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**agriculture,
forestry & fisheries**

Department:
Agriculture, Forestry and Fisheries
REPUBLIC OF SOUTH AFRICA

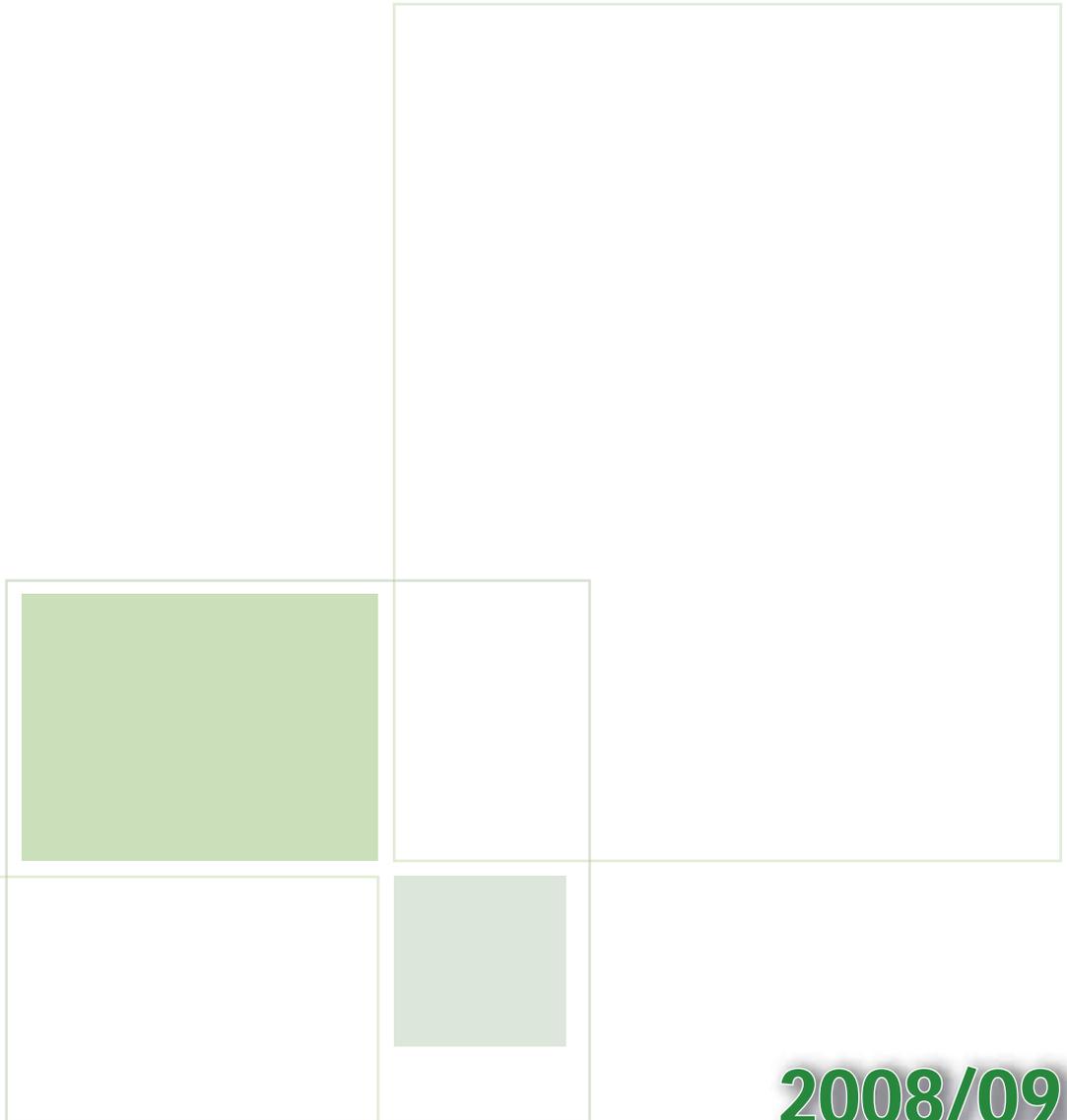
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2008/09

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.

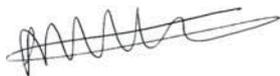
Within the Southern African Development Community (SADC) we focused on promoting regional integration, sanitary and phytosanitary control measures, food security, humanitarian assistance, as well as the development of early warning and risk management systems.

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 Immunodeficiency 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



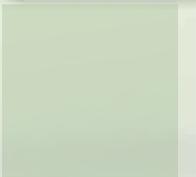
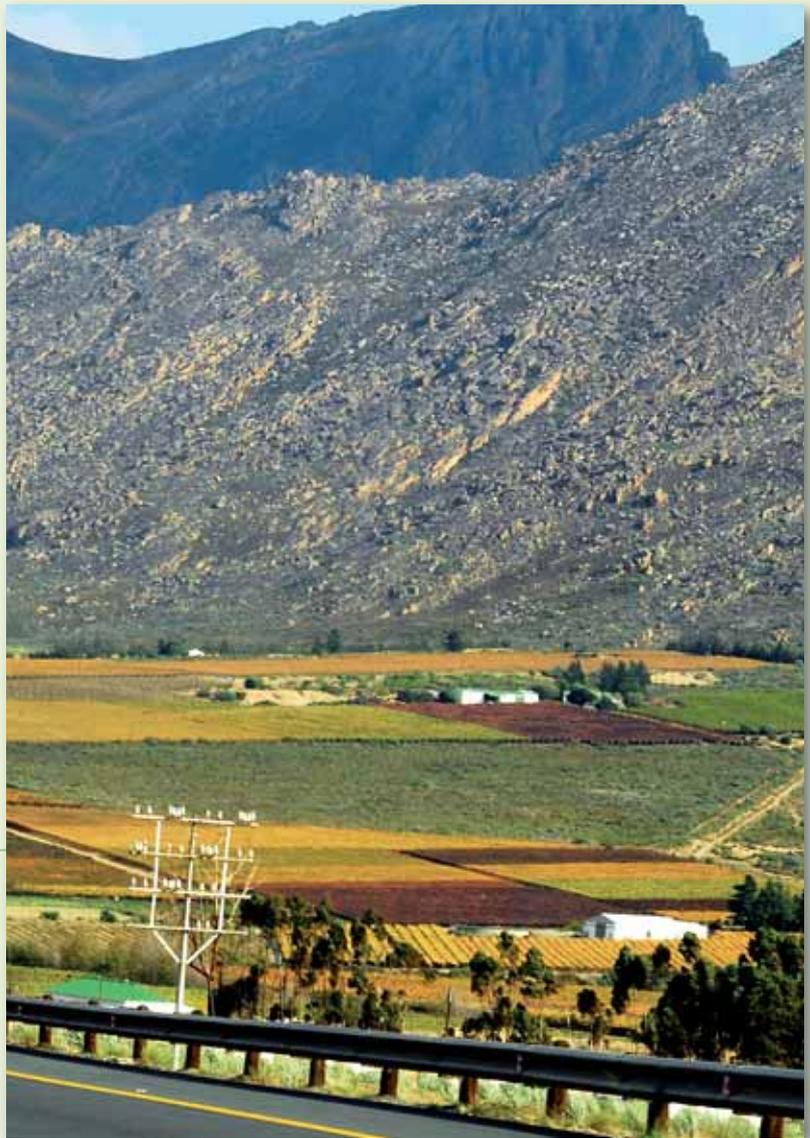
IBSA	India, Brazil and South Africa	PEQ	post-entry quarantine
ICC	International Cooperation Committee (DEXCO subcommittee)	PFMA	Public Finance Management Act of 1999
ICT	information communication technology	PIA	Plant Improvement Act
IFSNP	Integrated Food Security and Nutrition Programme	PIMD	Provincial 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		
ODC	Organisation Development Committee	TB	tuberculosis
OECD	Organisation for Economic Cooperation and Development	TICAD	Tokyo International Conference on Africa's Development
OIC	Orange International Certificate		
OIE	<i>Office International des Epizooties</i> /International Office of Epizootics	UAE	United Arab Emirates
OSD	occupation specific dispensation	UN	United Nations
OVI	Onderstepoort Veterinary Institute	UPOV	International Union for the Protection of New Varieties
PABX	Private Automatic Branch Exchange	USA	United States of America
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



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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



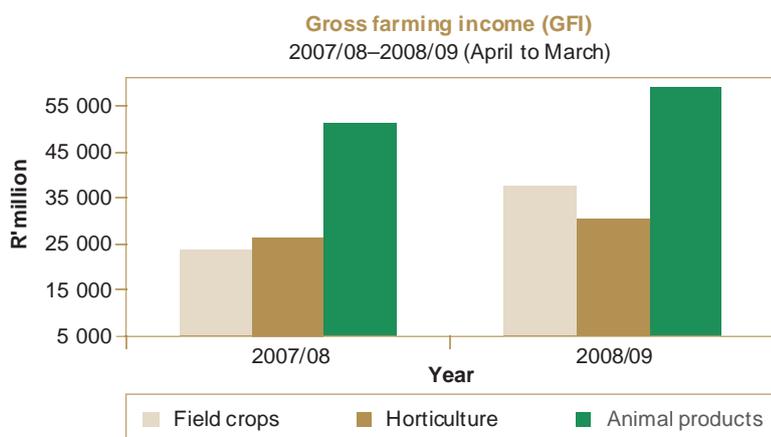
Economic overview

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 %).

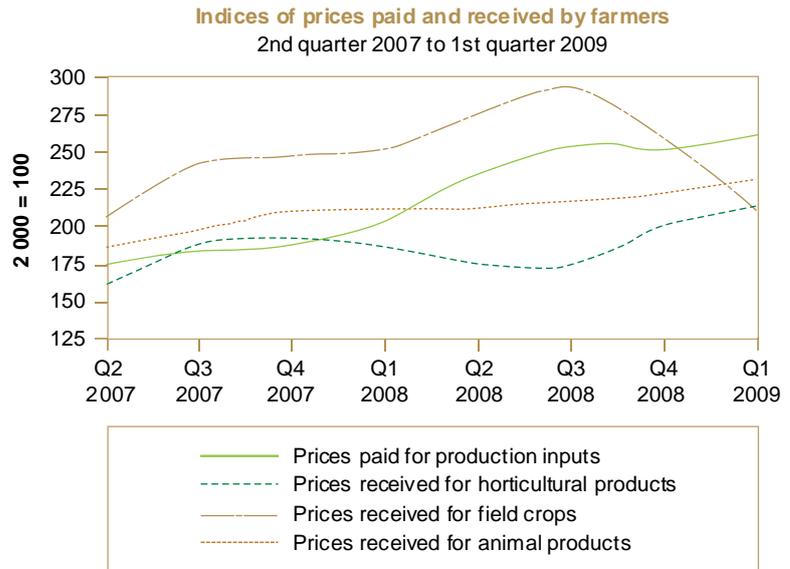
Prices of horticultural products increased by 4,5 %. Prices of fruit rose by 10,2 % and prices of vegetables increased slightly by 0,4 %.

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



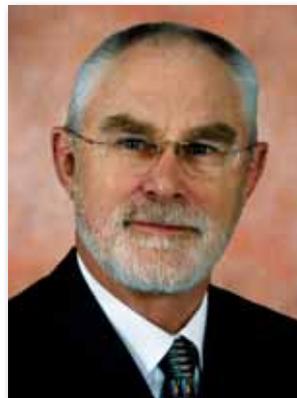
Vangile Titi

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.

ONDERSTEPSPOORT BIOLOGICAL PRODUCTS

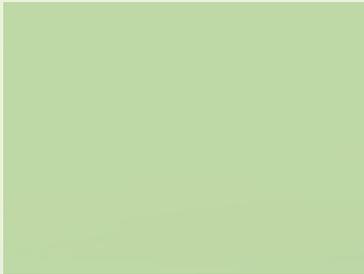
OBP was established in terms of section 2 of the Onderstepoort Biological Products Incorporation Act of 1999.

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

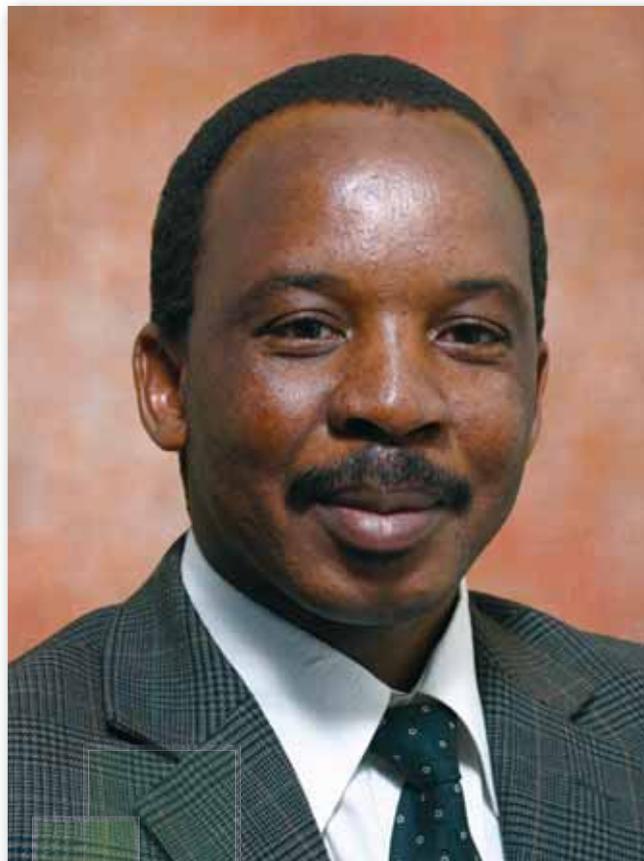
Develop and facilitate the implementation of appropriate policies and targeted programmes aimed at promoting equitable access to the agricultural sector, promote shared growth and the commercial viability of emerging farmers and ensure household food security. Facilitate market access for South African 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**

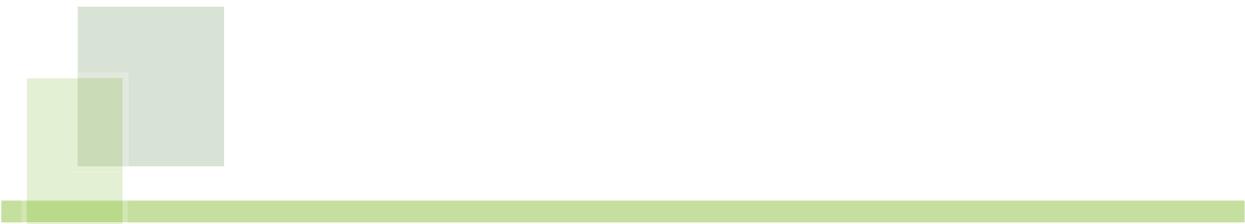
No.	Matter	Y	N
7.	<p>Internal audit</p> <ul style="list-style-type: none"> • The department had an internal audit function in operation throughout the financial year. • The internal audit function operates in terms of an approved internal audit plan. • The internal audit function substantially fulfilled 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

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	<i>Annex 1C & 1F</i>	898 296	762 099
Departmental agencies and accounts	<i>Annex 1G</i>	611 595	522 169
Universities and technikons	<i>Annex 1H</i>	6 244	3 806
Public corporations and private enterprises	<i>Annex 1I</i>	96 983	1 000 045
Foreign governments and international organisations	<i>Annex 1J</i>	35 303	32 865
Nonprofit institutions	<i>Annex 1K</i>	16 466	5 050
Households	<i>Annex 1L</i>	147 726	91 969
Gifts, donations and sponsorships	<i>Annex 1O</i>	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
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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	Division of Revenue Act		Grant allocation		Transfer		Spent		2007/08 Division of Revenue Act R '000		
	R '000	Act	Roll overs	Adjusted appropriation	Total available	Actual transfer	% of available funds transferred	Amount received by province		Amount spent by province	% of available funds spent by province
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	% of available funds spent by province %
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 Epiphyties	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

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**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



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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

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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



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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

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**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	-	-

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**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	1	–	–	–
Library, mail and related clerks, permanent	61	4	7	11,5
Light vehicle drivers, permanent	7	–	–	–
Logistical support personnel, permanent	9	3	–	–
Material–recording and transport clerks, permanent	62	10	6	9,7
Mechanical engineering technicians, permanent	1	–	–	–
Messengers, porters and deliverers, permanent	58	4	2	3,4
Motor vehicle drivers, permanent	41	1	–	–
Motorised farm and forestry plant operators, permanent	5	–	–	–
Nature conservation and oceanography related technicians, permanent	50	4	7	14,0
Other administrative and related clerks and organisers, permanent	219	31	21	9,6
Other administrative policy and related officers, permanent	56	8	5	8,9
Other information technology personnel, permanent	2	1	–	–
Printing and related machine operators, permanent	8	–	1	12,5
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	-	-	-	-	4
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	-	-	-	-	-	-	-	-	-	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 within 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 Sipiwe 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 Kamyane – 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 Phillipswe – 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

