Act, 2008 (Act No. 2 of 2008)
- Division of Revenue Act, 2008 (Act No. 1 of 2008)
- Employment Equity Act, 1998 (Act No. 55 of 1998)
- Fertilizers, Farm Feeds, Agricultural Remedies and Stock Remedies Act, 1947 (Act No. 36 of 1947)
- Fertilizers, Farm Feeds, Agricultural Remedies and Stock Remedies Amendment Bill
- Genetically Modified Organisms Amendment Act, 2006 (Act No. 23 of 2006)
- Intergovernmental Relations Framework Act, 2005 (Act No. 13 of 2005)
- Groot Constantia State Estate Bill
- 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)
- Liquor Products Amendment Act, 2008 (Act No. 32 of 2008)
- Liquor Products Amendment Bill
- Marketing of Agricultural Products Act, 1996 (Act No. 47 of 1996)
- Meat Safety Amendment Bill
- 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)
- Public Finance Management Act, 1999 (Act No.1 of 1999) (amended by Act No. 29 of 1999)
- Subdivision of Agricultural Land Act, 1970 (Act No. 70 of 1970)
- Sustainable Utilisation and Protection of the Agricultural Resources Bill
- Veterinary and Para-veterinary Professions Amendment Bill
- Water Research Act, 1971 (Act No. 34 of 1971)





PART 1

General information

Director-General's overview

During 2008/09 the DoA continued to ensure that all activities and projects undertaken were aligned with our strategic objectives and within the legislative mandate to accelerate and improve service delivery. We were guided by the *Strategic plan for the Department of Agriculture 2008/09–2010/11* (referred to as the *Strategic plan 2008*) as approved by Parliament in February 2008.

Working towards clear measurable targets, we held quarterly reviews to assess our performance and to ensure that departmental programmes were focused on achieving the priorities and deliverables we set in the *Strategic plan 2008*. In reflecting on what we have achieved in 2008/09 and the challenges we faced in meeting the targets we had set for ourselves, we will focus on the departmental achievements and challenges during the 2008/09 financial year in this Annual report.

HIGH FOOD PRICES

High food prices and the impact thereof on the most vulnerable members of our community has been a serious challenge to the department during 2008. Although this is a global phenomenon, our concern has rather been about food accessibility (affordability) to the poorest of the poor in the country.

Agriculture's contribution to meet the objectives of the Millennium Development Goals, to halve the number of food insecure households by 2014, is to provide agricultural production assistance to 70 000 food insecure households per year. In support of this objective, we launched the Ilima/Letsema campaign, implemented the Household Food Production Programme (HFPP), supported the War on Poverty campaign and the annual World Food Day. Through the HFPP seedlings, seeds, fertiliser, pesticides and other production inputs were provided to beneficiaries and about 30 000 households benefited during 2008/09. To ensure acceleration in implementing the HFPP, this programme was expanded further by a R76 million allocation in the 2008 supplementary budget to assist an additional 70 000 households.

Following the Food Summit held in 2008, a Symposium on High Food Prices was held in March 2009 to open dialogue, address challenges on food prices and develop mutual strategies with the business sector and civil society. Further, the aim was to find practical solutions to address food insecurity and poverty in the country, especially among the vulnerable groups.

To facilitate the implementation and monitoring of the Food Insecurity and Vulnerability Information Mapping System (FIVIMS) the DoA entered into an agreement with the Human Sciences Research Council (HSRC). This partnership will assist in identifying households qualifying for household food production support.

INCREASE IN AGRICULTURAL PRODUCTION

In 2008, we launched the Ilima/Letsema campaign in eight provinces coinciding with the summer planting season. The campaign aims at increasing food production as well as the productive use of available land, especially fallow land and



Ms Njabulo Nduli

DIRECTOR-GENERAL: AGRICULTURE



supports the government's War on Poverty campaign. An amount of R221 million was allocated to the Ilima/Letsema project in the supplementary budget in November 2008, mainly for the rehabilitation of land and irrigation schemes in various provinces in order to increase production, livelihoods and the income of beneficiaries. During 2008/09 this campaign was launched in almost all the provinces.

The Ilima/Letsema campaign elevated agricultural activities, to realise the LARP and provided an avenue to launch extension services to our people. In addition, it became a mechanism of collaboration between the DoA and the DLA, the provincial departments of agriculture (PDAs) as well as local government.

LAND AND AGRARIAN REFORM

Through alignment and sharing of resources national, provincial and local governments committed themselves to the LARP process to ensure support to newly settled emerging black farmers. Departmental implementation plans were geared to accelerate delivery and collaboration on land and agrarian reform and agricultural support through aligned and joint actions of all stakeholders. Focusing on the LARP objectives, the DoA strived to attain the objectives of the Presidential Apex Priority 7 on land and agrarian reform.

During the agri-consultation in Limpopo Province in August 2008, participants resolved to accelerate land reform, increase the number of black entrepreneurs in agribusiness, raise agricultural production, promote trade and provide access to support services, including financial support to target groups. It was also agreed at the summit that LARP would be utilised as a tool in poverty alleviation and economic development.

ACCESS TO SUPPORT SERVICES

Since the inception of CASP in 2004/05, an amount of R1,6 billion has been invested in 4 200 projects with more than 300 000 beneficiaries for the improvement of on and off-farm infrastructure and training. During 2008/09 a total of 32 733 land and agrarian reform beneficiaries were supported by CASP.

In partnership with Khula Enterprise Finance, the Khula-Mafisa Fund was established during 2008 to facilitate access to commercial finance to emerging farmers and agribusinesses. Clients qualifying for Mafisa loans, will be able to apply for loans at participating commercial banks.

Through the fund, access to financial services will be increased, as financial institutions will be serving a market that was not served previously. The maximum loan amount per season will be R300 000; the first R100 000 to be covered by Mafisa, while the remaining R200 000 will be leveraged from financial institutions. The fund will provide a portfolio indemnity to institutions providing production loans to emerging farmers within the Khula-Mafisa target market through leveraging of additional financial resources. Furthermore, we will focus on increasing the number of financial institutions accredited for disbursement of Mafisa funds.

SKILLS DEVELOPMENT IN SUPPORT OF THE SECTOR

A comprehensive profiling of extension services was undertaken and benchmarked internationally, leading to the allocation of R500 million from the 2008/09 Medium Term Expenditure Framework (MTEF) period for the introduction of 1 000 new and training of 2 000 extension officers already in the field.

After the Ministerial Extension Indaba in March 2008, we continued with the roll-out of the extension recovery plan in all nine provinces and the development of a programme on the best utilisation of mentors to supplement extension and advisory services. We will continue to address capacity deficiencies and to create a more visible and accountable extension service. In addition, extension specialists were seconded to support the DoA in developing structures and systems for delivery through a partnership agreement with Kenya.

We also held countrywide consultations to strengthen our partnerships with the sector. Culminating from these was the extension services *Farmer's green book* that was launched during the countrywide Ilima/Letsema launches. In addition, we have established an Advisory Council to enrich policy deliberations in support of the sector.

To strengthen capacity in the sector from a professional perspective, the African Land and Fellowship Programme, in partnership with institutions of higher learning, and together with provinces, resulted in the training of 12 professionals since 2007. We aim to increase the numbers of specialists such as agricultural economists, agricultural engineers, animal and plant disease scientists and many other specialists to support the needs of the sector.



AGRIBEE

In December 2008, the AgriBEE Charter Council was launched. The council, which is representative of all in the sector, will monitor and report on Black Economic Empowerment (BEE), which, by all accounts, will improve and increase the number of commercial enterprises. At its commencement, R43 million was spent on six AgriBEE equity deals. Going forward, we will continue to support this with a budget of R50 million per annum.

Several commodity strategies have been developed in cooperation with commodity groups in terms of Broad-Based Black Economic Empowerment (BBBEE) guidelines and norms. Commodity strategies that have been concluded include cotton, fruit, grain, livestock, sugar and wine. Through continuous engagement with industry role players, a road-map has been created for future engagement with commodity groups to involve emerging farmers in discussions.

BIO-SECURITY AND DISASTER MANAGEMENT

Ensuring that our animal and plant products are disease free, remains a serious challenge to the department. Inspection services at all air, land and sea ports of entry have been upgraded and extended as part of the Sedupe K9 Sniffer Dog Programme for the detection of prohibited agricultural substances and to ensure that quality food is provided. In this regard, the suspension of venison exports to the EU was lifted in October 2008. The export of ostrich meat was at no stage affected.

We intensified compulsory vaccination and implemented additional control measures to contain sporadic outbreaks of anthrax in the Northern Cape Province to prevent the further spread of the disease. The outbreaks of Rift Valley fever and African horse sickness were also managed. We continued with bovine spongiform encephalopathy (BSE) and anthrax surveillance and surveillance programmes were kept in place for avian influenza and classical swine fever. Countrywide monitoring was undertaken for any outbreak of rabies.

As part of the EU's *Better training for safer food* initiative, the EU presented a workshop on BSE to national authority control staff dealing with animal health and food safety in December 2008. Our ability to control animal diseases was demonstrated during the workshop and our country's BSE-free status confirmed. Our high degree of sanitary and phytosanitary standards was also once again proven and confirmed to EU officials.

The effects of climate change and global warming have impacted negatively on agricultural production in the country. During 2008, we continued to issue monthly early warning climate advisories to the agricultural sector to assist farmers in managing climatic risks.

SECTOR GROWTH

The department concluded the 5-year review of *The strategic plan for South African agriculture*, published in 2001. Sector partners confirmed the three core strategies of enhancing equitable access and participation in the agricultural sector; improving global competitiveness and profitability; and ensuring sustainable resource management. The review process will be followed by the implementation of the Sector plan review report in 2009/10.

RECOGNITION OF WOMEN IN AGRICULTURE

The national Female Farmer of the Year Awards is held annually, seeking to empower women in agriculture by recognising their contributions and increasing their visibility. Over the years, this campaign became an instrument for recognising the role of women in the fight against poverty, hunger and joblessness. In 2008, the awards event was held in the Western Cape Province.

INTERNATIONAL RELATIONS

Through our participation in the United Nations (UN) Food and Agriculture Organization (FAO), we signed an agreement on sustainable food production and nutrition education in schools in support of the national school nutrition programme in July 2008.

We were actively involved with the implementation of the AADP through bilateral agreements with a number of African countries. Within the SADC region, the department promoted food security and agricultural production as well as the African Green Revolution to minimise the negative impact of global high food prices on the poor in sub-Saharan Africa.

Bilateral agreements with India and Thailand were finalised and the Memoranda of Understanding (MoUs) are ready for signing. A project with the Chinese authorities of constructing an Aquaculture Technical Demonstration Centre in



the Free State Province at Gariiep Dam, is also at an advanced stage. We are in the process of drafting an MoU with Argentina, which will encompass various areas of cooperation, including the exchange of information with regard to genetically modified organisms (GMOs), research, training and trade issues.

INTERNATIONAL TRADE

Agreements on the export of South African wines were signed with Argentina, Australia, Canada, Chile, New Zealand and the United States of America (USA). These agreements will facilitate trade of wine among signatory parties by recognising each other's wine-making and labelling practices as being in compliance with their own.

Since the implementation of the FTA, the value of agricultural trade in the country has increased to more than one third of our agricultural production. In terms of exports, agriculture contributes about R30 billion annually. The agricultural sector's share of the country's total exports is approximately 8 % and processed agricultural products constitute about 60 % of all agricultural exports. Agro-processing and the food industry are therefore major sources of employment. To further increase market access, we will continue to focus on training emerging farmers to market their own products and promote increased participation in international markets.

The department continued with trade diplomacy efforts in various trade negotiation initiatives, including efforts in the Doha Round of multilateral trade negotiations. These efforts included the review of the SA-EU Trade, Development and Cooperation Agreement through ongoing negotiations with the EU and a preferential trade agreement with India. We further continued with the implementation of our agreements with Sacu, SADC and the European FTA.

CONCLUSION

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, oversight and support. Secondly, I would like to extend my appreciation to the leadership and staff of the agricultural state-owned enterprises, the agribusiness community and farmer organisations for their contribution. Finally, I wish to thank my management team and staff members in the department for their continued dedication and hard work in pursuit of our objectives in striving towards the economic prosperity and improved livelihoods of all South African citizens.



Ms Mjabulo Nduli

DIRECTOR-GENERAL: AGRICULTURE



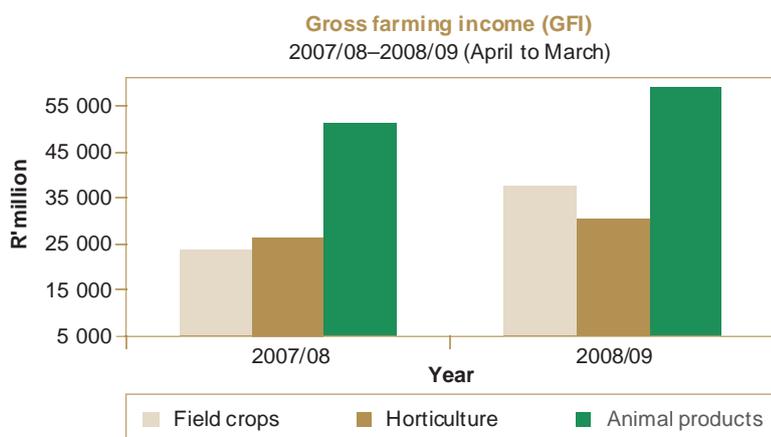
Economic overview

This report gives an overview of the major macroeconomic changes in the agricultural sector for the period 1 April 2008 to 31 March 2009.

GROSS FARMING INCOME

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

Gross income from all agricultural products amounted to R127 063 million for the year ended 31 March 2009, which is 25,3 % higher than the previous year. This increase can be attributed to an increase in income from field crops, animal products and horticultural products.



The gross income from field crops increased by 58,7 % and amounted to R37 800 million. The income from maize rose by 93,9 % and that from sunflower seed by 91,6 %. Income from sugar cane increased by 15 % and that from wheat by 8,8 %.

The income from horticultural products increased by 16,2 % as the result of a rise of 28,2 % in the income from citrus fruit, 20,2 % in the income from deciduous and other fruit, 18,7 % in the income from subtropical fruit and 12,9 % from vegetables.

Income from animal products showed an increase of 14,5 %, from R51 314 million to R58 727 million. Income from eggs rose by 24,4 %, from R5 066 million to R6 301 million. Income from sheep slaughtered, poultry meat and milk increased by 21,8, 19 and 10,8 %, 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 31,7 % to R69 694 million for the year ended 31 March 2009. Expenditure on fuel showed the biggest increase (103,3 %), followed by expenditure on fertilisers, which rose by 59,4 %. Expenditure on seeds and plants, maintenance and repairs and farm services increased by 24, 18,8 and 17,9 %, respectively.

Farm feeds made the biggest contribution to expenditure on intermediate inputs, accounting for 21,5 %, followed by fuel with 18,6 % and fertilisers contributing 14,7 %.

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

On average, prices received by farmers for their products increased by 8,6 %. The weighted average price of field crops rose by 9,1 %, mainly because of increases in the prices of cotton (40 %), tobacco (20,9 %), sugar cane (18,5 %), dry beans (17,3 %), and oilseeds (16,6 %).

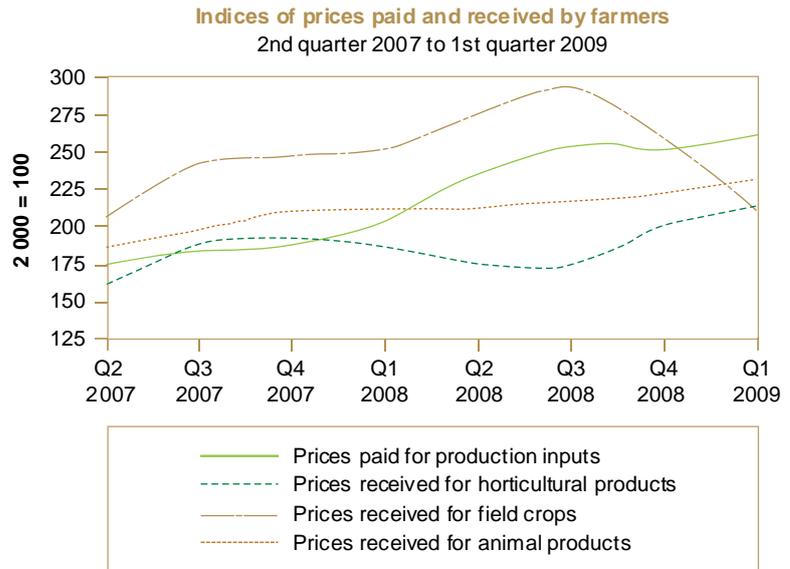
Prices of horticultural products increased by 4,5 %. Prices of fruit rose by 10,2 % and prices of vegetables increased slightly by 0,4 %.

The prices of animal products increased on average by 9,5 % and prices received for poultry meat increased by 14,5 %. The average price of dairy products rose by 8,4 % and prices for animals slaughtered for red meat increased by 7,7 %.



The prices paid for farming requisites, including machinery and implements, material for fixed improvements as well as intermediate goods and services, increased by 33,1 %, compared to 15 % the previous year. Prices of fertilisers showed an increase of 103,6 % and prices paid for fuel increased by 56,8 %. Prices paid by farmers for feeds, seeds and tractors increased by 22,9, 22,1 and 20,4 %, respectively.

The increase in prices received compared to the rise in prices paid by farmers resulted in a decrease of 18,4 % in the domestic terms of trade.



NET FARM INCOME AND CASH FLOW

An increase of 25,3 % in gross farm income against an increase of 31,7 % in expenditure on intermediate production inputs resulted in a rise in farming profit by 22,3 % to R39 773 million. Interest payments increased by 15 % because of higher interest rates. Labour and rent payments increased by approximately 4 and 7 %, 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 25,3 % as a result of increased income from field crops, horticultural and animal products. The higher income can mainly be attributed to the continuing upward trend in prices that farmers received for their products. The increase in income was, however, to a large extent, offset by a rise in farming expenses caused by the continued increase in the prices of 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 (up to 11 July 2008)
- National Agricultural Marketing Council
- Ncera Farms
- Onderstepoort Biological Products
- Perishable Products Export Control Board

The administration of the Land and Agricultural Development Bank Act of 2002 including the functions and powers entrusted by the Act, was transferred from the Minister for Agriculture and Land Affairs to the Minister of Finance on 11 July 2008.

BILLS SUBMITTED TO THE LEGISLATURE

The following Bills were submitted to Parliament during the period under review:

- Liquor Products Amendment Act, 2008 (Act No. 32 of 2008); and
- Agricultural Debt Management Repeal Act, 2008 (Act No. 15 of 2008).

MINISTERIAL VISITS TO FOREIGN COUNTRIES

During the period under review, the Minister undertook 11 official visits to the following foreign countries for a variety of purposes:

| Country (province/city) | Date | Purpose |
|---|---------------------|---|
| All 4 provinces in the Peoples Republic of China (PRC); and Hong Kong | 7 to 27 April 2008 | Assisted and participated in the RSA-PRC 10 th Anniversary celebrations |
| Japan, Tokyo | 24 to 25 April 2008 | Addressed the Tokyo International Conference on Africa's Development (TICAD IV) Symposium on Agricultural Development in Africa |
| United States of America, New York | 5 to 16 May 2008 | Attended the 16 th United Nations Commission of Sustainable Development |
| Italy, Rome | 3 to 5 June 2008 | Attended a high-level conference on World Food Security and the Challenges of Climate Change and Bio-energy |
| Kenya, Nairobi | 16 to 20 June 2008 | Attended the 20 th Africa Regional Conference of the FAO |



| Country (province/city) | Date | Purpose |
|-------------------------|-------------------------|--|
| Zambia, Lusaka | 10 to 14 July 2008 | Attended the SADC Ministerial Task Force Meeting on Regional Integration and Food Security focusing on the Food Crisis; and a Ministerial Bilateral Meeting with the Zambian Minister of Agriculture |
| Switzerland, Geneva | 19 to 26 July 2008 | Attended the WTO Ministerial |
| Germany, Munich | 21 to 27 September 2008 | Working visit |
| India, New Delhi | 7 to 17 October 2008 | Attended the IBSA Focal Point Meeting in preparation for the 3 rd IBSA Summit Attend the 3 rd IBSA Summit |
| Italy, Milan | 20 to 22 October 2008 | Participated in the International Food Festival |
| Zimbabwe | 13 to 18 March 2009 | Attended the ASWC meeting on 16 March 2009 and the JPCC meeting on 17 March 2009 |



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 bio-security and effective risk management

KEY RESULT AREAS AND STRATEGIC OBJECTIVES

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

Strategic objectives

- SO 1 Promote production, handling, processing and consumption of nutritious foods
- SO 2 Promote and support household income generation and food production
- SO 3 Provide leadership in the implementation of the Integrated Food Security and Nutrition Programme (IFSNP)

KRA 2: Eliminate skewed participation and inequity in the sector

Strategic objectives

- SO 1 Increase access to existing resources and opportunities within the agricultural sector for historically disadvantaged groups and individuals
- SO 2 Ensure increased black economic empowerment
- SO 3 Ensure equitable access and sustained participation in the sector
- SO 4 Improve social and working conditions in the sector

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

Strategic objectives

- SO 1 Increase agricultural productivity, competitiveness and profitability in South Africa, the SADC and Africa
- SO 2 Increase market access for South Africa and African agricultural products, domestically and internationally
- SO 3 Increase remunerative opportunities in the agricultural value chain
- SO 4 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

Strategic objectives

- SO 1 Ensure the management of agricultural indigenous genetic resources, land and water
- SO 2 Promote effective production systems, including the use of energy, labour and mechanisation
- SO 3 Promote efficient use of production factors

KRA 5: Ensure efficient and effective governance and partnerships

Strategic objectives

- SO 1 Achieve departmental service excellence and implement Batho Pele principles



- SO 2 Manage risks effectively
- SO 3 Provide leadership and cooperative governance in the agricultural sector
- SO 4 Implement quality standards in the department to ensure effective organisational performance and cooperative government
- SO 5 Promote and protect South African agricultural interests internationally
- SO 6 Align policy and legislation with the principles of sustainable development

KRA 6: Ensure knowledge and information management

Strategic objectives

- SO 1 Provide leadership and manage communication and information management effectively
- SO 2 Provide leadership and support to agricultural research, training and extension in the sector
- SO 3 Improve knowledge management in the department
- SO 4 Ensure consumer confidence in agricultural products and services

KRA 7: Ensure national bio-security and effective risk management

Strategic objectives

- SO 1 Establish and maintain effective early warning and mitigation systems in agriculture
- SO 2 Manage the levels of risks associated with food, diseases, pests, natural disasters and trade
- SO 3 Promote safe and nutritious food
- SO 4 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 the agricultural sector
- 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 coordination services

Facilitate national, provincial, municipal and public entities coordination, 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



Njabulo Nduli

DIRECTOR-GENERAL: AGRICULTURE



Tommie Marais

DDG: CORPORATE AND FINANCIAL SERVICES



Billy Morokolo (Acting)

DDG: LIVELIHOODS, ECONOMICS AND BUSINESS DEVELOPMENT



Kgabi Mogajane

DDG: BIO-SECURITY AND DISASTER MANAGEMENT



Andile Hawes

DDG: PRODUCTION AND RESOURCES MANAGEMENT



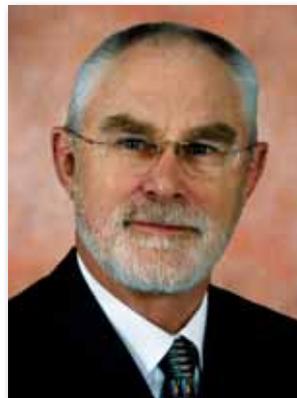
Vangile Titi

DDG: SECTOR SERVICES AND PARTNERSHIPS



Bafedile Bopape (Acting)

CHIEF OPERATING OFFICER



Attie Swart

CHIEF PROGRAMMES OFFICER



P. Tsootso 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; 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) |

PUBLIC ENTITIES

The following public entities report directly to the Minister:

- Agricultural Research Council (ARC)
- Land and Agricultural Development Bank (transferred to the Minister of Finance on 11 July 2008)
- National Agricultural Marketing Council (NAMC)
- Ncera Farms
- Onderstepoort Biological Products (OBP)
- Perishable Products Export Control Board (PPECB)

AGRICULTURAL RESEARCH COUNCIL

The 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 cooperation 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.

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:

- Promotes equitable ownership of agricultural land; and the increase of ownership of agricultural land by historically disadvantaged persons in particular.
- Provides wholesale as well as retail financing to the commercial and developing farming sectors, as well as to other agriculture-related businesses.
- 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 Public Finance Management Act of 1999.

Transfer of the Land Bank

The administration of the Land and Agricultural Development Bank Act of 2002, including the functions and powers entrusted by the Act, was transferred from the Minister for Agriculture and Land Affairs to the Minister of Finance on 11 July 2008.

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:

- Prepares and submits statutory measures and changes to statutory measures to the Minister for consideration.
- Monitors the application of statutory measures and reports on these to the Minister, and evaluates and reviews these measures at least every 2 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.

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.

PERISHABLE PRODUCTS EXPORT CONTROL BOARD

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

- Controls the export shipments of perishable products from the Republic of South Africa and the order of shipment of these products at all ports.
- Makes recommendations pertaining to the handling of perishable products when being moved to and from railway trucks and other vehicles, as well as coldstores.
- 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.

ONDERSTEPSOORT BIOLOGICAL PRODUCTS

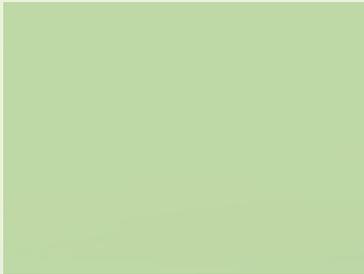
OBP was established in terms of section 2 of the Onderstepoort Biological Products Incorporation Act of 1999.

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.





PART 2

Programme performance

Programme performance

VOTED FUNDS

| Appropriation | Main appropriation | Adjusted appropriation | Actual amount spent | Under-spending |
|--------------------------|---|------------------------|---------------------|----------------|
| ENE | 2 534 671 000 | 403 077 000 | 2 847 871 000 | 89 877 000 |
| Responsible Minister | Minister for Agriculture and Land Affairs | | | |
| Administering department | Department of Agriculture | | | |
| Accounting Officer | Director-General of Agriculture | | | |

AIM

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

KEY MEASURABLE OBJECTIVES, PROGRAMMES AND ACHIEVEMENTS

The strategic role of the department 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 department are organised in five programmes:

Programme 1: Administration

Purpose Provides the department with political and strategic leadership and management, and manages capital investments.

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

Purpose Develops and facilitates the implementation of appropriate policies and targeted programmes aimed at promoting equitable access to the agricultural sector to promote shared growth and the commercial viability of emerging farmers and ensure household food security. Facilitates market access for South African agricultural products nationally and internationally. Promotes BBBEE in the agricultural sector. Provides economic and statistical services to support economic growth and development. Monitors the economic performance of the sector.

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

Programme 3: Bio-security and Disaster Management

Purpose Manages the risks associated with animal diseases, plant pests and genetically modified organisms. Ensures food safety. Develops the agricultural risk and disaster management policy framework.



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

Programme 4: Production and Resources Management

Purpose Identifies opportunities and develops strategies to optimise agricultural productivity and profitability through the sustainable use and protection of land and water resources.

Measurable objective Improve the efficiency of agricultural production for livestock, fisheries and crops, area-wide planning, mechanisation, irrigation development and the enhancement, conservation and rehabilitation of degraded natural agricultural resources.

Programme 5: Sector Services and Partnerships

Purpose Manages and coordinates intergovernmental, stakeholder and international relations, agricultural education and training, extension and advisory services, and scientific research and technology development.

Measurable objective Maximising growth in the sector by providing support services to emerging and established farmers, including women, youth and persons with disabilities through targeted skills development, extension and technology development programmes.

ACHIEVEMENTS

Highlights of the department's achievements during 2008/09 in relation to key measurable objectives include the following:

| Programme | Highlights of achievements |
|--|---|
| 1. Administration | Approved policies and strategies were managed and implemented through the efficient utilisation of financial and human resources. Financial and other support services were rendered satisfactorily in terms of predetermined service standards |
| 2. Livelihoods, Economics and Business Development | <p>The economic performance of the agricultural sector was monitored on a quarterly basis and overviews of economic changes and their impact on the sector were produced</p> <p>Improvements to the existing crop forecasting system are being addressed <i>via</i> a contract awarded to an ARC-led consortium. Crop forecasts for both summer grains and winter cereal crops were within the prescribed 5 % of actual harvest during the period under review</p> <p>Altogether 79 866 vulnerable households and emerging farmer groups were supported by means of agricultural starter packs as part of the HFPP</p> |
| 3. Bio-security and Disaster Management | <p>Contingency planning measures were put in place, including a national steering committee in respect of the invader fruitfly (<i>Bactrocera invadens</i>) following confirmation of its southwards spread within SADC</p> <p>Additional scientific expertise was recruited and inducted to the regulatory environment in order to strengthen risk management capacity relating to GMOs</p> <p>A border control inspection training manual was drafted to facilitate and improve risk management capacity at all ports of entry</p> <p>The import of heat-treated poultry meat from China was suspended after melamine was detected in numerous animal products in various countries</p> <p>Training manuals were developed on the safe use and correct handling of agricultural production inputs, mainly pesticides, stock remedies and farm feeds as regulated in terms of the Fertilizers, Farm Feeds, Agricultural Remedies and Stock Remedies Act of 1947. There is a general lack of understanding around the use of these production inputs by some farmers and extension officers</p> <p>The regulations regarding the grading, packing and packaging of fresh vegetables intended for sale in South Africa was gazetted on 13 February 2009 under the principal Act, the Agricultural Product Standards Act of 1990. The regulation covers 36 vegetable types that are sold at wholesale (national fresh produce) markets and retail levels. This regulation will assist in price determination and formulation when trading</p> |



| Programme | Highlights of achievements |
|--|---|
| 3. Bio-security and Disaster Management (<i>cont.</i>) | with vegetables at fresh produce markets and will provide protection for consumers from purchasing products which are not of sound, fair and marketable quality |
| 4. Production and Resources Management | <p>Many countries in the SADC region still do not have plant variety protection frameworks in place to protect the intellectual property rights of plant breeders. Because this is important to ultimately facilitate access to protected plant varieties, a 3-day capacity building and training event was hosted in South Africa to support SADC countries towards finalisation and implementation of the relevant legislation</p> <p>A survey involving 700 emerging and established cattle farmers was completed and published as part of the National Livestock Support Programme. This will be used to align the programme with the real needs of the respondents</p> <p>A household food production model was developed aimed at increasing production of food crops at household level. This is one of the mitigating intervention measures against high food prices through improved production efficiencies at household level</p> |
| 5. Sector Services and Partnerships | <p>To facilitate targeted training, research and extension support to black entrepreneurs, a mentorship programme was implemented by 12 commodity organisations contracted by the DoA. Altogether 4 658 beneficiaries (a total of 182 projects) received mentorship support</p> <p>The National Agricultural Research Agenda was completed and inputs from stakeholders were incorporated. The agenda will be submitted to the Departmental Executive Committee (DEXCO) for approval</p> <p>An agreement was signed on sustainable food production and nutritional education in schools in support of the national school nutrition programme through our participation with the FAO</p> <p>Through bilateral agreements with a number of African countries, the DoA was actively involved with the implementation of the AADP. Within SADC, the DoA promoted food security and agricultural production as well as the African Green Revolution to minimise the negative impact of high food prices on the poor in sub-Saharan Africa</p> |

OVERVIEW OF THE SERVICE DELIVERY ENVIRONMENT

The starting point for effective service delivery in the DoA was the development of the departmental service catalogue which will be launched in the next financial year. A crucial support aspect of any product or service is the availability of information on it:

What does it offer?, How will it benefit the client?, What processes will be followed?, What procedures will be followed?, What time frames are relevant? and What service standards should apply?, etc.

The service catalogue mainly deals with the products and services of the DoA on an individual and detailed basis, specifying amongst others, the service standards, clients, complaints mechanism and turnaround times. The line function directorates are reporting on services rendered on a monthly basis with specific emphasis on service standards and turnaround times, which play a significant role in monitoring and evaluation.

An improvement plan will be developed for selected underperforming services, which will be detailed in the Service Delivery Improvement Plan (SDIP). These services will also be monitored to track performance.

Some of the key services rendered during the year under review were the following:

- Access to financial services
- Coordination and mobilisation of emerging farmers into cooperatives and self-help groups
- Providing disaster risk information to clients for early warning and risk mitigation purposes
- Farmer-to-farmer Mentorship Policy
- Land reform post-settlement support
- LandCare support services
- Providing engineering services
- Entrepreneurship development and agricultural SMME capacity support and provision and facilitation of funds for AgriBEE initiatives.



Insufficient funding, staff turnover and the long recruitment process as well as delay in approval processes of various initiatives and lack of technically skilled personnel, were some of the challenges experienced in rendering various services, which led to underperformance.

There should be close and regular engagement with support services directorates in order to understand the intensity/urgency and importance of the programme services. This will certainly be of assistance as delivery of some outputs are dependent on the efficiency of support services and hence remain in progress for a long time.

OVERVIEW OF THE ORGANISATIONAL ENVIRONMENT

During the period under review, the organisational structure was realigned with the department's strategic objectives in order to strengthen implementation capacity to improve service delivery on the DoA's mandate. The realignment was done within the current MTEF allocation and envisaged a stronger capacity for high-level technical advice and strategic leadership capacity.

The realignment process of the organisational structure entailed the following:

- Reorganisation of identified line function chief directorates and directorates into new branches, including:
 - Production and Resources Management
 - Agriculture Support Services
 - Trade and Economic Development
 - Food Safety and Bio-security.
- Dividing the Directorate: Veterinary Services into two directorates, namely: Animal Health and Veterinary Quarantine and Public Health. The Directorate: Animal Health will primary be responsible for disease control, animal health import/export policy and epidemiology matters and the Directorate: Veterinary Quarantine and Public Health will be responsible for animal quarantine, veterinary public health, hygiene and identification as well as animal welfare matters.
- Strengthening of the Chief Operations Office into the Branch: Operations Management which includes the Communication functions, the International, Intergovernmental and Stakeholder Relations functions as well as Legal Services.
- Creation of a Directorate: Gender Mainstreaming which will *inter alia* be responsible for:
 - ensuring implementation of the national gender policies and guidelines on women's empowerment and gender equality through the development of departmental and sector-specific guidelines and standard operating procedures; and
 - coordinating gender training and education of all staff within the agricultural sector to ensure that gender is integrated into all aspects of the work, etc.
- Creation of a Directorate: Facilities and Travel Management, subjected to the outcome of the job evaluation process, in the Branch: Corporate and Financial Services.

The realignment of the macro structure of the department was approved and implemented on 1 January 2009. The micro structure was also approved and will be implemented with effect from 1 April 2009.

Coordinating the job evaluation process with the provincial departments was concluded with the approval of the Intergovernmental Technical Committee on Agriculture (ITCA) for the implementation of the job evaluation results with effect from 1 April 2009. The major challenge is the inconsistency with the implementation of the job evaluation results in the provinces.

The department also participated in the development of the occupation specific dispensation (OSD) for engineers and related professions, which includes scientists, which is an initiative of the Department of Public Service and Administration (DPSA). The OSD entails the development and implementation of tailor-made remuneration dispensations for identified occupations, including:

- Unique salary structures per occupation
- Centrally determined grading structures and broad job profiles
- Career pathing based on competencies, experience and performance
- Pay progression within the salary levels



- Grade progression without competing for vacancies or promotion to higher posts.

During the period under review the following Senior Management Service (SMS) posts were filled:

- Director-General
- Chief Operating Officer
- Deputy Director-General: Production and Resources Management
- Chief Director: Engineering Services and Resources Management
- Director: Strategic Planning
- Director: Security Services
- Director: Plant Health.

During 2008, the department consulted organised labour in the Departmental Bargaining Chamber in terms of DoA Resolution No. 4 of 1998 regarding the realignment of the departmental structure. The structure was subsequently adopted and implemented. During the period under review, the report on the People Effectiveness Survey was finalised by the DPSA in cooperation with the DoA and submitted to the Director-General.

As a result of the termination of the fresh meat inspection services at the Bull Brand Abattoir, consultation took place with organised labour and affected employees in terms of DoA Resolution No. 4 of 1998. These employees were placed in alternative positions in the department.

STRATEGIC OVERVIEW AND KEY POLICY DEVELOPMENTS

Strategic overview

Although national income statistics show that the agricultural sector presently accounts directly for about 3 % of the gross domestic product (GDP), agriculture's contribution to the overall economy is much greater than this figure. The sector has a strong indirect role in the economy because of its backward and forward linkages to other sectors. The demand for goods such as fertilisers, chemicals and implements forms backward linkages with the manufacturing sector, while forward linkages are established through the supply of raw materials to the industry.

In terms of exports, agriculture contributes approximately R30 billion annually. The share of agricultural exports in the country's total exports is about 8 % and processed agricultural products about 60 % of all agricultural exports. Formal agriculture provides employment (both seasonal and contract employment) to approximately 800 000 workers and the smallholder sector provides full or part-time employment to a further 1 million households. This represents about 8,5 million people who are employed in the sector. Agro-processing and the food industry are major sources of employment and the number of jobs created per unit of investment is higher in agriculture compared to other sectors. This implies that growth in agricultural output overall has a greater impact on employment creation.

High food prices

Dealing with the increasing rise in food prices has been a major challenge for the department. Contributing factors included low availability of crops worldwide, unfavourable weather conditions, increased demand in the developing world, high agricultural inputs costs as well as fuel prices. In the second half of 2008, there was, however, an upward trend in food production and the gross income of producers increased, bringing some relief to consumers. The effects of lower oil and food prices should lead to lower inflation, and factors such as growth in real capital formation and a weaker exchange rate may have a positive impact on lower commodity prices.

During the period under review, we focused on the Ilima/Letsema campaign to promote household food production by accelerating and improving agricultural crop production. The campaign was launched nationally in eight provinces (excluding North West Province) in pursuit of national and household food security to mobilise communities to leverage land as a resource to fight poverty and hunger. As part of the campaign, agricultural starter packs were provided for household vegetable production and promotion of food gardens. Additional funds were also allocated for production projects such as mass food production, investments in production-enhancing infrastructure, including irrigation schemes and soil reclamation.

Land and agrarian reform

Accelerating the pace of land and agrarian reform was another focus area for the department during 2008/09. Focusing on the LARP objectives, the DoA strived to attain the objectives of the Presidential Apex Priority 7 on land and agrarian



reform. Departmental implementation plans were geared to accelerate delivery and collaboration on land and agrarian reform and agricultural support through aligned and joint actions of all stakeholders. Through alignment and sharing of resources national, provincial and local governments are committed to this process to ensure support to newly settled emerging black farmers.

Key policy developments

Support to beneficiaries of land reform

To support the 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 for research and development.

Agricultural production (Ilima/Letsema)

As one of the LARP pillars, additional funds were allocated for the Ilima/Lestsema campaign. Over the MTEF period, an amount of R50 million was allocated for 2009/10, R200 million for 2010/11 and R400 million for 2011/12. These funds will be transferred to the provincial departments of agriculture as conditional grants for specific production projects such as the upgrading of the Vaalharts/Taung and Makhathini irrigation schemes and the Food Massification Programme in the Eastern Cape.

Food safety and bio-security

Other key focus areas included food safety and bio-security. The department is in the process of developing an effective inspectorate service at all ports of entry and to ensure law enforcement and compliance with regulations that control exports and imports of agricultural products. The Sedupe K9 (sniffer dog) unit currently at O.R. Tambo International Airport has been expanded to other ports of entry and will be expanded further in 2009. The Plant Health component is also receiving special attention to respond to constraints that currently expose the agricultural sector to risks associated with plant pests and diseases. The department's science-based decision-making system, which complies with international and national bio-security obligations and responsibilities, will be strengthened in support of the agricultural industries.

Project management

The department distinguished between the strategic management, project management and performance management processes and has development synergies between these to improve performance. The development of project management policies, processes, methodology, procedures and templates for its Project Management Support Office were completed at the end of October 2008, and project planning support was provided to 64 departmental initiatives during 2008.

DEPARTMENTAL REVENUE, EXPENDITURE AND OTHER SPECIFIC TOPICS

Collection of departmental revenue (cf. table on page 24 top)

The revenue collected by the department was less than originally estimated mainly because of the overestimation of the revenue to be collected after the repeal of the Agricultural Debt Management Act of 2001. However, this was made good to a large extent by the fact that unspent conditional grants to provinces had to be paid back and in this regard an amount of R107,6 million was received and is reflected under the item Financial Transactions.

A significant portion of revenue is derived from the sale of goods and services which include statutory services such as the registering of fertilisers, farm feeds, stock remedies and plant breeders. Transfers received are higher than estimated and it represents funds received as donations for officials in respect of the cost of foreign visits. Interest, dividends and rent on land were underestimated because of lesser interest received from the Agricultural Debt Account loans which were transferred to the books of the department.

An advanced control process to ensure the identification of revenue collected per office and reconciliation with the Basic Accounting System (BAS) was implemented successfully.

Departmental expenditure

The table (page 24 bottom) sets out the extent to which the department utilised its budget during the period under review, and includes adjustments made and additional funds received.



| | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2008/09 | % deviation |
|--|---------------|---------------|---------------|----------------|----------------|----------------|
| | Actual | Actual | Actual | Target | Actual | from |
| | R'000 | R'000 | R'000 | R'000 | R'000 | target |
| Non-tax revenue | – | – | – | – | – | – |
| Sales of goods and services other than capital assets | 71 695 | 59 211 | 65 825 | 59 234 | 63 153 | 6,62 |
| Administrative fees | 59 023 | 55 477 | 61 275 | 56 030 | 58 624 | 4,63 |
| Sales of goods and services | 4 456 | 3 691 | 4 346 | 3 198 | 4 005 | 25,23 |
| Sale of scrap, waste and other used current goods | 8 216 | 43 | 204 | 6 | 524 | 8 633,34 |
| Transfers received | 300 | – | 26 | 29 | 80 | 175,86 |
| Public corporations and private enterprises | 300 | – | 26 | 29 | 80 | 175,86 |
| Fines, penalties and forfeits | 54 | 3 | 92 | 10 | 10 | 0 |
| Interest, dividends and rent on land | 1 596 | 1 391 | 1 483 | 18 500 | 9 292 | (49,77) |
| Interest | 654 | 888 | 763 | 18 134 | 8 726 | (51,88) |
| Rent on land | 942 | 503 | 720 | 366 | 566 | 54,64 |
| Sales of capital assets (capital revenue) | 208 | 211 | 9 957 | 500 | 330 | (34,00) |
| Other capital assets | 208 | 211 | – | 500 | 330 | (34,00) |
| Financial transactions (recovery of loans and advances) | 2 283 | 33 798 | 4 666 | 140 000 | 136 137 | (2,76) |
| Total departmental receipts | 76 136 | 94 614 | 82 049 | 218 273 | 209 002 | (4,25) |

As can be seen the department closed off the financial year with unspent funds totalling R89 877 million, which accounts for 3,06 % of the total appropriated funds (R2 938 billion). The surplus can be contributed to the following: an amount of R60 million earmarked for transfer to provinces to speed up food production was not spent as an agreement could not be reached in time with the Development Bank of South Africa on the disbursement of the funds, and an amount of R20 335 million, in respect of the classical swine fever combating campaign in the Eastern Cape could not be spent as some of the compensation claims were not received in time from rural farmers.

| Programmes | Voted for | Roll-overs | Virement | Total voted | Actual | Variance |
|---|------------------|----------------|----------|------------------|------------------|---------------|
| | 2008/09 | and | | | expenditure | |
| | R'000 | adjustments | R'000 | R'000 | R'000 | R'000 |
| Administration | 300 364 | 7 652 | (6 389) | 301 627 | 297 415 | 4 212 |
| Livelihoods, Economics and Business Development | 901 814 | (145 040) | (5 323) | 751 451 | 748 484 | 2 967 |
| Bio-security and Disaster Management | 311 721 | 305 462 | (6 928) | 610 255 | 589 228 | 21 027 |
| Production and Resources Management | 259 900 | 218 575 | 1 562 | 480 037 | 418 869 | 61 168 |
| Sector Services and Partnerships | 760 872 | 16 428 | 17 078 | 794 378 | 793 875 | 503 |
| Total | 2 534 671 | 403 077 | – | 2 937 748 | 2 847 871 | 89 877 |



Transfer payments

Transfers to provinces

| Province | Amount transferred | Estimated expenditure |
|---------------|--------------------|-----------------------|
| | R'000 | R'000 |
| Eastern Cape | 112 153 | 111 341 |
| Free State | 74 491 | 66 387 |
| Gauteng | 37 356 | 32 356 |
| KwaZulu-Natal | 123 890 | 121 786 |
| Limpopo | 156 191 | 155 808 |
| Mpumalanga | 107 577 | 69 193 |
| Northern Cape | 99 621 | 72 128 |
| North West | 125 052 | 116 783 |
| Western Cape | 61 633 | 59 512 |
| Total | 897 964 | 805 294 |

The table includes transfers to provinces in respect of CASP, LandCare, Ilima/Letsema and agricultural disasters. CASP is aimed at making provision for agricultural support to targeted beneficiaries of the land and agrarian reform programmes. The LandCare Programme addresses the degradation problems of natural/agricultural resources in the country and the improvement of the socio-economic status and food security of rural communities. Ilima/Letsema was implemented to increase food production. These transfers are administered in accordance with the Division of Revenue Act. 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 the provinces by the national Department of Agriculture to monitor performance and provide support.

Transfers to local governments

| Name of institution | Amount transferred | Estimated expenditure |
|--|--------------------|-----------------------|
| | R'000 | R'000 |
| Various local governments in respect of: Vehicle licences | 332 | |
| Total | 332 | |

Transfers to departmental agencies and accounts

| Name of institution | Amount transferred | Estimated expenditure |
|---|--------------------|-----------------------|
| | R'000 | R'000 |
| Agricultural Research Council | 514 556 | 514 556 |
| National Agricultural Marketing Council | 22 459 | 22 459 |
| Water Research Commission | 2 500 | 2 500 |
| National Student's Financial Aid Scheme | 5 022 | 5 022 |
| Public Service Education and Training Authority | 586 | 586 |
| Perishable Products Export Control Board | 600 | 600 |
| Tompi Seleka Agricultural Training Centre | 872 | 872 |
| Eastern Cape Rural Finance Corporation | 65 000 | 65 000 |
| Total | 611 595 | 611 595 |

The ARC is a national public entity listed under Schedule 3A of the PFMA and was established under the Agricultural Research Act of 1990. The ARC is the principal agricultural research institution in South Africa and renders services to the department on request.

The NAMC is a national public entity listed under Schedule 3A of the PFMA and was established by the Marketing of Agricultural Products Act of 1996. The council provides strategic advice to the Minister on agricultural marketing issues,



undertakes investigations on agricultural marketing and marketing policy, and does 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, a portion of which is used to fund the empowerment of previously disadvantaged individuals in the areas of training, exposure and market access.

The Water Research Commission is a national public entity listed under Schedule 3A of the PFMA and was established in terms of Section 2 of the Water Research Act of 1971 as amended. The Commission undertakes specific research projects as required by the DoA against the predetermined deliverables as set out in a memorandum of agreement.

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

The PPECB is a national public entity listed under Schedule 3A of the PFMA and was established in terms of the Perishable Products Export Control Act of 1983. The board controls the export of all perishable products from South Africa, the value of which is approximately R9 billion a year. The PPECB also operates as an assignee for the department under the requirements of the Agricultural Product Standards Act of 1990.

Transfers to public corporations and private enterprises

| Name of institution | Amount transferred | Estimated expenditure |
|--------------------------|--------------------|-----------------------|
| | R'000 | R'000 |
| Ncera Farms (Pty) Ltd | 2 177 | 2 177 |
| Land Bank | 243 000 | 243 000 |
| Private enterprises | – | – |
| Claims against the State | 305 | 305 |
| Total | 245 482 | 245 482 |

Ncera Farms (Pty) Ltd is a public company listed under Schedule 3B of the PFMA, with the department as the sole shareholder. It is situated in the Eastern Cape on state-owned land of approximately 3 102 ha. Its purpose is to provide extension services, training and other agricultural support services to 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, cooperatives and other agriculture-related businesses. It provides long, medium and short-term loans to all agricultural sectors. The bank also manages the funds transferred from the department for Mafisa.

Transfers to foreign organisations

| Name of institution | Amount transferred | Estimated expenditure |
|---|--------------------|-----------------------|
| | R'000 | R'000 |
| Office International des Epizooties | 703 | 703 |
| International Seed Testing Association | 42 | 42 |
| Organisation for Economic Cooperation and Development | 72 | 72 |
| International Union for the Protection of New Varieties | 321 | 321 |
| International Grains Council | 129 | 129 |
| Office International de la Vigne et du Vin | 456 | 456 |
| Food and Agriculture Organization of the United Nations | 7 924 | 7 924 |
| International Commission of Agricultural Engineering | 53 | 53 |
| Consultative Group on International Agricultural Research | 3 209 | 3 209 |
| Commonwealth Agricultural Bureau International | 142 | 142 |
| International Dairy Federation | 30 | 30 |
| International Cotton Advisory Council | 149 | 149 |
| Foreign rates and taxes | 6 | 6 |
| Total | 9 974 | 9 974 |



The table at the bottom of page 26 sets out membership fees paid by the department to organisations approved by Parliament.

Transfers to nonprofit institutions

| Name of institution | Amount transferred | Estimated expenditure |
|--|--------------------|-----------------------|
| | R'000 | R'000 |
| Cooperative Development Initiative | 535 | 535 |
| Grassland Society—donation | 10 | 10 |
| SA Pork Producers' Organisation—donation | 65 | 65 |
| Milk Producers' Organisation—donation | 40 | 40 |
| Agricultural Economists of SA | 14 | 14 |
| Farmer Development Trust | 1 000 | 1 000 |
| National African Farmers' Union | 1 000 | 1 000 |
| Sterile Insect Technique | 4 000 | 4 000 |
| Food and Trees for Africa | 1 000 | 1 000 |
| Total | 7 664 | 7 664 |

Transfers to households

| Purpose | Amount transferred | Estimated expenditure |
|---------------------------------------|--------------------|-----------------------|
| | R'000 | R'000 |
| Avian influenza | 12 467 | 12 467 |
| Social benefits | 1 701 | 1 701 |
| Classical swine fever | 59 624 | 59 624 |
| Claims against the state | 500 | 500 |
| AgriBEE | 20 000 | 20 000 |
| Foot-and-mouth disease, KwaZulu-Natal | 27 | 27 |
| Total | 94 319 | 94 319 |

Conditional grants and earmarked funds

During the financial year the department administered five conditional grants, namely; CASP, the LandCare Programme, agricultural disaster management, agricultural starter packs and Ilima/Letsema. The CASP grant is the only Schedule 4 grant in terms of the Division of Revenue Act of 2008, while the other grants are Schedule 5 grants. For 2008/09 an amount of R534 918 million has been allocated to CASP, R48 969 million to LandCare programmes, R49 million for agricultural disaster management, R76 million for starter packs and R96 million for Ilima/Letsema.

Funds in respect of these grants were transferred on a quarterly basis to the provincial departments of agriculture in terms of the Division of Revenue Act of 2008. The Act contains frameworks, which prescribe monitoring mechanisms to ensure that provinces achieve the envisaged goals.

Outline of the purpose and expected outputs of the grants

Comprehensive Agricultural Support Programme

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

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



- Increased access by resource-poor farmers to timeous market and technical information.
- Improvement of the availability of on and off-farm infrastructure supporting targeted farmers (for example dipping, fencing, rehabilitation of irrigation schemes, etc.).
- Number of Land Redistribution for Agricultural Development (LRAD) reform beneficiaries who accessed/are accessing markets, market information and training on markets.

LandCare

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. Not only was this programme aimed at addressing degradation problems, but also to encourage South Africans to use natural resources in a way that improves their quality of life and that of future generations. The programme's specific outputs for the period under review were measured through the following criteria:

- Number of beneficiaries and kilometres of irrigation channels
- 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 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 were transferred to and deposited into the primary bank accounts of each province in accordance with the provision of the Division of Revenue Act of 2008 and the approved payment schedule.

The figures in respect of the Conditional Grants paid to provinces are included as Annexure 1C of the Annual Financial Statements.

CAPITAL INVESTMENT, MAINTENANCE AND ASSET MANAGEMENT PLAN

Capital investment

The Department of Public Works (DPW) was instructed to proceed with the construction of the new Animal Quarantine Station in Durban. The DPW has requested an environmental impact study in this regard and will commence with the tender process for the appointment of a building contractor once this study is finalised. Capital Works funds will have to be rolled over to the next financial year should the project be delayed by the environmental impact study.

Maintenance

Daily maintenance at departmental buildings has been attended to in terms of the DPWs' delegations. A Repair and Maintenance Project (RAMP) was registered by the DPW for execution at a departmental building in Pretoria. The project, however, was terminated by DPW because of unsatisfactory performance by the contractor. Funds for the appointment of a new contractor will be made available during the next financial year.

ASSET MANAGEMENT

The consolidation of office accommodation per province and per town is an ongoing process in order to reduce the number of outside offices.



Programme 1: Administration



Tommie Marais

DEPUTY DIRECTOR-GENERAL

PURPOSE

The programme provides the department with strategic leadership and management, as well as overall administrative and performance oversight.

Support services, as a component of Programme 1, are inclusive of the following directorates: Human Resources Management, Legal Services, Security Services, Budgets and Reporting, Financial Administration, Supply Chain Management as well as the 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 overall achievement of targets set by the department.

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 engaging the nature of support as rendered by those units responsible to render services to delivery units.

PROGRAMME OVERVIEW

The Programme: Administration takes responsibility for providing strategic leadership including overall departmental strategy development, monitoring the implementation thereof, as well as overall organisational administration and governance.

The programme comprises the Ministry, Office of the Director-General, Corporate and Financial Services and Operations Management.

The programme also provides strategic support to the Ministry and serves as an interface between the department and Parliament. It takes responsibility for ensuring that the strategies and goals of the department feed into the broader government objectives and priorities. The programme further takes responsibility for providing strategic leadership in intergovernmental programmes as well as partnerships that the department has fostered within the sector.

KEY RESULT AREAS

The programme is responsible for overall effective, efficient and timely delivery on the 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 ongoing service delivery improvement and quality of service. It continues to review existing performance management systems for their effectiveness in order to support the department's overall objective of service excellence.

SERVICE DELIVERY ACHIEVEMENTS

Information on the output of the programme for the 2008/09 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.

Budgets and Reporting

The directorate renders a service of managing the budgetary process and financial reporting in the DoA.

Human Resources Management

The Directorate: Human Resources Management focused on recruitment of, management of, and providing direction for the staff in the department.

The Job Evaluation Unit of the directorate played a leading role in the job evaluation coordination process for the agricultural public sector in order to develop generic job descriptions and to harmonise the salary levels for identified cross-cutting posts in the sector.

During the period under review the following policies, developed by the directorate, were consulted and adopted by the Departmental Bargaining Chamber: Working Hours Policy, Dress Code, Exit Interview Policy, Policy on Camping Facilities and Allowances, Secondment Policy, Recruitment and Selection Policy and Procedure, Overtime Policy and the Retention Policy. The departmental Human Resources Plan was also submitted to the DPISA.

Some of the challenges that were experienced during the year under review were the turn-around time for the filling of vacancies, which hampered the filling of posts as a result of the implementation of the compulsory National Vetting Strategy as well as the lengthy job evaluation coordination process with the provincial departments of agriculture. The inconsistent application of the Job Evaluation System by departments also causes recruitment and retention problems within the public service.

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 allowances and claims 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 and agricultural debt and maintaining agricultural debt securities. It further maintains financial records, conducts *ad hoc* financial investigations when necessary, manages losses of and damage to departmental assets, claims against the department and exercises internal financial control.

Supply Chain Management

The Directorate: Supply Chain Management renders a supply chain management service to the department. It is also responsible for ensuring compliance with the supply chain management processes with regard to demand and acquisition management including, amongst others, the identification of need assessments and linkage to the strategic objectives of the department, the drafting of specifications, invitations, evaluation and adjudication of bids and quotations. It is further responsible for the compilation and maintenance of a supplier database, supplier performance management and contract management.

The directorate is also responsible for the logistical management services that include the establishment of an effective logistical service that involves, amongst others, issuing of orders, payments and stores. Asset management is responsible for the establishment of an asset life cycle with regard to the planning, acquisition, operation, maintenance, disposal of assets as well as the reporting of asset management performance in the financial statements.

Agricultural Information Services

During the year under review the Directorate: Agricultural Information Services coordinated nominations for the Female Farmer of the Year Awards and arranged the national awards ceremony at Grand West Casino, Cape Town, in the Western Cape Province, on Tuesday 26 August 2008. Recognition was given to winners who 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.

The directorate coordinated the Onderstepoort Biological Products (OBP) centenary celebrations, held from 7 to 9 October 2008 at OBP, in Pretoria, Gauteng. The celebrations included a workshop and a gala dinner. The directorate also



organised the World Food Day celebrations held in East London, Eastern Cape on 16 October 2008. The event was organised jointly by the DoA and DLA.

The design and layout of 44 flyers and information booklets were completed and these were published for various directorates. Altogether 47 InfoPaks (new corporate layout and reprints) were published and distributed during the period under review. The directorate further produced material for 48 workshops/conferences/meetings and produced 51 posters and banners for various departmental events.

The AgriBEE Charter Council launch was held at the Premier Hotel, in Pretoria, Gauteng on 5 December 2008. The directorate coordinated this event and also exhibited.

The directorate rendered communication and media support to the Ilima/Letsema campaign and launches in all provinces, except North West, where the campaign is still to be launched.

Information and Communication Technology

The directorate 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 information communication technology (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 following services were rendered:

- Implementation of PABX at Roodeplaat, Customs House (10th floor) and Milnerton was done successfully
- Successful LAN/WAN changes and support at regional sites
- LAN buffer installations at Milnerton were done successfully
- Auto attendance changes at Stellenbosch
- D: HRM was configured successfully
- Pincode installations at Milnerton, Silverton and Roodeplaat were completed.

Monitoring and Evaluation

The focus of the Directorate: Monitoring and Evaluation on relevance, performance and success is strategically linked to the objectives of ensuring that the DoA's programmes and projects produce sustainable results that would benefit the department's clients.

Both programmes and projects contribute to the achievement of departmental objectives by supporting decision making, accountability, learning and capacity development.

The 5-year Sector plan was reviewed and presented to the Ministerial Task Team and the Chief Director: Partnerships while the 5-year Organisational performance report was also compiled for the newly elected government. The development of CASP and the Mafisa Monitoring and Evaluation (M&E) Framework has been finalised and is in the processes of approval.

The quarterly Organisational performance reports have been compiled and presented to the Departmental Management Committee. The directorate has been conducting profiling of successful projects under AgriBEE and the service catalogue was compiled. The assessment of the M&E status of the provincial departments of agriculture regarding the undermentioned has been ongoing:

- Monitoring and evaluation structure—capacity
- Information systems in place
- Availability of frameworks and policies.

Strategic Planning

During the year under review the directorate aligned and harmonised planning processes at all levels in the DoA, developed annual business plans, improved annual performance plans as well as operational plans (Strategic plan compilation). The directorate has reviewed strategic, operational, planning, monitoring and evaluation and reporting (SOPMER) guidelines and drafted the SDIP. These achievements have a direct contribution to the aligned and harmonised planning process which was the main challenge for this directorate before. It must also be noted that this is a continuous improvement process which will be improved over time.



Legal Services

The mandate of the Directorate: Legal Services is to provide legal support to the department and Ministry. In terms of legislation, the following Bills were drafted by the directorate and sent for approval:

- 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.

Transformation

The Transformation Unit's purpose is to monitor the transformation programme of the DoA in line with government transformation objectives; give guidance, strategic support on transformation and provide corrective measures where necessary; set transformation standards guided by relevant legislations and to ensure an effective and efficient mechanism for performance on transformation and reporting.

The unit has continued with the establishment of subtransformation forums (STFs), with the view to ensure employee participation in the decision-making process within their respective directorates. Of all the directorates in the department 98 % have so far established their STFs; only five directorates have not responded positively in ensuring that STFs are established.

Security Services

The Directorate: Security Services renders and administers the total security function of the department, including the protection of personnel, state assets and information through the development and implementation of security policies, procedures and measures. It also represents the department in the Criminal Justice Cluster Priority Committee on Rural Safety and other security forms to provide advisory services regarding security issues to the Minister, Director-General and Top Management.

Physical and information security awareness programmes are conducted on a monthly basis at various directorates. Security surveys were conducted during the year under review. Appraisal reports were forwarded to the respective directorates.

Internal Audit

This directorate renders an independent and objective assurance and consulting activity designed to add value and improve the department's operations.

CHALLENGES AND RESPONSES TO CHALLENGES

| Directorate | Challenges | Corrective measures |
|----------------|---|---|
| Internal Audit | <p>Debt management: Some contract documents are still in Afrikaans only</p> <p>Purchases and payments: Difficulty with the isolation of non-assets from the BAS report that shows all assets purchased during the financial year</p> <p>The information on the BAS report is grouped in total amounts spent up to a point in the financial year and not grouped in goods purchased individually</p> | <p>Where old documents were in Afrikaans, an official working with the activity is made available to assist</p> <p>(This requires that the documentation should be compiled and written in English)</p> <p>Information should be analysed and reports produced on a monthly basis. This recommendation is still to be accepted.</p> |



| Directorate | Challenges | Corrective measures |
|----------------------------|--|---|
| Internal Audit (cont.) | <p>Division of Revenue Act (DORA): Availability of documentation</p> <p>Grootfontein Agricultural Development Institute (GADI)—all activities: Shortage of auditors to audit all activities at GADI</p> <p>Recruitment and appointments: Time taken to agree and approve system descriptions as discussed with HRM is not acceptable (4 weeks). Requested files are also not provided in a reasonable time</p> | <p>Ideally DORA should be audited throughout the year. Constraints limit it to an annual audit only. Annual audit will cover a year's activities</p> <p>Because of constraints, look at project being audited every 2nd year</p> <p>Where deadlines are not met, directorates will be notified</p> |
| Security Services | <p>Access control points: Installation of a proper access control system</p> <p>Key control: Issued: Non-compliance to key control procedures, cost implication for new system</p> | <p>None</p> <p>None</p> |
| Human Resources Management | <p>Commitment of SMS members and non-availability of members of selection committees delayed the process of filling posts in most instances</p> <p>In administration of handling misconduct, grievances and disputes, the challenges encountered were:</p> <ul style="list-style-type: none"> • Inability of managers to apply progressive discipline adequately • Unawareness by management/employees of the PSCBC, DoA resolutions and management guidelines • Unavailability of Investigating Officers to investigate grievances because of other work commitments | <p>None</p> <p>None</p> |
| Legal Services | <p>Human Resources—lack of certain skills</p> <p>Inadequate exposure to certain operations (relevant to contracts, legislation and litigation), international meetings (relevant to international agreements, treaties, conventions, policies)</p> <p>Poor or no service/assistance from the State Attorney and State Law Advisers</p> <p>Lack of cooperation of internal clients such as late instructions, delayed responses, poor or no evidence, poor or no background information, poor business decisions, lack of processes, use of contract precedents without the endorsement of Legal Services</p> | <p>Fill vacancies</p> <p>Constantly appealing to clients to include Legal Services in relevant operational areas</p> <p>Engaged the State Attorney on poor service delivery</p> <p>Address directors upward on ongoing basis on need for cooperation</p> <p>Provide client with a report on difficulties in cases so that they could improve operations</p> |
| Monitoring and Evaluation | SOPMER Guideline | The directorate still has to finalise its inputs to the draft document |



Programme 2: Livelihoods, Economics and Business Development

PURPOSE

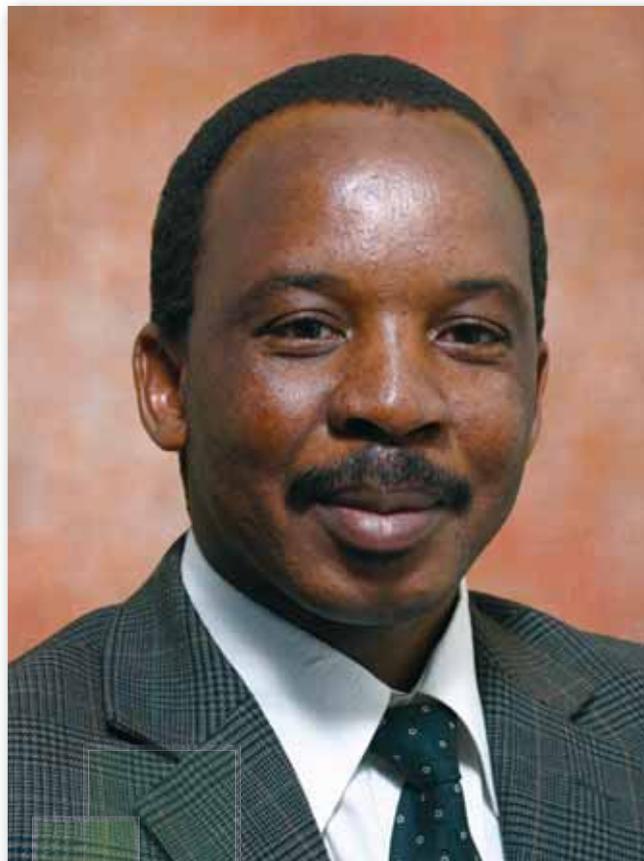
Develop and facilitate the implementation of appropriate policies and targeted programmes aimed at promoting equitable access to the agricultural sector, promote shared growth and the commercial viability of emerging farmers and ensure household food security. Facilitate market access for South African agricultural products nationally and internationally, promote BEE in the agricultural sector, provide economic and statistical services to support economic growth and development and monitor the economic performance of the sector.

The programme comprises 3 subprogrammes:

Livelihoods Development Support facilitates the provision of post-settlement support to emerging farmers, agricultural development finance, promotion of farmer cooperatives and village banks as well as food security through policies, norms, legislation, programmes and information.

Trade and Business Development facilitates international and domestic market access for South African agricultural products and promotes BEE in the sector. It also interacts with the NAMC.

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.



Billy Morokolo (Acting)

DEPUTY DIRECTOR-GENERAL

MEASURABLE OBJECTIVE

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

SERVICE DELIVERY OBJECTIVES AND INDICATORS

| Subprogramme | Output | Performance indicator/measure | Actual performance | |
|---------------------------------|---|---|---|--|
| | | | Target | Actual achievement |
| Livelihoods Development Support | Improved livelihoods of emerging farmers/ households/ entrepreneurs | Number of farmers and/or entrepreneurs gaining access to financial services; and number of member-based | 7 000 farmers and/or entrepreneurs gaining access to financial services | 49 farmers have gained access to financial assistance. A total of R973 926 has been disbursed to these farmers |



| Subprogramme | Output | Performance indicator/measure | Actual performance | |
|--|--|---|--|--|
| | | | Target | Actual achievement |
| Livelihoods Development Support (<i>cont.</i>) | | financial institutions linked to financial markets | | There were no disbursements in the 3 rd and 4 th quarter as institutions had not signed the agreements with the Agricultural Development Finance Unit In the last two quarters Agricultural Development Finance focused on getting more financial institutions accredited: 12 institutions were accredited, including Khula Enterprise, which acts as an indemnity for the Mafisa funds |
| | | Increased number of sustainable land and agrarian reform projects/beneficiaries | 80 000 land and agrarian reform beneficiaries | 32 733 land and agrarian reform beneficiaries (CASP supported beneficiaries) were supported |
| | | Number of vulnerable households and emerging farmer groups supported by means of agricultural starter packs | 70 000 households | With the exception of North West, KwaZulu-Natal and Mpumalanga, the equitable share and additional funding through the HFPP generated a number of interventions that reached 79 866 households Additional funding was received from Treasury to mitigate the impact of high food prices. An amount of R76 million was granted to extend the HFPP with the aim of reaching an additional 70 000 households as approved by the Interministerial Committee |
| Trade and Business Development | Equitable participation in trade, marketing and business development | Number of farmers and entrepreneurs | 100 entrepreneurs facilitated | The excellence model has been facilitated on 15 entrepreneurial development projects as business skills intervention 50 farmers were trained in the Free State and 50 in Limpopo |
| | | | 1 100 farmers trained | To date 305 farmers have been trained on agricultural marketing and 3 on leather tanning in Ethiopia A total of 308 farmers have been trained |
| | | Number of interventions and support frameworks established | 8 interventions and support frameworks established | To enhance institutionalisation, interventions and support, frameworks were established: <ul style="list-style-type: none"> • AgriBEE Charter Council—appointment • Partnership support for women • Floriculture initiative for empowerment (AgriBEE Entrepreneurial Programme) |



| Subprogramme | Output | Performance indicator/measure | Actual performance | |
|---|--|---|--|---|
| | | | Target | Actual achievement |
| Trade and Business Development (cont.) | | Sector specific strategies incorporating BBEE | 3 commodity strategies incorporating BBEE | Facilitation of excellence model awareness for enterprising AgriBEE funds—refinement of focus and operational guidelines The Cotton Strategy is being implemented as one of the strategies incorporating BBEE As part of the hand-over process, the Grain Strategy and other possible strategies to be developed will be submitted to the new custodian subprogramme |
| Economic and Statistical Services | Report on the economic performance of the sector | Number and range of reports published | Published 16 economic reviews, 8 topical reports and 6 statistical reports by March 2009 | <p>Economic reviews</p> <ul style="list-style-type: none"> All 4 quarterly economic analysis and forecast review reports were completed All 12 monthly analytical reports of key macro-economic valuables, including the report on the effects of bio-fuel on food security, were completed <p>Statistical reports</p> <ul style="list-style-type: none"> Livestock statistics—completed Monthly <i>Food security bulletin</i>—completed Quarterly <i>Crops and markets</i>—completed <i>Trends in the agricultural sector</i>—completed <i>Annual report on fresh produce market statistics</i>—completed |

SERVICE DELIVERY ACHIEVEMENTS

Outputs of the programme, as specified in the *Strategic plan 2008/09–2010/11*, are reported per quarter.

Quarter 1

A total of R399 034 was disbursed to 29 clients during the quarter in the Eastern Cape. An amount of R291 295 was disbursed to 20 broiler enterprises and R107 739 to 9 crop enterprises. Altogether 23 of the clients were structured in 8 groups and 6 were individuals.

Extension officers were inducted in Gauteng, Western Cape and the Free State as well as the Accreditation Committee.

Altogether 54 cooperatives were established, including 4 in the Free State (livestock and vegetables); 2 in the Western Cape (vegetables); 9 in Limpopo (livestock/fruit and vegetables); 13 in KwaZulu-Natal (livestock/poultry and vegetables); 18 in Mpumalanga (poultry and vegetables); 4 in North West (livestock/poultry and vegetables); and 4 in Gauteng Province (vegetables and poultry).

A total of 63 selfhelp groups were formed. This included 11 in the Free State, 47 in Mpumalanga and 5 in Gauteng.

During the period under review, 200 egg production units were distributed in Limpopo; 1 924 production packages benefiting 2 800 participants were distributed in Mpumalanga; and 702 production packages were distributed to 2 schools



for their food gardens in Gauteng Province. A total of 25 schools were identified for exposure to a workshop intended to set up a working scenario with possible participants from the surrounding communities in Limpopo Province. In Gauteng, another 25 schools/clinics were identified in Orange Farm as well as 3 agricultural micro-enterprises. Four projects were established in Limpopo and a further 16 projects were identified for implementation under an agreement with the Independent Development Trust.

The AgriBEE Charter Council institution has been set up with the aim of drafting an all-inclusive designated group empowerment framework for approval and establishing commodity group integration structures.

The quarterly *Economic analysis and forecast report* was made available on the DoA website. The *Crops and markets* publication was released on 27 May 2008, reflecting crop and fresh produce statistics for the quarter January to March 2008. The *Food security bulletin* was published and posted on the DoA website on 17 April 2008, 12 May 2008 and 6 June 2008 and the *Livestock statistics* publication was published on 23 May 2008.

Quarter 2

Altogether R574 892 was disbursed to 20 clients through the Land Bank in Limpopo, the Free State and North West provinces.

The provincial breakdown included 7 clients to an amount of R194 444 in Limpopo; 2 clients to the amount of R105 448 in North West; and 11 clients to an amount of R275 000 in the Free State.

The enterprise breakdown consisted of 14 crops to the amount of R328 496; 2 broiler production units to the amount of R48 977; 3 livestock units for R172 419; and equipment (1) to the amount of R25 000.

Of the total disbursed for groups vs individuals, R320 096 was disbursed to 3 groups (with 13 members) and R254 796 to 7 individuals.

During this period, altogether 124 primary agricultural cooperatives were established. This included 10 in KwaZulu-Natal (livestock/poultry and vegetables); 5 in Gauteng (vegetables and poultry); 23 in the Eastern Cape (maize/vegetables and livestock); 4 in the Free State (livestock and vegetables); 32 in Limpopo (vegetables and fruit); 45 in Mpumalanga (poultry and vegetables); and 5 in the North West Province (livestock/poultry and vegetables).

A total of 54 selfhelp groups were formed, including 15 in the Free State; 31 in Limpopo; 4 in KwaZulu-Natal; and 4 in Gauteng provinces.

Food security projects established during this period included the following:

Gauteng Province

In Gauteng Province 200 vegetable product packs were provided; 3 school gardens were launched; and 3 school gardens were to be launched by November 2008 as part of the Ilima/Letsema project.

As part of the World Food Day commemoration, awareness campaigns were held successfully in which 3 000 community members were involved.

Mpumalanga Province

As part of the Ilima/Letsema campaign, 255 fruit trees and 228 vegetable seedlings were provided, benefiting 35 households. Altogether 99 tractors were procured for the entire province to benefit poor households at R51 million; production inputs for R13 million; and starter packs for R2 million.

Free State Province

In the Free State Province, 8 vegetable tunnels were erected to benefit 8 households. Another 17 vegetable tunnels were erected and altogether 150 seedlings were provided to households as part of the Ilima/Letsema project.

Awareness campaigns were held successfully where 200 community members attended as part of the World Food Day commemoration in the province.

Limpopo Province

As part of the Ilima/Letsema campaign 3 500 layers (hens) were provided, benefiting 97 households; 30 vegetable packs were provided, benefiting 30 households; and 4 000 broilers were provided to 278 households. An amount of R2 million was spent.



During the World Food Day celebrations in Limpopo Province, 1 000 food and seed packs were distributed.

Eastern Cape Province

In the Eastern Cape Province, 1 000 seedlings were provided to 80 households, as well as 80 orange trees; 80 avocado trees; and 80 seed potatoes as part of the Ilima/Letsema campaign. Altogether 6 845 projects were implemented in the province and a total of 53 268 households benefited.

Successful awareness campaigns were held to celebrate World Food Day, involving 7 000 community members. Food parcels were distributed to 500 poor households.

Western Cape Province

As part of the Ilima/Letsema campaign, 110 production packs were delivered and 60 community projects were implemented.

A total of 49 production packs were delivered during World Food Day celebrations.

Northern Cape Province

In the Northern Cape, 50 starter packs were distributed to 50 schools; 20 starter packs to health centres; 150 starter packs to households; and a total of 10 000 fruit trees. As part of the Ilima/Letsema campaign, 100 seed packs were distributed, benefiting 20 households.

A successful awareness campaign was held in the province celebrating World Food Day, involving 3 000 community members.

KwaZulu-Natal

Altogether 350 seed packs were delivered, benefiting 70 households during this period.

The HFPP was implemented in all the provinces. A total of 923 projects have been captured on Project Information Management System for Agriculture (PIMSA) for 2008/09 and some of the 560 projects for 2007/08 still have outstanding information on coordinates. All provinces were covered by the PIMSA workshop and all individual CASP projects.

A minimum of five agribusiness entrepreneurs were trained in agro-processing technology and marketing skills. Three entrepreneurs who received a month's training on leather tanning and craft technologies have been to Ethiopia during the 1st quarter. This deliverable was achieved earlier than planned.

Quarter 3

No further disbursements were made as agreements with participating institutions expired and it took time to negotiate and conclude new agreements. However, a total of 6 institutions have since been accredited to serve as Mafisa intermediaries. These include the National Emergent Red Meat Producers' Organisation (Nerpo), MGK Operating Company, Kaap Agri, Gauteng Enterprise Propeller (GEP), Eastern Cape Rural Finance Corporation (Uvimba Finance) and Peulwana Financial Services.

An additional two institutions, namely Mpumalanga Agricultural Development Corporation (MADC) and Hlanganani Farming Finance, are having their accreditations finalised. Ithala and the South African Sugar Association (SASA) are also having their applications for accreditation attended to.

Altogether 74 primary agricultural cooperatives were established in the provinces, including 14 in Limpopo (vegetables); 15 in Mpumalanga (poultry and vegetables); 8 in the Free State (livestock and vegetables); 4 in Gauteng (vegetables and poultry); 8 in the Eastern Cape (maize/vegetables and livestock); and 16 in North West (livestock/poultry and vegetables).

A total of 27 selfhelp groups were identified, including 5 in Mpumalanga and 22 in North West Province.

All systems are now in place and 221 farmers were trained on the basics of agricultural marketing.

Quarter 4

A status report on agricultural state land was disposed. Fala farms disposed of during this quarter were Theewaterskloof No. 68 and Waterval in the Caledon district in the Western Cape Province.

The agricultural marketing training programme is on course and 104 farmers were trained. So far, nationally, a total of 305 farmers were trained on the basics of agricultural marketing in this financial year.



Altogether 81 primary agricultural cooperatives were established in the provinces: 26 in Limpopo (vegetables); 23 in KwaZulu-Natal (poultry/vegetables); 3 in the Western Cape (vegetables); 5 in the Free State (livestock and vegetables); 12 in the Eastern Cape (maize/vegetables and livestock); and 12 in Mpumalanga (poultry and vegetables).

Altogether 64 selfhelp groups were established, including 20 in the Free State; 4 in KwaZulu-Natal; 36 in Limpopo; and 4 in Mpumalanga Province.

A Tariff simulation exercise on exports report was completed. Trade awareness campaigns were also completed. Events took place in 3 provinces, namely Mpumalanga, the Eastern Cape and North West.

The planned target for the 2008/09 financial year was 70 000 households (food security beneficiaries) accessing the HFPP. This target was increased by a further 70 000 households because of the reality that more households might have fallen to below the poverty line owing to the increase in food prices. To deal with the mitigation of high food prices, an additional amount of R76 million was allocated to the provinces to ensure acceleration in implementing the HFPP.

CHALLENGES AND THE RESPONSE TO CHALLENGES

| Directorate | Challenges | Response to challenges |
|----------------------------------|---|---|
| Agricultural Development Finance | <p>Further disbursements were not possible as institutions had to sign agreements or renew agreements</p> <p>Limited institutions to disburse. Delays within participating institutions in the provinces frustrate extension officers (e.g. Land Bank)</p> <p>No disbursements because agriculture is seasonal—the winter season has reduced the number of applications processed and approved</p> <p>SHGs often collapse owing to loss of members, some members expect immediate benefits and if these are not forthcoming they disappear. Lack of motivation to save by some members of the groups</p> <p>The established and operational cooperatives are generally facing a challenge of lack of capacity with regard to management of cooperatives</p> <p>Most of these cooperatives do not have business plans</p> <p>The sustainability of these cooperatives is doubtful as most of the members are aged and illiterate</p> <p>Lack of resources (finances, infrastructure) serves as impediment to the success of the cooperatives</p> | <p>To contact institutions to identify their constraints and to assist where necessary</p> <p>Applications tend to increase in the 2nd and 3rd quarter, when farming is viable</p> <p>Encourage commitment among members and repeated motivation for saving with the groups</p> <p>As part of cooperative development, these cooperatives will be assessed so that intensive capacity-building programmes can be facilitated</p> <p>Business planning skills will be provided as post-registration support</p> <p>Awareness campaigns on the cooperative concept have to be conducted to ensure proper understanding by the farmers and to generate interest among the youth. Capacity-building sessions, particularly on governance, should be provided to ensure that the enterprise is managed effectively and efficiently. The cooperative will be linked with financial programmes for infrastructural support</p> |
| Food Security | <p>There is a lack of an integrated monitoring approach and therefore an inability to prepare for a final report on the Millennium Development Goals</p> <p>The reporting of progress is limited to the provincial departments of agriculture only. This leads to underreporting of other interventions by participating social cluster departments</p> | <p>To be tabled and agreed to during the provincial visit (2009/10 financial year)</p> <p>A draft plan will be discussed during provincial meeting—Integrated Food Security and Nutrition Task Team. Broader monitoring and reporting cycles should be adopted by task teams in order to provide information on all interventions as defined in the master plan</p> |



| Directorate | Challenges | Response to challenges |
|-----------------------|--|--|
| Food Security (cont.) | <p>It was reported during the national workshop that funds were committed for the HFPP and the funds proposed for FIVIMS national roll-out were never secured (in some cases the additional request was ignored, citing the first correspondence)</p> <p>The projects document of SPFS recommends that to implement the SPFS components successfully approximately R130 million should be available over a 5-year period in order to improve food production without compromising the sustainability of the resource base</p> <p>The funds were never made available to achieve the outcome as defined in the agreement</p> <p>Further challenges arose, namely:</p> <ul style="list-style-type: none"> • Clarification of the role of food security directorates at both national and provincial departments • The aim of interventions at household level and the failure to reach profitability and therefore the sustainability of our interventions • The inability to mobilise the participation of youth in the defined interventions • The inability to synchronise planning and definition of interventions at a provincial level | <p>The following recommendations were agreed to during the national workshop during March 2009:</p> <p>The provincial representatives communicate the need to recover FIVIMS funds allocated to their provinces and to emphasise to their provincial principals the importance of prioritising FIVIMS</p> <p>The DoA should, in writing, inform provincial HODs and CFOs to make funds available for FIVIMS. Visits to provinces should be arranged in order to lobby departments to allocate resources for FIVIMS implementation</p> <p>The DoA develops a concept document (simplified version) of the FIVIMS guidelines that will indicate the different processes that will unfold during the implementation of FIVIMS, such as: different phases of implementation, time frames, budget required, human resources, different activities</p> <p>While efforts are being made to secure resources for FIVIMS implementation, the provinces will be guided by information as used by the War on Poverty, i.e. Provincial Indices of Multiple Deprivation (PIMD)</p> <p>A standard framework for profiling of households should be aligned to the framework of the War Room on Poverty but should take into account the food security concept</p> |
| Land Settlement | <p>Other provinces are still struggling with GPS utilisation. High land prices</p> <p>Poor attendance of meetings by members, particularly municipalities</p> <p>Inflated land prices, inconsistent valuations in terms of comparable sales</p> | <p>To identify problem areas and consider further training of officers</p> <p>To identify problem areas and consider further training of officers</p> <p>DLA will write letters to agents indicating prices for other transferred projects that were sold by them and indicating abnormal difference</p> |



| Directorate | Challenges | Response to challenges |
|--|---|--|
| Land Settlement (cont.) | <p>Movable assets used to raise land prices as well as sale of “going concerns” without proper arrangement for caretakership, particularly on the Proactive Land Acquisition Strategy (PLAS)</p> <p>Identification of beneficiaries for some PLAS projects presented at land reform forums for recommendation and approval is done at a later stage</p> <p>Leasing still takes long because it has to go through to the Minister of Public Works for authorisation</p> <p>Lack of ministerial delegation is still a major problem. Approvals for leasing state land still takes too long</p> <p>High land prices prevent people from buying land and lead to land purchases only through PLAS</p> <p>Sellers failing to produce borehole strength certificates of their farms as required by the Provincial Grant Committee</p> | <p>Valuators to compare different deals within a given area, price negotiations to be undertaken at all cost</p> <p>PLAS deals must follow properly identified beneficiaries to ensure continuity and project sustainability</p> <p>A process with DLA and DPW has started, which will allow the Director: Land Settlement to authorise leasing of farms and only make submissions to the Minister of Public Works for transfers</p> <p>Proposal made on amendments to the Agricultural Credit Act. Enquiries regarding delegations are still in progress (at DLA). Follow-ups are made regularly at DPW and the submission has not been signed yet</p> <p>Project leaders to continue with price negotiations with the sellers</p> <p>DLA to engage with the seller to ensure that certificate forms part of the required documents</p> <p>Potential farmers should be listed and submitted to avoid omitting these farmers during budget planning</p> <p>Introduce a system in which quarterly expenditure will be recorded (where delays occur, these should be dealt with immediately)</p> |
| Business and Entrepreneurial Development | <p>Consultations between the DoA and other industry groups came to a halt; awaiting the outcome of handover commodity strategies. The implementation of the various pillars in the implementation plan need further support (e.g. Mafisa for production)</p> <p>The facilitation of training of facilitators on the SMME Excellence Model was delayed, therefore no training took place. Further accreditation of the course material is in process and D: BED is reliant on D: ETES</p> <p>The agro-logistics system is a new technological intervention to coordinate agricultural logistics services in SA and is being considered complex by some members of the industry. Some industry players are not keen to participate in planned joint meetings fearing the Competition Commission (sharing business information to the detriment of competition rules)</p> <p>Limited support from provinces in coordinating the training programme</p> | <p>Continue to attend industry stakeholder groups consultations, representing the interests of emerging groups</p> <p>Engaging with D: SCM and D: ETES to fast-track the process</p> <p>Workshops with the different industries have been planned to highlight the merits of the agro-logistics system to the industries</p> <p>A database of farmers has been developed and training dates identified with the provinces</p> |
| Agricultural Statistics | <p>Challenges in the <i>Farmer Register pilot report</i>. The reason that the report was carried over is that there has been challenges in the finalisation of the data-capturing system. Extra time is needed for data quality checks</p> | <p>Lack of availability of resources</p> |



| Directorate | Challenges | Response to challenges |
|------------------------------------|--|--|
| Agricultural Statistics (cont.) | <p>Protocol had to be followed in terms of getting inputs from senior staff members</p> <p>Challenges exist in expanding the project nationally and getting authorisation and sufficient resources to continue with it</p> | |
| Production and Resource Economics | <p>Lack of capacity for the completion of topical and economic review reports</p> <p>Funds have been surrendered because of the unavailability of an official to undertake the study</p> <p>There has been a delay in the certification of an MoU between DoA and the NAMC to use as a basis for a report on macro-economic fundamentals on the competitiveness and profitability of the agricultural sector</p> <p>Lack of funds to conduct the national coordination and standardisation of methodologies and tools to evaluate agricultural economic performance</p> <p>Lack of capacity and supervision on the development of an irrigation atlas for two selected catchment areas</p> | <p>Increase capacity in the directorate</p> <p>Liaise with the NAMC to fast-track the process</p> <p>Request funds from CFO</p> <p>Dedicate an official to supervise</p> |
| International Trade | <p>There has been carryovers from the previous financial year, because of the fact that the subdirectorate was without an ASD for three quarters, hence the delay in drafting and delivery of outputs</p> | <p>The ASD assumed responsibility on 2 February 2009, and drafting of the documents is progressing well</p> |



Programme 3: Bio-security and Disaster Management



Kgabi Mogajane

DEPUTY DIRECTOR-GENERAL

PURPOSE

To manage the risks associated with animal diseases, plant pests, GMOs and registration of products used in the agricultural field. This is done to ensure food safety and security and safeguard human health. It also develops the agricultural risk and disaster management plans to reduce risks associated with natural disasters.

The programme comprises 2 subprogrammes, namely Plant Health and Inspection Services; and Food, Animal Health and Disaster Management.

Plant Health and Inspection Services develops policies and systems to manage risks associated with plant pests and diseases, GMOs, promote trade of products of plant origin and the movement of regulated articles and products. It also ensures good quality control of regulated products.

Food, Animal Health and Disaster Management manages and reduces risks associated with animal diseases, promotes trade of products of animal origin, ensures food safety and developing agricultural risk and disaster management strategies.

MEASURABLE OBJECTIVE

Reduce the incidence of animal and plant diseases and pests and ensure food safety, compliance with international and national norms and standards, and disaster management measures through improved risk management systems.

SERVICE DELIVERY OBJECTIVES AND INDICATORS

| Subprogramme | Output | Performance indicator | Actual performance | |
|--------------------------------------|---|---|--------------------|---|
| | | | Target | Actual achievement |
| Plant Health and Inspection Services | Bio-safety regulatory guidelines | Bio-safety regulatory guidelines approved | March 2009 | The bio-safety regulatory guidelines were tabled at the Advisory Committee for final comments, and were approved in principle by the GMO Executive Council on 4 March 2009 and will be made available on the website once the GMO Amendment Act is enforced |
| | Border control inspection training manual | Border control inspection training manual SAQA accredited | March 2009 | The final draft of the border control manual has been completed and is awaiting approval |



| Subprogramme | Output | Performance indicator | Actual performance | |
|---|---|--|--------------------|--|
| | | | Target | Actual achievement |
| Plant Health and Inspection Services (cont.) | Plant Protection Bill | Plant Protection Bill approved | March 2009 | Draft National Plant Protection Bill has been withheld, pending decisions and progress on the draft Plant Health Policy |
| Food, Animal Health and Disaster Management | Agricultural climate change sector plan | Agricultural climate change sector plan approved | March 2009 | The Agricultural climate change sector plan is expected to be finalised at the end of the 1 st quarter of the 2009/10 financial year |
| | Food Safety/ Control Strategy | Food Safety/ Control Strategy approved | March 2009 | The draft report on the country profile is available and awaiting approval |
| | Primary Animal Health Care Programme | Primary Animal Health Care Programme approved | March 2009 | The draft primary animal health care programme report is available and it will be presented to the ITCA Veterinary Working Group Forum to consider all the latest developments |

SERVICE DELIVERY ACHIEVEMENTS

Further information on outputs of the programme, as specified in the *Strategic plan 2008/09–2010/11*, is provided per quarter.

Quarter 1

During quarter 1, the Directorate: Veterinary Services issued a total of 15 226 import permits (animals and animal products).

Pest risk analysis J73 was conducted and import conditions finalised for 18 species of plants and plant products. Export market access was obtained for 3 plant commodities.

As part of the Animal Identification Act of 2002 (AIDA) awareness campaign, an exhibition was staged at the Rand Easter Show. Information was distributed and schools, farmers, nongovernmental organisations (NGOs), agricultural unions, government officials from other departments and the public at large, visited the stand.

A total of 475 989 animal identification marks were registered on the National Register of Animal Identification Marks and 6 383 new registrations were finalised.

The bovine spongiform encephalopathy (BSE) surveillance was conducted and a total of 2 813 samples were collected. Only 3 were high-risk cases (received during July and August 2008).

Altogether 47 buffaloes were captured in the Marakele National Park and tested for corridor disease, of which 42 tested positive for *Theileria parva*.

National control inspections for the Agricultural Pests Act of 1983 were conducted, permits issued, bottlestores visited, samples were drawn and sent for testing, export certificates were issued, and imported consignments were inspected.

Phytosanitary certificates were issued, *Bactrocera invadens* surveys conducted from Nelspruit to Komatipoort, and from Mananga to Komatipoort.

Registered seed companies were inspected, new evaluations for seed sellers were conducted and 3 premises were approved. Orange International Certificate (OIC) seed sampling was also done. South African National Seed Organisation (SANSOR) inspectors were audited, exemption certificates issued and trade inspections for juice, milk and dairy products were conducted. Re-export phytosanitary certificates were issued. An exotic fruitfly survey was conducted in Limpopo and traps were serviced.

Nurseries were inspected and were found to be in compliance with the provisions of the Plant Improvement Act of 1976.

Wharf patrols, galley waste management audits and fruitfly traps were serviced.



Quarter 2

During the quarter the laboratory audit team visited the following laboratories: Bloemfontein and Kroonstad Veterinary Laboratory in the Free State Province; Middelburg, Grahamstown and Queenstown Veterinary Laboratory in the Eastern Cape Province; as well as Stellenbosch, Beaufort West, George and Swellendam Veterinary Laboratory in the Western Cape Province.

The Directorate: Veterinary Services attended a study group for farmers—the Nigel Royal Bafokeng group of organised farmers. Moretele farmers' days, Port Shepstone's information day and the AIDA presentation study group in Wolmaransstad were held. AIDA training took place in Butterworth, a beef cattle information day was held in Fezile Dapi, Steynsrus, as well as a meeting with Zebediela Ndebele Tribal Authority at Groothoek.

During quarter 2, the Directorate: Agricultural Disaster Management participated in the maize information day in Limpopo and in the World Food Day in North West.

Quarter 3

During the period under review, 6 153 import and 1 749 export inspections were conducted at land borders. Altogether 1 423 plant permits were issued, 3 315 phytosanitary certificates were received, as well as 1 678 animal permits were received. A total of 2 401 health certificates were also issued. The number of rejections was 1 251.

At the airports 2 340 imports were received this quarter by the Directorate: Agricultural Product Inspection Services, 3 573 inspections were conducted, 509 plant permits were issued, 821 phytosanitary certificates were issued and there were about 602 rejections.

At seaports 2 483 imports were received, 1 352 import inspections were conducted, 33 plant permits were received and 233 phytosanitary certificates issued.

In the Western Cape Region, 12 registered seed companies were inspected, of which 14 seed lots were found to be in compliance with the Plant Improvement Act (PIA) and 16 seed lots were withdrawn from sale because of erroneous labelling. A total of 4 import seed inspections were done and 24 seed lots were inspected.

Altogether 7 GMO import permits, 9 GMO export permits and 11 certificates were issued for export of maize (5), potatoes (1), sunflower (2) and wheat (1) mainly to SADC countries and Africa.

Altogether 76 import permits for plant propagation material of post-entry quarantine (PEQ) crops were issued; 64 permits for the importation of genetic plant propagation material of 268 new varieties of PEQ crops, e.g. peach, nectarine, grapevine, apple, plum; and 2 permit applications were referred to the Division Pest Risk Analysis.

For the export of regulated articles, 3 pest information packages were finalised and distributed and 5 phytosanitary certification requests were assessed. For the import of regulated articles, 14 plant genera were assessed for weediness potential.

As part of the buffalo bovine tuberculosis survey, altogether 247 buffalo were sampled in the Letaba and Olifants River catchments, including 13 buffalo from Mozambique. Foot-and-mouth disease (FMD), theileriosis and brucellosis were monitored and 21 buffalo calves in the Phalaborwa area were tested for buffalo bovine tuberculosis, FMD, theileriosis and brucellosis.

A total of 475 989 animal identification marks were registered on the National Register of Animal Identification Marks and 6 383 new registrations have been finalised.

Quarter 4

A total of 54 buffalo farms were registered during the quarter.

The Port of Entry Port Control (PEPC), National Plant Product Inspection Services (NPPIS) and PPECB audits were conducted during this quarter.

Altogether 10 field trial inspections were conducted at Monsanto in Malelane, Orania and Groblersdal; at Pioneer in Delmas and Standerton; and at the South African Sugar Research Institute (SASRI) in Mount Edgecombe. A further 4 inspections were also conducted at Bayer in Weipe.

BSE surveillance was conducted and a total of 2 047 samples, of which only 13 were high-risk cases, were received during the quarter. Anthrax surveillance was carried out in the Kruger National Park and included routine passive surveillance in the entire Park, as well as active surveillances in Pafuri.



Export requirements were negotiated or reviewed for gelatine to Brazil, heifers to Mauritius, game to the United Arab Emirates (UAE) and bovine embryos to Australia. Veterinary model health certificates were also negotiated for primates from The Netherlands, fishmeal analogue from Brazil, zebra from Zambia, zebra blood from Zambia and cattle imports from the Farm Assured Namibian (FAN) meat scheme for export of meat to the EU.

Imports at land borders included the refusal of entry of 610 consignments (no documentation), 159 consignments were released on extended detentions, 41 orders were issued, 63 500 kg of fruit and vegetables were confiscated from travellers and destroyed as a result of noncompliance or no documentation and 8 samples were drawn for analysis.

A total of 42 phytosanitary certificates were issued for exports at land borders within the land border environment.

In KwaZulu-Natal citrus orchards were inspected for export to Korea and China. Altogether 385 phytosanitary certificates (79 for citrus exports) were issued, 16 export inspections were carried out as well as 10 potato field inspections and soil samples were sent to the laboratory. There were 7 interceptions, treatment orders were issued and the pathogens were sent to the laboratory and 17 banana inspections were carried out at the Roosmary Packhouse. A total of 17 import inspections were carried out and all complied with the marking as well as the compositional requirements for the respective products. Only 1 import exemption of 43,5 litres was issued for liquor, 1 bill of entry was given extended detention to Johannesburg, 2 bills of entry were given extended detention to Pretoria, 12 seed import inspections were conducted and 12 samples drawn for germination/purity testing. A total of 44 *Bactrocera invadens* traps on two different transects were serviced and 4 wood packaging material audits were done. Auditing as well as 2 normal trade control inspections were conducted at registered premises.

In the Gauteng region, 8 releases were issued, 7 import inspections were done and 25 extended detentions received. Only 2 import exemptions of 3 128 543 litres were issued for liquor, 1 seed import inspection was conducted, 1 269 phytosanitary certificates were issued and 32 samples were drawn. There were 15 phytosanitary rejections (based on lack of relevant documents such as PPECB certificates and import permits). Others were rejected because of mites and aphids detected. Altogether 10 inspections for export, nurseries and fields were conducted, 2 export certificates were issued for maize to Ethiopia and Egypt, 5 OECD certificates were issued, 3 for maize seed lots and 2 for cotton seed lots. One GMO inspection was done in Klerksdorp and 579 traps in 52 sites were serviced.

In the Eastern Cape Region 59 phytosanitary certificates were issued for February 2009 and 15 audits were conducted.

CHALLENGES AND RESPONSES TO CHALLENGES

| Directorate | Challenges | Corrective measure |
|--|---|---|
| Plant Health | High staff turnover is affecting the performance of the directorate | Immediate appointment of personnel |
| | Late approval of submissions and short notice invitations affect the directorate's participation in national and international meetings and workshops | Put forward timely submissions for in-principle approval of participation and the relevant delegation Ensure adequate preparation |
| | Compliance with guidelines and procedures as stipulated on the import permits, work programmes and bilateral protocols | Communicate to clients the option of using an electronic phytosanitary registration system, which utilises the DoA database of Food Business Operator (FBO) codes |
| Bio-safety | Lack of capacity that specifically addresses the issue of promotion and awareness relating to bio-safety | The directorate has made a provision on the post establishment for an Information Officer post |
| Agricultural Product Inspection Services | Compliance by the emerging sector, with the requirements of the relevant agricultural Acts and international agreements | Conduct training and information-sharing sessions for the emerging sector |
| Veterinary Services | High staff turnover is affecting the performance of the directorate | Vacant state veterinarian and technician posts must be filled urgently |
| Agricultural Disaster Management | Finding suitable service providers specialising in agrometeorology | Build internal capacity |
| Food Safety and Quality Assurance | The directorate does not have an in-house specialist on fertilisers | Build internal capacity |



Programme 4: Production and Resources Management

PURPOSE

Identify opportunities and develop strategies in order to optimise agricultural productivity and profitability within the agricultural sector through the sustainable use and protection of land and water resources.

The programme comprises 2 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, 1976 (Act No. 53 of 1976), Plant Breeders' Rights Act, 1976 (Act No. 15 of 1976) and the Animal Improvement Act, 1998 (Act No. 62 of 1998).

Engineering Services and Resources Management facilitates the development of agricultural infrastructure and use of agricultural resources. This also includes auditing of natural resources, controlling migratory pests, rehabilitation and protection of agricultural land and promotion of the community-based LandCare Programme.

MEASURABLE OBJECTIVE

Improve the efficiency of agricultural production for livestock, fisheries and crops, area-wide planning, mechanisation, irrigation development and the enhancement, conservation and rehabilitation of degraded natural agricultural resources.



Andile Hawes

DEPUTY DIRECTOR-GENERAL

SERVICE DELIVERY OBJECTIVES AND INDICATORS

| Subprogramme | Output | Performance indicator/measure | Actual performance | |
|-------------------------|----------------------------------|-----------------------------------|------------------------------------|---|
| | | | Target | Actual achievement |
| Agricultural Production | Crop and livestock massification | Community gene banks | 2 gene banks established | Status report produced. Second phase of project is underway and planning of structural and other logistic requirements is in progress |
| | | Animal Breeding Support Programme | 500 breeding materials distributed | Report on breeding materials distributed to emerging farmers was finalised (145 bulls, 50 pregnant cows and 311 heifers, a total of 506 breeding materials distributed in the Eastern Cape, Free State, North West and Limpopo) |



| Subprogramme | Output | Performance indicator/measure | Actual performance | |
|---|--|--|--------------------------------------|---|
| | | | Target | Actual achievement |
| Agricultural Production (<i>cont.</i>) | | Community seed production scheme | 3 schemes established | This deliverable was finalised and a full report completed. The schemes are on sorghum, maize, and groundnuts. Each scheme is made up of an average of 3 projects and is currently piloted in various districts of Limpopo and Mpumalanga. These schemes are done in partnership with the ARC, SANSOR and the respective PDAs |
| Engineering Services and Resources Management | Natural resources management and enhancement | Agricultural Mechanisation Programme | 200 power hoes distributed | This activity has been halted owing to the fact that all available capacity has been reallocated to the LARP initiative |
| | | Land Use Planning and Zoning Programme | 3 local municipalities zoned | Agro-ecological zones—Gauteng and Limpopo Draft output for Gauteng and Limpopo provinces available, completed in-field verification for all district municipalities in both the provinces. The mapping of the Subdivision of Agricultural Land of 1970 is completed and is available on AGIS |
| | | Guidelines for irrigation development | 100 000 ha established/rehabilitated | Literature review was completed. Draft guidelines compiled and approved (100 %) |

SERVICE DELIVERY ACHIEVEMENTS

Outputs of the programme, as specified in the *Strategic plan 2008/09–2010/11*, are reported per quarter.

Quarter 1

During quarter 1, altogether 49 premises were registered for breeding of disease-free plantations. This is made up of 4 new registrations and 45 renewals.

The Directorate: Plant Production dealt with 339 enquiries and requests for information regarding the production of olives, maize production, waste management, chilli peppers, cotton production, herbs, crop suitability, training and mentorship programmes, hemp and fibre were received.

Quarter 2

During this quarter a new drill rig was technically tested on 29 July 2008 and the necessary adjustments were made. A total of 6 staff members received drill rig training on the new rig.

Key soil conservation works were constructed during the period under review. This included the movement of 1 532 m³ soil in Swellendam; clearing of 8 ha of invasive trees at Spitskop; and the spraying of regrowth on thorn trees at Doringhoek (20 ha).

The FMD borderfence was constructed at Bray (1 954 km fence erected in July 2008).

Quarter 3

The total number of premises registered for breeding of disease-free plantations was 42. This was made up of 4 new registrations and 38 renewals.

The *Plant Variety Journal* (vol. 119) was completed. Altogether 30 new kinds of plants were declared in terms of the Plant Breeders' Rights Act of 1976. New declarations were sent to the Government Printer for publication in the *Government Gazette*.



As part of the FMD borderfence project, a 20 m³ excavation was completed at Kruidfontein, water control structures on the road were erected and 9 km normal fence completed. At Kosi Bay, 43 km normal fencing was completed as well as 19 culverts.

At Witsyfer a total of 6,5 ha of prosopis was cleared (120 of 5 988 hectares were completed).

At GADI, 24 boreholes were drilled, which came to a total of 1 566 m.

Locust control and inspection took place in 25 districts in October, 26 districts in November and 23 locust districts in December. The types of locusts that were controlled successfully in the same period included 27 526 hopper bands, 684 adult swarms and 3 mixed swarms.

Quarter 4

Blackfly monitoring and control was done in the eastern Orange River, western Orange River, middle Orange River, Fish River, Sundays River and Breede River. The larvae population was low, therefore no control operation was carried out. In the Gamtoos River, the larvae population was high, and 2 control operations were therefore carried out.

Import authorisations were given for 5 860 animals, 164 002 semen straws and 199 embryos. The number of authorisations for a permanent stay in the country was 118 300 (poultry) while 60 animals were authorised for a temporary stay (i.e. only the duration of the shows). Further authorisations were for 218 690 feedlot, slaughter and grazing importation animals. A total of 1 216 animals and 182 semen straws were authorised for exportation.

During quarter 4, altogether 78 bulls were registered as donors; 71 new registrations were handled; 78 applications were renewed for Reproduction Operators; and 4 lectures were offered to Reproduction Operators and South African Police Service (SAPS) Stock Theft personnel.

During the period under review, 1 import agent and 2 Artificial Insemination (AI) centres were registered. Altogether 11 inspections on AI centres were conducted successfully.

At Punda Maria, 20,7 km of 28 km fencing was completed; at Altien 12 km elephant fence was completed as well as 2 of 3 river crossings. The Letaba River project was completed in January 2009 and included 2 structures on river crossings and the completion of 9 km elephant fence.

Altogether 16 boreholes were drilled (a total of 2 238 m) as part of the Kgalagadi project.

In the administration of the Subdivision of Agricultural Land Act of 1970, the following were achieved:

- 913 applications were captured
- 1 095 applications were assessed by committee members
- 202 change of land use applications were processed
- 47 letters to agricultural holdings were issued
- 146 letters written to the Deeds Office regarding Act No. 70 of 1970 on zoned agricultural land (no objection letters)
- 247 consents to subdivide agricultural land were issued.

Locust control took place in 33 districts in January, 15 districts in February and 27 locust districts in March 2009. The types of locusts that were controlled successfully in the same period included 10 947 hopper bands and 1 119 adult swarms. The number of teams that was used for locust control was 112 in January, 65 in February and 111 in March 2009.

During quarter 4, a total of 95 quelea outbreak reports were received from small grain farmers, 95 precontrol inspections, 61 aerial control operations and 5 fuel explosions were executed, controlling some 44,46 million quelea on 704 ha. The average success rate was 86 %.

In the Free State, the mapping of gully erosion is 50 % completed. More than 11 000 gullies are already mapped in the Free State Province.

Altogether 103 animals were registered as semen and embryo donors. A total of 7 operators were registered for reproduction purposes.

Applications processed under the Plant Breeders' Rights (PBRs) Act of 1976 included the following: a total of 39 applications was received, 57 were registered, 2 were rejected and 2 were withdrawn.



The Distinctness uniformity stability report was completed. A total of 42 reports were completed, 41 varieties approved, 1 variety rejected, 8 PBR certificates issued and 19 PBRs surrendered.

CHALLENGES AND RESPONSES TO CHALLENGES

| Directorate | Challenges | Corrective measure |
|--------------------------------------|---|--|
| Agricultural Engineering Services | A shortage of engineers because of their high demand in other sectors is hampering the delivery of planned interventions | More engineers have to be recruited on more competitive terms |
| Animal and Aquaculture Production | Lack of funds makes it impossible to reach a considerable number of farmers Slow turn-around times by support services delays the delivery of planned outputs at targeted periods | Line function directorates' plans should be coordinated properly and aligned with those of support services |
| Plant Production | Limited funding for research projects Resignation/transfer/promotion of officials to other directorates or institutions | Collaborations have to be strengthened with research institutions/units to improve economic allocation of resources Turn-around time for filling of positions has to be improved by HRM |
| Land Use and Soil Management | Insufficient funding will impact negatively on the planned interventions for 4 provinces during 2010/11 and 3 provinces in 2011/12 | A request for additional funding of R6,4 million over the next 2 years as part of the MTEF option, has already been submitted by the branch |
| Genetic Resources | The NGOs (partners in delivery of some outputs) seem to have other interests as they do not always prioritise the tasks that have to be done Resignation of key personnel (e.g. Gene Bank Curator) is negatively affecting delivery in the directorate | Service level agreements have to be signed with all partners and emphasis must be placed on roles and turn-around times Further capacity is needed in the directorate and positions must be filled within a reasonable time |
| Water Use and Irrigation Development | Delay in filling of positions by HR Difficulties in accessing information from the PDAs | HR must improve turn-around times (new appointments) and encourage the filling of crucial positions The relationships and roles between the DoA and PDAs should be understood by all involved |



Programme 5: Sector Services and Partnerships

PURPOSE

Manage and coordinate intergovernmental, stakeholder and international relations, agricultural education and training, extension and advisory services as well as research and technology development.

The programme comprises 2 subprogrammes:

Sector Services directs and supports agricultural education, training, extension, research and advisory services in support of targeted groups. It also manages the transfer of funds to the ARC.

International, Intergovernmental and Stakeholder Relations provides leadership and coordination in all facets of international relations within agriculture and creates an enabling environment for constructive relations among all stakeholders.

MEASURABLE OBJECTIVE

Maximise growth in the sector by providing support services to emerging and established farmers including women, youth and the disabled through targeted skills development, extension and technology development programmes.



Vangile Titi

DEPUTY DIRECTOR-GENERAL

SERVICE DELIVERY OBJECTIVES AND INDICATORS

| Subprogramme | Output | Performance indicator/measure | Actual performance | |
|-----------------|--|---|---|---|
| | | | Target | Actual achievement |
| Sector Services | Training, research and extension support programmes | Number of black entrepreneurs receiving targeted training, research and extension support | 3 000 black entrepreneurs receiving targeted training, research and extension support by March 2009 | The mentorship programme was implemented by 12 commodity organisations contracted by the DoA. A total of 182 projects with 4 658 beneficiaries received mentorship support, which includes training, research and extension support |
| | Norms and standards for agricultural training institutions | Adoption of norms and standards by sector partners | By March 2009 | Norms and standards were discussed with selected representatives of the provinces and were supported and adopted by ASRDC/STC |



| Subprogramme | Output | Performance indicator/measure | Actual performance | |
|--|---|--|--------------------|---|
| | | | Target | Actual achievement |
| Sector Services (cont.) | | | | A budget of R50 million has been approved for implementation in the 2011/12 financial year. In addition, a budget option was submitted to Treasury |
| | National Research Agenda | National Research Agenda | An approved agenda | The document was completed and presented at the ASRDC/STC meeting. Inputs from stakeholders were incorporated and the document will be submitted to DEXCO for approval |
| International, Intergovernmental and Stakeholder Relations | Structured partnerships with local and international stakeholders in support of black entrepreneurs | Number of structured partnerships approved and implemented | By March 2009 | An agreement was signed with the cotton industry and the strategy is in its implementation phase The directorate initiated and facilitated several meetings with the fruit industry (Apple Pear Lemon Group) in the Western Cape and the South African Sugar Association in Durban |
| | Strategy on engagement with national and international public and private sector stakeholders | Approved strategy document | By June 2008 | Strategy document has been postponed to the 2009/10 financial year. This is owing to the vacancy of the Director position |

SERVICE DELIVERY ACHIEVEMENTS

Further information on outputs, as specified in the *Strategic plan 2008/09–2010/11*, is provided per quarter.

Quarter 1

A document on the implementation protocol for human capital development to support innovation and science and technology in agriculture was completed and presented to the ASRDC/STC for information sharing. This was approved by the joint meeting with the Department of Science and Technology (DST) (ASTIACO) on 27 May 2008, and will be used by the DST as part of its options to National Treasury for 2009/10.

The governance framework of the ARC was approved by the ASRDC/STC and the Director-General and will be sent to the ARC for input and consideration before being signed by the Chairperson of the Board and the Minister.

The investigation report on the status of provincial research centres was completed and presented to the ASRDC/STC in October 2008.

The status report on targeted training programmes for extension as part of the Annual report on the implementation of norms and standards was approved by the joint ASRDC/STC Committee.

The data system for generating reports on international engagements was developed.

The analytical report on the benefits of commodity-based mentorship programmes was approved by the joint ASRDC/STC Committee.

Quarter 2

Guideline documents on centres of excellence, competitive funding, the Agriculture Technology and Human Resource Programme and the transfer of technology were completed and approved by the ASRDC/STC and the National Agricultural Research Forum (NARF) Plenary.

The GADI research report was published and the ASRDC notified accordingly.



At GADI, training and capacity-building support provided during the quarter included 78 accredited FET courses benefiting 1 332 black entrepreneurs; 64 information days benefiting 1 997 black entrepreneurs; as well as providing technical advice to 308 black entrepreneurs. A Training and capacity-building report was approved by the GADI editorial committee on 18 March 2009.

Provincial agri-consultations were held on LARP with sector stakeholders in all nine provinces from 8 to 25 July 2008.

The Presidential Commercial Agriculture Working Group meeting was held on 11 August 2008. The following issues were discussed during the meeting: the Sector plan review report; the Ministerial Advisory Council; high food prices; water pollution; safety and security in the rural farming areas; and the outcomes of the agri-consultation.

Quarter 3

A database on all international agreements was developed and posted on the intranet on the International Relations web page. The database of all agreements is updated continuously.

A number of meetings were facilitated and coordinated in an effort to promote relations with organised agriculture, particularly emerging farmers. This included the CEO Forum Steering Committee meeting, held on 25 November 2008 and the Sector Plan Review meeting with the Office of the Presidency, hosted on 1 December 2008. The purpose of the meeting was to consult and finalise the report for approval by the State President. All sector stakeholders accepted the *Report of the review of the strategic plan for South African agriculture* (called Sector plan review report) with the exception of TAU SA. TAU SA was asked to table their concerns on the Sector plan review report to the sector stakeholders. The outcome of the meeting was to extend the mandate of the Task Team for the report to allow them to draft a detailed implementation plan, draw up terms of reference and to ensure that the report is aligned to the main government framework planning processes.

The Principals meeting with the Minister focused on the AgriBEE Charter Council, Agricultural sector plan review and the Agri-consultation Declaration. The outcome of the meeting was to launch the AgriBEE Council on 5 December 2008.

Quarter 4

During the quarter the following reports were finalised and approved by the ASRDC/STC:

- Analytical report on the benefits of the professional development programme;
- Annual report on agricultural graduate enrolment and outputs from higher education institutions;
- Annual report on the state of compliance to norms and standards for extension;
- Annual report on capacity building of CASP beneficiaries; and
- Annual report on publicly funded agricultural research.

The ICC Committee approved the Annual report on international study programmes.

In order to promote relations with organised agriculture (particularly emerging farmers) the following meetings were facilitated and coordinated:

- The Food Price Symposium was held at the CSIR Convention Centre, Pretoria on 6 March 2009. A high level of sector stakeholder involvement was achieved at the symposium. The theme "Food price volatility: A roadmap towards a shared strategy to mitigate the impact of high food prices" was formulated.
- A Ministerial Task Team meeting on the Sector plan review report was convened by the Director-General on 19 March 2009. The deliberations of the meeting focused on approval of the Terms of Reference for the new mandate (implementation of the Sector plan review report; drafting of the implementation plan; implementation of an oversight body; assessment of additional resources for implementation of the plan and the Task Team Action Plan.)
- The CEO Steering Committee meeting was facilitated and held on 19 March 2009. Among other issues it focused on agro-logistics; land audits; implementation of the Agri-consultation Declaration (LARP); implementation of the Sector plan review report recommendations and water pollution. Resolutions were taken and tasks given to responsible personnel to ensure continuity.
- Sector Stakeholder CEOs and the DoA management hosted a CEO Forum meeting in Durban on 27 March 2009. The meeting focused on the global economic crisis and its impact on agriculture; government's response to food prices; food security and safety; water pollution; and the role of the CEO Forum. New tasks and further investigations on certain issues were given to the CEO Steering Committee.



CHALLENGES AND RESPONSES TO CHALLENGES

| Directorate | Challenges | Corrective measure |
|---|--|--|
| Education, Training and Extension Services | <p>The budget for the programme is proving to be too small amid the growing interest in the programme in the sector</p> <p>Lack of financial and human resources at the DoA meant difficulties in effectively coordinating implementation of the recovery plan</p> | <p>The R20 million annual budget for the programme must be increased</p> <p>Submission requesting financial resources has been forwarded to the Director-General</p> |
| International Relations | <p>There is a human capacity problem with respect to implementation of agreements. Furthermore, there are no funds. Added to this, submissions do not get approved on time</p> <p>The main challenge is to identify and establish a team of experts to participate in the work of the Binationals and Commissions as well as the subsidiary bodies in which SA will participate</p> | <p>Capacity building within the directorate</p> <p>The ICC has requested the directorate to nominate officials particularly in Africa. Two directorates, engaged in African issues have nominated officials</p> |
| Research and Technology Development | <p>Cooperation and securing appointments with relevant contact people at universities/colleges and provinces. Also, there is a negative perception by universities of the purpose of investigating the status of provincial research centres, leading to reluctance to provide the required information</p> <p>Funding of the programme/protocol</p> <p>Validation of the information submitted per institution, lack of information from some institutions and the gaps in some of the information provided make interpretation and finalisation of the reports difficult</p> | <p>Make persistent follow-ups and develop visiting schedules, starting with institutions that have already responded. Assuring respondents that feedback will be provided once the report has been compiled</p> <p>Negotiation with DST to co-fund the implementation of the programme/protocol. DST to include this as part of its options to National Treasury for 2009/10</p> <p>Information verified for every institution and follow-ups made in cases where information is missing or captured wrongly</p> |
| Intergovernmental and Stakeholder Relations | <p>Participation of DoA directorates to attain intended objectives in promoting relations with organised agriculture (particularly emerging farmers) is always a challenge</p> <p>Director's position has been vacant and has delayed delivery of the strategy</p> | <p>Ownership and participation of all relevant directorates to promote relations with organised agriculture</p> <p>Immediate appointment of the Director.</p> |
| GADI | <p>Creation of additional posts and the delay with respect to JES</p> | <p>Job evaluation process has to be completed as soon as possible</p> |





PART 3

Report of the Audit Committee

REPORT OF THE AUDIT COMMITTEE

for the year ended 31 March 2009

We are pleased to present our report for the financial year ended 31 March 2009.

AUDIT COMMITTEE MEMBERS AND ATTENDANCE:

The audit committee consists of the members listed hereunder and should meet at least 2 times per annum as per its approved terms of reference. During the current year 4 meetings were held with only 2 quorated meetings.

| Name of member | Number of meetings attended |
|-----------------------|-----------------------------|
| P Mzizi (Chairperson) | 4 |
| R Theunissen | 4 |

AUDIT COMMITTEE RESPONSIBILITY

We report that we have adopted appropriate formal terms of reference in our charter in line with the requirements of **Section 38(1)(a)** of the Public Finance Management Act, No. 1 of 1999 and **Treasury Regulation 3.1**. We further report that we conducted our affairs in compliance with this charter.

THE EFFECTIVENESS OF INTERNAL CONTROL

The system of internal control applied by the department over financial and risk management is effective, efficient and transparent. The risk management could be misaligned considering that it is based on an outdated risk assessment as the latest risk assessment was performed in 2006.

In line with the PFMA, Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the 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, the Audit Report on the Annual Financial Statements and the management report of the Auditor-General South Africa, it was noted that no matters were reported that indicate any material deficiencies in the system of internal control or any deviations therefrom. Accordingly, we can report that the system of internal control over financial reporting for the period under review was efficient and effective.

EVALUATION OF FINANCIAL STATEMENTS

We have:

- Reviewed and discussed the audited annual financial statements to be included in the annual report, with the Auditor-General South Africa and the Accounting Officer.
- Reviewed the Auditor-General South Africa's management report and management's response thereto;
- Reviewed significant adjustments resulting from the audit.

We concur with and accept the Auditor-General of South Africa's report on the annual financial statements, and are of the opinion that the audited annual financial statements should be accepted read together with the report of the Auditor-General South Africa.

INTERNAL AUDIT

We are not satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the department in its audits. The 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. The latest risk assessment was performed in 2006.

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.



REPORT OF THE AUDIT COMMITTEE

for the year ended 31 March 2009

AUDITOR-GENERAL SOUTH AFRICA

We have met with the Auditor-General South Africa to ensure that there are no unresolved issues.

Ms Pumla Mzizi CA (SA)

CHAIRPERSON OF THE AUDIT COMMITTEE

31 July 2009







PART 4

Annual financial statements

ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009

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REPORT OF THE ACCOUNTING OFFICER

for the year ended 31 March 2009

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

1. GENERAL REVIEW OF THE STATE OF FINANCIAL AFFAIRS

1.1 Important strategic issues

The Department of Agriculture implemented the Ilima/Letsema (agricultural production) projects during the latter half of 2008. Please refer to paragraph 1.2. Amounts of R438,1 million, R100,0 million, R22,1 million and R50,0 million were appropriated for programmes such as the Comprehensive Agricultural Support Programme, extension services, Mafisa and AgriBEE. Funds for the first two programmes were transferred to the provincial departments of agriculture in terms of the annual Division of Revenue Act while funds for the last two programmes were transferred to the Land Bank.

A further aspect that needs mentioning is the Land and Agrarian Reform Project (LARP).

Different policies and programmes have supported land and agrarian reform in the last twelve years. However, the rate of transfer of land has been slow and the general sustainability of projects in question. Essentially the provision of settlement support has not aligned adequately with the acquisition and transfer of land. The Government seeks to accelerate the pace of land reform and dramatically improve the sustainability of individual emerging farming enterprises. Consequently, the national Departments of Agriculture and of Land Affairs have engaged in a process of alignment, also with provincial departments, State owned agricultural enterprises and other stakeholders culminating in the implementation of the Land and Agrarian Reform Project to create a coherent land and agrarian delivery system.

The short-term objectives of LARP are the following:

- Redistribute 5 million hectares of white-owned agricultural land to 10 000 new agricultural producers.
- Increase black entrepreneurs in the agribusiness industry by 10%.
- Provide universal access to agricultural support services to the target groups.
- Increase agricultural production by 10 to 15% for the target groups, under Ilima/Letsema.
- Increase agricultural trade by 10 to 15% for the target groups.

The six key principles of LARP are:

- The use of focus areas to concentrate service delivery in order to better exploit synergies between land redistribution, agricultural production and agribusiness development.
- An aligned comprehensive support package to cater for the inherently multisectoral requirements to make sustainable agricultural production and agribusiness development a success (will also encompass social and other economic services).
- The application of cooperative government by establishing joint planning, budgeting, approval and implementation procedures between various government departments and programmes.
- The full utilisation of partnerships in order to exploit the relative strengths and capacities of the key nongovernmental stakeholders.
- Subsidiarity: The decentralisation of decision-making and implementation to the lowest practical level depending on the specific activity.
- The success and sustainability of individual settlement projects will be the measure of success of LARP.

A dedicated national project manager has been appointed to drive LARP as a joint project of the abovementioned stakeholders. Governance structures were created in 2008 for strategic direction and provincial and district implementation structures are being developed in accordance with the Intergovernmental Relations Framework Act, 2005 (Act No. 13 of 2005).



REPORT OF THE ACCOUNTING OFFICER

for the year ended 31 March 2009

1.2 Significant events that have taken place during the year

- With the approval of the National Treasury, an amount of R224,9 million was shifted from Mafisa to Ilima/Letsema projects, such as the Vaalharts Irrigation Scheme, the Taung Irrigation Scheme and the Rooibos Processing Plant.
- The Land Bank withdrew its sponsorship from the TV programme Agriculture Today and not airing the programme would have been a great loss to the agricultural sector. This department and the Department of Land Affairs therefore took over the sponsorship as from October 2008. This expense was funded through the reprioritisation of the department's budget.
- Again the classical swine fever combating campaign (payments of claims) spilled over to 2008/09 and funds were sourced from the National Treasury (R70,6 million) as well as resources rolled over from 2007/08 (R93,3 million).

R'000 R'000

1.3 Budget allocation

| | |
|-----------------------------------|-----------|
| Main estimate | 2 534 671 |
| <i>Plus:</i> Adjustments estimate | 403 077 |
| Total amount appropriated | 2 937 748 |
| <i>Less:</i> Actual expenditure | 2 847 871 |
| Surplus | 89 877 |

1.4 Actual expenditure

| | | |
|--|-----------|-----------|
| • In terms of input cost: | | |
| Compensation of employees | 499 073 | |
| Goods and services | 462 610 | |
| Transfers and subsidies | 1 813 386 | |
| Payment for capital assets | 72 802 | 2 847 871 |
| • In terms of Programmes: | 297 415 | |
| Programme 1: Administration | | |
| Programme 2: Livelihoods, economics and business development | 748 484 | |
| Programme 3: Bio-security and disaster management | 589 228 | |
| Programme 4: Production and resources management | 418 869 | |
| Programme 5: Sector services and partnerships | 793 875 | 2 847 871 |

1.5 Spending trends

- In terms of input cost as a percentage of total actual expenditure:
 - Compensation of employees
 - Goods and services
 - Transfers and subsidies
 - Payment for capital assets
- In terms of programmes as a percentage of total actual expenditure:
 - Programme 1: Administration
 - Programme 2: Livelihoods, economics and business development

| 2008/09 | 2007/08 |
|---------|---------|
| % | % |
| 17,5 | 12,9 |
| 16,2 | 11,8 |
| 63,7 | 72,7 |
| 2,6 | 2,7 |
| 10,4 | 7,2 |
| 26,3 | 46,3 |



REPORT OF THE ACCOUNTING OFFICER

for the year ended 31 March 2009

| | 2008/09 % | 2007/08 % |
|---|--------------|--------------|
| Programme 3: Bio-security and disaster management | 20,7 | 19,3 |
| Programme 4: Production and resources management | 14,7 | 6,8 |
| Programme 5: Sector services and partnerships | 27,9 | 20,4 |
| • In terms of actual spending as a percentage of the total appropriated amount: | 96,9 | 95,9 |

• 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 Agricultural Research Council amounted to R514,6 million or 18,1%; the National Agricultural Marketing Council to R22,5 million or 0,8%; the Comprehensive Agricultural Support Programme to R538,1 million or 18,9%; Ilima/Letsema to R161,0 million or 5,7%; AgriBEE to R67,9 million or 2,4%; Agricultural starter packs to R76,0 million or 2,7%; LandCare to R70,0 million or 2,5%; agricultural disasters to R87,8 million or 3,1%; classical swine fever to R157,0 million or 5,5%; animal health (excluding animal diseases) to R98,7 million or 3,5%; agricultural product inspection services to R96,3 million or 3,4%; agricultural engineering services to R47,8 million or 1,7%; food safety and quality assurance to R41,5 million or 1,5%; property management to R46,7 million of 1,6%; and membership fees to international organisations to R23,1 million or 0,8%.

• Virement
In total four virements, including the final virement, totaling R44,023 million were granted. Expenses funded through this process included OVI research projects, the Female Farmer of the Year Competition, exchange rate fluctuations and the unforeseen locust outbreak in the Northern Cape. The shifting of funds was effected between all five programmes and was approved by either the National Treasury or the Chief Financial Officer of the department.

1.6 Underspending

An amount of R2 937,8 million was appropriated by Parliament for the 2008/09 financial year while an amount of R2 847,9 million was spent. This resulted in an underspending of R89,9 million or 3,1%. Reasons for the underspending are as follows:

- An amount of R60,0 million was earmarked to be transferred to the Development Bank of Southern Africa (DBSA) for specific Ilima/Letsema projects. The DBSA, at the last moment, did not sign the memorandum of understanding with the department and the funds could thus not be transferred.
- The amount appropriated for compensation of classical swine fever claims of R163,9 million was again advanced to the Provincial Department of Agriculture in the Eastern Cape while claims amounting to R143,6 million were paid, leaving an unclaimed amount of R20,3 million which is thus reflected as an unspent amount in the financial statements.
- A repair and maintenance project at Agriculture Place in Pretoria was not finalised by the Department of Public Works in time and an amount of R3,5 million was not spent.

Taking the above into account as well as the fact that the mentioned circumstances were beyond the control of the department, only an amount of R6,0 million of the total appropriation was not spent.

1.7 Departmental receipts

Against actual receipts of R82,1 million in 2007/08, the department estimated its revenue for 2008/09 at an amount of R218,3 million. Actual revenue received amounted to R209,0 million, a deviation of R9,3 million or 4,3%. The reason for the huge increase between the two mentioned financial years is attributed to the fact that unspent conditional grant funds must, from 2008/09, be paid back by the provincial departments of agriculture to this department – an amount of R107,6 million was thus received.



REPORT OF THE ACCOUNTING OFFICER

for the year ended 31 March 2009

2. SERVICES RENDERED BY THE DEPARTMENT

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

- Providing information regarding trade matters
- Reporting on trade matters
- Issuing of import and export permits in terms of free trade agreements
- Food price monitoring
- Monthly crop forecasts for summer grains and winter cereals
- Quarterly estimate of livestock numbers
- Food balance sheets to monitor food security issues
- Calculation of food utilisation
- Statistical publications
- Quarterly economic review reports
- Publication of industry brochures (maize and wheat)
- Economic performance of the sector
- Economic trends for the sector
- Commodity statistics
- Farm profiles and sector demographics
- National computerised record system for farmers
- Veldt and pasture management
- Import/export of genetically modified organisms
- Contained use of genetically modified organisms
- Issuing of GMO status certificates
- Registration of facilities
- Registration of inseminators, collectors, transplanter and invocators
- Registration of a premises as a centre
- Approval of an animal to donate genetic material
- Authorisation of the import of animal/genetic material into the RSA
- Authorisation of the export of animal/genetic material from the RSA
- Variety listing
- Regulating the subdivision of agricultural land
- Control migratory pests
- Eradication of invasive weeds
- Drilling of boreholes
- Construction of key soil conservation works
- Construction of access roads for fire prevention
- Issuing of import/export permits (plants)
- Registration and approval of production units and pack houses for export of fresh fruit
- Developing early warning systems for the detection of exotic pests
- Issuing import/export permits (animals)
- Registration of brands
- Combating animal diseases
- Inspections at official ports of entry
- National plant and plant product inspections
- Plant quarantine and plant health diagnostic services
- Animal quarantine and diagnostic services
- Analytical laboratory services with regard to agricultural products
- National inspection services on plants and propagating material
- Export certificates for liquor products
- Registration of fertilisers, farm feeds, agricultural remedies and/or stock remedies
- Soil, water and plant analysis



REPORT OF THE ACCOUNTING OFFICER

for the year ended 31 March 2009

- Export exemption certificates
- Import certificates for liquor products
- Meat inspections at export abattoirs
- Allocation of external bursaries
- Agricultural campaigns
- Education and training to new entrants
- Advisory services to small-stock farmers.

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. Any amendments to the approved structure are only effected with the prior approval of the National Treasury and 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

The following free services were rendered by the department:

| | R'000 |
|---|-------------|
| • Directorate: Agricultural Engineering Services | |
| Sighting, drilling and testing of boreholes | 1 513 |
| Transportation of cotton | 616 |
| • Grootfontein Agricultural Development Institute | |
| Farmer training | 2 293 |
| Extension and outreach | 1 655 |
| | <hr/> 6 077 |

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 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 2009 amounted to R908 850.

3. CAPACITY CONSTRAINTS

The approved establishment of the department on 31 March 2009 consisted of 3 285 posts (including the posts of Minister and Deputy Minister) of which 2 726 were filled. This reflects a vacancy rate of 17,0%, an increase of 3,3% if compared with 2007/08. This increase can be accounted for against the implementation of personal suitability checks that was implemented at the beginning of 2008. In terms of this process any person to be appointed in the Public Service must be cleared in terms of criminal records, citizenship, financial/asset records, qualifications and previous employment. The normal time period for the filling of a post is thus increased with three months or more.

A further important aspect is the managing of scarce skills. The Department of Public Service and Administration decided to develop an occupation specific dispensation for a number of occupations within agriculture. In practice this means that each occupation (per level) will receive the same remuneration throughout the Agriculture Public Service. Currently the non-availability of funds is hampering the successful implementation of the above.



REPORT OF THE ACCOUNTING OFFICER

for the year ended 31 March 2009

The national Department of Agriculture and the nine provincial departments of agriculture in the mean time implemented a co-ordinating process for a number of posts within agriculture. This entails the utilisation of the Job Evaluation System to define the remuneration levels of posts and by doing so prevent job hopping between departments. Although implemented, the success thereof is also hampered by the non-availability of funds.

4. 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:

- **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 as the Executive Authority.
- **Onderstepoort Biological Products Ltd (OBP)**(National Government Business Enterprise and listed in Schedule 3: Part B)
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.
- **Ncera Farms (Pty) Ltd** (National Government Business Enterprise and listed in Schedule 3: Part B)
Ncera Farms is a small public entity 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 including advice, extension, ploughing, training and more. The Board is accountable and reports to the Minister of Agriculture and Land Affairs.
- Transfer payments from the department in support of these Public entities:

| | Voted | Actual |
|---|---------|---------|
| | R'000 | R'000 |
| Agricultural Research Council | 514 556 | 514 556 |
| National Agricultural Marketing Council | 22 459 | 22 459 |
| Ncera Farms (Pty) Ltd | 2 395 | 2 395 |

5. TRANSFER PAYMENTS MADE

| | Voted | Actual |
|---|---------|---------|
| | R'000 | R'000 |
| Vehicle licences | 452 | 332 |
| LandCare | 51 003 | 51 003 |
| Comprehensive Agricultural Support Programme (CASP) | 438 124 | 438 124 |
| CASP extension services | 100 000 | 100 000 |



REPORT OF THE ACCOUNTING OFFICER

for the year ended 31 March 2009

| | Voted | Actual |
|--|------------------|------------------|
| | R'000 | R'000 |
| Agricultural disasters | 87 837 | 87 837 |
| Veldt fires | 40 000 | 40 000 |
| Floods | 9 000 | 9 000 |
| Agricultural starter packs | 76 000 | 76 000 |
| Agricultural Research Council | 514 556 | 514 556 |
| National Agricultural Marketing Council | 22 459 | 22 459 |
| Membership fees to international organisations | 23 141 | 23 075 |
| FAO capacity building | 12 000 | 12 000 |
| Foreign rates and taxes | 231 | 228 |
| Mafisa | 22 100 | 22 100 |
| AgriBEE | 50 000 | 50 000 |
| Owen Sitole Agricultural College | 1 000 | – |
| Tompi Seleke Agricultural Training Centre | 1 000 | 873 |
| University of Fort Hare | 1 000 | 1 000 |
| University of the Free State | 1 641 | 1 640 |
| EC Rural Finance Corporation | 65 000 | 65 000 |
| Development Bank of Southern Africa | 60 000 | – |
| Ilima/Letsema | 96 000 | 96 000 |
| Classical swine fever | 163 900 | 143 565 |
| Foot-and-mouth disease | 42 | 20 |
| National Student Financial Aid Scheme | 5 022 | 5 022 |
| Service Sector Education and Training Authority | 586 | 586 |
| PPECB | 600 | 600 |
| Red Meat Industry Forum | 1 | – |
| National Movement for Rural Woman | 966 | 966 |
| Agribusiness Linking Projects | 400 | – |
| Cotton SA | 4 500 | 4 500 |
| National African Farmers' Union | 5 000 | 5 000 |
| Sterile Insect Technique | 6 000 | 6 000 |
| Nelson Mandela Metropolitan University | 7 | 7 |
| 10 th World Conference on Animal Production | 100 | 100 |
| Onderstepoort Centenary Organising Committee | 666 | 666 |
| Female Farmer of the Year | 2 380 | 2 135 |
| University of Stellenbosch | 3 604 | 3 604 |
| Water Research Commission | 2 500 | 2 500 |
| Ncera Farms | 2 395 | 2 395 |
| Social benefits | 1 996 | 1 983 |
| Nonlife insurance premiums | 65 | 51 |
| Claims against the State | 22 484 | 22 459 |
| | <u>1 895 758</u> | <u>1 813 386</u> |

6. CORPORATE GOVERNANCE ARRANGEMENTS

The Audit Committee and the Internal Audit Unit have been functional since 1997 and the composition of the Audit Committee is in line with the requirements of the Public Finance Management Act, 1999 (Act No. 1 of 1999). Meetings are held to discuss with the Chief Financial Officer, the Office of the Auditor-General and the Head of Internal Audit, internal audit findings and the responses of management on risk management in the department.

REPORT OF THE ACCOUNTING OFFICER

for the year ended 31 March 2009

7. NEW ACTIVITIES

Through the Medium Term Expenditure Framework process and with the approval of the Cabinet, additional funds amounting to R650,0 million over the MTEF period were provided for Ilima/Letsema projects with an initial amount of R50,0 million during the 2009/10 financial year.

The department has also introduced a directorate Gender Mainstreaming that was funded through reprioritisation.

8. PERFORMANCE INFORMATION

Performance information is taken up in Part 2 of this report.

9. ASSET MANAGEMENT

The department disposed of assets at Pretoria, Stellenbosch and the Grootfontein Agricultural Development Institute during the 2008/09 financial year to the value of R4,6 million. Losses during the period under review amounted to R573 937. All other requirements/milestones have been adhered to/reached.

10. AGRICULTURAL DEBT

10.1 General

Agricultural debt is managed in accordance with the provisions of the repealed Agricultural Debt Management Act, 2001 (Act No. 45 of 2001), read with the Agricultural Debt Management Repeal Act, 2008 (Act No. 15 of 2008), and debt management frameworks. According to the said 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.

As had been mentioned in the previous report a legislative process to close the Agricultural Debt Account *per se* was started as a result of a qualified opinion by the Auditor-General on the Agricultural Debt Account for 2006/07. Consequently the President assented to the Agricultural Debt Management Repeal Act, 2008 (Act No. 15 of 2008), during the 2008/09 financial year, which was published in *Government Gazette* No. 31449 (Notice 1016) of 19 September 2008. This Repeal Act, 2008, came into operation with effect from 1 April 2008 with the result that the affected agricultural debt will no longer be reported on separately as in the past under the Agricultural Debt Account but will be reported on as part of Vote: Agriculture. However, a savings clause in the Repeal Act, 2008, ensures that the management of the relevant debt will continue in terms of certain provisions of the repealed Agricultural Debt Management Act, 2001 (Act No. 45 of 2001), until all agreements referred to in that Act have been terminated and the debt associated with those agreements have been recovered or otherwise extinguished. To this end, the balance in the Agricultural Debt Account amounting R453,9 million was therefore paid over to the National Revenue fund to be utilised for agricultural development purposes at a later stage.

10.2 Status of agricultural debt

The status of agricultural debt administered in terms of the repealed Agricultural Debt Management Act, 2001 (Act No. 45 of 2001), on 31 March 2009, was as follows:

| | | |
|--------------------------------|---|--------------|
| Total debt outstanding | – | R271 683 255 |
| Number of debtors | – | 1 707 |
| Number of accounts | – | 2 427 |
| Net amount recovered (2008/09) | – | R33 908 369 |



REPORT OF THE ACCOUNTING OFFICER

for the year ended 31 March 2009

- 10.3** 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.
- 10.4** 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 10.2 above, it is clear that great strides were made towards the recovery of the outstanding debt.
- 10.5** Following from previous reports, the status of the Production Loan Scheme for Small and Beginner Farmers and multiple debt is again reported on:

10.5.1 *Production Loan Scheme for Small and Beginner Farmers*

10.5.1.1 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 R1 030 321 (interest) on 31 March 2009. 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, R7 000 and R2 500 were received for 2005/06, 2006/07, 2007/08 and 2008/09 respectively. The most recent development is that the latest outstanding amounts were provided to the State Attorney to obtain default judgment against the debtor for not adhering to repayment agreements.

10.5.2 *Multiple debt*

10.5.2.1 EMERGENCY DROUGHT RELIEF AND INTERIM VELDT RECOVERY

The debt originated from noncompliance with the prescripts of the scheme. Only two cases are still pending. In one case the debtor died on 14 September 2008 and a claim to the full outstanding amount of R106 271,66 was forwarded to the executor of the deceased estate. The response of the executor is awaited. In the other case the department is endeavoring to obtain certain information from the debtor to assist the State Attorney with the collection of the outstanding debt.

11. SCOPA RESOLUTION

The department did not appear before SCOPA during the 2008/09 financial year.

APPROVAL

The Annual Financial Statements set out on pages 75 to 140 have been approved by the Chief Financial Officer on behalf of the Accounting Officer in terms of delegations granted.



T. Marais
CHIEF FINANCIAL OFFICER
for DIRECTOR-GENERAL
31 MAY 2009



REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF VOTE NO. 23: DEPARTMENT OF AGRICULTURE FOR THE YEAR ENDED 31 MARCH 2009

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the department of Agriculture which comprise the appropriation statement, the statement of financial position as at 31 March 2009, and the statement of financial performance, the statement of changes in net assets and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 75 to 140.

The accounting officer's responsibility 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 and in a manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error

The Auditor-General's responsibility

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 read with *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 about 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

7. In my opinion the financial statements present fairly, in all material respects, the financial position of the department of Agriculture as at 31 March 2009 and its financial performance and its 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.

Emphasis of matters

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

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.



**REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT
ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION
OF VOTE 23: DEPARTMENT OF AGRICULTURE
FOR THE YEAR ENDED 31 MARCH 2009**

Irregular expenditure

9. As disclosed in note 25 to the financial statements, irregular expenditure to the amount of R15,592,000 was incurred, as section 38(1)(j) of the PFMA has not been complied with.

Other matters

Without qualifying my opinion, I draw attention to the following matters that relate to my responsibilities in the audit of the financial statements:

Non-compliance with applicable legislation

10. The accounting officer did not conduct the risk assessment to identify the emerging risks of the institution, as required by Treasury Regulation 3.2.1

Key governance responsibilities

11. 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 key governance responsibilities, which I have assessed as follows:

| No. | Matter | Y | N |
|-----|--|-------------|---|
| | Clear trail of supporting documentation that is easily available and provided in a timely manner | | |
| 1. | No significant difficulties were experienced during the audit concerning delays or the availability of requested information. | √ | |
| | Quality of financial statements and related management information | | |
| 2. | The financial statements were not subject to any material amendments resulting from the audit. | | √ |
| 3. | The annual report was submitted for consideration prior to the tabling of the auditor's report. | √ | |
| | Timeliness of financial statements and management information | | |
| 4. | The annual financial statements were submitted for auditing as per the legislated deadlines section 40/55 of the PFMA. | √ | |
| | Availability of key officials during audit | | |
| 5. | Key officials were available throughout the audit process. | √ | |
| | Development and compliance with risk management, effective internal control and governance practices | | |
| 6. | Audit committee | | |
| | <ul style="list-style-type: none"> • 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. | √ √ √ | |



**REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT
ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION
OF VOTE 23: DEPARTMENT OF AGRICULTURE
FOR THE YEAR ENDED 31 MARCH 2009**

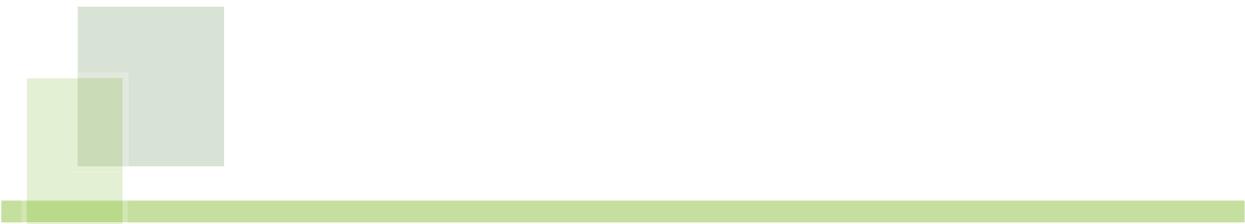
| No. | Matter | Y | N |
|-----|--|---|-----|
| 7. | <p>Internal audit</p> <ul style="list-style-type: none"> • The department had an internal audit function in operation throughout the financial year. • The internal audit function operates in terms of an approved internal audit plan. • The internal audit function substantially fulfilled its responsibilities for the year, as set out in Treasury Regulation 3.2/27.2. | √ | |
| 8. | There are no significant deficiencies in the design and implementation of internal control in respect of financial and risk management. | √ | |
| 9. | There are no significant deficiencies in the design and implementation of internal control in respect of compliance with applicable laws and regulations. | √ | |
| 10. | The information systems were appropriate to facilitate the preparation of the financial statements. | √ | |
| 11. | A risk assessment was conducted on a regular basis and a risk management strategy, which includes a fraud prevention plan, is documented and used as set out in Treasury Regulation 3.2/27.2. | | √ |
| 12. | Delegations of responsibility are in place, as set out in section 44/56 of the PFMA. | √ | |
| | Follow-up of audit findings | | |
| 13. | The prior year audit findings have been substantially addressed. | √ | |
| 14. | SCOPA/Oversight resolutions have been substantially implemented. | | N/A |
| | Issues relating to the reporting of performance information | | |
| 15. | The information systems were appropriate to facilitate the preparation of a performance report that is accurate and complete. | | √ |
| 16. | Adequate control processes and procedures are designed and implemented to ensure the accuracy and completeness of reported performance information. | | √ |
| 17. | A strategic plan was prepared and approved for the financial year under review for purposes of monitoring the performance in relation to the budget and delivery by the department against its mandate, predetermined objectives, outputs, indicators and targets as set out in Treasury Regulations 5.1, 5.2 and 6.1. | √ | |
| 18. | There is a functioning performance management system and performance bonuses are only paid after proper assessment and approval by those charged with governance. | √ | |

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on performance information

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





**REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT
ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION
OF VOTE 23: DEPARTMENT OF AGRICULTURE
FOR THE YEAR ENDED 31 MARCH 2009**

The accounting officer's responsibility for the performance information

13. 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.

The Auditor-General's responsibility

14. 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*.
15. 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.
16. 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)

Lack of effective, efficient and transparent systems and internal controls regarding performance management

17. The accounting officer did not ensure that the department of Agriculture, has and maintains an effective, efficient and transparent system and internal controls regarding performance management, which describe and represent how the institution's processes of performance planning, monitoring, measurement, review and reporting will be conducted, organised and managed, as required in terms of section 38(1)(a)(i) and (b) of the PFMA.

Usefulness and reliability of reported performance information

18. The following criteria were used to assess the usefulness and reliability of the information on the department's performance with respect to the objectives in its strategic plan:
- Consistency: Has the department reported on its performance with regard to its objectives, indicators and targets in its approved strategic plan?
 - Relevance: Is the performance information as reflected in the indicators and targets clearly linked to the predetermined objectives and mandate. Is this specific and measurable, and the time period or deadline for delivery is specified?
 - Reliability: Can the reported performance information be traced back to the source data or documentation and is the reported performance information accurate and complete in relation to the source documentation?

The following audit findings relate to the above criteria:

Reported performance information not relevant

Some of the targets for Programme 4: Production and Resources management and Programme 5: Sector Services and Partnerships were not:

- specific in clearly identifying the nature and the required level of performance
- measurable in identifying the required performance
- time bound in specifying the time period or deadline for delivery.





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

Reported performance information not reliable

Lack of source documentation

19. Sufficient appropriate audit evidence in relation to the reported performance information of Programme 2: Livelihoods, Economics and Business Development and Programme 4: Production and Resources Management could not be obtained, as the relevant source documentation could not be provided for audit purposes.

APPRECIATION

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

Auditor-General

Pretoria

31 July 2009



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence



DEPARTMENT OF AGRICULTURE
VOTE 23

APPROPRIATION STATEMENT

for the year ended 31 March 2009

| Appropriation per programme | 2008/09 | | | | | | | 2007/08 | |
|---|------------------------|-------------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|
| | 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 | 290 708 | (6 605) | (8 865) | 275 238 | 272 046 | 3 192 | 98,8 | 228 386 | 225 628 |
| Transfers and subsidies | 755 | 238 | 3 072 | 4 065 | 3 798 | 267 | 93,4 | 935 | 868 |
| Payment for capital assets | 16 553 | 6 367 | (596) | 22 324 | 21 571 | 753 | 96,6 | 36 073 | 12 317 |
| 2. Livelihoods, economics and business development | | | | | | | | | |
| Current payments | 128 915 | (2 527) | (5 364) | 121 024 | 119 782 | 1 242 | 99,0 | 107 900 | 107 227 |
| Transfers and subsidies | 626 585 | – | 241 | 626 826 | 625 292 | 1 534 | 99,8 | 1 441 783 | 1 433 680 |
| Payment for capital assets | 1 274 | 2 527 | (200) | 3 601 | 3 410 | 191 | 94,7 | 1 805 | 1 048 |
| 3. Bio-security and disaster management | | | | | | | | | |
| Current payments | 281 705 | (8 927) | (8 412) | 264 366 | 264 144 | 222 | 99,9 | 233 551 | 233 303 |
| Transfers and subsidies | 328 750 | 689 | 677 | 330 116 | 309 737 | 20 379 | 93,8 | 493 329 | 397 010 |
| Payment for capital assets | 6 728 | 8 238 | 807 | 15 773 | 15 347 | 426 | 97,3 | 13 150 | 11 486 |
| 4. Production and resources management | | | | | | | | | |
| Current payments | 170 978 | (1 052) | 1 546 | 171 472 | 171 082 | 390 | 99,8 | 110 929 | 110 772 |
| Transfers and subsidies | 278 810 | 14 | 16 | 278 840 | 218 721 | 60 119 | 78,4 | 57 061 | 56 878 |
| Payment for capital assets | 28 687 | 1 038 | – | 29 725 | 29 066 | 659 | 97,8 | 64 531 | 58 670 |



DEPARTMENT OF AGRICULTURE
VOTE 23

APPROPRIATION STATEMENT

for the year ended 31 March 2009

| Appropriation per programme | 2008/09 | | | | | | | 2007/08 | |
|--|------------------------|-------------------|----------|---------------------|--------------------|---------------|---|---------------------|--------------------|
| | 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 | 120 019 | (669) | 15 352 | 134 702 | 134 629 | 73 | 99,9 | 146 329 | 146 057 |
| Transfers and subsidies | 654 050 | 124 | 1 737 | 655 911 | 655 838 | 73 | 100,0 | 530 370 | 530 297 |
| Payment for capital assets | 3 231 | 545 | (11) | 3 765 | 3 408 | 357 | 90,5 | 3 471 | 3 176 |
| Total | 2 937 748 | – | – | 2 937 748 | 2 847 871 | 89 877 | 96,9 | 3 469 603 | 3 328 417 |

Reconciliation with statement of financial performance

Departmental receipts

209 002

82 049

Foreign aid assistance received

–

10 673

Actual amounts per statement of financial performance (total revenue)

3 146 750

3 562 325

Aid assistance

–

10 673

Prior year unauthorised expenditure approved

–

–

Actual amounts per statement of financial performance (total expenditure)

2 847 871

3 339 090



DEPARTMENT OF AGRICULTURE
VOTE 23

APPROPRIATION STATEMENT

for the year ended 31 March 2009

| Appropriation per economic classification | 2008/09 | | | | | | | 2007/08 | |
|---|------------------------|-------------------|----------|---------------------|--------------------|---------------|---|---------------------|--------------------|
| | 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 | 540 334 | (37 125) | (3 454) | 499 755 | 499 073 | 682 | 99,9 | 429 020 | 427 842 |
| Goods and services | 451 991 | 17 345 | (3 243) | 466 093 | 461 663 | 4 430 | 99,1 | 395 750 | 393 469 |
| Financial transactions in assets and liabilities | – | – | 954 | 954 | 947 | 7 | 99,3 | 325 | 319 |
| Transfers and subsidies | | | | | | | | | |
| Provinces and municipalities | 898 378 | 38 | – | 898 416 | 898 296 | 120 | 100,0 | 762 115 | 762 099 |
| Departmental agencies and accounts | 612 723 | – | – | 612 723 | 611 595 | 1 128 | 99,8 | 522 169 | 522 169 |
| Universities and technikons | 6 245 | 7 | – | 6 252 | 6 251 | 1 | 100,0 | 3 806 | 3 806 |
| Foreign governments and international organisations | 33 830 | – | 1 542 | 35 372 | 35 303 | 69 | 99,8 | 32 936 | 32 865 |
| Public corporations and private enterprises | 155 643 | 17 | 1 358 | 157 018 | 96 983 | 60 035 | 61,8 | 1 008 210 | 1 000 045 |
| Nonprofit institutions | 17 632 | – | – | 17 632 | 17 232 | 400 | 97,7 | 5 780 | 5 780 |
| Households | 164 499 | 1 003 | 2 843 | 168 345 | 147 726 | 20 619 | 87,8 | 188 462 | 91 969 |
| Payments for capital assets | | | | | | | | | |
| Buildings and other fixed structures | 37 100 | 5 354 | – | 42 454 | 42 006 | 448 | 98,9 | 72 275 | 49 188 |
| Machinery and equipment | 18 233 | 13 307 | 331 | 31 871 | 30 045 | 1 826 | 94,3 | 46 418 | 37 000 |
| Biological assets | 320 | 35 | – | 355 | 351 | 4 | 98,9 | 527 | 527 |
| Software and other intangible assets | 820 | 19 | (331) | 508 | 400 | 108 | 78,7 | 1 810 | 1 339 |
| Total | 2 937 748 | – | – | 2 937 748 | 2 847 871 | 89 877 | 96,9 | 3 469 603 | 3 328 417 |

DEPARTMENT OF AGRICULTURE
VOTE 23

DETAIL PER PROGRAMME 1—ADMINISTRATION

for the year ended 31 March 2009

| Programme per subprogramme | 2008/09 | | | | | | | 2007/08 | |
|--------------------------------|------------------------|-------------------|----------------|---------------------|--------------------|--------------|---|---------------------|--------------------|
| | 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 | 973 | 639 | (230) | 1 382 | 1 381 | 1 | 99,9 | 938 | 908 |
| 1.2 Deputy Minister | | | | | | | | | |
| Current payments | 828 | 500 | (323) | 1 005 | 1 005 | – | 100,0 | – | – |
| 1.3 Management | | | | | | | | | |
| Current payments | 103 790 | (7 046) | (3 466) | 93 278 | 93 233 | 45 | 100,0 | 73 275 | 72 800 |
| Transfers and subsidies | 47 | 17 | 2 503 | 2 567 | 2 306 | 261 | 89,8 | 167 | 111 |
| Payment for capital assets | 1 700 | 1 512 | (596) | 2 616 | 2 422 | 194 | 92,6 | 4 441 | 3 501 |
| 1.4 Corporate services | | | | | | | | | |
| Current payments | 128 945 | 3 300 | (5 447) | 126 798 | 126 739 | 59 | 100,0 | 113 366 | 113 099 |
| Transfers and subsidies | 708 | 221 | 569 | 1 498 | 1 492 | 6 | 99,6 | 768 | 757 |
| Payment for capital assets | 1 853 | 855 | – | 2 708 | 2 554 | 154 | 94,3 | 2 449 | 2 282 |
| 1.5 Capital works | | | | | | | | | |
| Current payments | 10 104 | (4 000) | – | 6 104 | 3 024 | 3 080 | 49,5 | 2 000 | 1 357 |
| Payment for capital assets | 13 000 | 4 000 | – | 17 000 | 16 595 | 405 | 97,6 | 29 183 | 6 534 |
| 1.6 Property management | | | | | | | | | |
| Current payments | 46 068 | 2 | 601 | 46 671 | 46 664 | 7 | 100,0 | 38 807 | 37 464 |
| Total | 308 016 | – | (6 389) | 301 627 | 297 415 | 4 212 | 98,6 | 265 394 | 238 813 |



DEPARTMENT OF AGRICULTURE
VOTE 23

DETAIL PER PROGRAMME 1—ADMINISTRATION

for the year ended 31 March 2009

| Economic classification | 2008/09 | | | | | | | 2007/08 | |
|--|------------------------|-------------------|----------------|---------------------|--------------------|--------------|---|---------------------|--------------------|
| | 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 | 134 636 | (7 612) | (3 181) | 123 843 | 123 806 | 37 | 100,0 | 104 983 | 104 434 |
| Goods and services | 156 072 | 1 007 | (5 698) | 151 381 | 148 228 | 3 153 | 97,9 | 121 366 | 119 803 |
| Financial transactions in assets and liabilities | – | – | 14 | 14 | 12 | 2 | 85,7 | 37 | 34 |
| Transfers and subsidies | | | | | | | | | |
| Provinces and municipalities | 100 | 32 | – | 132 | 130 | 2 | 98,5 | 131 | 123 |
| Departmental agencies and accounts | 586 | – | – | 586 | 586 | – | 100,0 | 500 | 500 |
| Public corporations and private enterprises | 47 | 17 | 518 | 582 | 567 | 15 | 97,4 | 110 | 54 |
| Households | 22 | 189 | 2 554 | 2 765 | 2 515 | 250 | 91,0 | 194 | 191 |
| Payment for capital assets | | | | | | | | | |
| Buildings and other fixed structures | 13 000 | 3 516 | – | 16 516 | 16,237 | 279 | 98,3 | 27 516 | 5 116 |
| Machinery and equipment | 3 270 | 2 774 | (364) | 5 680 | 5 251 | 429 | 92,4 | 9 622 | 7 824 |
| Software and other intangible assets | 283 | 77 | (232) | 128 | 83 | 45 | 64,8 | 935 | 734 |
| Total | 308 016 | – | (6 389) | 301 627 | 297 415 | 4 212 | 98,6 | 265 394 | 238 813 |



DEPARTMENT OF AGRICULTURE
VOTE 23

DETAIL PER PROGRAMME 2—LIVELIHOODS, ECONOMICS AND BUSINESS DEVELOPMENT

for the year ended 31 March 2009

| Programme per subprogramme | 2008/09 | | | | | | | 2007/08 | |
|--|------------------------|-------------------|----------------|---------------------|--------------------|--------------|---|---------------------|--------------------|
| | 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 | 1 905 | (119) | (708) | 1 078 | 1 075 | 3 | 99,7 | 1 215 | 1 214 |
| Payment for capital assets | 100 | 30 | – | 130 | 126 | 4 | 96,9 | 30 | 21 |
| 2.2 Livelihoods development support | | | | | | | | | |
| Current payments | 67 884 | (7 184) | (1 337) | 59 363 | 58 175 | 1 188 | 98,0 | 52 387 | 52 126 |
| Transfers and subsidies | 543 619 | – | 107 | 543 726 | 543 722 | 4 | 100,0 | 1 373 192 | 1 365 090 |
| Payment for capital assets | 504 | 463 | – | 967 | 913 | 54 | 94,4 | 874 | 561 |
| 2.3 Trade and business development | | | | | | | | | |
| Current payments | 33 519 | (223) | (1 753) | 31 543 | 31 511 | 32 | 99,9 | 31 238 | 31 150 |
| Transfers and subsidies | 60 507 | – | 134 | 60 641 | 59 111 | 1 530 | 97,5 | 51 099 | 51 098 |
| Payment for capital assets | 448 | 29 | (200) | 277 | 199 | 78 | 71,8 | 630 | 224 |
| 2.4 Economic and statistical services | | | | | | | | | |
| Current payments | 25 607 | 4 999 | (1 566) | 29 040 | 29 021 | 19 | 99,9 | 23 060 | 22 737 |
| Transfers and subsidies | – | – | – | – | – | – | – | 472 | 472 |
| Payment for capital assets | 222 | 2 005 | – | 2 227 | 2 172 | 55 | 97,5 | 271 | 242 |
| 2.5 National Agricultural Marketing Council | | | | | | | | | |
| Transfers and subsidies | 22 459 | – | – | 22 459 | 22 459 | – | 100,0 | 17 020 | 17 020 |
| Total | 756 774 | – | (5 323) | 751 451 | 748 484 | 2 967 | 99,6 | 1 551 488 | 1 541 955 |



DEPARTMENT OF AGRICULTURE
VOTE 23

DETAIL PER PROGRAMME 2—LIVELIHOODS, ECONOMICS AND BUSINESS DEVELOPMENT

for the year ended 31 March 2009

| Economic classification | 2008/09 | | | | | | | 2007/08 | |
|---|------------------------|-------------------|----------------|---------------------|--------------------|--------------|---|---------------------|--------------------|
| | 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 | 64 844 | (227) | (840) | 63 777 | 63 515 | 262 | 99,6 | 56 891 | 56 386 |
| Goods and services | 64 071 | (2 300) | (4 524) | 57 247 | 56 267 | 980 | 98,3 | 51 009 | 50 841 |
| Transfers and subsidies | | | | | | | | | |
| Provinces and municipalities | 514 124 | – | – | 514 124 | 514 124 | – | 100,0 | 415 000 | 415 000 |
| Departmental agencies and accounts | 24 459 | – | – | 24 459 | 23 331 | 1 128 | 95,4 | 17 020 | 17 020 |
| Universities and technikons | 2 641 | – | – | 2 641 | 2 640 | 1 | 100,0 | – | – |
| Public corporations and private enterprises | 74 495 | – | 235 | 74 730 | 74 726 | 4 | 100,0 | 1 008 027 | 999 926 |
| Nonprofit institutions | 10 866 | – | – | 10 866 | 10 466 | 400 | 96,3 | 1 000 | 1 000 |
| Households | – | – | 6 | 6 | 5 | 1 | 83,3 | 736 | 734 |
| Payment for capital assets | | | | | | | | | |
| Machinery and equipment | 1 007 | 2 606 | (100) | 3 513 | 3 339 | 174 | 95,0 | 1 530 | 1 002 |
| Software and other intangible assets | 267 | (79) | (100) | 88 | 71 | 17 | 80,7 | 275 | 46 |
| Total | 756 774 | – | (5 323) | 751 451 | 748 484 | 2 967 | 99,6 | 1 551 488 | 1 541 955 |



DEPARTMENT OF AGRICULTURE
VOTE 23

DETAIL PER PROGRAMME 3—BIO-SECURITY AND DISASTER MANAGEMENT

for the year ended 31 March 2009

| Programme per subprogramme | 2008/09 | | | | | | | 2007/08 | |
|--|------------------------|-------------------|----------------|---------------------|--------------------|---------------|---|---------------------|--------------------|
| | 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 | 1 904 | (412) | – | 1 492 | 1 489 | 3 | 99,8 | 554 | 547 |
| Payment for capital assets | 51 | 8 | – | 59 | 58 | 1 | 98,3 | 100 | 98 |
| 3.2 Plant health and inspection services | | | | | | | | | |
| Current payments | 147 372 | (10 324) | (15 505) | 121 543 | 121 436 | 107 | 99,9 | 93 208 | 93 107 |
| Transfers and subsidies | 6 189 | 39 | 51 | 6 279 | 6 275 | 4 | 99,9 | 3 777 | 3 775 |
| Payment for capital assets | 2 079 | 8 003 | 321 | 10 403 | 10 341 | 62 | 99,4 | 5 623 | 5 565 |
| 3.3 Food, animal health and disaster management | | | | | | | | | |
| Current payments | 132 429 | 1 809 | 7 093 | 141 331 | 141 219 | 112 | 99,9 | 139 789 | 139 649 |
| Transfers and subsidies | 322 561 | 650 | 626 | 323 837 | 303 462 | 20 375 | 93,7 | 489 552 | 393 235 |
| Payment for capital assets | 4 598 | 227 | 486 | 5 311 | 4 948 | 363 | 93,2 | 7 427 | 5 823 |
| Total | 617 183 | – | (6 928) | 610 255 | 589 228 | 21 027 | 96,6 | 740 030 | 641 799 |



DEPARTMENT OF AGRICULTURE
VOTE 23

DETAIL PER PROGRAMME 3—BIO-SECURITY AND DISASTER MANAGEMENT

for the year ended 31 March 2009

| Economic classification | 2008/09 | | | | | | | 2007/08 | |
|--|------------------------|-------------------|----------------|---------------------|--------------------|---------------|---|---------------------|--------------------|
| | 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 | 200 075 | (16 961) | (6 253) | 176 861 | 176 796 | 65 | 100,0 | 157 362 | 157 304 |
| Goods and services | 81 630 | 8 034 | (3 081) | 86 583 | 86 428 | 155 | 99,8 | 75 901 | 75 714 |
| Financial transactions in assets and liabilities | – | – | 922 | 922 | 920 | 2 | 99,8 | 288 | 285 |
| Transfers and subsidies | | | | | | | | | |
| Provinces and municipalities | 136 837 | 4 | – | 136 841 | 136 837 | 4 | 100,0 | 300 001 | 300 001 |
| Departmental agencies and accounts | – | – | – | – | – | – | – | 4 000 | 4 000 |
| Public corporations and private enterprises | 21 100 | – | 347 | 21 447 | 21 436 | 11 | 99,9 | 26 | 23 |
| Nonprofit institutions | 6 666 | – | – | 6 666 | 6 666 | – | 100,0 | 3 550 | 3 550 |
| Households | 164 147 | 685 | 330 | 165 162 | 144 798 | 20 364 | 87,7 | 185 752 | 89 436 |
| Payment for capital assets | | | | | | | | | |
| Buildings and other fixed structures | – | 2 059 | – | 2 059 | 2 058 | 1 | 100,0 | – | – |
| Machinery and equipment | 6 178 | 6 317 | 806 | 13 301 | 12 916 | 385 | 97,1 | 12 250 | 10 600 |
| Biological or cultivated assets | 290 | 21 | – | 311 | 311 | – | 100,0 | 527 | 527 |
| Software and other intangible assets | 260 | (159) | 1 | 102 | 62 | 40 | 60,8 | 373 | 359 |
| Total | 617 183 | – | (6 928) | 610 255 | 589 228 | 21 027 | 96,6 | 740 030 | 641 799 |



DEPARTMENT OF AGRICULTURE
VOTE 23

DETAIL PER PROGRAMME 4—PRODUCTION AND RESOURCES MANAGEMENT

for the year ended 31 March 2009

| Programme per subprogramme | 2008/09 | | | | | | | 2007/08 | |
|---|------------------------|-------------------|--------------|---------------------|--------------------|---------------|---|---------------------|--------------------|
| | 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 | 1 689 | (13) | (195) | 1 481 | 1 477 | 4 | 99,7 | 1 356 | 1 351 |
| Payment for capital assets | – | 44 | – | 44 | 43 | 1 | 97,7 | 80 | 36 |
| 4.2 Agricultural production | | | | | | | | | |
| Current payments | 51 309 | 277 | (1 365) | 50 221 | 50 183 | 38 | 99,9 | 37 148 | 37 088 |
| Transfers and subsidies | 224 704 | 2 | 41 | 224 747 | 164 744 | 60 003 | 73,3 | 5 814 | 5 811 |
| Payment for capital assets | 532 | 234 | – | 766 | 709 | 57 | 92,6 | 1 812 | 1 546 |
| 4.3 Engineering, energy, resource use and management | | | | | | | | | |
| Current payments | 117 980 | (1 316) | 3 106 | 119 770 | 119 422 | 348 | 99,7 | 72 425 | 72 333 |
| Transfers and subsidies | 54 106 | 12 | (25) | 54 093 | 53 977 | 116 | 99,8 | 51 247 | 51 067 |
| Payment for capital assets | 28 155 | 760 | – | 28 915 | 28 314 | 601 | 97,9 | 62 639 | 57 088 |
| Total | 478 475 | – | 1 562 | 480 037 | 418 869 | 61 168 | 87,3 | 232 521 | 226 320 |



DEPARTMENT OF AGRICULTURE
VOTE 23

DETAIL PER PROGRAMME 4—PRODUCTION AND RESOURCES MANAGEMENT

for the year ended 31 March 2009

| Economic classification | 2008/09 | | | | | | | 2007/08 | |
|--|------------------------|-------------------|--------------|---------------------|--------------------|---------------|---|---------------------|--------------------|
| | 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 | 86 914 | (11 876) | 5 490 | 80 528 | 80 224 | 304 | 99,6 | 62 982 | 62 932 |
| Goods and services | 84 064 | 10 824 | (3 961) | 90 927 | 90 844 | 83 | 99,9 | 47 947 | 47 840 |
| Financial transactions in assets and liabilities | – | – | 17 | 17 | 14 | 3 | 82,4 | – | – |
| Transfers and subsidies | | | | | | | | | |
| Provinces and municipalities | 147 306 | 2 | – | 147 308 | 147 195 | 113 | 99,9 | 46 973 | 46 965 |
| Departmental agencies and accounts | 67 500 | – | – | 67 500 | 67 500 | – | 100,0 | 3 250 | 3 250 |
| Universities and Technikons | 3 604 | – | – | 3 604 | 3 604 | – | 100,0 | 3 806 | 3 806 |
| Public corporations and private enterprises | 60 000 | – | 173 | 60 173 | 171 | 60 002 | 0,3 | 43 | 40 |
| Nonprofit institutions | 100 | – | – | 100 | 100 | – | 100,0 | 1 230 | 1 230 |
| Households | 300 | 12 | (157) | 155 | 151 | 4 | 97,4 | 1 759 | 1 587 |
| Payment for capital assets | | | | | | | | | |
| Buildings and other fixed structures | 24 100 | (221) | – | 23 879 | 23 711 | 168 | 99,3 | 44 759 | 44 072 |
| Machinery and equipment | 4 579 | 1 112 | – | 5 691 | 5 203 | 488 | 91,4 | 19 772 | 14 598 |
| Software and other intangible assets | 8 | 147 | – | 155 | 152 | 3 | 98,1 | – | – |
| Total | 478 475 | – | 1 562 | 480 037 | 418 869 | 61 168 | 87,3 | 232 521 | 226 320 |



DEPARTMENT OF AGRICULTURE
VOTE 23

DETAIL PER PROGRAMME 5—SECTOR SERVICES AND PARTNERSHIPS

for the year ended 31 March 2009

| Programme per subprogramme | 2008/09 | | | | | | | 2007/08 | |
|---|------------------------|-------------------|---------------|---------------------|--------------------|------------|---|---------------------|--------------------|
| | 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 | 12 305 | (1 395) | (256) | 10 654 | 10 648 | 6 | 99,9 | 1 875 | 1 814 |
| Transfers and subsidies | – | 7 | 7 | 14 | 13 | 1 | 92,9 | – | – |
| Payment for capital assets | 17 | 21 | – | 38 | 30 | 8 | 78,9 | 34 | 32 |
| 5.2 Sector services | | | | | | | | | |
| Current payments | 81 312 | (36) | 6 197 | 87 473 | 87 435 | 38 | 100,0 | 86 686 | 86 557 |
| Transfers and subsidies | 105 664 | 117 | 117 | 105 898 | 105 895 | 3 | 100,0 | 8 934 | 8 932 |
| Payment for capital assets | 2 851 | 535 | (11) | 3 375 | 3 188 | 187 | 94,5 | 3 111 | 2 927 |
| 5.3 Inter-governmental and stakeholder relations | | | | | | | | | |
| Current payments | 26 402 | 762 | 9 411 | 36 575 | 36 546 | 29 | 99,9 | 57 768 | 57 686 |
| Transfers and subsidies | 33 830 | – | 1 613 | 35 443 | 35 374 | 69 | 99,8 | 32 937 | 32 866 |
| Payment for capital assets | 363 | (11) | – | 352 | 190 | 162 | 54,0 | 326 | 217 |
| 5.4 Agricultural Research Council | | | | | | | | | |
| Transfers and subsidies | 514 556 | – | – | 514 556 | 514 556 | – | 100,0 | 488 499 | 488 499 |
| Total | 777 300 | – | 17 078 | 794 378 | 793 875 | 503 | 99,9 | 680 170 | 679 530 |



DEPARTMENT OF AGRICULTURE
VOTE 23

DETAIL PER PROGRAMME 5—SECTOR SERVICES AND PARTNERSHIPS

for the year ended 31 March 2009

| Economic classification | 2008/09 | | | | | | | 2007/08 | |
|---|------------------------|-------------------|---------------|---------------------|--------------------|------------|---|---------------------|--------------------|
| | 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 | 53 865 | (449) | 1 330 | 54 746 | 54 732 | 14 | 100,0 | 46 802 | 46 786 |
| Goods and services | 66 154 | (220) | 14 021 | 79 955 | 79 896 | 59 | 99,9 | 99 527 | 99 271 |
| Financial transactions in assets and liabilities | – | – | 1 | 1 | 1 | – | 100,0 | – | – |
| Transfers and subsidies | | | | | | | | | |
| Provinces and municipalities | 100 011 | – | – | 100 011 | 100 010 | 1 | 100,0 | 10 | 10 |
| Departmental agencies and accounts | 520 178 | – | – | 520 178 | 520 178 | – | 100,0 | 497 399 | 497 399 |
| Universities and technikons | – | 7 | – | 7 | 7 | – | 100,0 | – | – |
| Foreign governments and international organisations | 33 830 | – | 1 542 | 35 372 | 35 303 | 69 | 99,8 | 32 936 | 32 865 |
| Public corporations and private enterprises | 1 | – | 85 | 86 | 83 | 3 | 96,5 | 4 | 2 |
| Households | 30 | 117 | 110 | 257 | 257 | – | 100,0 | 21 | 21 |
| Payment for capital assets | | | | | | | | | |
| Machinery and equipment | 3 199 | 498 | (11) | 3 686 | 3 336 | 350 | 90,5 | 3 244 | 2 976 |
| Biological or cultivated assets | 30 | 14 | – | 44 | 40 | 4 | 90,9 | – | – |
| Software and other intangible assets | 2 | 33 | – | 35 | 32 | 3 | 91,4 | 227 | 200 |
| Total | 777 300 | – | 17 078 | 794 378 | 793 875 | 503 | 99,9 | 680 170 | 679 530 |



NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2009

1. DETAIL OF TRANSFERS AND SUBSIDIES AS PER APPROPRIATION ACT (AFTER VIREMENT)

Detail of these transactions can be viewed in note 7 (transfers and subsidies) and Annexure 1(A-L) to the Annual Financial Statements.

2. DETAIL OF SPECIFICALLY AND EXCLUSIVELY APPROPRIATED AMOUNTS VOTED (AFTER VIREMENT)

Detail of these transactions can be viewed 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 % of final appropriation |
|---|---------------------|--------------------|---------------|--------------------------------------|
| | R'000 | R'000 | R'000 | % |
| Administration | 301 627 | 297 415 | 4 212 | 1,4 |
| Livelihoods, economics and business development | 751 451 | 748 484 | 2 967 | 0,4 |
| Bio-security and disaster management | 610 255 | 589 228 | 21 027 | 3,5 |
| Production and resources management | 480 037 | 418 869 | 61 168 | 12,7 |
| Sector services and partnerships | 794 378 | 793 875 | 503 | 0,1 |
| Total | 2 937 748 | 2 847 871 | 89 877 | 3,1 |

Administration

A repair and maintenance programme at Agriculture Place was not finalised by the Department of Public Works.

Livelihoods, economics and business development

Not all the funds set aside for the roll out of the Excellence Model were spend. A fencing contract in the Eastern Cape was also not completed.

Bio-security and disaster management

Claims for the classical swine fever combating campaign are still outstanding. Please refer to paragraph 1.6 of this report.

Production and resources management

A transfer payment to the Development Bank of Southern Africa for Illima/Letsema projects was not made. Please refer to paragraph 1.6 of this report.

Sector services and partnerships

Funds budgeted for machinery and equipment were not spent in total.



NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2009

| 4.2 Per economic classification | Final appropri- ation | Actual expendi- ture | Variance | Variance as % of final appropri- ation |
|--|-----------------------------|----------------------------|---------------|---|
| | R'000 | R'000 | R'000 | % |
| Current expenditure | | | | |
| Compensation of employees | 499 755 | 499 073 | 682 | 0,1 |
| Goods and services | 466 093 | 461 663 | 4 430 | 1,0 |
| Financial transactions in assets and liabilities | 954 | 947 | 7 | 0,7 |
| Subtotal | 966 802 | 961 683 | 5 119 | 0,5 |
| Transfers and subsidies | | | | |
| Provinces and municipalities | 898 416 | 898 296 | 120 | 0,0 |
| Departmental agencies and accounts | 612 723 | 611 595 | 1 128 | 0,2 |
| Universities and technikons | 6 252 | 6 251 | 1 | 0,0 |
| Public corporations and private enterprises | 157 018 | 96 983 | 60 035 | 38,2 |
| Foreign governments and inter- national organisations | 35 372 | 35 303 | 69 | 0,2 |
| Nonprofit institutions | 17 632 | 17 232 | 400 | 2,3 |
| Households | 168 345 | 147 726 | 20 619 | 12,3 |
| Subtotal | 1 895 758 | 1 813 386 | 82 372 | 4,4 |
| Payments for capital assets | | | | |
| Buildings and other fixed structures | 42 454 | 42 006 | 448 | 1,1 |
| Machinery and equipment | 31 871 | 30 045 | 1 826 | 5,7 |
| Biological or cultivated assets | 355 | 351 | 4 | 1,1 |
| Software and other intangible assets | 508 | 400 | 108 | 21,3 |
| Subtotal | 75 188 | 72 802 | 2 386 | 3,2 |
| Total | 2 937 748 | 2 847 871 | 89 877 | 3,1 |

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2009

| | Notes | 2008/09 R'000 | 2007/08 R'000 |
|--|-------|------------------|------------------|
| REVENUE | | | |
| Annual appropriation | 1 | 2 937 748 | 3 469 603 |
| Departmental revenue | 2 | 209 002 | 82 049 |
| Aid assistance | 3 | – | 10 673 |
| TOTAL REVENUE | | 3 146 750 | 3 562 325 |
| EXPENDITURE | | | |
| Current expenditure | | | |
| Compensation of employees | 4 | 499 073 | 427 842 |
| Goods and services | 5 | 461 663 | 393 469 |
| Financial transactions in assets and liabilities | 6 | 947 | 319 |
| Aid assistance | 3 | – | 10 673 |
| Total current expenditure | | 961 683 | 832 303 |
| Transfers and subsidies | 7 | 1 813 386 | 2 418 733 |
| Expenditure for capital assets | | | |
| Tangible capital assets | 8 | 72 402 | 86 715 |
| Software and other intangible assets | 8 | 400 | 1 339 |
| Total expenditure for capital assets | | 72 802 | 88 054 |
| Total expenditure | | 2 847 871 | 3 339 090 |
| Surplus for the year | | 298 879 | 223 235 |
| Reconciliation of surplus for the year | | | |
| Voted funds | | 89 877 | 141 186 |
| Departmental revenue | 14 | 209 002 | 82 049 |
| SURPLUS FOR THE YEAR | | 298 879 | 223 235 |



STATEMENT OF FINANCIAL POSITION

at 31 March 2009

| | Notes | 2008/09 R'000 | 2007/08 R'000 |
|--|-------|------------------|------------------|
| ASSETS | | | |
| Current assets | | | |
| | | 167 841 | 147 382 |
| Cash and cash equivalents | 9 | 145 690 | 50 173 |
| Prepayments and advances | 10 | 13 511 | 94 967 |
| Receivables | 11 | 8 640 | 2 242 |
| Noncurrent assets | | | |
| | | 18 892 | 18 680 |
| Investments | 12 | 18 892 | 18 680 |
| TOTAL ASSETS | | 186 733 | 166 062 |
| LIABILITIES | | | |
| Current liabilities | | | |
| | | 165 868 | 146 274 |
| Voted funds to be surrendered to the National Revenue Fund | 13 | 89 877 | 141 186 |
| Departmental revenue to be surrendered to the Revenue Fund | 14 | 5 158 | 4 579 |
| Payables | 15 | 70 833 | 509 |
| Noncurrent liabilities | | | |
| | | 18 892 | 18 680 |
| Payables | 16 | 18 892 | 18 680 |
| TOTAL LIABILITIES | | 184 760 | 164 954 |
| NET ASSETS | | 1 973 | 1 108 |
| Represented by: | | | |
| Recoverable revenue | | 1 973 | 1 108 |
| TOTAL | | 1 973 | 1 108 |

STATEMENT OF CHANGES IN NET ASSETS

for the year ended 31 March 2009

| | <i>Notes</i> | 2008/09 | 2007/08 |
|---|--------------|----------------|----------------|
| | | R'000 | R'000 |
| Recoverable revenue | | | |
| Opening balance | | 1 108 | 1 395 |
| Transfers | | 865 | (287) |
| Irrecoverable amounts written off | 6.3/24.1 | (911) | (233) |
| Debts recovered (included in departmental receipts) | | (1 120) | (2 386) |
| Debts raised | | 2 896 | 2 332 |
| Closing balance | | 1 973 | 1 108 |
| TOTAL | | 1 973 | 1 108 |



CASH FLOW STATEMENT

for the year ended 31 March 2009

| | Notes | 2008/09 R'000 | 2007/08 R'000 |
|--|-------|------------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts | | 3 146 420 | 3 552 368 |
| Annual appropriated funds received | 1.1 | 2 937 748 | 3 469 603 |
| Departmental revenue received | 2 | 208 672 | 72 092 |
| Aid assistance received | 3 | – | 10 673 |
| Net decrease in working capital | | 145 382 | 8 912 |
| Surrendered to the National Revenue Fund | | (349 609) | (223 177) |
| Current payments | | (961 683) | (832 303) |
| Transfers and subsidies paid | | (1 813 386) | (2 418 733) |
| Net cash flow available from operating activities | 17 | 167 124 | 87 067 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Payments for capital assets | 8 | (72 802) | (88 054) |
| Proceeds from sale of capital assets | 2.4 | 330 | 9 957 |
| (Increase)/decrease in investments | | (212) | 151 |
| Net cash flows from investing activities | | (72 684) | (77 946) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Increase/(decrease) in net assets | | 865 | (287) |
| Increase/(decrease) in noncurrent payables | | 212 | (151) |
| Net cash flows from financing activities | | 1 077 | (438) |
| Net increase/(decrease) in cash and cash equivalents | | 95 517 | 8 683 |
| Cash and cash equivalents at the beginning of the period | | 50 173 | 41 490 |
| Cash and cash equivalents at end of period | 18 | 145 690 | 50 173 |

ACCOUNTING POLICIES

for the year ended 31 March 2009

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, 2008 (Act No. 2 of 2008).

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.

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.



ACCOUNTING POLICIES

for the year ended 31 March 2009

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, public corporations for policy purposes and farmers for loans granted under the then Agricultural Credit Act, 1966 (Act No. 28 of 1966), are, since the repeal of the Agricultural Debt Management Act, 2001 (Act No. 45 of 2001), during September 2008, recognised as revenue in the Statement of Financial Performance on receipt of the funds.

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 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.



ACCOUNTING POLICIES

for the year ended 31 March 2009

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 expended 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.

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 6 months or less than 12 months are not admitted to the pension fund and receive an allowance of 37% of their basic salary *in lieu* of service bonus, medical assistance, pension fund contributions and home owner's allowances. Employees with contracts exceeding 6 months have the choice to be admitted to the pension fund or to receive the allowance of 37%. 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).



ACCOUNTING POLICIES

for the year ended 31 March 2009

Long-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.

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 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 with the exception of the debt transferred to the department from the Agricultural Debt Account after the Agricultural Debt Management Act, 2001 (Act No. 45 of 2001), was repealed during the reporting year. These debt write-off occurs throughout the year and is only disclosed in the disclosure notes to the annual financial statements. In respect of all other debt 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 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).

3.6 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.

3.7 Fruitless and wasteful expenditure

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



ACCOUNTING POLICIES

for the year ended 31 March 2009

3.8 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 in the Statement of Financial Performance.

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).

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.

Pre-payments and advances outstanding at the end of the year are carried in the Statement of Financial Position at cost.

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 plus any accrued interest.

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

4.6.1 Movable 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 movable 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.

Subsequent expenditure of a capital nature is recorded in the Statement of Financial Performance as "expenditure for capital asset" and is capitalised in the asset register of the department on completion of the project.



ACCOUNTING POLICIES

for the year ended 31 March 2009

Repairs and maintenance is expensed as current “goods and services” in the Statement of Financial Performance.

4.6.2 *Immovable 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 immovable capital asset is stated at R1 unless the fair value for the asset has been reliably estimated.

Work-in-progress of a capital nature is recorded in the Statement of Financial Performance as “expenditure for capital asset”. On completion, the total cost of the project is included in the asset register of the department that legally owns the asset or the provincial/national department of public works.

Repairs and maintenance is expensed as current “goods and services” in the Statement of Financial Performance.

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.

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 to the financial statements.

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 to the financial statements.

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 to the financial statements.

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.



ACCOUNTING POLICIES

for the year ended 31 March 2009

5.8 Lease commitments

5.8.1 Finance leases

Finance leases are not recognised as assets and liabilities in the Statement of Financial Position. Finance lease payments are recognised as an expense in the Statement of Financial Performance and are apportioned between the capital and interest portions. The finance lease liability is disclosed in the disclosure notes to the financial statements.

5.8.2 Operating leases

Operating lease payments are recognised as an expense in the Statement of Financial Performance. The operating lease commitments are disclosed in the disclosure notes to the financial statements.

6. RECEIVABLES FOR DEPARTMENTAL REVENUE

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



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009

1. ANNUAL APPROPRIATION

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

| | Final appropriation | Actual funds received | Funds not requested/ not received | Appropriation received 2007/08 |
|---|---------------------|-----------------------|--------------------------------------|--------------------------------|
| | R'000 | R'000 | R'000 | R'000 |
| Administration | 301 627 | 301 627 | – | 265 394 |
| Livelihoods, economics and business development | 751 451 | 751 451 | – | 1 551 488 |
| Bio-security and disaster management | 610 255 | 610 255 | – | 740 030 |
| Production and resources management | 480 037 | 480 037 | – | 232 521 |
| Sector services and partnerships | 794 378 | 794 378 | – | 680 170 |
| Total | 2 937 748 | 2 937 748 | – | 3 469 603 |

2. DEPARTMENTAL REVENUE

| | Notes | 2008/09 | 2007/08 |
|--|----------|----------------|---------------|
| Sales of goods and services other than capital assets | 2.1 | 63 153 | 65 825 |
| Fines, penalties and forfeits | 2.2 | 10 | 92 |
| Interest, dividends and rent on land | 2.3 | 9 292 | 1 483 |
| Sales of capital assets | 2.4 | 330 | 9 957 |
| Financial transactions in assets and liabilities | 2.5 | 136 137 | 4 666 |
| Transfers received | 2.6 | 80 | 26 |
| Total revenue collected | | 209 002 | 82 049 |
| Departmental revenue collected | | 209 002 | 82 049 |
| 2.1 Sales of goods and services other than capital assets | 2 | | |
| Sales of goods produced and services produced by the department | | 62 629 | 65 621 |
| Sales by market establishment | | 1 012 | – |
| Administrative fees | | 58 136 | 61 275 |
| Other sales | | 3 481 | 4 346 |
| Sales of scrap, waste and other used current goods | | 524 | 204 |
| Total | | 63 153 | 65 825 |
| 2.2 Fines, penalties and forfeits | 2 | | |
| Penalties | | 10 | 92 |
| Total | | 10 | 92 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009

| | Notes | 2008/09 R'000 | 2007/08 R'000 |
|---|-------|------------------|------------------|
| 2.3 Interest, dividends and rent on land | 2 | | |
| Interest | | 8 726 | 763 |
| Rent on land and buildings | | 566 | 720 |
| Total | | 9 292 | 1 483 |
| 2.4 Sale of capital assets | 2 | | |
| Tangible assets | | 330 | 9 957 |
| Machinery and equipment | | 330 | 9 957 |
| Total | | 330 | 9 957 |
| 2.5 Financial transactions in assets and liabilities | 2 | | |
| Receivables | | 27 203 | 850 |
| Stale cheques written back | | 5 | 7 |
| Other receipts including recoverable revenue | | 108 929 | 3 809 |
| Total | | 136 137 | 4 666 |
| 2.6 Transfers received | 2 | | |
| Public corporations and private enterprises | | 80 | 26 |
| Total | | 80 | 26 |
| 3. AID ASSISTANCE | | | |
| 3.1 Aid assistance received in cash from RDP | | | |
| Foreign Revenue | | – | 10 673 |
| Expenditure | | – | (10 673) |
| Current | | – | (10 673) |
| Closing balance | | – | – |
| 3.2 Total assistance | | | |
| Revenue | | – | 10 673 |
| Expenditure | | – | (10 673) |
| Current | | – | (10 673) |
| Closing balance | | – | – |



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009

| | Notes | 2008/09 R'000 | 2007/08 R'000 |
|---|-------|------------------|------------------|
| 4. COMPENSATION OF EMPLOYEES | | | |
| 4.1 Salaries and wages | | | |
| Basic salaries | | 318 696 | 276 468 |
| Performance awards | | 14 152 | 12 483 |
| Service based | | 1 078 | 530 |
| Compensative/circumstantial | | 23 799 | 22 085 |
| Periodic payments | | 12 342 | 8 661 |
| Other nonpensionable allowances | | 65 342 | 53 635 |
| Total | | 435 409 | 373 862 |
| 4.2 Social contributions | | | |
| <i>4.2.1 Employer contributions</i> | | | |
| Pension | | 41 297 | 35 301 |
| Medical | | 22 286 | 18 593 |
| Bargaining council | | 80 | 73 |
| Insurance | | 1 | 13 |
| Total | | 63 664 | 53 980 |
| Total compensation of employees | | 499 073 | 427 842 |
| Average number of employees | | 2 726 | 2 639 |
| 5. GOODS AND SERVICES | | | |
| Administrative fees | | 37 642 | 35 734 |
| Advertising | | 9 088 | 9 049 |
| Assets less than R5 000 | 5.1 | 4 560 | 5 415 |
| Bursaries (employees) | | 1 762 | 1 677 |
| Catering | | 519 | 544 |
| Communication | | 21 845 | 15 794 |
| Computer services | 5.2 | 24 374 | 16 185 |
| Consultants, contractors and agency/outsourced services | 5.3 | 132 976 | 116 895 |
| Entertainment | | 322 | 406 |
| Audit cost – external | 5.4 | 4 878 | 3 998 |
| Inventory | 5.5 | 49 832 | 37 705 |
| Operating leases | | 10 226 | 6 052 |
| Owned and leasehold property expenditure | 5.6 | 12 251 | 15 505 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009

| | Notes | 2008/09 R'000 | 2007/08 R'000 |
|--|-------|------------------|------------------|
| 5. GOODS AND SERVICES (cont.) | | | |
| Travel and subsistence | 5.7 | 91 549 | 83 927 |
| Venues and facilities | | 29 402 | 25 948 |
| Training and staff development | | 22 304 | 10 064 |
| Other operating expenditure | 5.8 | 8 133 | 8 571 |
| Total | | 461 663 | 393 469 |
| 5.1 Assets less than R5 000 | 5 | | |
| Tangible assets | | 3 772 | 4 870 |
| Biological assets | | 67 | 99 |
| Machinery and equipment | | 3 705 | 4 771 |
| Intangible assets | | 788 | 545 |
| Total | | 4 560 | 5 415 |
| 5.2 Computer services | 5 | | |
| Sita computer services | | 5 126 | 4 185 |
| External computer services providers | | 19 248 | 12 000 |
| Total | | 24 374 | 16 185 |
| 5.3 Consultants, contractors and agency/outsourced services | 5 | | |
| Business and advisory services | | 1 182 | 1 048 |
| Infrastructure and planning | | 59 460 | 58 639 |
| Laboratory services | | 459 | – |
| Legal costs | | 2 123 | 1 959 |
| Contractors | | 9 318 | 10 990 |
| Agency and support/outsourced services | | 60 434 | 44 259 |
| Total | | 132 976 | 116 895 |
| 5.4 Audit cost – external | 5 | | |
| Regulatory audits | | 4 878 | 3 998 |
| Total | | 4 878 | 3 998 |



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009

| | Notes | 2008/09 R'000 | 2007/08 R'000 |
|--|-------|------------------|------------------|
| 5.5 Inventory | 5 | | |
| Learning and teaching support material | | 229 | 11 |
| Food and food supplies | | 1 010 | 738 |
| Fuel, oil and gas | | 14 436 | 9 438 |
| Other consumable materials | | 16 557 | 12 957 |
| Maintenance material | | 2 006 | 1 676 |
| Stationery and printing | | 13 068 | 12 778 |
| Medical supplies | | 2 526 | 103 |
| Military stores | | – | 4 |
| Total | | 49 832 | 37 705 |
| 5.6 Owned and leasehold property expenditure | 5 | | |
| Municipal services | | 10 699 | 14 799 |
| Property management fees | | 905 | 706 |
| Other | | 647 | – |
| Total | | 12 251 | 15 505 |
| 5.7 Travel and subsistence | 5 | | |
| Local | | 69 699 | 62 503 |
| Foreign | | 21 850 | 21 424 |
| Total | | 91 549 | 83 927 |
| 5.8 Other operating expenditure | 5 | | |
| Professional bodies, membership and subscription fees | | 181 | 302 |
| Resettlement costs | | 2 230 | 3 703 |
| Other | | 5 722 | 4 566 |
| Total | | 8 133 | 8 571 |
| 6. FINANCIAL TRANSACTIONS IN ASSETS AND LIABILITIES | | | |
| Debts written off | | 947 | 319 |
| Total | | 947 | 319 |

6. FINANCIAL TRANSACTIONS IN ASSETS AND LIABILITIES

Debts written off

Total

947

319

947

319

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009

| | Notes | 2008/09 R'000 | 2007/08 R'000 |
|---|-----------------|------------------|------------------|
| 6.1 Debts written off | 6 | | |
| Nature of debts written off | | | |
| Irrecoverable/uneconomical | | 912 | 161 |
| Claims settled or waived to the advantage of the State | | 35 | 157 |
| Recovery would cause undue hardship | | – | 1 |
| Total | | 947 | 319 |
| 6.2 Recoverable revenue written off | | | |
| Nature of losses | | | |
| Irrecoverable/uneconomical | | 1 | 68 |
| Claims settled or waived to the advantage of the State | | 35 | 17 |
| Recovery would cause undue hardship | | – | 1 |
| Total | | 36 | 86 |
| 6.3 Receivables for department revenue written off | | | |
| Nature of losses | 24.1 | | |
| Irrecoverable/uneconomical | | 911 | |
| Total | | 911 | |
| 7. TRANSFERS AND SUBSIDIES | | | |
| Provinces and municipalities | Annex 1C &1F | 898 296 | 762 099 |
| Departmental agencies and accounts | Annex 1G | 611 595 | 522 169 |
| Universities and technikons | Annex 1H | 6 244 | 3 806 |
| Public corporations and private enterprises | Annex 1I | 96 983 | 1 000 045 |
| Foreign governments and international organisations | Annex 1J | 35 303 | 32 865 |
| Nonprofit institutions | Annex 1K | 16 466 | 5 050 |
| Households | Annex 1L | 147 726 | 91 969 |
| Gifts, donations and sponsorships | Annex 1O | 773 | 730 |
| Total | | 1 813 386 | 2 418 733 |



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009

| | Notes | 2008/09 R'000 | 2007/08 R'000 |
|--|-------|------------------|------------------|
| 8. EXPENDITURE FOR CAPITAL ASSETS | | | |
| Tangible assets | 30 | 72 402 | 86 715 |
| Buildings and other fixed structures | | 42 006 | 49 188 |
| Machinery and equipment | | 30 045 | 37 000 |
| Biological assets | | 351 | 527 |
| Software and other intangible assets | 31 | 400 | 1 339 |
| Patents, licences, copyrights, brand names, trademarks | | – | 32 |
| Other intangibles | | 400 | 1 307 |
| Total | | 72 802 | 88 054 |
| The following amounts have been included as project costs in expenditure for capital assets: | | | |
| Compensation of employees | | 9 567 | 18 437 |
| Goods and services | | 14 144 | 25 543 |
| Total | | 23 711 | 43 980 |

8.1 Analysis of funds utilised to acquire capital assets – 2008/09

| | Voted funds R'000 | Aid assistance R'000 | Total R'000 |
|---|----------------------|-------------------------|----------------|
| Tangible assets | 72 402 | – | 72 402 |
| Buildings and other fixed structures | 42 006 | – | 42 006 |
| Machinery and equipment | 30 045 | – | 30 045 |
| Biological assets | 351 | – | 351 |
| Software and other intangible assets | 400 | – | 400 |
| Other intangibles | 400 | – | 400 |
| Total | 72 802 | – | 72 802 |

8.2 Analysis of funds utilised to acquire capital assets – 2007/08

| | | | |
|-----------------------|--------|---|--------|
| Total assets acquired | 88 054 | – | 88 054 |
|-----------------------|--------|---|--------|

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009

| | | 2008/09 | 2007/08 | | | |
|--|-----------------|---------------------------|---------------------------|-------------------------------|----------------------|----------------------|
| | | R'000 | R'000 | | | |
| 9. CASH AND CASH EQUIVALENTS | | | | | | |
| Consolidated Paymaster-General Account | | 144 594 | 49 533 | | | |
| Cash receipts | | 933 | 477 | | | |
| Cash on hand | | 142 | 133 | | | |
| Cash with commercial bank | | 21 | 30 | | | |
| Total | | 145 690 | 50 173 | | | |
| 10. PREPAYMENTS AND ADVANCES | | | | | | |
| Travel and subsistence | | 1 793 | 1 108 | | | |
| Advances paid to other entities | | 11 718 | 93 859 | | | |
| Total | | 13 511 | 94 967 | | | |
| 11. RECEIVABLES | | | | | | |
| | | Less than one year | One to three years | Older than three years | 2008/09 Total | 2007/08 Total |
| | Notes | R'000 | R'000 | R'000 | R'000 | R'000 |
| Claims recoverable | 11.1 Annex 4 | 5 001 | 5 | – | 5 006 | 544 |
| Recoverable expenditure | 11.2 | 63 | 799 | – | 862 | 72 |
| Staff debt | 11.3 | 45 | – | – | 45 | 73 |
| Other debtors | 11.4 | 300 | 1 582 | 845 | 2 727 | 1 553 |
| Total | | 5 409 | 2 386 | 845 | 8 640 | 2 242 |
| 11.1 Claims recoverable | Notes | | | | 2008/09 R'000 | 2007/08 R'000 |
| National departments | 11 | | | | 4 807 | 213 |
| Provincial departments | | | | | 199 | 291 |
| Public entities | | | | | – | 40 |
| Total | | | | | 5 006 | 544 |



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009

| | Notes | 2008/09 R'000 | 2007/08 R'000 |
|---|-------|------------------|------------------|
| 11.2 Recoverable expenditure (disallowance accounts) | 11 | | |
| Claims recoverable from public entities | | – | 2 |
| Disallowance dishonoured cheques | | 20 | 70 |
| Disallowance miscellaneous | | 842 | – |
| Total | | 862 | 72 |
| 11.3 Staff debt | 11 | | |
| Salaries: Deduction disallowance account | | 44 | 41 |
| Salaries: Tax debt | | 1 | 1 |
| Salaries: Reversal control | | – | 31 |
| Total | | 45 | 73 |
| 11.4 Other debtors | 11 | | |
| Debt account | | 2 727 | 1 553 |
| Total | | 2 727 | 1 553 |

Amounts for 2007/08 restated in order to disclose trade debtors as
Receivables for departmental revenue in disclosure note 24

12. INVESTMENTS

Noncurrent

Shares and other equity

| | | |
|---|---------------|---------------|
| Ncera Farms (Pty) Ltd | 1 | 1 |
| Onderstepoort Biological Products (Pty) Ltd | 1 | 1 |
| JS Pistorius Trust Fund | 77 | 73 |
| Greenberg Trust Fund | 40 | 36 |
| SAAU Fund | 159 | 143 |
| Abattoir Industry Fund | 18 614 | 18 426 |
| Total | 18 892 | 18 680 |
| Total noncurrent | 18 892 | 18 680 |

Analysis of non-current investments

| | | |
|--------------------|---------|---------|
| Opening balance | 18 680 | 18 831 |
| Additions in cash | 2 016 | 1 805 |
| Disposals for cash | (1 804) | (1 956) |
| Closing balance | 18 892 | 18 680 |



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009

| | Notes | 2008/09 R'000 | 2007/08 R'000 |
|--|-------|------------------|------------------|
| 13. VOTED FUNDS TO BE SURRENDERED TO THE NATIONAL REVENUE FUND | | | |
| Opening balance | | 141 186 | 120 073 |
| Transfer from Statement of Financial Performance | | 89 877 | 141 186 |
| Paid during the year | | (141 186) | (120 073) |
| Closing balance | | 89 877 | 141 186 |
| 14. DEPARTMENTAL REVENUE TO BE SURRENDERED TO THE NATIONAL REVENUE FUND | | | |
| Opening balance | | 4 579 | 25 634 |
| Transfer from Statement of Financial Performance | | 209 002 | 82 049 |
| Paid during the year | | (208 423) | (103 104) |
| Closing balance | | 5 158 | 4 579 |
| 15. PAYABLES – CURRENT | | | |
| Advances received | 15.1 | 70 424 | 100 |
| Clearing accounts | 15.2 | 409 | 409 |
| Total | | 70 833 | 509 |
| 15.1 Advances received | | | |
| | 15 | | |
| Citrus Growers Association | | 100 | 100 |
| Department of Foreign Affairs (Zimbabwe) | | 70 324 | – |
| Total | | 70 424 | 100 |
| 15.2 Clearing accounts | | | |
| | 15 | | |
| Salary: ACB recalls | | 48 | 21 |
| Salary: Income tax | | 165 | 270 |
| Salary: Pension fund | | 10 | 3 |
| Disallowance miscellaneous | | – | 114 |
| Salary: Bargaining Council | | 1 | 1 |
| Salary: Deduction disallowance account | | 6 | – |
| Salary: Reversal control account | | 179 | – |
| Total | | 409 | 409 |



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009

16. PAYABLES – NONCURRENT

| | Notes | One to two years | Two to three years | More than three years | 2008/09 Total | 2007/08 Total |
|----------------|-------|---------------------|--------------------------|--------------------------------|------------------|------------------|
| | | R'000 | R'000 | R'000 | R'000 | R'000 |
| Other payables | 16.1 | 63 | (61) | 18 890 | 18 892 | 18 680 |
| Total | | 63 | (61) | 18 890 | 18 892 | 18 680 |

| | Notes | 2008/09 R'000 | 2007/08 R'000 |
|---|-------|------------------|------------------|
| 16.1 Other payables | 16 | | |
| Ncera Farms (Pty) Ltd | | 1 | 1 |
| Onderstepoort Biological Products (Pty) Ltd | | 1 | 1 |
| JS Pistorius Trust Fund | | 77 | 73 |
| Greenberg Trust Fund | | 40 | 36 |
| SAAU Fund | | 159 | 143 |
| Abattoir Industry Fund | | 18 614 | 18 426 |
| Total | | 18 892 | 18 680 |

The abovementioned payables are in respect of shares held in Ncera Farms (Pty) Ltd and Onderstepoort Biological Products (Pty) Ltd, bequest to financially assist students with a portion of interest earned from the JS Pistorius and Greenberg Trust Funds and the management of the SAAU and Abattoir Industry levy funds. The funds are invested with the Corporation for Public Deposits

17. NET CASH FLOW AVAILABLE FROM OPERATING ACTIVITIES

| | | |
|---|----------------|---------------|
| Net surplus as per Statement of Financial Performance | 298 879 | 223 235 |
| Add back noncash/cash movements not deemed operating activities | (131 755) | (136 168) |
| (Increase)/decrease in receivables – current | (6 398) | 3 700 |
| (Increase)/decrease in prepayments and advances | 81 456 | 6 179 |
| Increase/(decrease) in payables – current | 70 324 | (967) |
| Proceeds from sale of capital assets | (330) | (9 957) |
| Expenditure on capital assets | 72 802 | 88 054 |
| Surrendered to the National Revenue Fund | (349 609) | (223 177) |
| Net cash flow generated by operating activities | 167 124 | 87 067 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009

| | 2008/09 | 2007/08 |
|---|----------------|---------------|
| | R'000 | R'000 |
| 18. Reconciliation of cash and cash equivalents for cash-flow purposes | | |
| Consolidated Paymaster-General Account | 144 594 | 49 533 |
| Cash receipts | 933 | 477 |
| Cash on hand | 142 | 133 |
| Cash with commercial bank | 21 | 30 |
| Total | 145 690 | 50 173 |



DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009

| | | Notes | 2008/09 R'000 | 2007/08 R'000 |
|--|----------------|-----------------|--------------------------|--------------------------|
| 19. CONTINGENT LIABILITIES | | | | |
| Liable to | Nature | | | |
| Housing loan guarantees | Employees | <i>Annex 3A</i> | 1 404 | 1 448 |
| Other guarantees | | <i>Annex 3A</i> | 1 594 461 | 1 594 527 |
| Claims against the department | | <i>Annex 3B</i> | 20 170 | 20 599 |
| Other departments (interdepartmental unconfirmed balances) | | <i>Annex 5</i> | 21 187 | 5 633 |
| Total | | | 1 637 222 | 1 622 207 |
| 20. COMMITMENTS | | | | |
| Current expenditure | | | | |
| Approved and contracted | | | 70 794 | 72 422 |
| Subtotal | | | 70 794 | 72 422 |
| Capital expenditure | | | | |
| Approved and contracted | | | 9 802 | 5 076 |
| Subtotal | | | 9 802 | 5 076 |
| Total commitments | | | 80 596 | 77 498 |
| 21. ACCRUALS | | | | |
| Listed by economic classification | 30 days | 30+ days | 2008/09 Total | 2007/08 Total |
| | R'000 | R'000 | R'000 | R'000 |
| Goods and services | 1 211 | 10 | 1 221 | 222 |
| Machinery and equipment | – | – | – | 34 |
| Total | 1 211 | 10 | 1 221 | 256 |



DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009

| | Notes | 2008/09 R'000 | 2007/08 R'000 |
|---|---------|------------------|------------------|
| Listed per programme | | | |
| Administration | | 212 | 194 |
| Livelihoods, economics and business development | | 713 | 1 |
| Biosecurity and disaster management | | 61 | – |
| Production and resources management | | 59 | 27 |
| Sector services and partnerships | | 176 | 34 |
| Total | | 1 221 | 256 |
| Confirmed balances with departments/entities | Annex 5 | 37 345 | 4 267 |
| Total | | 37 345 | 4 267 |
| 22. EMPLOYEE BENEFITS | | | |
| Leave entitlement | | 10 086 | 10 949 |
| Thirteenth cheque | | 13 789 | 12 202 |
| Capped leave commitments | | 31 994 | 30 727 |
| Total | | 55 869 | 53 878 |

23. LEASE COMMITMENTS

23.1 Finance leases expenditure

| | Land R'000 | Buildings and other fixed structures R'000 | Machinery and equipment R'000 | Total R'000 |
|---|---------------|---|----------------------------------|----------------|
| 2008/09 | | | | |
| Not later than 1 year | – | – | 1 709 | 1 709 |
| Later than 1 year and not later than 5 years | – | – | 1 685 | 1 685 |
| Total present value of lease liabilities | – | – | 3 394 | 3 394 |
| 2007/08 | | | | |
| Not later than 1 year | – | – | 2 040 | 2 040 |
| Later than 1 year and not later than 5 years | – | – | 2 508 | 2 508 |
| Total present value of lease liabilities | – | – | 4 548 | 4 548 |



DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009

| | Notes | 2008/09 R'000 | 2007/08 R'000 |
|--|---|------------------|------------------|
| 24. RECEIVABLES FOR DEPARTMENTAL REVENUE | | | |
| Sales of goods and services other than capital assets | | 4 116 | 5 324 |
| Interest, dividends and rent on land | | 112 628 | 385 |
| Financial transactions in assets and liabilities | | 160 990 | – |
| Total | | 277 734 | 5 709 |
| <p>Departmental debt now includes the Agriculture Debt Account debt after the repeal of the ADMA, 2001. Agricultural Debt Account debt to the amount of R34,7 million was written off during the year.</p> | | | |
| 24.1 Analysis of receivables for departmental revenue | | | |
| Opening balance | | 5 709 | |
| Less: Amounts received | | 56 595 | |
| Add: Amounts recognised | | 329 531 | |
| Less: Amounts written-off/reversed as irrecoverable | 6.3 | 911 | |
| Closing balance | | 277 734 | |
| 25. IRREGULAR EXPENDITURE | | | |
| 25.1 Reconciliation of irregular expenditure | | | |
| Opening balance | | – | – |
| Add: Irregular expenditure – relating to prior year | | – | 4 548 |
| Add: Irregular expenditure – relating to current year | | 15 762 | – |
| Less: Amounts condoned | | (49) | (4 548) |
| Irregular expenditure awaiting condonation | | 15 713 | – |
| Analysis of awaiting condonation per age classification | | | |
| Current year | | 15 713 | |
| Total | | 15 713 | |
| Incident | Disciplinary steps taken/ criminal proceedings | | |
| Non compliance to supply chain management procedures | None | 121 | |
| Payments in respect of MoUs to Public entities without obtaining section 38(1) (j) of the PFMA required certificates | None | 15 592 | |
| Total | | 15 713 | |

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009

26. FRUITLESS AND WASTEFUL EXPENDITURE

26.1 Reconciliation of fruitless and wasteful expenditure

| | |
|---|------|
| Fruitless and wasteful expenditure – relating to current year | 75 |
| Less: Amounts condoned | (75) |
| Fruitless and wasteful expenditure awaiting condonement | – |

26.2 Analysis of current year's fruitless and wasteful expenditure

| Incident | Disciplinary steps taken/criminal proceedings | |
|--|---|-----------|
| Accommodation: No show | Debt recovered from the official | 1 |
| Lease agreement: Dangor Medical Centre, Klerksdorp | Expenditure was condoned | 74 |
| Total | | 75 |

27. RELATED PARTY RELATIONSHIPS

| Ministerial Portfolio | Department | Schedule | Public Entity |
|------------------------------|--------------|----------|--|
| Agriculture and Land Affairs | Agriculture | 2 | Land and Agricultural Bank of South Africa |
| | | 3A | Agricultural Research Council |
| | | 3A | National Agricultural Marketing Council |
| | | 3A | Perishable Products Export Control Board |
| | | 3B | Ncera Farms (Pty) Ltd |
| | | 3B | Onderstepoort Biological Products |
| | Land Affairs | 3A | Ingonyama Trust Board |
| | | 3B | Inala Farms (Pty) Ltd |

28. KEY MANAGEMENT PERSONNEL

| | No. of individuals | 2008/09 R'000 | 2007/08 R'000 |
|---|--------------------|---------------|---------------|
| Political office bearer: Minister/Deputy Minister | 2 | 2 734 | 1 052 |
| Officials: Level 15 to 16 | 9 | 6 800 | 7 397 |
| Level 14 | 12 | 7 062 | 7 014 |
| Total | | 16 596 | 15 463 |
| Nine officials were periodically, during the year, appointed in acting capacity in vacant posts on the levels reported on above. Summary is as follows: | | | |
| Level 16 | 1 | 56 | |
| Level 15 | 4 | 376 | |
| Level 14 | 4 | 228 | |
| | | 660 | |



DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009

29. PROVISIONS

Potential irrecoverable debts

Other debtors

Total

| 2008/09 | 2007/08 |
|--------------|--------------|
| R'000 | R'000 |
| 1 309 | 2 097 |
| 1 309 | 2 097 |

The provision for the Agricultural Debt Account debt, which are not written off against savings on the vote, amounts to R100 180 million (2007/08—R175 560 million).

30. MOVABLE TANGIBLE CAPITAL ASSETS

30.1 Movement in movable tangible capital assets per asset register for the year ended 31 March 2009

| | Opening balance | Current year adjustments to prior year balances | Additions | Disposals | Closing balance |
|--|-----------------|---|---------------|---------------|-----------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Machinery and equipment | 193 248 | 1 231 | 35 846 | 10 106 | 220 219 |
| Transport assets | 55 631 | 54 | 13 371 | 5 067 | 63 989 |
| Specialised military assets | 62 | 148 | 29 | – | 239 |
| Computer equipment | 54 778 | (479) | 10 701 | 3 113 | 61 887 |
| Furniture and office equipment | 11 512 | 318 | 2 856 | 798 | 13 888 |
| Other machinery and equipment | 71 265 | 1 190 | 8 889 | 1 128 | 80 216 |
| Biological assets | 201 | – | 648 | 617 | 232 |
| Biological assets | 201 | – | 648 | 617 | 232 |
| Total movable tangible capital assets | 193 449 | 1 231 | 36 494 | 10 723 | 220 451 |



DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009

30.2 Additions to movable tangible capital assets per asset register for the year ended 31 March 2009

| | Cash | Noncash fair value | Capital work in progress (current costs and finance lease pay- ments) | Received current, not paid (Paid cur- rent year, received prior year) | Total |
|---|---------------|-----------------------|--|---|---------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Machinery and equipment | 30 045 | 5 835 | – | (34) | 35 846 |
| Transport assets | 9 926 | 3 445 | – | – | 13 371 |
| Specialised military assets | 29 | – | – | – | 29 |
| Computer equipment | 9 633 | 1 068 | – | – | 10 701 |
| Furniture and office equipment | 2 655 | 201 | – | – | 2 856 |
| Other machinery and equipment | 7 802 | 1 121 | – | (34) | 8 889 |
| Biological assets | 351 | 297 | – | – | 648 |
| Biological assets | 351 | 297 | – | – | 648 |
| Total additions to movable tangible capital assets | 30 396 | 6 132 | – | (34) | 36 494 |



DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009

30.3 Disposals of movable tangible capital assets per asset register for the year ended 31 March 2009

| | Sold for cash | Transfer out or destroyed or scrapped | Total disposals | Cash received actual |
|--|---------------|---------------------------------------|-----------------|----------------------|
| | R'000 | R'000 | R'000 | R'000 |
| Machinery and equipment | 4 311 | 5 795 | 10 106 | 330 |
| Transport assets | 916 | 4 151 | 5 067 | 281 |
| Computer equipment | 1 899 | 1 214 | 3 113 | 39 |
| Furniture and office equipment | 638 | 160 | 798 | 5 |
| Other machinery and equipment | 858 | 270 | 1 128 | 5 |
| Biological assets | – | 617 | 617 | – |
| Biological assets | – | 617 | 617 | – |
| Total disposal of movable tangible capital assets | 4 311 | 6 412 | 10 723 | 330 |

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

| | Opening balance | Additions | Disposals | Closing balance |
|--|-----------------|---------------|---------------|-----------------|
| | R'000 | R'000 | R'000 | R'000 |
| Machinery and equipment | 162 766 | 53 578 | 23 096 | 193 248 |
| Transport assets | 48 671 | 13 544 | 6 584 | 55 631 |
| Specialised military assets | 62 | – | – | 62 |
| Computer equipment | 51 805 | 9 872 | 6 899 | 54 778 |
| Furniture and office equipment | 9 158 | 2 667 | 313 | 11 512 |
| Other machinery and equipment | 53 070 | 27 495 | 9 300 | 71 265 |
| Biological assets | 201 | – | – | 201 |
| Biological assets | 201 | – | – | 201 |
| Total movable tangible capital assets | 162 967 | 53 578 | 23 096 | 193 449 |

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009

30.5 Minor assets of the department for 31 March 2009

| | Intangible assets | Heritage assets | Machinery and equipment | Biological assets | Total |
|------------------------|----------------------|--------------------|-------------------------------|----------------------|---------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Minor assets | 3 909 | – | 45 470 | 1 538 | 50 917 |
| Total | 3 909 | – | 45 470 | 1 538 | 50 917 |
| Number of minor assets | 1 974 | – | 50 947 | 1 966 | 54 887 |
| Total | 1 974 | – | 50 947 | 1 966 | 54 887 |

31. INTANGIBLE CAPITAL ASSETS

31.1 Movement in intangible capital assets per asset register for the year ended 31 March 2009

| | Opening balance | Current year adjust- ments to prior year balances | Additions | Disposals | Closing balance |
|--|--------------------|--|------------|-----------|--------------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Computer software | 3 056 | 116 | 401 | – | 3 573 |
| Other intangibles | 2 652 | 51 | – | – | 2 703 |
| Total intangible capital assets | 5 708 | 167 | 401 | – | 6 276 |

31.2 Additions to intangible capital assets per asset register for the year ended 31 March 2009

| | Cash | Noncash | Develop- ment 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 | 401 | – | – | – | 401 |
| Total | 401 | – | – | – | 401 |



DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009

31.3 Movement for 2007/08

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

| | Opening balance | Additions | Disposals | Closing balance |
|-------------------|--------------------|--------------|-----------|--------------------|
| | R'000 | R'000 | R'000 | R'000 |
| Computer software | 1 739 | 1 317 | – | 3 056 |
| Other intangibles | 2 620 | 32 | – | 2 652 |
| Total | 4 359 | 1 349 | – | 5 708 |

32. IMMOVABLE TANGIBLE CAPITAL ASSETS

32.1 Movement in immovable tangible capital assets per asset register for the year ended 31 March 2009

| | Opening balance | Current year ad- justments to prior year balances | Additions | Disposals | Closing balance |
|--|--------------------|--|---------------|-----------|--------------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Buildings and other fixed structures | 7 957 | (19 132) | 21 258 | – | 10 083 |
| Dwellings | 7 633 | 1 679 | – | – | 9 312 |
| Non-residential buildings | 324 | (20 811) | 21 258 | – | 771 |
| Total immovable tangible capital assets | 7 957 | (19 132) | 21 258 | – | 10 083 |



DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009

32.2 Additions to immovable tangible capital assets per asset register for the year ended 31 March 2009

| | Cash | Noncash | Capital work in progress (current costs and finance lease payments) | 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 | 21 258 | – | – | – | 21 258 |
| Nonresidential buildings | 21 258 | – | – | – | 21 258 |
| Total additions to immovable tangible capital assets | 21 258 | – | – | – | 21 258 |

32.3 Movement for 2007/08

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

| | Opening balance | Additions | Disposals | Closing balance |
|--------------------------------------|-----------------|------------|------------|-----------------|
| | R'000 | R'000 | R'000 | R'000 |
| Buildings and other fixed structures | 7 974 | 175 | 192 | 7 957 |
| Dwellings | 7 650 | 175 | 192 | 7 633 |
| Nonresidential buildings | 324 | – | – | 324 |
| Total tangible capital assets | 7 974 | 175 | 192 | 7 957 |



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009

**ANNEXURE 1C
STATEMENT OF CONDITIONAL GRANTS PAID TO PROVINCES**

| Name of province/ grant | Grant allocation | | Transfer | | Spent | | 2007/08 Division of Revenue Act |
|---|-------------------------------|--------------------------------|--------------------|--|-----------------------------------|--------------------------------|--|
| | Division of Revenue Act | Adjusted appropri- ation | Actual transfer | % of avail- able funds transferred | Amount received by province | Amount spent by province | |
| | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 |
| Comprehensive Agricultural Support Programme | | | | | | | |
| Eastern Cape | 90 018 | - | 90 018 | 100,0 | 90 018 | 90 018 | 69 888 |
| Free State | 49 089 | - | 49 089 | 100,0 | 49 089 | 40 985 | 38 084 |
| Gauteng | 25 329 | - | 25 329 | 100,0 | 25 329 | 25 329 | 19 651 |
| KwaZulu-Natal | 88 037 | - | 88 037 | 100,0 | 88 037 | 88 037 | 68 301 |
| Limpopo | 81 103 | 3 206 | 84 309 | 100,0 | 84 309 | 84 309 | 62 921 |
| Mpumalanga | 53 019 | - | 53 019 | 100,0 | 53 019 | 39 761 | 41 133 |
| Northern Cape | 36 807 | - | 36 807 | 100,0 | 36 807 | 28 028 | 28 555 |
| North West | 68 432 | - | 68 432 | 100,0 | 68 432 | 67 676 | 53 091 |
| Western Cape | 43 084 | - | 43 084 | 100,0 | 43 084 | 40 963 | 33 426 |
| Subtotal | 534 918 | 3 206 | 538 124 | 100,0 | 538 124 | 505 106 | 415 000 |
| Infrastructure development and poverty relief (LandCare) | | | | | | | |
| Eastern Cape | 7 345 | - | 7 345 | 100,0 | 7 345 | 6 533 | 7 010 |
| Free State | 3 428 | - | 3 428 | 100,0 | 3 428 | 3 428 | 3 270 |
| Gauteng | 3 428 | - | 3 428 | 100,0 | 3 428 | 3 428 | 3 270 |
| KwaZulu-Natal | 7 345 | - | 7 345 | 100,0 | 7 345 | 7 345 | 7 010 |

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009

**ANNEXURE 1C (cont.)
STATEMENT OF CONDITIONAL GRANTS PAID TO PROVINCES**

| Name of province/ grant | Grant allocation | | | Transfer | | Spent | | 2007/08 Division of Revenue Act R '000 | | |
|-----------------------------------|-------------------------------|------------|--------------------------------|--------------------|--------------------|--|-----------------------------------|--|--------------------------------|---|
| | Division of Revenue Act | Roll overs | Adjusted appropri- ation | Total available | Actual transfer | % of avail- able funds transferred | Amount received by province | | Amount spent by province | % of available funds spent by province |
| | R '000 | R '000 | R '000 | R '000 | R '000 | % | R '000 | | R '000 | % |
| Agricultural starter packs | | | | | | | | | | |
| Eastern Cape | - | - | 12 790 | 12 790 | 12 790 | 100,0 | 12 790 | 12 790 | 100,0 | - |
| Free State | - | - | 6 974 | 6 974 | 6 974 | 100,0 | 6 974 | 6 974 | 100,0 | - |
| Gauteng | - | - | 3 599 | 3 599 | 3 599 | 100,0 | 3 599 | 3 599 | 100,0 | - |
| KwaZulu-Natal | - | - | 12 508 | 12 508 | 12 508 | 100,0 | 12 508 | 12 508 | 100,0 | - |
| Limpopo | - | - | 11 523 | 11 523 | 11 523 | 100,0 | 11 523 | 11 523 | 100,0 | - |
| Mpumalanga | - | - | 7 533 | 7 533 | 7 533 | 100,0 | 7 533 | 7 533 | 100,0 | - |
| Northern Cape | - | - | 5 229 | 5 229 | 5 229 | 100,0 | 5 229 | 5 229 | 100,0 | - |
| North West | - | - | 9 723 | 9 723 | 9 723 | 100,0 | 9 723 | 9 723 | 100,0 | - |
| Western Cape | - | - | 6 121 | 6 121 | 6 121 | 100,0 | 6 121 | 6 121 | 100,0 | - |
| Subtotal | - | - | 76 000 | 76 000 | 76 000 | 100,0 | 76 000 | 76 000 | 100,0 | - |
| Veldt fires | | | | | | | | | | |
| Eastern Cape | - | - | 2 000 | 2 000 | 2 000 | 100,0 | 2 000 | 2 000 | 100,0 | - |
| Free State | - | - | 15 000 | 15 000 | 15 000 | 100,0 | 15 000 | 15 000 | 100,0 | - |
| Gauteng | - | - | 5 000 | 5 000 | 5 000 | 100,0 | 5 000 | - | - | - |
| KwaZulu-Natal | - | - | 5 000 | 5 000 | 5 000 | 100,0 | 5 000 | 5 000 | 100,0 | - |
| Limpopo | - | - | 5 000 | 5 000 | 5 000 | 100,0 | 5 000 | 5 000 | 100,0 | - |
| Mpumalanga | - | - | 6 000 | 6 000 | 6 000 | 100,0 | 6 000 | 6 000 | 100,0 | - |
| North West | - | - | 2 000 | 2 000 | 2 000 | 100,0 | 2 000 | 2 000 | 100,0 | - |
| Subtotal | - | - | 40 000 | 40 000 | 40 000 | 100,0 | 40 000 | 35 000 | 87,5 | - |

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009

**ANNEXURE 1C (cont.)
STATEMENT OF CONDITIONAL GRANTS PAID TO PROVINCES**

| Name of province/grant | Grant allocation | | | Transfer | | Spent | | 2007/08 Division of Revenue Act R'000 | |
|------------------------|--|------------------------|---|-----------------------------|-----------------------------|---|--|---|---|
| | Division of Revenue Act R'000 | Roll overs R'000 | Adjusted appropri- ation R'000 | Total available R'000 | Actual transfer R'000 | % of avail- able funds transferred % | Amount received by province R'000 | | Amount spent by province R'000 |
| Floods | | | | | | | | | |
| Western Cape | - | - | 9 000 | 9 000 | 9 000 | 100,0 | 9 000 | 9 000 | 100,0 |
| Sub total | - | - | 9 000 | 9 000 | 9 000 | 100,0 | 9 000 | 9 000 | 100,0 |
| Ilima/Letsema | | | | | | | | | |
| KwaZulu-Natal | - | - | 11 000 | 11 000 | 11 000 | 100,0 | 11 000 | 8 896 | 80,9 |
| Northern Cape | - | - | 45 000 | 45 000 | 45 000 | 100,0 | 45 000 | 31 595 | 70,2 |
| North West | - | - | 40 000 | 40 000 | 40 000 | 100,0 | 40 000 | 32 487 | 81,2 |
| Subtotal | - | - | 96 000 | 96 000 | 96 000 | 100,0 | 96 000 | 72 978 | 76,0 |
| Total | 583 887 | 93 077 | 221 000 | 897 964 | 897 964 | 100,0 | 897 964 | 805 294 | 89,7 |
| | | | | | | | | | 761 725 |



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009

ANNEXURE 1F STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

| Type | Grant allocation | | | Transfer | | Spent | | | 2007/08 Total available |
|------------------|------------------|------------------------|---------------------------|-----------------------------|-----------------------------|---|--|---|-------------------------------|
| | Amount R'000 | Roll overs R'000 | Adjust- ments R'000 | Total available R'000 | Actual transfer R'000 | % of avail- able funds transferred % | Amount received by municipality R'000 | Amount spent by municipality R'000 | |
| Vehicle licences | 414 | - | 38 | 452 | 332 | 73,5 | - | - | - |
| Municipalities | 414 | - | 38 | 452 | 332 | 73,5 | - | - | - |
| Total | 414 | - | 38 | 452 | 332 | 73,5 | - | - | - |

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009

ANNEXURE 1G STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

| Departmental agencies and accounts | Transfer allocation | | | Transfer | | 2007/08 Appropriation Act R'000 |
|---|---------------------------------|---------------------|----------------------|--------------------------|--------------------------|---------------------------------------|
| | Adjusted appropriation R'000 | Roll overs R'000 | Adjustments R'000 | Total available R'000 | Actual transfer R'000 | |
| National Agricultural Marketing Council | 22 459 | - | - | 22 459 | 22 459 | 100,0 |
| Agricultural Research Council | 514 556 | - | - | 514 556 | 514 556 | 100,0 |
| Water Research Commission | 2 500 | - | - | 2 500 | 2 500 | 100,0 |
| National Student Financial Aid Scheme | 5 022 | - | - | 5 022 | 5 022 | 100,0 |
| Public Service Education and Training Authority | 586 | - | - | 586 | 586 | 100,0 |
| Perishable Products Export Control Board | 600 | - | - | 600 | 600 | 100,0 |
| Owen Stole Agricultural College | 1 000 | - | - | 1 000 | - | - |
| Timpi Seleke Agricultural Training Centre | 1 000 | - | - | 1 000 | 872 | 87,2 |
| Eastern Cape Rural Finance Corporation | 65 000 | - | - | 65 000 | 65 000 | 100,0 |
| Total | 612 723 | - | - | 612 723 | 611 595 | 99,8 |
| | | | | | | 522 169 |



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009

ANNEXURE 1H STATEMENT OF TRANSFERS TO UNIVERSITIES AND TECHNIKONS

| Universities | Transfer allocation | | | Transfer | | 2007/08 Appropri- ation Act R'000 | | |
|----------------------------|---|------------------------|---------------------------|-----------------------------|-----------------------------|---|------------------------------------|---|
| | Adjusted appropri- ation R'000 | Roll overs R'000 | Adjust- ments R'000 | Total available R'000 | Actual transfer R'000 | | Amount not transferred R'000 | % of available funds transferred % |
| University of Pretoria | – | – | – | – | – | – | – | 200 |
| University of Stellenbosch | 3 604 | – | – | 3 604 | 3 604 | – | – | 3 606 |
| University of Fort Hare | 1 000 | – | – | 1 000 | 1 000 | – | – | – |
| University of Free State | 1 641 | – | – | 1 641 | 1 640 | 1 | – | – |
| Total | 6 245 | – | – | 6 245 | 6 244 | 1 | – | 3 806 |

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009

ANNEXURE 11 STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

| Name of public corporation/ private enterprise | Transfer allocation | | | | Expenditure | | | 2007/08 |
|--|------------------------|------------|--------------|-----------------|-----------------|----------------------------------|----------|------------------|
| | Adjusted appropriation | Roll overs | Adjustments | Total available | Actual transfer | % of available funds transferred | Capital | Current |
| | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Public corporations | | | | | | | | |
| Ncera Farms (Pty) Ltd | 2 395 | - | - | 2 395 | 2 395 | 100,0 | - | - |
| Red Meat Industry Forum | 1 | - | - | 1 | - | - | - | - |
| Land Bank | 72 100 | - | - | 72 100 | 72 100 | 100,0 | - | - |
| Development Bank of Southern Africa | 60 000 | - | - | 60 000 | - | - | - | - |
| Subtotal | 134 496 | - | - | 134 496 | 74 495 | 100,0 | - | - |
| Private Enterprises | | | | | | | | |
| Claims against the State | - | - | 1 358 | 1 358 | 1 344 | 98,9 | - | - |
| Non life insurance premiums | 47 | - | 17 | 64 | 51 | 79,7 | - | - |
| Blueiliesbush Dairy Farming (Pty) Ltd | 21 100 | - | - | 21 100 | 21 093 | 99,9 | - | - |
| Subtotal | 21 147 | - | 1 375 | 22 522 | 22 488 | 99,9 | - | 178 |
| Total | 1 55 643 | - | 1 375 | 157 018 | 96 983 | 61,8 | - | 1 000 045 |



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009

**ANNEXURE 1J
STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENTS AND INTERNATIONAL ORGANISATIONS**

| Foreign governments/ international organisations | Transfer allocation | | | Expenditure | | 2007/08 |
|---|------------------------|------------|--------------|-----------------|-----------------|-------------------|
| | Adjusted appropriation | Roll overs | Adjustments | Total available | Actual transfer | Appropriation Act |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| | | | | | | % |
| Transfers | | | | | | |
| International Union for the Protection of New Varieties of Plants | 390 | – | – | 390 | 390 | 100,0 |
| Office International des Epizooties | 540 | – | 505 | 1 045 | 1 045 | 100,0 |
| Organisation for Economic Co-operation and Development | 100 | – | (1) | 99 | 98 | 98,9 |
| International Grains Council | 189 | – | (54) | 135 | 134 | 99,3 |
| Office International de la Vigne et du Vin | 614 | – | (1) | 613 | 612 | 99,8 |
| Food and Agricultural Organization of the United Nations | 11 468 | – | 1 | 11 469 | 11 469 | 100,0 |
| Consultative Group on International Agricultural Research | 3 889 | – | – | 3 889 | 3 889 | 100,0 |
| Commonwealth Agricultural Bureau International | 168 | – | (13) | 155 | 155 | 100,0 |
| International Dairy Federation | 31 | – | 9 | 40 | 40 | 100,0 |
| International Cotton Advisory Council | 157 | – | 37 | 194 | 193 | 99,5 |
| International Fund for Agricultural Development | 4 000 | – | 1 046 | 5 046 | 4 997 | 99,0 |
| International Commission of Agricultural Engineering | 55 | – | (43) | 12 | – | – |
| International Seed testing association | 60 | – | (6) | 54 | 53 | 98,2 |
| Foreign rates and taxes | 169 | – | 62 | 231 | 228 | 98,7 |
| Food and Agricultural Organization of the United Nations: Capacity building | 12 000 | – | – | 12 000 | 12 000 | 100,0 |
| Total | 33 830 | – | 1 542 | 35 372 | 35 303 | 99,8 |

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009

**ANNEXURE 1K
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS**

| Non-profit institutions | Transfer allocation | | | Expenditure | | 2007/08 Appropriation Act R '000 |
|---|----------------------------------|----------------------|-----------------------|---------------------------|---------------------------|--|
| | Adjusted appropriation R '000 | Roll overs R '000 | Adjustments R '000 | Total available R '000 | Actual transfer R '000 | |
| | | | | | | |
| Transfers | | | | | | |
| Sterile Insect Technique | 6 000 | - | - | 6 000 | 6 000 | 100,0 |
| National Movement for Rural Women | 966 | - | - | 966 | 966 | 100,0 |
| Agribusiness linking projects | 400 | - | - | 400 | - | - |
| Cotton SA | 4 500 | - | - | 4 500 | 4 500 | 100,0 |
| National African Farmers' Union | 5 000 | - | - | 5 000 | 5 000 | 100,0 |
| Food and Trees for Africa | - | - | - | - | - | - |
| Collaborative International Pesticides Analytical Council | - | - | - | - | - | - |
| Aquaculture Association of Southern Africa | - | - | - | - | - | - |
| National Emergent Red Meat Producers Organisation | - | - | - | - | - | - |
| SA Sheep Shearing Federation – sponsorship | - | - | - | - | - | - |
| Entomology Congress | - | - | - | - | - | - |
| Total | 16 866 | - | - | 16 866 | 16 466 | 97,6 |



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009

ANNEXURE 1L STATEMENT OF TRANSFERS TO HOUSEHOLDS

| Households | Transfer allocation | | | Expenditure | | 2007/08 Appropriation Act R '000 | |
|----------------------------------|------------------------|---------------|--------------|-----------------|-----------------|---|----------------------------------|
| | Adjusted appropriation | Roll overs | Adjustments | Total available | Actual transfer | | % of available funds transferred |
| | R '000 | R '000 | R '000 | R '000 | R '000 | | % |
| Social benefits | 557 | — | 1 439 | 1 996 | 1 983 | 99,4 | 3 593 |
| Classical swine fever | 70 600 | 93 300 | — | 163 900 | 143 565 | 87,6 | 88 376 |
| Foot-and-mouth disease | 42 | — | — | 42 | 21 | 50,0 | — |
| Claims against the State | — | — | 27 | 27 | 22 | 81,5 | — |
| Female Farmer of the Year Awards | — | — | 2 380 | 2 380 | 2 135 | 89,7 | — |
| Total | 71 199 | 93 300 | 3 846 | 168 345 | 147 726 | 87,8 | 91 969 |

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009

**ANNEXURE 1M
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED**

| Name of organisation | Nature of gift, donation or sponsorship | 2008/09 | 2007/08 |
|--|---|---|--|
| | | R '000 | R '000 |
| Received in cash | | | |
| Greenhouse Gases and Animal Agriculture International funds for agriculture (IFAD) OIE | Conference in Christchurch New Zealand MERCOSUR seminar on family agriculture in Brazil 2 nd Global conference on animal welfare in Cairo | 26 51 3 | 26 — — |
| Subtotal | | 80 | 26 |
| Received in kind | | | |
| Philagro South Africa UP and Maize Trust Various sponsors Former female farmer of the year Future view holdings and Mustek Timber preservation services CC Various donations Nestle, Sita, Xpert and Paracon Several gift and donations Sizwe Business Networking Ms H Steyn | Cocktail function Speaker at a workshop Casual day 2008 Trophies for the female winners Year end function Team building day Team building day Nedbank golf challenge at Sun City Groofofontein students association Team Building Day Donate Beagle dog to Sedupe K9 Sniffer Dog Unit | 5 1 28 5 3 2 137 1 86 1 5 | — — — — — — 91 — 117 — — |
| Previous financial year 2007/08 | | | |
| ABSA Riverbed Tsolo College; Attache in Beijing; G Bruwer; Distell True Cape and Mercury media Arch Orinness Holdings, Pro-active college, HR Practice and Edu-skills OIE | 4 th World Congress for Rural Women in Durban Riverbed Accelerate conference in Lisbon Portugal Food, beverages and curios SMS year end function Year end function Contribution to attend working group for wildlife diseases | — — — — — — | 121 6 2 12 19 22 |
| Subtotal | | 274 | 390 |
| Total | | 354 | 416 |



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009

ANNEXURE 10 STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE FOR THE YEAR ENDED 31 MARCH 2009

| Nature of gift, donation or sponsorship | 2008/09 | 2007/08 |
|--|------------|------------|
| | R'000 | R'000 |
| Paid in cash | | |
| 10 th World Conference on animal production | 100 | – |
| Contribution to Onderstepoort Centenary Celebrations | 666 | – |
| Nelson Mandela Metropolitan University | 7 | – |
| Previous financial year 2007/08 | | |
| 9th NSTF Science and Technology event to sponsor the awards | – | 20 |
| Grain SA | – | 50 |
| Support to Nerpo's 10 th anniversary celebrations | – | 40 |
| Support to AASA conference | – | 40 |
| Agriculture 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 |
| 23 rd International Congress of Entomology | – | 500 |
| Total | 773 | 831 |

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009

**ANNEXURE 2B
STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO ENTITIES AS AT 31 MARCH 2009**

| Name of public entity | Nature of business | Cost of investment | | Net asset value of investment | | Amounts owing to entities | | Amounts owing by entities | |
|---------------------------------------|---|--------------------|---------|-------------------------------|---------|---------------------------|---------|---------------------------|---------|
| | | 2008/09 | 2007/08 | 2008/09 | 2007/08 | 2008/09 | 2007/08 | 2008/09 | 2007/08 |
| | | R '000 | | R '000 | | R '000 | | R '000 | |
| Controlled entities | | | | | | | | | |
| Ncera Farms (Pty) Ltd | Farmer support and related activities in Kidds Beach district | - | - | 1 | - | - | - | - | - |
| Onderstepoort Biological Products Ltd | Manufacturing of vaccines and related products | - | - | 1 | - | - | - | - | - |
| Total | | - | - | 2 | - | - | - | - | - |



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009

**ANNEXURE 3A
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2009 – LOCAL**

| Guarantor institution | Guarantee in respect of | Original guaranteed capital amount | Opening balance 1 April 2008 | Guarantees draw down during the year | Guarantees: repayments cancelled/reduced/released during the year | Currency revaluations | Closing balance 31 March 2009 | Guaranteed interest for year ended 31 March 2009 | Realised losses not recoverable |
|-----------------------------|-------------------------|------------------------------------|------------------------------|--------------------------------------|---|-----------------------|-------------------------------|--|---------------------------------|
| | | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Standard Bank | Housing | 687 | 261 | - | 51 | - | 210 | - | - |
| Nedbank (Cape of Good Hope) | Housing | 26 | 13 | - | - | - | 13 | - | - |
| Nedbank Ltd | Housing | 252 | 299 | 63 | 26 | - | 336 | - | - |
| First Rand Bank FNB | Housing | 425 | 97 | - | 11 | - | 86 | - | - |
| Nedbank (included BOE Bank) | Housing | 59 | 19 | - | - | - | 19 | - | - |
| ABSA | Housing | 1 239 | 351 | 54 | 104 | - | 301 | - | - |
| Peoples Bank (FBC FID) | Housing | 84 | 35 | - | - | - | 35 | - | - |
| Nedbank Ltd (NBS) | Housing | 216 | 57 | - | - | - | 57 | - | - |
| FNB (formerly Saambou) | Housing | 521 | 121 | - | 9 | - | 112 | - | - |
| Old Mutual Bank (Ned/Perm) | Housing | 454 | 165 | - | 5 | - | 160 | - | - |
| Green Star Home Loans | Housing | 17 | 17 | 45 | - | - | 62 | - | - |
| Unique Finance | Housing | 13 | 13 | - | - | - | 13 | - | - |
| Subtotal | | 3 993 | 1 448 | 162 | 206 | - | 1 404 | - | - |
| Land Bank | Other | | | | | | | | |
| Land Bank | Grain silo loans | 200 000 | 1 799 | - | 66 | - | 1 733 | - | - |
| 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 | 1 594 527 | - | 66 | - | 1 594 461 | - | - |
| Total | | 1 803 993 | 1 595 975 | 162 | 272 | - | 1 595 865 | - | - |

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009

**ANNEXURE 3B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2009**

| Nature of liability | Opening balance 01/04/2008 | Liabilities incurred during the year | Liabilities paid/ cancelled/reduced during the year | Liabilities recoverable | Closing balance 31/03/2009 |
|-------------------------------|-------------------------------|---|---|-------------------------|-------------------------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Claims against the department | 20 599 | 107 | 536 | – | 20 170 |
| Total | 20 599 | 107 | 536 | – | 20 170 |

| Nature of Liabilities recoverable | Opening balance 01/04/2008 | Details of liability and recoverability | | Movement during year | Closing balance 31/03/2009 |
|--|-------------------------------|--|--|-------------------------|-------------------------------|
| | R'000 | | | R'000 | R'000 |
| Vehicle accidents – Compensation | 176 | Claims: Motor vehicle accidents | | (6) | 170 |
| Claim on culling of pigs in the eradication of classical swine fever | 20 423 | Appeal case amount agreed for settlement | | (423) | 20 000 |
| Total | 20 599 | | | (429) | 20 170 |



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009

ANNEXURE 4 CLAIMS RECOVERABLE

| Government entity | Confirmed balance outstanding | | Unconfirmed balance outstanding | | Total | |
|---|-------------------------------|------------|---------------------------------|------------|--------------|------------|
| | 31/03/2009 | 31/03/2008 | 31/03/2009 | 31/03/2008 | 31/03/2009 | 31/03/2008 |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Departments | | | | | | |
| Trade and Industry | – | 9 | – | – | – | 9 |
| Justice and Constitutional Development | – | – | – | 9 | – | 9 |
| Public Works | – | – | – | 36 | – | 36 |
| Environmental Affairs and Tourism | – | 1 | 1 | – | 1 | 1 |
| The Office of the Presidency | – | 16 | – | – | – | 16 |
| Correctional Services | – | – | – | 20 | – | 20 |
| Water Affairs | – | 53 | – | 10 | – | 63 |
| National Treasury | – | – | – | 59 | – | 59 |
| South African Police Service | 1 | – | – | – | 1 | – |
| Land Affairs | 3 557 | – | – | – | 3 557 | – |
| Foreign Affairs | – | – | 1 108 | – | 1 108 | – |
| Health | 14 | – | – | – | 14 | – |
| Subtotal | 3 572 | 79 | 1 109 | 134 | 4 681 | 213 |
| Provincial departments | | | | | | |
| Gauteng | 5 | 17 | 102 | 93 | 107 | 110 |
| Eastern Cape | – | 22 | 199 | 24 | 199 | 46 |
| Limpopo | – | 12 | 19 | 67 | 19 | 79 |
| Northern Cape | – | 2 | – | – | – | 2 |
| KwaZulu-Natal | – | – | – | 28 | – | 28 |
| Mpumalanga | – | – | – | 19 | – | 19 |
| North West | – | – | – | 6 | – | 6 |
| Western Cape | – | 1 | – | – | – | 1 |
| Subtotal | 5 | 54 | 320 | 237 | 325 | 291 |
| Other government entities | | | | | | |
| Agricultural Research Council | – | – | – | 2 | – | 2 |
| Land Bank | – | 24 | – | – | – | 24 |
| International Trade Administration Communication of SA | – | – | – | 14 | – | 14 |
| Subtotal | – | 24 | – | 16 | – | 40 |
| Total | 3 577 | 157 | 1 429 | 387 | 5 006 | 544 |

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009

ANNEXURE 5
INTERGOVERNMENT PAYABLES

| Government entity | Confirmed balance outstanding | | Unconfirmed balance outstanding | | Total | |
|---|-------------------------------|--------------|---------------------------------|--------------|---------------|--------------|
| | 31/03/2009 | 31/03/2008 | 31/03/2009 | 31/03/2008 | 31/03/2009 | 31/03/2008 |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| DEPARTMENTS | | | | | | |
| CURRENT | | | | | | |
| National departments | | | | | | |
| Trade and Industry | – | – | – | 12 | – | 12 |
| South African Police Service | – | – | 23 | 132 | 23 | 132 |
| Labour | – | – | 9 | 40 | 9 | 40 |
| Environmental Affairs and Tourism | – | – | 25 | 14 | 25 | 14 |
| Public Works | – | – | 19 590 | 4 543 | 19 590 | 4 543 |
| Government Printing Works | – | – | – | 454 | – | 454 |
| Education | 2 | – | 2 | – | 4 | – |
| Land Affairs | – | – | 180 | – | 180 | – |
| Government Communication and Information system | – | – | 186 | – | 186 | – |
| Public Administration and Leadership and Management Academy | – | – | 788 | – | 788 | – |
| Provincial departments | | | | | | |
| <i>Gauteng Province</i> | | | | | | |
| Health | – | – | 15 | – | 15 | – |
| <i>Western Cape Province</i> | | | | | | |
| Agriculture | 28 | – | 369 | – | 397 | – |
| Transport and Public Works | – | – | – | 70 | – | 70 |
| <i>Mpumalanga Province</i> | | | | | | |
| Agriculture and Land Administration | – | – | – | 9 | – | 9 |
| <i>Free State Province</i> | | | | | | |
| Agriculture | 3 775 | 3 775 | – | – | 3 775 | 3 775 |
| <i>KwaZulu-Natal</i> | | | | | | |
| Agriculture | 33 540 | – | – | – | 33 540 | – |
| PUBLIC ENTITIES | | | | | | |
| ARC | – | 492 | – | – | – | 492 |
| Sita | – | – | – | 359 | – | 359 |
| Total | 37 345 | 4 267 | 21 187 | 5 633 | 58 532 | 9 900 |





PART 5

Human resources management

Overview

On 31 March 2009, the post establishment of the department totalled 3 285 posts. During the period under review, the vacancy rate on the departmental establishment increased from 13,6 to 17 % because of the creation of 290 additional posts, through organisation and work study investigations. Some of the challenges experienced during the year under review were the turnaround time for the filling of vacancies, which was hampered as a result of the implementation of the compulsory National Vetting Strategy, the competency assessment of SMS members and the lengthy job evaluation coordination process with the provincial departments of agriculture. The Organisation Development Committee (ODC), which was established in 2006, still monitors the management of vacancies in the department on a monthly basis, with a view to down scale the vacancy rate.

A total of 361 new staff members (appointments and transfers), including 6 members of the SMS and the Deputy Minister (who was transferred from the Department of Land Affairs to the Department of Agriculture on 1 April 2008), were employed during the period under review and a total of 149 employees, including 3 members of the SMS were promoted to higher positions in the department. A total of 251 employees, which includes 5 members of the SMS, left the service of the department as a result of resignations, transfers, deaths, retirements, dismissals/discharges and/or contract expiry. Most of the employees who left the department were on salary levels 6 to 8. The staff turnover rate for the period under review was 9,5 %.

The number of jobs that was subjected to job evaluation was 520, which resulted in the upgrading of the salary levels of 74 posts and the downgrading of the salary levels of 13 posts. The Job Evaluation Unit of the Directorate: Human Resources Management also played a lead role in the job evaluation coordination process for the agricultural public sector in order to develop generic job descriptions and to harmonise the salary levels for identified agricultural cross-cutting posts in the sector.

Altogether 17 disciplinary hearings were held and 8 disputes were lodged. A total of 41 injuries on duty cases were addressed, all of which required only basic medical attention. During the 2008/09 performance cycle, 38,1 % employees qualified for performance rewards.

Statistics

Statistical data are structured as follows:

1. Service delivery
2. Expenditure
3. Employment and vacancies
4. Job evaluation
5. Employment changes
6. Employment equity
7. Signing of performance agreements by SMS members
8. Filling of SMS posts
9. Performance rewards
10. Foreign workers
11. Leave utilisation for the period 1 January to 31 December 2008
12. HIV/Aids and health promotion programmes
13. Labour relations
14. Skills development
15. Injury on duty
16. 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 the progress made in the implementation of the plans.

TABLE 1.1 Main services provided and standards

| Main services | Actual customers | Potential customers | Standard of service | Actual achievement against standards |
|--|---|--|---|--|
| Programme: Livelihoods, Economics and Business Development | | | | |
| Access to financial services | Civil society organisations (CSOs) and PDAs, emerging farmers, cooperatives and rural entrepreneurs | Other government departments, associated financial institutions, farmer organisations, government departments, other DoA directorates and PDAs | Adherence to stipulated time frames | <ul style="list-style-type: none"> 49 farmers have gained access to financial assistance. A total of R973 926 has been disbursed to these farmers 12 institutions were accredited, including Khula Enterprise, which acts as an indemnity for the Mafisa funds |
| Coordinate the mobilisation of emerging farmers into cooperatives and self-help groups | Cooperatives, self-help groups, PDAs, local government, NGOs, organised agriculture, financial institutions | Farmer organisations, government departments, other DoA directorates, PDAs | Establishment of viable cooperatives and self-help groups that are controlled and directed by farmers | 324 cooperatives and 208 self-help groups have been established in various provinces |
| Entrepreneurship development and agricultural SMME capacity support | Designated groups (women, youth, etc.) | Emerging farmers and farmer organisations | Number of participants in each group | <ul style="list-style-type: none"> The excellence model has been facilitated on 15 entrepreneurial development projects as business skills intervention A total of 308 farmers have been trained, 305 on agricultural marketing and 3 on leather tanning |
| Programme: Bio-security and Disaster Management | | | | |
| Provide disaster risk information to clients including daily severe weather warnings | PDAs, farmer organisations and other directorates in the DoA | Other government departments, associated institutions, farmer organisations, other DoA directorates and PDAs | Timeliness, reliability, relevancy, quality and accuracy of disaster risk information | <ul style="list-style-type: none"> Issued 12 NAC advisories to the farming communities. 12 Summaries of these advisories were issued to DoA and PDA management 320 Extreme weather warnings, including suggested strategies were issued to the farming communities |
| Awareness campaigns on agricultural disaster risk management | Farmer organisations, government departments, other DoA directorates and PDAs | Farmer organisations, government departments, other DoA directorates and PDAs | Knowledgeable clients on ADRM services and products | <ul style="list-style-type: none"> Three weather and climate awareness workshops were conducted in three provinces, i.e. Gauteng, Mpumalanga and Free State in which about 80 officials participated Held disaster risk management awareness workshops in KwaZulu-Natal and Western Cape, where 123 and 62 people attended, respectively |

| Main services | Actual customers | Potential customers | Standard of service | Actual achievement against standards |
|---|--|--|---|---|
| Awareness campaigns on agricultural disaster risk management (<i>cont.</i>) | | | | <ul style="list-style-type: none"> Organised and facilitated two agro-meteorological workshops at the University of Free State (about 70 officials from PDAs and DoA) Made a presentation on disaster risk management in the Farmers' Agromet Workshop in Mpumalanga, in which about 70 farmers participated Held a National Agro-meteorological Committee Workshop in Limpopo where about 45 officials participated Made a presentation on climate change risks/impact on World Food Day: "World food security: challenges of climate change and bio-energy" in Mpumalanga where about 150 officials and farmers attended Provided inputs on impact of climate change into the Minister's speech on World Food Day: Idutywa, Eastern Cape |
| Recovery and rehabilitation | PDAs and farmers | Relevant directorates within the DoA | <ul style="list-style-type: none"> Access to support and guidance on conducting assessment as well as through implementation of disaster relief schemes Timeliness in the transfer of funds to relevant PDAs Relevance of assistance provided to farmers | <ul style="list-style-type: none"> Conducted drought assessments in Western and Eastern Cape Provinces Conducted veld fire assessments in all 9 provinces Conducted flood assessment in Eastern and Western Cape Provinces Made funds available for provinces affected by veld fires (Gauteng, Northern Cape, Free State, North West, Mpumalanga, Eastern Cape, Limpopo and KwaZulu-Natal) Made funds available for drought and floods in Western Cape Province |
| Programme: Production and Resources Management | | | | |
| Authorise import and export of animals and related genetic materials | Livestock owners and seed stock industry | Farmer organisations, government departments, other DoA directorates, PDAs | Timeous response | <ul style="list-style-type: none"> Import authorisations were given for 5 860 animals, 164 002 semen straws and 199 embryos. The number of authorisations for a permanent stay in the country was 118 300 (poultry) while 60 animals were authorised for a temporary stay Further authorisations were for 218 690 feedlot, slaughter and grazing importation animals. A total of 1 216 animals and 182 semen straws were authorised for exportation |





| Main services | Actual customers | Potential customers | Standard of service | Actual achievement against standards |
|--|---|---|---|--|
| Drilling of boreholes | Directorate: Food Security and Land Settlement, and PDAs | Relevant directorates within the DoA | <ul style="list-style-type: none"> • Able to drill 200 boreholes per year • Boreholes will be drilled and tested according to SANS standards • Boreholes must be fitted through programmes implemented by PDAs | Altogether 40 boreholes were drilled, 16 as part of the Kgalagadi project and 24 in Grootfontein |
| Programme: Sector Services and Partnerships | | | | |
| Facilitate investment opportunities and relations | The Minister, DoA directorates, other government departments, countries of priority interest (China, India and Brazil), foreign countries and the agricultural industry | Other government departments, DoA directorates and farmer organisations | Contact information available upon request and ensure that both countries' interests are met | A workshop on the development of PBR legislation was held in South Africa. A total of 16 delegates from SADC member states, senior officials from the Union for the Protection of New Varieties of Plants (UPOV), and the SADC Secretariat attended the workshop |
| Strengthen relations with agricultural stakeholders | Agricultural enterprises, commercial agriculture and commodity groups | Commodity groups | Improved support services | A number of meetings were facilitated and coordinated in an effort to promote relations with organised agriculture, particularly emerging farmers. The purpose of the meetings was to consult and finalise the report for approval by the State President |
| Assist agribusiness in gaining market access in Africa | Commercial agriculture | Large-scale farmers | Clients assisted in market access | Sector stakeholder CEOs and the DoA hosted a CEO forum. The meeting focused on the global economy crisis and its impact on agriculture; government response to food prices; food security and safety, water pollution; and the role of the CEO forum |

TABLE 1.2 Consultation arrangements with customers

| Type of arrangement | Actual customers | Potential customers | Actual achievements |
|---|---|---|---|
| Programme: Livelihoods, Economics and Business Development | | | |
| The service standards have been developed out of informal consultation with clients | PDA's, relevant DoA directorates, relevant government departments, organised agriculture and farmers | Other relevant directorates within the DoA | Mafisa framework is under development |
| Programme: Bio-security and Disaster Management | | | |
| <ul style="list-style-type: none"> The service standards (disaster relief framework) are developed in consultation with relevant stakeholders The service standards have been developed following consultation with clients and agreed-upon service standards | PDA's, relevant DoA directorates, relevant government departments, organised agriculture and farmers | Other relevant directorates within the DoA | Held a stakeholder meeting in Pretoria in December 2008 to discuss and agree on the relief scheme frameworks |
| Programme: Production and Resources Management | | | |
| The service standards have been developed following consultation with clients and agreed-upon service standards | PDA's, livestock owners | PDA's and farmer organisations | Literature review was completed. Draft guidelines compiled and approved (Guidelines for irrigation development) |
| Programme: Sector Services and Partnerships | | | |
| The service standards have been developed following consultation with clients and agreed-upon service standards | The Minister, DoA directorates, other government departments, countries of priority interest (China, India and Brazil), foreign countries, agricultural industry, agricultural enterprises, commercial agriculture and commodity groups | Other government departments, DoA directorates and farmer organisations | A number of meetings and workshops were held for various agricultural relations aspects |





TABLE 1.3 Service delivery access strategy

| Access strategy | Actual achievements |
|--|--|
| <p>Programme: Livelihoods, Economics and Business Development</p> <ul style="list-style-type: none"> • Walk in, fax, telephone and e-mail • Submission of business plans to DoA via e-mail or hard copy • Through DoA, One-stop shops (centres), PDAs, municipalities and targeted collaborations | <p>Meetings and workshops have been conducted with participating stakeholders</p> |
| <p>Programme: Bio-security and Disaster Management</p> <p>Through e-mail, fax, post, internet, hand delivery, direct contact, magazines and newsletters, banners, brochures, service points and at DoA offices</p> | <ul style="list-style-type: none"> • E-mailed and faxed 12 NAC advisories and about 320 extreme weather warnings to the farming communities • Conducted an assessment on the uptake of early warning information through direct interviews in Mpumalanga where about 35 officials and 70 farmers participated • Banners and brochures on agricultural disaster management were displayed during the farmers' information days • The services are accessed directly in the department, however, brochures and other information material on agricultural disaster management are also placed at the agricultural district centres in the provinces for further dissemination of information on services |
| <p>Programme: Production and Resources Management</p> <ul style="list-style-type: none"> • Through e-mail, fax, telephone and walk in • Visit DoA website and PDA offices, Pretoria (Delpen Building), online application at www.nda.agric.za • Written requests through the HOD of the province for projects identified as priority projects aligned with IFSNP and CASP programmes | |
| <p>Programme: Sector Services and Partnerships</p> <ul style="list-style-type: none"> • Reports on international engagements are posted on the intranet, phone calls on the intranet, letters, contacting the Minister and foreign countries (attaché and embassy) • Through phone, e-mail, intranet and fax | <p>A database on all international agreements was developed and posted on the intranet on the International Relations web page. The database of all agreements is updated continuously</p> |

TABLE 1.4 Service information tool

| Types of information tool | Actual achievements |
|---|---|
| Programme: Livelihoods, Economics and Business Development | |
| <ul style="list-style-type: none"> Visit website www.nda.agric.za or see pamphlets at PDAs Deputy Director: Agricultural Development Finance Support Unit, tel. 012 319 7295 Contact directorate: Directorate: Business and Entrepreneurial Development, tel. 012 319 8460 | Pamphlets are obtainable through participating institutions and PDAs |
| Programme: Bio-security and Disaster Management | |
| <ul style="list-style-type: none"> Magazines and newsletters, brochures and DoA website PA:DADRM@nda.agric.za or tel. 012 319 7956 | <ul style="list-style-type: none"> 12 advisories were posted on the DoA and AGIS websites Two press releases on summer and winter seasons were issued |
| Programme: Production and Resources Management | |
| <ul style="list-style-type: none"> Phone or visit any office of the DoA and ask for pamphlets or visit our online help facility at www.nda.agric.za Brochures, farmers' information days, agricultural publications At van Coller Pr. Eng, Director: Agricultural Engineering Services | |
| Programme: Sector Services and Partnerships | |
| <ul style="list-style-type: none"> DIR@nda.agric.za or tel: 012 319 7348, attachés in respective countries, Department of Foreign Affairs DIISR@nda.agric.za or tel: 012 319 7348 | All relevant information is posted on the web page |

2. EXPENDITURE

This section covers the departmental budget 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 2008/09

| 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 per-sonnel cost per employee (R'000) |
|--|---------------------------|-------------------------------|------------------------------|---|--|--|
| 1. Administration | 297 415 | 123 806 | 4 767 | 11 815 | 41,6 | 44 |
| 2. Livelihoods, Economics and Business Development | 589 228 | 176 796 | 554 | 9 363 | 8,5 | 63 |
| 3. Bio-security and Disaster Management | 748 484 | 63 515 | 2 518 | 1 573 | 30,0 | 23 |
| 4. Production and Resources Management | 418 868 | 89 791 | 1 079 | 3 552 | 21,4 | 32 |
| 5. Sector Services and Partnerships | 793 874 | 54 732 | 13 406 | 7 522 | 6,9 | 20 |
| Total | 2 847 871 | 508 641 | 22 324 | 33 825 | 17,9 | 182 |





TABLE 2.2 Personnel costs by salary bands 2008/09

| Salary bands | Personnel expenditure (R'000) | % of total personnel costs | Average personnel cost per employee (R'000) |
|--|-------------------------------|----------------------------|---|
| Lower skilled (Levels 1–2) | 33 388 | 6,6 | 70 |
| Skilled (Levels 3–5) | 57 418 | 11,3 | 89 |
| Highly skilled production (Levels 6–8) | 179 428 | 35,3 | 184 |
| Highly skilled supervision (Levels 9–12) | 174 747 | 34,4 | 304 |
| Senior management (Levels 13–16) | 40 790 | 8,0 | 658 |
| Contract (Levels 1–2) | 790 | 0,2 | 49 |
| Contract (Levels 3–5) | 1 107 | 0,2 | 92 |
| Contract (Levels 6–8) | 4 134 | 0,8 | 180 |
| Contract (Levels 9–12) | 2 112 | 0,4 | 422 |
| Contract (Levels 13–16) | 2 432 | 0,5 | 1 216 |
| Periodical remuneration | 5 663 | 1,1 | 7 |
| Abnormal appointments | 6 631 | 1,3 | 21 |
| Total | 508 640 | 100,0 | 130 |

* 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 (HOA) and medical assistance by programme 2008/09

| Programme | Salaries | | Overtime | | Home owner's 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 | 83 703 | 67,6 | 798 | 0,6 | 3 855 | 3,1 | 6 286 | 5,1 |
| 2. Livelihoods, Economics and Business Development | 42 788 | 67,4 | – | – | 1 391 | 2,2 | 2 569 | 4,0 |
| 3. Bio-security and Disaster Management | 112 340 | 63,5 | 15 730 | 8,9 | 3 753 | 2,1 | 7 831 | 4,4 |
| 4. Production and Resources Management | 57 821 | 64,4 | 249 | 0,3 | 2 357 | 2,6 | 3 906 | 4,4 |
| 5. Sector Services and Partnerships | 29 302 | 53,5 | 283 | 0,5 | 1 218 | 2,2 | 2 008 | 3,7 |
| Total | 325 953 | 64,1 | 17 060 | 3,4 | 12 574 | 2,5 | 22 600 | 4,4 |

TABLE 2.4 Salaries, overtime, home owner's allowance and medical assistance by salary band 2008/09

| Salary bands | Salaries | | Overtime | | Home owner's 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) | 23 347 | 69,9 | 555 | 1,7 | 1 744 | 5,2 | 2 095 | 6,3 |
| Skilled (Levels 3-5) | 39 738 | 69,2 | 1 035 | 1,8 | 2 821 | 4,9 | 3 951 | 6,9 |
| Highly skilled production (Levels 6-8) | 94 168 | 52,5 | 13 627 | 7,6 | 3 916 | 2,2 | 9 440 | 5,3 |
| Highly skilled supervision (Levels 9-12) | 125 762 | 72,0 | 1 842 | 1,1 | 2 494 | 1,4 | 6 342 | 3,6 |
| Senior management (Levels 13-16) | 32 980 | 80,9 | - | - | 1 502 | 3,7 | 748 | 1,8 |
| Contract (Levels 1-2) | 767 | 97,1 | - | - | - | - | - | - |
| Contract (Levels 3-5) | 1 084 | 97,9 | 1 | 0,1 | - | - | - | - |
| Contract (Levels 6-8) | 4 063 | 98,3 | - | - | 1 | - | - | - |
| Contract (Levels 9-12) | 1 985 | 94,0 | - | - | - | - | 4 | 0,2 |
| Contract (Levels 13-16) | 2 059 | 84,7 | - | - | 96 | 4,0 | 20 | 0,8 |
| Total | 325 953 | 64,1 | 17 060 | 3,4 | 12 574 | 2,5 | 22 600 | 4,4 |

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 that 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 need 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 2009

| Programme | No. of posts | No. of posts filled | Vacancy rate (%) | No. of posts filled in addition to the establishment |
|--|---------------|---------------------|------------------|--|
| 1. Administration | 791 | 677 | 14,4 | 6 |
| 2. Livelihoods, Economics and Business Development | 282 | 239 | 15,2 | 9 |
| 3. Bio-security and Disaster Management | 1 329 | 1 073 | 19,3 | 1 |
| 4. Production and Resources Management | 576 | 514 | 10,8 | 27 |
| 5. Sector Services and Partnerships | 307 | 223 | 27,4 | 19 |
| Total | 3 285* | 2 726* | 17,0 | 62 |

* No. of posts, including Minister and Deputy Minister





TABLE 3.2 Employment and vacancies by salary bands, 31 March 2009

| Salary band | No. of posts | No. of posts filled | Vacancy rate (%) | No. of posts filled in addition to the establishment |
|--|---------------|---------------------|------------------|--|
| Lower skilled (Levels 1–2) | 531 | 476 | 10,4 | 16 |
| Skilled (Levels 3–5) | 746 | 662 | 11,3 | 13 |
| Highly skilled production (Levels 6–8) | 1 206 | 954 | 20,9 | 25 |
| Highly skilled supervision (Levels 9–12) | 732 | 575 | 21,4 | 5 |
| Senior management (Levels 13–16) | 68 | 57 | 16,2 | 3 |
| Total | 3 283* | 2 724* | 17,0 | 62 |

* No. of posts, excluding Minister and Deputy Minister

TABLE 3.3 Employment and vacancies by critical occupation at 31 March 2009

| Critical occupations | No. of posts | No. of posts filled | Vacancy rate (%) | No. of posts filled in addition to the establishment |
|---|--------------|---------------------|------------------|--|
| Administrative related | 129 | 105 | 18,6 | 8 |
| Agricultural animal, oceanography, forestry and other science | 167 | 119 | 28,7 | 2 |
| Agriculture related | 277 | 231 | 16,6 | 9 |
| Aircraft pilots and related associate professionals | 1 | 1 | – | – |
| All artisans in the building, metal, machinery, etc. | 47 | 46 | 2,1 | – |
| Appraisers/valuers and related professionals | 19 | 17 | 10,5 | – |
| Archivists, curators and related professionals | 2 | 2 | – | – |
| Auxiliary and related workers | 82 | 72 | 12,2 | – |
| Biochemistry, pharmacology, zoology and life science technicians | 43 | 33 | 23,3 | – |
| Building and other property caretakers | 24 | 23 | 4,2 | – |
| Bus and heavy vehicle drivers | 6 | 5 | 16,7 | – |
| Chemists | 1 | 1 | – | – |
| Cleaners in offices workshops hospitals etc. | 94 | 86 | 8,5 | – |
| Client information clerks (switchboard, reception and information clerks) | 8 | 7 | 12,5 | 2 |
| Communication and information related | 9 | 7 | 22,2 | – |
| Computer programmers | 1 | 1 | – | – |
| Computer system designers and analysts | 10 | 8 | 20,0 | – |
| Custodian personnel | 1 | 1 | – | – |
| Economists | 30 | 27 | 10,0 | – |
| Engineering sciences related | 2 | 1 | 50,0 | – |
| Engineers and related professionals | 13 | 6 | 53,8 | – |
| Farhands and labourers | 186 | 161 | 13,4 | 8 |

| Critical occupations | No. of posts | No. of posts filled | Vacancy rate (%) | No. of posts filled in addition to the establishment |
|--|--------------|---------------------|------------------|--|
| Farming forestry advisors and farm managers | 11 | 4 | 63,6 | 5 |
| Finance and economics related | 73 | 53 | 27,4 | - |
| Financial and related professionals | 26 | 24 | 7,7 | - |
| Financial clerks and credit controllers | 91 | 71 | 22,0 | - |
| Food services aids and waiters | 23 | 23 | - | - |
| Head of department/chief executive officer | 1 | 1 | - | - |
| Health sciences related | 4 | 4 | - | - |
| Horticulturists, foresters, agricultural and forestry technicians | 350 | 221 | 36,9 | 1 |
| Household and laundry workers | 19 | 17 | 10,5 | - |
| Human resources and organisational development and related professionals | 29 | 22 | 24,1 | - |
| Human resources clerks | 55 | 49 | 10,9 | 1 |
| Human resources related | 13 | 10 | 23,1 | - |
| Information technology related | 1 | 1 | - | - |
| Language practitioners, interpreters and other communicators | 23 | 19 | 17,4 | - |
| Legal related | 6 | 4 | 33,3 | - |
| Librarians and related professionals | 1 | 1 | - | - |
| Library mail and related clerks | 65 | 57 | 12,3 | 3 |
| Light vehicle drivers | 7 | 6 | 14,3 | - |
| Logistical support personnel | 19 | 17 | 10,5 | - |
| Material-recording and transport clerks | 78 | 67 | 14,1 | - |
| Mechanical engineering technicians | 3 | 2 | 33,3 | - |
| Messengers, porters and deliverers | 61 | 58 | 4,9 | 1 |
| Motor vehicle drivers | 39 | 38 | 2,6 | - |
| Motorised farm and forestry plant operators | 6 | 5 | 16,7 | - |
| Nature conservation and oceanographically related technicians | 55 | 49 | 10,9 | - |
| Other administrative and related clerks and organisers | 264 | 222 | 15,9 | 8 |
| Other administrative policy and related officers | 67 | 61 | 9,0 | 1 |
| Other information technology personnel | 4 | 4 | - | - |
| Printing and related machine operators | 8 | 7 | 12,5 | - |
| Printing planners and production controllers | 1 | 1 | - | - |
| Rank: Minister | 1 | 1 | - | - |
| Rank: Deputy Minister | 1 | 1 | - | - |
| Regulatory inspectors | 17 | 16 | 5,9 | - |
| Risk management and security services | 6 | 4 | 33,3 | - |
| Road trade workers | 12 | 12 | - | - |
| Safety health and quality inspectors | 55 | 49 | 10,9 | - |
| Secretaries and other keyboard operating clerks | 78 | 60 | 23,1 | 2 |
| Security guards | 9 | 9 | - | - |





| Critical occupations | No. of posts | No. of posts filled | Vacancy rate (%) | No. of posts filled in addition to the establishment |
|---|---------------|---------------------|------------------|--|
| Security officers | 76 | 65 | 14,5 | — |
| Senior managers | 62 | 51 | 17,7 | 3 |
| Social sciences related | 1 | — | 100,0 | — |
| Statisticians and related professionals | 23 | 20 | 13,0 | — |
| Trade labourers | 352 | 333 | 5,4 | 8 |
| Veterinarians | 34 | 24 | 29,4 | — |
| Veterinary assistants | 2 | 2 | — | — |
| Water plant and related operators | 1 | 1 | — | — |
| Total | 3 285* | 2 726* | 17,0 | 62 |

* No. of posts, including Minister and Deputy Minister

The information reflects the situation as at 31 March 2009. For an indication of changes in staffing patterns over the year under review, see 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.

Table 4.1 summarises the jobs that were evaluated during the year under review. It also provides statistics on the number of posts that were upgraded or downgraded.

TABLE 4.1 Job evaluation, 1 April 2008 to 31 March 2009

| Salary band | No. of posts | No. of jobs evaluated | % of posts evaluated by salary bands | Posts upgraded | | Posts downgraded | |
|--|---------------|-----------------------|--------------------------------------|----------------|----------------------|------------------|----------------------|
| | | | | No. | % of posts evaluated | No. | % of posts evaluated |
| Lower skilled (Levels 1–2) | 531 | 95 | 17,9 | 8 | 8,4 | — | — |
| Skilled (Levels 3–5) | 746 | 76 | 10,2 | 33 | 43,4 | — | — |
| Highly skilled production (Levels 6–8) | 1 206 | 286 | 23,7 | 19 | 6,6 | 12 | 4,2 |
| Highly skilled supervision (Levels 9–12) | 732 | 60 | 8,2 | 14 | 23,3 | 1 | 1,7 |
| Senior Management Service Band A | 47 | 3 | 6,4 | — | — | — | — |
| Senior Management Service Band B | 14 | — | — | — | — | — | — |
| Senior Management Service Band C | 6 | — | — | — | — | — | — |
| Senior Management Service Band D | 1 | — | — | — | — | — | — |
| Total | 3 283* | 520 | 15,8 | 74 | 14,2 | 13 | 2,5 |

* No. of posts, excluding Minister and Deputy 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 automatically absorbed into the new posts and some of the posts upgraded could also be vacant.

TABLE 4.2 Profile of employees whose positions were upgraded due to their posts being upgraded, 1 April 2008 to 31 March 2009

| Beneficiaries | African | Asian | Coloured | White | Total |
|---------------|-----------|----------|-----------|-----------|-----------|
| Female | 13 | 1 | 2 | 6 | 22 |
| Male | 21 | – | 11 | 9 | 41 |
| Total | 34 | 1 | 13 | 15 | 63 |

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 level exceeds the grade determined by job evaluation, 1 April 2008 to 31 March 2009 (in terms of PSR 1.V.C.3)

| Occupation | No. of employees | Job evaluation level | Remuneration level | Reason for deviation |
|---|------------------|----------------------|--------------------|----------------------|
| Material-recording and transport clerks | 1 | 5 | 6 | Job evaluation |
| Administrative related | 1 | 11 | 12 | Job evaluation |
| Administrative related | 1 | 9 | 10 | Job evaluation |
| Communication and information related | 1 | 11 | 12 | Job evaluation |
| Agricultural animal, oceanography, forestry and other sciences | 1 | 11 | 12 | Job evaluation |
| Auxiliary and related workers | 1 | 2 | 4 | Job evaluation |
| Other administrative and related clerks and organisers | 3 | 4 | 6 | Job evaluation |
| Other administrative and related clerks and organisers | 1 | 4 | 5 | Job evaluation |
| Other administrative and related clerks and organisers | 7 | 5 | 6 | Job evaluation |
| Finance and economics related | 1 | 9 | 11 | Job evaluation |
| Human resources related | 1 | 11 | 12 | Job evaluation |
| Agriculture related | 1 | 11 | 12 | Job evaluation |
| Security officers | 2 | 3 | 4 | Job evaluation |
| Security officers | 4 | 3 | 5 | Job evaluation |
| Security officers | 10 | 3 | 6 | Job evaluation |
| Safety health and quality inspectors | 1 | 9 | 10 | Job evaluation |
| Financial clerks and credit controllers | 3 | 5 | 6 | Job evaluation |
| Statisticians and related professionals | 2 | 8 | 9 | Job evaluation |
| Total no. of employees whose salaries exceeded the level determined by job evaluation in 2008/09 | 42 | | | |
| % of total employment | 1,5 | | | |





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 level exceeded the grade determined by job evaluation, 1 April 2008 to 31 March 2009 (in terms of PSR 1.V.C.3)

| Beneficiaries | African | Asian | Coloured | White | Total |
|------------------------------------|------------|------------|------------|------------|------------|
| Female | 2 | - | 1 | 14 | 17 |
| Male | 5 | 1 | - | 19 | 25 |
| Total | 7 | 1 | 1 | 33 | 42 |
| Employees with a disability | - | - | - | - | - |
| % of total employment | 0,4 | 2,5 | 0,3 | 6,4 | 1,5 |

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 2008 to 31 March 2009

| Salary band | No. of employees per band as at 1 April 2008 | Appointments and transfers into the department | Terminations and transfers out of the department | Turnover rate (%) |
|--|--|--|--|-------------------|
| Lower skilled (Levels 1–2) | 466 | 44 | 24 | 5,2 |
| Skilled (Levels 3–5) | 673 | 83 | 53 | 7,9 |
| Highly skilled production (Levels 6–8) | 892 | 166 | 114 | 12,8 |
| Highly skilled supervision (Levels 9–12) | 554 | 61 | 55 | 9,9 |
| Senior Management Service Band A | 36 | 4 | 2 | 5,6 |
| Senior Management Service Band B | 12 | - | 1 | 8,3 |
| Senior Management Service Band C | 4 | 2 | 1 | 25,0 |
| Senior Management Service Band D | 1 | 1 | 1 | 100,0 |
| Total | 2 638* | 361 | 251 | 9,5 |

* No. of employees, excluding Minister and Deputy Minister

TABLE 5.2 Annual turnover rates by critical occupation for the period 1 April 2008 to 31 March 2009

| Occupation | No. of employees per occupation as at 1 April 2008 | Appointments and transfers into the department | Terminations and transfers out of the department | Turnover rate (%) |
|---|--|--|--|-------------------|
| Administrative related, permanent | 97 | 20 | 15 | 15,5 |
| Agricultural animal, oceanography, forestry and other sciences, permanent | 116 | 25 | 14 | 12,1 |
| Agriculture related, permanent | 247 | 98 | 19 | 7,7 |
| Aircraft pilots and related associate professionals, permanent | 1 | — | — | — |
| All artisans in building, metal, machinery, etc., permanent | 46 | — | 5 | 10,9 |
| Appraisers, valuers and related professionals, permanent | 18 | 1 | 1 | 5,6 |
| Archivists curators and related professionals, permanent | 2 | — | — | — |
| Auxiliary and related workers, permanent | 69 | 7 | 4 | 5,8 |
| Biochemistry, pharmacology, zoology and life science, technicians, permanent | 29 | 3 | 3 | 10,3 |
| Building and other property caretakers, permanent | 23 | 1 | — | — |
| Bus and heavy vehicle drivers, permanent | 7 | — | — | — |
| Chemists, permanent | 1 | 1 | — | — |
| Civil engineering technicians, permanent | — | — | — | — |
| Cleaners in offices, workshops, hospitals, etc., permanent | 95 | 2 | 6 | 6,3 |
| Client information clerks, permanent | 7 | — | — | — |
| Communication and information related, permanent | 7 | 4 | 2 | 28,6 |
| Computer programmers, permanent | 1 | — | — | — |
| Computer system designers and analysts, permanent | 9 | 1 | — | — |
| Custodian personnel, permanent | 1 | — | — | — |
| Earth moving and related plant operators, permanent | — | — | — | — |
| Economists, permanent | 26 | 1 | — | — |
| Engineering sciences related, permanent | 2 | — | — | — |
| Engineers and related professionals, permanent | 8 | — | 2 | 25,0 |
| Farmhands and labourers, permanent | 162 | 9 | 15 | 9,3 |
| Farming, forestry advisors and farm managers, permanent | 5 | — | 3 | 60,0 |
| Finance and economics related, permanent | 48 | 9 | 4 | 8,3 |
| Financial and related professionals, permanent | 21 | 3 | 1 | 4,8 |
| Financial clerks and credit controllers, permanent | 79 | 16 | 16 | 20,3 |
| Food services aids and waiters, permanent | 23 | 2 | — | — |
| General, legal, administration and related professionals, permanent | 1 | — | — | — |
| Head of department/chief executive officer, permanent | 1 | — | 1 | 100,0 |
| Health sciences related, permanent | 3 | 1 | — | — |
| Horticulturists, foresters, agricultural and forestry technicians, permanent | 133 | 9 | 12 | 9,0 |
| Household and laundry workers, permanent | 19 | — | 2 | 10,5 |
| Human resources and organisational development and related professionals, permanent | 23 | 3 | 8 | 34,8 |
| Human resources clerks, permanent | 49 | 10 | 10 | 20,4 |





| Occupation | No. of employees per occupation as at 1 April 2008 | Appointments and transfers into the department | Terminations and transfers out of the department | Turnover rate (%) |
|---|--|--|--|-------------------|
| Human resources related, permanent | 12 | – | 2 | 16,7 |
| Information technology related, permanent | 1 | – | – | – |
| Language practitioners, interpreters and other communicators | 15 | 7 | 4 | 26,7 |
| Legal related, permanent | 4 | 1 | – | – |
| Librarians and related professionals, permanent | 61 | 4 | 7 | 11,5 |
| Library, mail and related clerks, permanent | 7 | – | – | – |
| Light vehicle drivers, permanent | 9 | 3 | – | – |
| Logistical support personnel, permanent | 62 | 10 | 6 | 9,7 |
| Material–recording and transport clerks, permanent | 1 | – | – | – |
| Mechanical engineering technicians, permanent | 58 | 4 | 2 | 3,4 |
| Messengers, porters and deliverers, permanent | 41 | 1 | – | – |
| Motor vehicle drivers, permanent | 5 | – | – | – |
| Motorised farm and forestry plant operators, permanent | 50 | 4 | 7 | 14,0 |
| Nature conservation and oceanography related technicians, permanent | 219 | 31 | 21 | 9,6 |
| Other administrative and related clerks and organisers, permanent | 56 | 8 | 5 | 8,9 |
| Other administrative policy and related officers, permanent | 2 | 1 | – | – |
| Other information technology personnel, permanent | 8 | – | 1 | 12,5 |
| Printing and related machine operators, permanent | 1 | – | – | – |
| Printing planners and production controllers, permanent | 1 | – | – | – |
| Minister | 1 | – | – | – |
| Deputy Minister | 1 | – | – | – |
| Regulatory inspectors, permanent | 17 | – | 3 | 17,6 |
| Risk management and security services, permanent | 6 | – | 4 | 66,7 |
| Road trade workers, permanent | 14 | – | – | – |
| Safety health and quality inspectors, permanent | 48 | 4 | 3 | 6,3 |
| Secretaries and other keyboard operating clerks, permanent | 66 | 8 | 13 | 19,7 |
| Security guards, permanent | 9 | – | – | – |
| Security officers, permanent | 70 | 6 | 11 | 15,7 |
| Senior managers, permanent | 47 | 6 | 4 | 8,5 |
| Statisticians and related professionals, permanent | 1 | 3 | – | – |
| Social sciences related, permanent | 19 | – | – | – |
| Trade labourers, permanent | 324 | 29 | 13 | 4,0 |
| Veterinarians, permanent | 22 | 5 | 2 | 9,1 |
| Veterinary assistants, permanent | 2 | – | – | – |
| Water plant and related operators, permanent | 1 | – | – | – |
| Total | 2 640* | 361 | 251 | 9,5 |

* No. of employees, including Minister and Deputy Minister

Table 5.3 identifies the major reasons why staff is leaving the department.

TABLE 5.3 Reasons why staff is leaving the department

| Termination type | No. | % of total |
|------------------------------|------------|--------------|
| Death | 18 | 7,2 |
| Resignation | 75 | 29,9 |
| Discharged due to ill health | 6 | 2,4 |
| Dismissal—misconduct | 7 | 2,8 |
| Retirement | 31 | 12,3 |
| Transfers | 114 | 45,4 |
| Total | 251 | 100,0 |

TABLE 5.4 Promotions by critical occupation

| Occupation | Employees as at 1 April 2008 | 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 | 97 | 9 | 9,3 | 51 | 52,6 |
| Agricultural animal, oceanography, forestry and other sciences | 116 | 6 | 5,2 | 57 | 49,1 |
| Agriculture related | 247 | 19 | 7,7 | 154 | 62,3 |
| Aircraft pilots and related associate professionals | 1 | — | — | — | — |
| All artisans in building, metal, machinery, etc. | 46 | 11 | 23,9 | 17 | 37,0 |
| Appraisers, valuers and related professionals | 18 | — | — | 4 | 22,2 |
| Archivists curators and related professionals | 2 | — | — | — | — |
| Auxiliary and related workers | 69 | 7 | 10,1 | 41 | 59,4 |
| Biochemistry, pharmacology, zoology and life science technicians | 29 | 4 | 13,8 | 47 | 162,1 |
| Building and other property caretakers | 23 | — | — | 10 | 43,5 |
| Bus and heavy vehicle drivers | 7 | — | — | 3 | 42,9 |
| Chemists | 1 | — | — | 1 | 100,0 |
| Cleaners in offices, workshops, hospitals, etc. | 95 | — | — | 33 | 34,7 |
| Client information clerks (switchboard, reception and information clerks) | 7 | — | — | 6 | 85,7 |
| Communication and information related | 7 | 1 | 14,3 | 2 | 28,6 |
| Computer programmers | 1 | — | — | — | — |
| Computer system designers and analysts | 9 | — | — | 2 | 22,2 |
| Custodian personnel | 1 | — | — | 1 | 100,0 |
| Economists | 26 | 2 | 7,7 | 18 | 69,2 |
| Engineering sciences related | 2 | — | — | — | — |
| Engineers and related professionals | 8 | — | — | 4 | 50,0 |





| Occupation | Employees as at 1 April 2008 | 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 |
|---|------------------------------|------------------------------------|---|---|--|
| Farmhands and labourers | 162 | 2 | 1,2 | 47 | 29,0 |
| Farming, forestry advisors and farm managers | 5 | - | - | 3 | 60,0 |
| Finance and economics related | 48 | 5 | 10,4 | 24 | 50,0 |
| Financial and related professionals | 21 | 1 | 4,8 | 2 | 9,5 |
| Financial clerks and credit controllers | 79 | 8 | 10,1 | 27 | 34,2 |
| Food services aids and waiters | 23 | - | - | 2 | 8,7 |
| General, legal, administration and related professionals | 1 | - | - | - | - |
| Head of department/chief executive officer | 1 | - | - | - | - |
| Health sciences related | 3 | - | - | 2 | 66,7 |
| Horticulturists, foresters, agricultural and forestry technicians | 133 | 8 | 6,0 | 59 | 44,4 |
| Household and laundry workers | 19 | - | - | 5 | 26,3 |
| Human resources, organisation development and related professionals | 23 | 4 | 17,4 | 8 | 34,8 |
| Human resources clerks | 49 | 8 | 16,3 | 17 | 34,7 |
| Human resources related | 12 | - | - | 4 | 33,3 |
| Information technology related | 1 | - | - | 1 | 100,0 |
| Language practitioners, interpreters and other communicators | 15 | 1 | 6,7 | 3 | 20,0 |
| Legal related | 4 | - | - | 1 | 25,0 |
| Librarians and related professionals | 1 | - | - | - | - |
| Library, mail and related clerks | 61 | 4 | 6,6 | 30 | 49,2 |
| Light vehicle drivers | 7 | 1 | 14,3 | 4 | 57,1 |
| Logistical support personnel | 9 | 2 | 22,2 | 2 | 22,2 |
| Material-recording and transport clerks | 62 | 7 | 11,3 | 22 | 35,5 |
| Mechanical engineer | 1 | - | - | 1 | 100,0 |
| Messengers, porters and deliverers | 58 | - | - | 12 | 20,7 |
| Motor vehicle drivers | 41 | 3 | 7,3 | 27 | 65,9 |
| Motorised farm and forestry plant operators | 5 | - | - | 5 | 100,0 |
| Nature conservation and oceanography related technicians | 50 | 3 | 6,0 | 31 | 62,0 |
| Other administrative and related clerks and organisers | 219 | 11 | 5,0 | 100 | 45,7 |
| Other administrative policy and related officers | 56 | 2 | 3,6 | 24 | 42,9 |
| Other information technology personnel | 2 | - | - | 2 | 100,0 |
| Printing and related machine operators | 8 | - | - | 7 | 87,5 |
| Printing planners and production controllers | 1 | - | - | 1 | 100,0 |
| Minister & Deputy Minister | 2 | - | - | - | - |
| Regulatory inspectors | 17 | 3 | 17,6 | 12 | 70,6 |
| Risk management and security services | 6 | - | - | 3 | 50,0 |
| Road trade workers | 14 | 1 | 7,1 | 9 | 64,3 |

| Occupation | Employees as at 1 April 2008 | Promotions to another salary level | Salary level promotions as a % of employees by occupation | Progressions to another notch within salary level | Notch progression as a % of employees by occupation |
|---|------------------------------|------------------------------------|---|---|---|
| Safety, health and quality inspectors | 48 | – | – | 7 | 14,6 |
| Secretaries and other keyboard operating clerks | 66 | 7 | 10,6 | 30 | 45,5 |
| Security guards | 9 | – | – | 1 | 11,1 |
| Security officers | 70 | 4 | 5,7 | 16 | 22,9 |
| Senior managers | 47 | 2 | 4,3 | 16 | 34,0 |
| Social sciences related | 1 | 1 | 100,0 | 1 | 100,0 |
| Statisticians and related professionals | 19 | 2 | 10,5 | 9 | 47,4 |
| Trade labourers | 324 | – | – | 152 | 46,9 |
| Veterinarians | 22 | – | – | 8 | 36,4 |
| Veterinary assistants | 2 | – | – | 2 | 100,0 |
| Water plant and related operators | 1 | – | – | 1 | 100,0 |
| Total | 2 640* | 149 | 5,6 | 1 191 | 45,1 |

* No. of employees, including Minister and Deputy Minister

TABLE 5.5 Promotions by salary band

| Salary band | Employees as at 1 April 2008 | 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) | 466 | 2 | 0,4 | 237 | 50,9 |
| Skilled (Levels 3–5) | 673 | 32 | 4,8 | 243 | 36,1 |
| Highly skilled production (Levels 6–8) | 892 | 66 | 7,4 | 351 | 39,3 |
| Highly skilled supervision (Levels 9–12) | 554 | 46 | 8,3 | 336 | 60,6 |
| Senior Management (Levels 13–16) | 53 | 3 | 5,7 | 24 | 45,3 |
| Total | 2 638* | 149 | 5,6 | 1 191 | 45,1 |

* No. of employees, excluding Minister and Deputy 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 no. of employees (including employees with disabilities) in each of the following occupational categories as at 31 March 2009

| Occupational categories (Sasco)** | Male | | | Female | | | Total | | |
|--|--------------|------------|-----------|------------|------------|------------|-----------|------------|---------------|
| | African | Coloured | Indian | White | African | Coloured | | Indian | White |
| Legislators, senior officials and managers | 15 | 2 | - | 8 | 14 | 2 | - | 3 | 44 |
| Professionals | 239 | 11 | 4 | 70 | 241 | 12 | 14 | 64 | 655 |
| Technicians and associate professionals | 190 | 38 | 9 | 86 | 153 | 19 | 4 | 57 | 556 |
| Clerks | 93 | 22 | - | 13 | 204 | 42 | 7 | 171 | 552 |
| Service and sales workers | 38 | 4 | 1 | 17 | 19 | 2 | - | 1 | 82 |
| Craft and related trade workers | 42 | 3 | - | 13 | - | - | - | - | 58 |
| Plant, machine operators and assemblers | 53 | 8 | - | 1 | 1 | - | - | - | 63 |
| Elementary occupations | 484 | 94 | 1 | 6 | 96 | 28 | - | 5 | 714 |
| Total | 1 154 | 182 | 15 | 214 | 728 | 105 | 25 | 301 | 2 724* |
| Employees with disabilities | 1 | - | 1 | 2 | 1 | - | - | 6 | 11 |

* No. of employees, excluding Minister and Deputy Minister

** South African Students Congress

TABLE 6.2 Total no. of employees (including employees with disabilities) in each of the following occupational bands as at 31 March 2009

| Occupational bands | Male | | | Female | | | Total | | |
|---|--------------|------------|-----------|------------|------------|------------|-----------|------------|---------------|
| | African | Coloured | Indian | White | African | Coloured | | Indian | White |
| Top management | 2 | - | - | - | 1 | 3 | - | - | 6 |
| Senior management | 20 | 2 | 1 | 1 | 8 | 10 | 2 | 6 | 51 |
| Professionally qualified and experienced specialists and mid-management | 85 | 5 | 3 | 3 | 59 | 71 | 4 | 41 | 275 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen | 401 | 46 | 10 | 10 | 116 | 420 | 17 | 207 | 1 254 |
| Semiskilled and discretionary decision making | 307 | 73 | - | - | 28 | 166 | 2 | 44 | 662 |
| Unskilled and defined decision making | 339 | 56 | 1 | 1 | 2 | 58 | - | 3 | 476 |
| Total | 1 154 | 182 | 15 | 214 | 728 | 105 | 25 | 301 | 2 724* |

* No. of employees, excluding Minister and Deputy Minister

TABLE 6.3 Recruitment for the period 1 April 2008 to 31 March 2009

| Occupational bands | Male | | | | | Female | | | | | Total |
|---|----------------|-----------|----------|----------|----------|------------|----------|----------|----------|----------|------------|
| | African | Coloured | Indian | White | | African | Coloured | Indian | White | | |
| | Top management | 2 | - | - | 1 | - | 1 | - | - | - | |
| Senior management | - | - | - | - | - | 3 | - | - | 1 | - | 4 |
| Professionally qualified and experienced specialists and mid-management | 20 | 1 | - | 5 | - | 27 | 1 | 1 | 6 | - | 61 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen | 57 | 1 | - | 1 | - | 99 | 1 | 6 | 1 | - | 166 |
| Semiskilled and discretionary decision making | 21 | 7 | - | - | - | 52 | 3 | - | - | - | 83 |
| Unskilled and defined decision making | 37 | 3 | - | - | - | 2 | 2 | - | - | - | 44 |
| Total | 137 | 12 | - | 7 | - | 184 | 7 | 7 | 8 | - | 362 |

TABLE 6.4 Promotions for the period 1 April 2008 to 31 March 2009

| Occupational bands | Male | | | | | Female | | | | | Total |
|---|----------------|----------|----------|----------|----------|-----------|----------|----------|----------|----------|------------|
| | African | Coloured | Indian | White | | African | Coloured | Indian | White | | |
| | Top management | - | - | - | - | - | - | - | - | - | |
| Senior management | 2 | - | - | - | - | - | - | - | 1 | - | 3 |
| Professionally qualified and experienced specialists and mid-management | 21 | - | - | 1 | - | 20 | 1 | - | 3 | - | 46 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen | 21 | 3 | - | 2 | - | 32 | 2 | 1 | 5 | - | 66 |
| Semiskilled and discretionary decision making | 20 | 1 | - | - | - | 11 | - | - | - | - | 32 |
| Unskilled and defined decision making | 1 | 1 | - | - | - | - | - | - | - | - | 2 |
| Total | 65 | 5 | - | 3 | - | 63 | 3 | 1 | 9 | - | 149 |

TABLE 6.5 Terminations for the period 1 April 2008 to 31 March 2009

| Occupational bands | Male | | | | | Female | | | | | Total |
|---|----------------|-----------|----------|-----------|----------|-----------|----------|----------|-----------|----------|------------|
| | African | Coloured | Indian | White | | African | Coloured | Indian | White | | |
| | Top management | 2 | - | - | - | - | - | - | - | - | |
| Senior management | 1 | - | - | - | - | 2 | - | - | - | - | 3 |
| Professionally qualified and experienced specialists and mid-management | 21 | 2 | 3 | 6 | - | 12 | - | 3 | 8 | - | 55 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen | 35 | 4 | - | 13 | - | 39 | 2 | - | 21 | - | 114 |
| Semiskilled and discretionary decision making | 24 | 10 | - | - | - | 14 | 4 | - | 1 | - | 53 |
| Unskilled and defined decision making | 16 | 2 | - | 2 | - | 1 | 3 | - | - | - | 24 |
| Total | 99 | 18 | 3 | 21 | - | 68 | 9 | 3 | 30 | - | 251 |





TABLE 6.6 Disciplinary action for the period 1 April 2008 to 31 March 2009

| Disciplinary action | Male | | | | Female | | | | Total |
|---------------------|----------|--------|----------|--------|----------|--------|----------|--------|-------|
| | African | | White | | African | | White | | |
| | Coloured | Indian | Coloured | Indian | Coloured | Indian | Coloured | Indian | |
| | 2 | - | 1 | 4 | 1 | - | 1 | - | 18 |

TABLE 6.7 Skills development for the period 1 April 2008 to 31 March 2009

| Occupational categories | Male | | | | Female | | | | Total |
|--|--------------|-----------|------------|------------|------------|-----------|------------|---------------|-------|
| | African | | White | | African | | White | | |
| | Coloured | Indian | Coloured | Indian | Coloured | Indian | Coloured | Indian | |
| Legislators, senior officials and managers | 8 | 3 | 9 | 100 | - | 3 | 22 | 195 | |
| Professionals | 18 | 9 | 74 | 230 | 21 | 15 | 78 | 768 | |
| Technicians and associate professionals | 12 | - | 34 | 73 | 14 | 3 | 11 | 221 | |
| Clerks | 4 | 2 | 42 | 228 | 74 | 8 | 153 | 643 | |
| Service and sales workers | 9 | - | 52 | 5 | - | - | - | 163 | |
| Craft and related trade workers | 11 | - | 34 | 72 | 14 | 3 | 10 | 217 | |
| Plant, machine operators and assemblers | 10 | - | 3 | 8 | 3 | - | - | 70 | |
| Elementary occupations | 108 | - | 4 | 53 | 23 | - | 3 | 589 | |
| Total | 1 193 | 14 | 252 | 769 | 149 | 32 | 277 | 2 866* | |
| Employees with disabilities | - | - | - | - | - | - | 6 | 6 | |

* Referring to training interventions

7. SIGNING OF PERFORMANCE AGREEMENTS BY SMS MEMBERS

TABLE 7.1 Signing of performance agreements by SMS members as at 30 September 2008

| SMS level | Total no. of funded SMS posts per level | Total no. of SMS members per level | Total no. of signed performance agreements per level | Signed performance agreements as % of total no. of SMS members per level |
|------------------|---|------------------------------------|--|--|
| Director-General | 1 | 1 | 1 | 100,0 |
| Salary level 15 | 6 | 5 | 5 | 100,0 |
| Salary level 14 | 14 | 11 | 10 | 90,9 |
| Salary level 13 | 46 | 42 | 40 | 95,2 |
| Total | 67 | 59 | 56 | 94,9 |

TABLE 7.2 Reasons for not having concluded performance agreements for all SMS members as at 30 September 2008

1. Official (Level 14) on temporary incapacity leave
2. Director: intergovernmental and Stakeholder Relations. Official assumed duty on 1 September 2008
3. Media Liaison Officer, Office of the Minister (political)

8. FILLING OF SMS POSTS

TABLE 8.1 Information on SMS posts as at 31 March 2009

| SMS level | Total no. of funded SMS posts per level | Total no. of SMS posts filled per level | % of SMS posts per level | Total no. of SMS posts vacant per level | % of SMS posts vacant per level |
|------------------|---|---|--------------------------|---|---------------------------------|
| Director-General | 1 | 1 | 100,0 | – | – |
| Salary level 15 | 6 | 5 | 83,3 | 1 | 16,7 |
| Salary level 14 | 14 | 12 | 85,7 | 2 | 14,3 |
| Salary level 13 | 47 | 39 | 83,0 | 8 | 17,0 |
| Total | 68 | 57 | 83,8 | 11 | 16,2 |

TABLE 8.2 Advertising and filling of SMS posts as at 31 March 2009

| SMS level | Advertising | | Filling of posts | |
|------------------|--|---|---|---|
| | No. of vacancies per level advertised within 6 months of becoming vacant | No. of vacancies per level filled within 6 months after becoming vacant | No. of vacancies per level advertised within 6 months after becoming vacant | No. of vacancies per level not filled within 6 months but filled in 12 months |
| Director-General | 1 | 1 | 1 | – |
| Salary level 15 | 3 | – | – | 1 |
| Salary level 14 | 3 | – | – | 1 |
| Salary level 13 | 11 | 1 | 1 | 2 |
| Total | 18 | 2 | 2 | 4 |

TABLE 8.3 Reasons for not having complied with the filling of funded vacant SMS posts—advertised within 6 months and filled within 12 months after becoming vacant

| | |
|--|--|
| Reasons for vacancies not advertised within six months | All vacancies were advertised within six months |
| Reasons for vacancies not filled within 12 months | No suitable candidates could be obtained—posts were readvertised and in some cases head-hunting took place |





9. 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 9.1), salary bands (Table 9.2) and critical occupations (Table 9.3).

TABLE 9.1 Performance rewards by race, gender and disability, 1 April 2008 to 31 March 2009

| Race, gender and disability | Beneficiary profile | | | Cost | | |
|-----------------------------|----------------------|---------------------------------|-------------------------|--------------------|---------------------------|--------------------|
| | No. of beneficiaries | Total no. of employees in group | % of total within group | Total cost (R'000) | Average cost per employee | Total cost (R'000) |
| African, female | 238 | 728 | 32,7 | 3 066 | 12 882 | 3 066 |
| African, male | 326 | 1 153 | 28,3 | 3 942 | 12 092 | 3 942 |
| Asian, female | 7 | 25 | 28,0 | 166 | 23 714 | 166 |
| Asian, male | 9 | 14 | 64,3 | 253 | 28 111 | 253 |
| Coloured, female | 36 | 105 | 34,3 | 370 | 10 278 | 370 |
| Coloured, male | 62 | 182 | 34,1 | 584 | 9 419 | 584 |
| White, female | 210 | 296 | 70,9 | 3 393 | 16 157 | 3 393 |
| White, male | 124 | 212 | 58,5 | 2 674 | 21 565 | 2 674 |
| Employees with disabilities | 4 | 9 | 44,4 | 68 | 17 000 | 68 |
| Total | 1 016 | 2 724* | 37,3 | 14 516 | 14 287 | 14 516 |

* No. of employees, excluding Minister and Deputy Minister

TABLE 9.2 Performance rewards by salary bands for personnel below SMS level, 1 April 2008 to 31 March 2009

| Salary bands | Beneficiary profile | | | Cost | | |
|--|----------------------|------------------|--------------------------------|--------------------|---------------------------|--|
| | No. of beneficiaries | No. 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) | 132 | 476 | 27,7 | 640 | 4 848 | 1,9 |
| Skilled (Levels 3–5) | 185 | 662 | 27,9 | 1 162 | 6 281 | 2,0 |
| Highly skilled production (Levels 6–8) | 424 | 954 | 44,4 | 6 120 | 14 434 | 3,4 |
| Highly skilled supervision (Levels 9–12) | 275 | 575 | 47,8 | 6 594 | 23 978 | 3,7 |
| Total | 1 016 | 2 667 | 38,1 | 14 516 | 14 287 | 3,3 |

TABLE 9.3 Performance rewards by critical occupation, 1 April 2008 to 31 March 2009

| Critical occupations | Beneficiary profile | | % of total with- in occupation | Cost | |
|---|----------------------|------------------|-----------------------------------|--------------------|---------------------------|
| | No. of beneficiaries | No. of employees | | Total cost (R'000) | Average cost per employee |
| Administrative related | 61 | 105 | 58,1 | 1 286 | 21 082 |
| Agricultural animal, oceanography, forestry and other sciences | 47 | 119 | 39,5 | 830 | 17 660 |
| Agriculture related | 73 | 231 | 31,6 | 1 509 | 20 671 |
| Aircraft pilot and related associate professionals | – | 1 | – | – | – |
| All artisans in building, metal, machinery, etc. | 11 | 46 | 23,9 | 111 | 10 091 |
| Appraisers, valuers and related professionals | 3 | 17 | 17,6 | 54 | 18 000 |
| Archivists, curators and related professionals | – | 2 | – | – | – |
| Auxiliary and related workers | 31 | 72 | 43,1 | 268 | 8 645 |
| Biochemistry, pharmacology, zoology and life science technicians | 28 | 33 | 84,8 | 530 | 18 929 |
| Building and other property caretakers | 7 | 23 | 30,4 | 40 | 5 714 |
| Bus and heavy vehicle drivers | – | 5 | – | – | – |
| Chemists | 1 | 1 | 100,0 | 15 | 15 000 |
| Cleaners in offices, workshops, hospitals, etc. | 49 | 86 | 57,0 | 267 | 5 449 |
| Client information clerks (switchboard, reception and information clerks) | 6 | 7 | 85,7 | 70 | 11 667 |
| Communication and information related | 7 | 7 | 100,0 | 181 | 25 857 |
| Computer programmers | 1 | 1 | 100,0 | 22 | 22 000 |
| Computer system designers and analysts | 3 | 8 | 37,5 | 69 | 23 000 |
| Custodian personnel | 1 | 1 | 100,0 | 16 | 16 000 |
| Economists | 14 | 27 | 51,9 | 354 | 25 286 |
| Engineering sciences related | – | 1 | – | – | – |
| Engineers and related professionals | 6 | 6 | 100,0 | 139 | 23 167 |
| Farmhands and labourers | 31 | 161 | 19,3 | 153 | 4 935 |
| Farming, forestry advisors and farm managers | 4 | 4 | 100,0 | 52 | 13 000 |
| Finance and economics related | 23 | 53 | 43,4 | 677 | 29 435 |
| Financial and related professionals | 10 | 24 | 41,7 | 153 | 15 300 |
| Financial clerks and credit controllers | 23 | 71 | 32,4 | 257 | 11 174 |
| Food services aids and waiters | 10 | 23 | 43,5 | 53 | 5 300 |
| Head of department/chief executive officer | – | 1 | – | – | – |
| Health sciences related | 2 | 4 | 50,0 | 29 | 14 500 |
| Horticulturists, foresters, agricultural and forestry technicians | 27 | 221 | 12,2 | 453 | 16 778 |
| Household and laundry workers | 6 | 17 | 35,3 | 34 | 5 667 |
| Human resources and organisational development and related professionals | 4 | 22 | 18,2 | 89 | 22 250 |
| Human resources clerks | 25 | 49 | 51,0 | 382 | 15 280 |
| Human resources related | 8 | 10 | 80,0 | 284 | 35 500 |
| Information technology related | – | 1 | – | – | – |
| Language practitioners, interpreters and other communicators | 8 | 19 | 42,1 | 125 | 15 625 |
| Legal related | – | 4 | – | – | – |
| Librarians and related professionals | – | 1 | – | – | – |
| Library, mail and related clerks | 40 | 57 | 70,2 | 406 | 10 150 |
| Light vehicle drivers | 4 | 6 | 66,7 | 23 | 5 750 |
| Logistical support personnel | 6 | 17 | 35,3 | 84 | 14 000 |





| Critical occupations | Beneficiary profile | | | Cost | |
|--|----------------------|------------------|-----------------------------------|-----------------------|------------------------------|
| | No. of beneficiaries | No. of employees | % of total with- in occupation | Total cost (R'000) | Average cost per employee |
| Material-recording and transport clerks | 16 | 67 | 23,9 | 155 | 9 688 |
| Mechanical engineering technicians | 1 | 2 | 50,0 | 9 | 9 000 |
| Messengers, porters and deliverers | 38 | 58 | 65,5 | 199 | 5 237 |
| Motor vehicle drivers | 9 | 38 | 23,7 | 49 | 5 444 |
| Motorised farm and forestry plant operators | – | 5 | – | – | – |
| Nature conservation and oceanography related technicians | 13 | 49 | 26,5 | 205 | 15 769 |
| Other administrative and related clerks and organisers | 97 | 222 | 43,7 | 993 | 10 237 |
| Other administrative policy and related officers | 39 | 61 | 63,9 | 670 | 17 179 |
| Other information technology personnel | 4 | 4 | 100,0 | 113 | 28 250 |
| Printing and related machine operators | 3 | 7 | 42,9 | 16 | 5 333 |
| Printing planners and production controllers | 1 | 1 | 100,0 | 11 | 11 000 |
| Regulatory inspectors | 7 | 16 | 43,8 | 99 | 14 143 |
| Risk management and security services | 2 | 4 | 50,0 | 73 | 36 500 |
| Road trade workers | 1 | 12 | 8,3 | 5 | 5 000 |
| Safety health and quality inspectors | 44 | 49 | 89,8 | 799 | 18 159 |
| Secretaries and other keyboard operating clerks | 43 | 60 | 71,7 | 629 | 14 628 |
| Security guards | 4 | 9 | 44,4 | 20 | 5 000 |
| Security officers | 12 | 65 | 18,5 | 85 | 7 083 |
| Senior managers | 1 | 51 | 2,0 | 22 | 22 000 |
| Social sciences related | 1 | – | – | 29 | 29 000 |
| Statisticians and related professionals | 10 | 20 | 50,0 | 229 | 22 900 |
| Trade labourers | 65 | 333 | 19,5 | 324 | 4 985 |
| Veterinarians | 20 | 24 | 83,3 | 682 | 34 100 |
| Veterinary assistants | 4 | 2 | 200,0 | 80 | 20 000 |
| Water plant and related operators | 1 | 1 | 100,0 | 5 | 5 000 |
| Total | 1 016 | 2 724* | 37,3 | 14 516 | 14 287 |

* No. of employees, excluding Minister and Deputy Minister

TABLE 9.4 Performance related rewards (cash bonus) by salary band for SMS

| Salary band | Beneficiary profile | | | Cost | | |
|--------------|----------------------|------------------|-----------------------------------|-----------------------|------------------------------|---|
| | No. of beneficiaries | No. of employees | % of total within salary bands | Total cost (R'000) | Average cost per employee | Total cost as a % of total personnel expenditure |
| Band A | – | 39 | – | – | – | – |
| Band B | – | 12 | – | – | – | – |
| Band C | – | 5 | – | – | – | – |
| Band D | – | 1 | – | – | – | – |
| Total | – | 57 | – | – | – | – |

10. FOREIGN WORKERS

The tables below summarise the employment of foreign nationals in the department in terms of salary bands and by major occupation.

TABLE 10.1 Foreign workers, 1 April 2008 to 31 March 2009, by salary band

| Salary band | 1 April 2008 | | 31 March 2009 | | Change | |
|---|--------------|------------|---------------|------------|----------|----------|
| | No. | % of total | No. | % of total | No. | % change |
| Lower skilled (Levels 1–2) | – | – | – | – | – | – |
| Skilled (Level 3–5) | – | – | – | – | – | – |
| Highly skilled production (Level 6–8) | – | – | – | – | – | – |
| Highly skilled supervision (Level 9–12) | – | – | – | – | – | – |
| Senior management (Levels 13–16) | 1 | 100 | 1 | 100 | – | – |
| Total | 1 | 100 | 1 | 100 | – | – |

TABLE 10.2 Foreign workers, 1 April 2008 to 31 March 2009, by major occupation

| Major occupation | 1 April 2008 | | 31 March 2009 | | Change | |
|----------------------------|--------------|------------|---------------|------------|----------|----------|
| | No. | % of total | No. | % of total | No. | % change |
| Professionals and managers | 1 | 100 | 1 | 100 | – | – |
| Total | 1 | 100 | 1 | 100 | – | – |

11. LEAVE UTILISATION FOR THE PERIOD 1 JANUARY TO 31 DECEMBER 2008

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 11.1) and disability leave (Table 11.2). In both cases, the estimated cost of the leave is also provided.

TABLE 11.1 Sick leave, 1 January to 31 December 2008

| Salary band | Total days | % days with medical certification | No. of employees using sick leave | No. of employees per band | % of total employees using sick leave | Average days per employee | Estimated cost (R'000) |
|--|---------------|-----------------------------------|-----------------------------------|---------------------------|---------------------------------------|---------------------------|------------------------|
| Lower skilled (Levels 1–2) | 1 609 | 94,7 | 215 | 476 | 45,2 | 7 | 301 |
| Skilled (Levels 3–5) | 2 917 | 88,3 | 382 | 662 | 57,7 | 8 | 684 |
| Highly skilled production (Levels 6–8) | 4 441 | 78,7 | 650 | 954 | 68,1 | 7 | 2 055 |
| Highly skilled supervision (Levels 9–12) | 2 521 | 76,8 | 386 | 575 | 67,1 | 7 | 1 981 |
| Senior management (Levels 13–16) | 181 | 84,5 | 36 | 57 | 63,2 | 5 | 255 |
| Total | 11 669 | 83,0 | 1 669 | 2 724* | 61,3 | 7 | 5 276 |

* No. of employees, excluding Minister and Deputy Minister





TABLE 11.2 Disability leave (temporary and permanent), 1 January to 31 December 2008

| Salary band | Total days taken | % days with medical certification | No. of employees using disability leave | No. of employees per band | % of total employees using disability leave | Average days per employee | Estimated cost (R'000) |
|--|------------------|-----------------------------------|---|---------------------------|---|---------------------------|------------------------|
| Lower skilled (Levels 1–2) | 1 382 | 100 | 21 | 476 | 4,4 | 66 | 264 |
| Skilled (Levels 3–5) | 694 | 100 | 21 | 662 | 3,2 | 33 | 160 |
| Highly skilled production (Levels 6–8) | 797 | 100 | 28 | 954 | 2,9 | 28 | 327 |
| Highly skilled supervision (Levels 9–12) | 506 | 100 | 17 | 575 | 3,0 | 30 | 484 |
| Senior management (Levels 13–16) | 232 | 100 | 1 | 57 | 1,8 | 232 | 566 |
| Total | 3 611 | 100 | 88 | 2 724* | 3,2 | 40 | 1 801 |

* No. of employees, excluding Minister and Deputy Minister

TABLE 11.3 Annual leave, 1 January to 31 December 2008

| Salary band | Total days taken | Average per employee |
|--|------------------|----------------------|
| Lower skilled (Levels 1–2) | 9 807 | 21 |
| Skilled (Levels 3–5) | 13 654 | 21 |
| Highly skilled production (Levels 6–8) | 18 851 | 21 |
| Highly skilled supervision (Levels 9–12) | 12 052 | 21 |
| Senior management (Levels 13–16) | 1 309 | 21 |
| Total | 55 673 | 21 |

TABLE 11.4 Capped leave, 1 January to 31 December 2008

| Salary band | Total days of capped leave taken | Average no. of days taken per employee | Average capped leave per employee as at 31 December 2008 | No. of employees who took capped leave |
|--|----------------------------------|--|--|--|
| Lower skilled (Levels 1–2) | 154 | 5 | 26 | 29 |
| Skilled (Levels 3–5) | 208 | 5 | 51 | 39 |
| Highly skilled production (Levels 6–8) | 345 | 5 | 45 | 68 |
| Highly skilled supervision (Levels 9–12) | 108 | 5 | 53 | 23 |
| Senior management (Levels 13–16) | 13 | 4 | 51 | 3 |
| Total | 828 | 5 | 45 | 162 |

The following table summarises payments made to employees as a result of leave that was not taken.

TABLE 11.5 Leave payouts for the period 1 April 2008 to 31 March 2009

| Reason | Total amount (R'000) | No. of employees | Average payment per employee |
|---|----------------------|------------------|------------------------------|
| Leave payout for 2008/09 due to non-utilisation of leave for the previous cycle | 132 | 10 | 13 200 |
| Capped leave payouts on termination of service for 2008/09 | 916 | 199 | 4 603 |
| Current leave payout on termination of service for 2008/09 | 371 | 87 | 4 264 |
| Total | 1 419 | 296 | 4 794 |

12. HIV/AIDS AND HEALTH PROMOTION PROGRAMMES

TABLE 12.1 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 |
|---|---|
| <p>Abattoir workers</p> <p>Agricultural machine users (farmworkers, engineering services)</p> <p>Migrant workers (border posts and fence, quarantine stations and camps)</p> <p>Projects (D: AES, D: WUID)</p> <p>Shift workers</p> <p>General workers (when coming into contact with body fluids)</p> <p>First aiders</p> <p>Truck drivers (D: AES)</p> <p>Business travellers</p> | <ul style="list-style-type: none"> Preventative strategies through awareness campaigns, voluntary counselling and testing, health education Treatment through referrals Care and support through home visits Employee Assistance Programme Provision of protective clothing and equipment Establish family units Condom distribution |

TABLE 12.2 Details of health promotion and HIV/Aids programmes

| Questions | Yes | No | Details, if yes |
|---|-----|----|--|
| <p>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?</p> <p>If so, provide her/his name and position</p> | ✓ | | Acting Director: Employee Development |
| <p>2. Does the department have a designated unit or have you designated specific staff members to promote the health and wellbeing of your employees?</p> <p>If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose</p> | ✓ | | Subdirectorate: Employee Health and Wellness with 9 employees and a total budget of R102 million |
| <p>3. Has the department introduced an employee assistance or health promotion programme for your employees?</p> <p>If so, indicate the key elements/services of the programme</p> | ✓ | | <p>EAP programmes</p> <ul style="list-style-type: none"> Stress management Substance and abuse information Life skills orientation Trauma management Financial management Counselling Facilitation of ARV treatment through a local clinic Facilitation of family support Faceless group <p>Health promotion and HIV/Aids</p> <ul style="list-style-type: none"> Lifestyle disease management Voluntary counselling and testing Awareness campaigns Health related workshops Weight management Nutrition counselling HIV and TB management E-mail talk—<i>Agricom</i> Internal newsletter—<i>WezoLimo</i> Posters and bill boards |





| Questions | Yes | No | Details, if yes |
|--|-----|----|---|
| <p>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?</p> <p>If so, please provide the names of the members of the committee and the stakeholder(s) that they represent</p> | ✓ | | <p>Sannie Seeletse – D: ED Queeneth Mokale – D: SCM Mathews Sefura – D: IR Heilen Mthombeni – D: RTD Matshwane Mothathedi – D: FA Rendani Thovhogi – D: PRE Siphwe Mtshali – D: HRM Yandisa Ndaba – D: HRM Michael Mubva – D: HRM Celia Matuleke – D: VS DuDu Mogale – D: M Mabel Morontse – D: AIS Mpanana Mthoa – D: AIS Kate Makhoniwa – D: SS Philemon Marota – D: SCM Mavis Mashele – D: LS Jerry Phangiso – D: FSQA Sarie Louw – D: HRM</p> <p>Felcity Ntsimane – D: ADM Lebogang Mothathudi – D: HRM Benny Kgomo – D: PH Rupert Hefer – D: FSQA Hilda Kamanayane – D: GR – D: PP Maria Sekgobela – D: ED Nosipho Mkhumane – D: APIS Rorisang Moleki – D: PH Sylvia Beckford – D: AES Tokkie Mitchell – D: WUID Anastasia Davis – D: AAP Lisa Letoaba – D: LS John Tiadi – D: LUSM Anita Willms – D: FA Sandra Lekhuleni – D: HRM Yolo Philisiwe – D: HRM Evon Ramunyati – D: HRM</p> |
| <p>5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status?</p> <p>If so, list the employment policies/practices so reviewed</p> | ✓ | | <ul style="list-style-type: none"> • HIV/Aids Policy • Occupational Health and Safety Policy • Employee Assistance Programme Policy • Recruitment and Selection • Sexual Harassment • Code of Conduct • DoA resolutions • Public Service resolutions • Camping Allowance Policy |
| <p>6. Has the department introduced measures to protect HIV positive employees or those perceived to be HIV positive from discrimination?</p> <p>If so, list the key elements of these measures</p> | ✓ | | <ul style="list-style-type: none"> • HIV/Aids Policy • Principles on inclusivity, equality, non-privacy discrimination, non-mandatory testing, confidentiality • Clause on management of infected employees • Criteria for determining when an employee is too sick to work • Antistigmatisation clause • Awareness campaigns |
| <p>7. Does the department encourage its employees to undergo voluntary counselling and testing?</p> <p>If so, list the results that you have achieved</p> | ✓ | | <ul style="list-style-type: none"> • Accredited by the Department of Health in October 2005 • Gradual improvement in participation • The programme runs quarterly • Attendance 2,04 % in the 2008/09 financial year |
| <p>8. Has the department developed measures/indicators to monitor and evaluate the impact of its health promotion programme?</p> <p>If so, list these measures/indicators</p> | ✓ | | <ul style="list-style-type: none"> • KAPB study biannually • M&E Framework • Quarterly Review Meeting • Events calendar—rate of participation • Representivity in national and internal forums |

13. LABOUR RELATIONS

The following collective agreements were entered into with trade unions within the department.

TABLE 13.1 Collective agreements, 1 April 2008 to 31 March 2009

| Subject matter | Date |
|---|------------------|
| Recruitment and Selection Policy and Procedures | 11 November 2008 |
| Secondment Policy | 3 September 2008 |
| Overtime Policy | 11 November 2008 |
| Retention Policy | 3 September 2008 |
| Policy on Camping Facilities and Allowance | 11 November 2008 |
| Working Hours Policy | 3 September 2008 |
| Dress Code | 3 September 2008 |
| Exit Interview Policy | 3 September 2008 |
| Employee Development Policy | 3 September 2008 |

The following table summarises the outcome of disciplinary hearings conducted.

TABLE 13.2 Misconduct and disciplinary hearings finalised, 1 April 2008 to 31 March 2009

| Outcomes of disciplinary hearings | No. | % of total |
|-----------------------------------|-----------|--------------|
| Final written warning | 4 | 23,5 |
| Suspended without pay | 4 | 23,5 |
| Dismissal | 4 | 23,5 |
| Not guilty | 1 | 6,0 |
| Case withdrawn | 4 | 23,5 |
| Total | 17 | 100,0 |

TABLE 13.3 Types of misconduct addressed and disciplinary hearings

| Type of misconduct | No. | % of total |
|---|-----------|--------------|
| Misuse of government vehicle | 2 | 15,4 |
| Abscondment | 4 | 30,7 |
| Theft | 1 | 7,7 |
| Absent without authorisation | 1 | 7,7 |
| Alcohol abuse | 1 | 7,7 |
| Assault | 2 | 15,4 |
| Prejudicing the administration of the department | 1 | 7,7 |
| Performing remunerative employment without prior permission | 1 | 7,7 |
| Total | 13 | 100,0 |

TABLE 13.5 Disputes lodged with councils, 1 April 2008 to 31 March 2009

| No. of disputes addressed | No. | % of total |
|-------------------------------------|----------|--------------|
| Upheld | – | – |
| Dismissed | 5 | 62,5 |
| Still pending | 3 | 37,5 |
| Total no. of disputes lodged | 8 | 100,0 |

TABLE 13.6 Strike actions, 1 April 2008 to 31 March 2009

| Strike actions | Total |
|--|-------|
| No. of person working days lost | – |
| Cost of working days lost | – |
| Amount recovered as a result of no work no pay | – |

TABLE 13.4 Grievances lodged, 1 April 2008 to 31 March 2009

| No. of grievances addressed | No. | % of total |
|---------------------------------------|-----------|--------------|
| Resolved | 11 | 40,7 |
| Not resolved* | 16 | 59,3 |
| Total no. of grievances lodged | 27 | 100,0 |

* Grievances not resolved because they are still pending or were referred to the Public Service Commission on request of the aggrieved employee(s)

TABLE 13.7 Precautionary suspensions, 1 April 2008 to 31 March 2009

| Precautionary suspensions | Total |
|---|----------|
| No. of people suspended | 3 |
| No. of people whose suspension exceeded 30 days | 2 |
| Average no. of days suspended | 105 |
| Cost (R'000) of suspensions | R367 000 |





14. SKILLS DEVELOPMENT

This section highlights the efforts of the department with regard to skills development.

TABLE 14.1 Training needs identified, 1 April 2008 to 31 March 2009

| Occupational categories | Gender | No. of employees as at 1 April 2008 | Training needs identified at start of reporting period | | | | Total |
|--|--------|-------------------------------------|--|---|-------------------------|--------------|-------|
| | | | Learnerships | Skills programmes and other short courses | Other forms of training | | |
| Legislators, senior officials and managers | Female | 16 | – | 125 | – | 125 | |
| | Male | 26 | – | 70 | – | 70 | |
| Professionals | Female | 290 | – | 344 | – | 344 | |
| | Male | 307 | – | 424 | – | 424 | |
| Technicians and associate professionals | Female | 203 | – | 100 | – | 100 | |
| | Male | 299 | – | 119 | – | 119 | |
| Clerks | Female | 419 | 6 | 457 | – | 463 | |
| | Male | 138 | – | 180 | – | 180 | |
| Service and sales workers | Female | 17 | – | 5 | – | 5 | |
| | Male | 51 | – | 158 | – | 158 | |
| Craft and related trades workers | Female | – | – | 100 | – | 100 | |
| | Male | 62 | – | 119 | – | 119 | |
| Plant and machine operators and assemblers | Female | 1 | – | 11 | – | 11 | |
| | Male | 68 | – | 59 | – | 59 | |
| Elementary occupations | Female | 125 | 16 | 63 | – | 79 | |
| | Male | 616 | 7 | 213 | 290 | 510 | |
| Gender subtotals | Female | 1 071 | 22 | 1 235 | – | 1 257 | |
| | Male | 1 567 | 7 | 1 360 | 290 | 1 657 | |
| Total | | 2 638* | 29 | 2 547 | 290 | 2 866 | |

* No. of employees, excluding Minister and Deputy Minister

TABLE 14.2 Training provided 1 April 2008 to 31 March 2009

| Occupational categories | Gender | No. of employees as at 1 April 2008 | Training provided within the reporting period | | | | | Total |
|--|--------|-------------------------------------|---|---|-------------------------|------------|--------------|-------|
| | | | Leaverships | Skills programmes and other short courses | Other forms of training | | Total | |
| | | | | | Bursaries | ABET | | |
| Legislators, senior officials and managers | Female | 16 | - | 96 | 24 | - | 120 | |
| | Male | 26 | - | 113 | 22 | - | 135 | |
| Professionals | Female | 290 | - | 282 | 11 | - | 293 | |
| | Male | 307 | - | 293 | 11 | - | 304 | |
| Technicians and associate professionals | Female | 203 | - | 51 | 1 | - | 52 | |
| | Male | 299 | - | 84 | 4 | - | 88 | |
| Clerks | Female | 419 | 6 | 266 | 25 | - | 297 | |
| | Male | 138 | - | 127 | 11 | - | 138 | |
| Service and sales workers | Female | 17 | - | 51 | 4 | - | 55 | |
| | Male | 51 | - | 66 | 12 | - | 78 | |
| Craft and related trades workers | Female | - | - | 51 | 1 | - | 52 | |
| | Male | 62 | - | 83 | 2 | - | 85 | |
| Plant and machine operators and ssemblers | Female | 1 | - | - | 3 | - | 3 | |
| | Male | 68 | - | 23 | 2 | - | 25 | |
| Elementary occupations | Female | 125 | 16 | 54 | - | 15 | 85 | |
| | Male | 616 | 7 | 117 | - | 137 | 261 | |
| Gender subtotals | Female | 1 071 | 22 | 851 | 69 | 15 | 957 | |
| | Male | 1 567 | 7 | 906 | 64 | 137 | 1 114 | |
| Total | | 2 638* | 29 | 1 757 | 133 | 152 | 2 071 | |

* No. of employees, excluding Minister and Deputy Minister





15. INJURY ON DUTY

The following tables provide basic information on injury on duty.

TABLE 15.1 Injury on duty, 1 April 2008 to 31 March 2009

| Nature of injury on duty | No. | % of total |
|---------------------------------------|-----------|------------|
| Required basic medical attention only | 41 | 100 |
| Temporary total disablement | — | — |
| Permanent disablement | — | — |
| Fatal | — | — |
| Total | 41 | 100 |

16. UTILISATION OF CONSULTANTS

TABLE 16.1 Report on consultant appointments using appropriated funds

| Project title | No. of consultants who worked on the project | Duration: work days | Contract value (R) |
|---|--|---------------------|----------------------|
| 1. Development of guidelines AESTTAR (D: RTD) | 1 | 90 | 75 000,00 |
| 2. Development of guideline ATHRP (D: RTD) | 1 | 70 | 100 000,00 |
| 3. Development of guideline—Competitive Funding (D: RTD) | 1 | 70 | 10 000,00 |
| 4. Development of guideline—Centre of Excellence (D: RTD) | 1 | 55 | 50 000,00 |
| 5. Re-alignment of Directorate: Research and Technology Development | 1 | 90 | 82 193,51 |
| 6. Enviro Excellence (D: LS) | 1 | 60 | 188 619,84 |
| 7. Manstrat Development Strategies (D: LS) | 4 | 60 | 185 820,00 |
| 8. Mbululwane General Trading (D: LS) | 1 | 60 | 189 350,00 |
| 9. Mokgosi Trading (D: LS) | 1 | 90 | 600 000,00 |
| 10. Mmogeng Rantos Investments (D: LS) | 2 | 90 | 338 000,00 |
| 11. PME Business Enterprises (D: LS) | 1 | 90 | 1 002 860,00 |
| 12. Support in integrating operational planning to existing strategic model (D: SP) | 6 | 40 | 195 396,00 |
| 13. CASP (CPO) | 1 | 90 | 175 500,00 |
| 14. ENE (CPO) | 2 | 180 | 683 382,90 |
| 15. Conducting of Cooperative Survey (D: ADF) | 1 | 30 | 195 000,00 |
| 16. Corporate Governance Training (D: ADF) | 1 | 3 | 29 298,00 |
| 17. Presentation and training of toolkit (D: ADF) | 1 | 2 | 145 656,00 |
| 18. Impact study for insect resistant cotton and maize in SA (D: BS) | 3 | 45 | 85 774,00 |
| 19. Import and Export System (D: APIS) | 5 | 270 | 9 214 620,00 |
| Total | 35 | 1 485 | 13 546 470,25 |

TABLE 16.2 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 | No. of consultants from HDI groups that work on the project |
|---|------------------------------------|-------------------------------------|---|
| 1. Development of guidelines AESTTAR (D: RTD) | — | — | — |
| 2. Development of guideline ATHRP (D: RTD) | — | — | — |
| 3. Development of guideline—Competitive Funding (D: RTD) | — | — | — |
| 4. Development of guideline—Centre of Excellence (D: RTD) | — | — | — |
| 5. Re-alignment of Directorate: Research and Technology Development | — | — | — |
| 6. Enviro Excellence (D: LS) | 100 | 100 | 1 |
| 7. Manstrat Development Strategies (D: LS) | 50 | 50 | 4 |
| 8. Mbuluzwane General Trading (D: LS) | 30 | 70 | 1 |
| 9. Mokgosi Trading (D: LS) | 100 | 100 | 1 |
| 10. Mmogeng Rantlos Investments (D: LS) | 100 | 100 | 2 |
| 11. PME Business Enterprises (D: LS) | 100 | 100 | 1 |
| 12. Support in integrating operational planning to existing strategic model (D: SP) | 100 | 50 | 2 |
| 13. CASP (CPO) | — | — | — |
| 14. ENE (CPO) | — | — | — |
| 15. Conducting of Cooperative Survey (D: ADF) | 1 | 1 | 2 |
| 16. Corporate Governance Training (D: ADF) | 100 | 100 | 1 |
| 17. Presentation and training of toolkit (D: ADF) | 100 | 100 | 1 |
| 18. Impact study for insect resistant cotton and maize in SA (D: BS) | — | — | — |
| 19. Import and Export System (D: APIS) | UP | — | 2 |

16.3 Report on consultant appointments using donor funds

No consultants were appointed using donor funds during the period under review

