



**KWAZULU-NATAL PROVINCE**

AGRICULTURE AND RURAL DEVELOPMENT  
REPUBLIC OF SOUTH AFRICA

# ANNUAL PERFORMANCE PLAN 2020/21

GROWING KWAZULU-NATAL TOGETHER



**MRS. BONGIWE SITHOLE-MOLOI**

MEC: Agriculture & Rural Development, KwaZulu-Natal

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## FOREWORD BY THE MEC

### MRS BONGIWE SITHOLE-MOLOI

MEC: DEPARTMENT OF AGRICULTURE  
& RURAL DEVELOPMENT, KWAZULU-NATAL

I am proud to have the opportunity to table the 2020/21 Annual Performance Plan of the Department of Agriculture and Rural Development. This is the first financial year of the implementation of the 2019-2024 Medium Term Strategic Framework, which contains the sixth administration's Programme of Action of Action. This MTSF is anchored upon the Seven (7) National priorities of Government. These priorities have strong resonance with the Department's service delivery programme that it has conceptualised and detailed in both the 2020-2025 Strategic Plan and 2020/21 Annual Performance Plan.

Our plans have been disrupted severely by the COVID-19. This global pandemic has caused havoc in the lives of the people and significantly altered the service delivery environment. As a result, we have had to adjust our 2020/21 Annual Performance Plan to reflect this changed landscape. We have reviewed our targets in line with the Budget Adjustments that have been reduced the financial resources at our disposal. The changes in our targets will be in the following programmes: Agricultural Services; Land Care; Agricultural Research, technology Development and Agricultural Institutes; Veterinary services and Agricultural Economics.

In outlining the MTSF Priorities, His Excellency, President Ramaphosa asserted during the State of the Nation Address that South Africa has a tough choice to either "succumb to the many and difficult and protracted problems that confront us, or we can confront them, with resolve and determination and with action." The option is patently clear on our side. For far too long, the people that have entrusted us with governing responsibility have still not been

able to express their full freedoms. Many of these challenges the President alluded to are in the area of socio-economic opportunities for a better life. Whilst the gains of the past 25 years of democracy and political freedom have afforded many a better life, this has to be intensified in this term of government to ensure more people have better prospects of sustainable livelihood.

The President highlighted agriculture as "one of the industries with the greatest potential for growth" and pronounced that government was ready to "accelerate land redistribution, expand agricultural production and transform the industry."

In this regard, he further mentioned that government was giving priority to "youth, women, people with disabilities and those who have been farming on communal land and are ready to expand their operations for training and allocation of land." The Department has taken heed of the President's pronouncements and has included specific measurable targets for farmer projects supported of the vulnerable groups in this Annual Performance Plan.

The KwaZulu-Natal Premier, Honourable Zikalala announced provincial eight (8) Government priorities during his 2020 State of the Province Address that complement the National Priorities. These priorities include Basic Services; Jobs Creation; Growing the Economy; Growing SMME's and Cooperatives; Education and Skills Development; Human Settlement and Sustainable Livelihood; Building a Peaceful Province and a Caring and Incorruptible Government.

The Premier announced that the Department of Agriculture and Rural Development will prioritize the Multi-Planting Season Programme; establishment of mega-nurseries to produce seeds; seedlings and fruit trees; Agri-Hubs and Commercialization of Goat Farming. The Department is seized with the conceptualization of the implementation strategies and plans for these programmes to enable full-rollout in the course of this financial year.

The Department has lined-up a comprehensive service delivery programme that focuses on farmer support and development; crop and livestock production; sustainable resource management; animal disease control; agricultural research and technology development; farmer training and education; agri-business and rural development. The Department's Five Year Strategy and this Annual Performance Plan detail our service delivery mandate and commitments.

The department processes to amalgamate all agricultural entities in the province, including Mjindi Farming (Pty) Ltd, Agri-business Development Agency (ADA) and Ntingwe Tea Estate, are at advanced stage for finalisation. It is envisaged that the new mandate of the combined entity will be to support and develop commercial farming, allowing the department to focus on household and smallholder farmers.

We are steadfast in our efforts to ensure the turnaround and stability of the Department. The critical positions of the Head of Department and Chief Financial Officer, together with other senior management positions, have been filled to ensure sound administrative leadership. The Department has identified the improvement of its internal systems of control and governance to ensure a responsive, effective and efficient operational environment. These initiatives are intended to support the core function of the Department, to develop agricultural sector and support farmer development.

The magnitude of the challenges that awaits us we execute our programme of action may appear insurmountable. However, we are confident that our plans are sound and will achieve their goals to enable our interventions to achieve greater and meaningful impact in changing the lives of the people of this province for the better.

The Department appreciates the support of the Honourable Premier, Colleagues in the Executive and Legislature, in particular portfolio committees, and other oversight structures. We also owe a debt of gratitude to the management and officials of the Department that make all of this work possible.



**Mrs. B.N. Sithole-Moloi (MPL)**

MEC: AGRICULTURE AND RURAL DEVELOPMENT



## STRATEGIC OVERVIEW: ACCOUNTING OFFICER

### MR. S. SIBANDE

Head of Department (Accounting Officer)  
Department of Agriculture and Rural Development, KZN

I am honoured to support the tabling of the 2020/2021 Annual Performance Plan (APP) of the KwaZulu-Natal Department of Agriculture and Rural Development. The APP is a strategic planning document that details the service delivery commitments for the Department in line with the vision and mission set out in the Strategic Plan, Provincial and National Policy Priorities. In this term, the National government has re-committed the National Development Plan (NDP) Vision 2030 as government's blueprint to unite all South Africans to address the triple challenges of unemployment, inequality and poverty.

The Medium Term Strategic Framework (2019-2024) has identified, as one of the five fundamental goals, the need to ensure that "no person in South Africa will go hungry" within the next 10 years as part of making progress towards tackling poverty, inequality and unemployment. The provincial government has also announced eight priorities that form the core of this administration's programme of action.

The province of KZN is faced with the challenge of high levels of poverty including through its multi-dimensional nature of which Stats SA regulatory reports and the need to have poverty alleviation measures. In this regard, KZN DARD implements the Multi-Planting Season Programme to ensure food production and distribution of food security interventions to alleviate hunger amongst the citizens of the province.

The focus of the planting season is no longer only on maize and bean production. This intervention includes other nutritious commodities for one-

home-one-garden, community gardens, institution gardens, one-household-one-fruit-tree (or more), indigenous goats, indigenous chickens, as well as mushrooms.

The Department's agricultural development approach for the province has been and will continue to be premised on growth, transformation and promotion of previously disadvantaged producers. The aim of this process is to ensure their inclusion in the agricultural mainstream economy, in particular to achieve household food security, increased production, productivity, and promotion of competitiveness and commercialisation of agricultural enterprises, especially of smallholder producers.

The Agri-Hubs programme supports the creation of a nexus of rural agricultural businesses across South Africa to serve as primary vehicles of agrarian transformation and comprehensive rural development to be located in central places within a District Municipalities. A concept for Agri-Hubs has been developed and Department will work towards its implementation in 2020/21 and beyond.

The Department is fully committed to the empowerment of the youth, women and people with disabilities, who for the long time have become vulnerable groups in our society. Through the youth empowerment initiative, the Department will unlock job opportunities for youth, mainly in school, out of school, unemployed graduates and aspiring agriculture youth and increase production to honor RASET government order.



The Department will implement six empowerment programmes set-aside for vulnerable groups through DARD and roll out the Youth Strategy informed by Youth In Agriculture and Rural Development Indaba late last year December 2019.

Establishment of Directorate for Youth, Women and Disabled People in Agriculture and Rural Development is expected to enhance emancipation of vulnerable groups in the economy of food in the province and to specifically address issues and challenges facing these groups, particularly through investments in six pillars of Operation Vula and stimulating agro-industrialization.

South Africa's rural communities must have better opportunities to participate fully in the economic, social and political life of the country. People should be able to access high-quality basic services. The Department will finalise Agriculture and Rural Development Masterplan. The MTSF 2019- 2024 is emphatic about the need to develop rural economies with agriculture as a catalyst towards inclusive rural economies.

The Department has enjoyed strong working relations and partnership with farmer associations and community groups in the province towards an agrarian transformation. This partnership has seen these stakeholders making valuable contribution in Department's priorities and strategy.

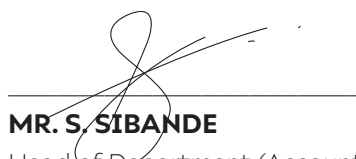
The Department will also continue to engage with organised youth and women's organisations and formations in order to deepen and widen the transformation of the sector. This will be done towards achieving representation for the sector's sustainability.

None of the initiatives highlighted here will be implemented successfully if the Department is weak and unstable. The success of these programmes is premised on a fully capable and stable Department that has strong systems of controls and efficient business process for organisation effectiveness.

Consequently, there is an ongoing organisational renewal process intended to make Agriculture and Rural Development a well-governed and impactful institution that is able to serve the people of KwaZulu-Natal and farmers with diligence.

The result of these efforts will be evident in our service delivery accomplishments; improvement in audit outcomes; budget programme expenditure and stable labour environment.

The development of this plan will not have been possible without the support and guidance of our Executive Authority, the Honourable MEC Mrs. BN Sithole-Moloi, the provincial executive under the leadership of the Honourable premier; the legislature portfolio committees; audit committee and agencies and stakeholders of the Department. The management and officials of the Department are the custodians of this plan and are accordingly acknowledged for their inputs and unyielding commitment to make this Department a better organization.



**MR. S. SIBANDE**

Head of Department (Accounting Officer)  
Department of Agriculture and Rural Development, KZN



## SIGN OFF OF THE ANNUAL PERFORMANCE PLAN

### It is hereby certified that this Annual Performance Plan:

was developed by the management of the Department of Agriculture and Rural Development under the guidance of the **Honourable MEC, Mrs Sithole-Moloi**; was prepared in line with the proposed Strategic Plan of the Department of Agriculture and Rural Development for the 2020- 2025; and accurately reflects the performance targets, which the Department of Agriculture and Rural Development will endeavour to, achieve given the resources made available in the budget for the year 2020-2021.

Dr NF Mkhize  
**CD: Agricultural Research Development  
& Training Institutes**

Signature: 

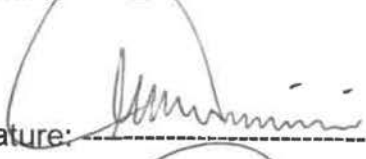
Mr Z Dlamini  
**CD: Agricultural Services**

Signature: 


Mr T Sikhakhane  
**Acting CD: Veterinary Services**

Signature: 

Mr GN Dlamini  
**Acting DDG: Corporate Services**

Signature: 

Mr J Mfusi  
**DDG: Rural Development**

Signature: 

Mrs APN Madlala  
**Chief Financial Officer**

Signature: 

Mr S Sibande  
**Head of Department**

Signature: 

### Approved by:

Mrs BN Sithole-Moloi  
**MEC: Agriculture and Rural Development**

Signature: 

## PART A: STRATEGIC OVERVIEW

### VISION, MISSION, VALUES

The Department is committed to the following set of vision, mission and values:

#### 1.1 VISION

An inclusive, sustainable and radically transformed agricultural sector that builds thriving communities in balance with nature.

#### 1.2 MISSION

To maximise agricultural potential through comprehensive farmer support and technological services for inclusive growth and sustainable rural development.

#### 1.3 VALUES

During the strategic review process, the Department committed to uphold the following Values:

- Service-Driven
- People-Centred
- Technology smart
- Collaborative
- Inclusive
- Innovative
- Ethical
- Transparent

#### 1.4 Impact Statement:

Increased household food security, agricultural growth and inclusive rural development

#### 1.5 Outcomes

- Effective and efficient corporate and financial support services to the Department
- Improved household food security in the province
- Improved farmer development for increased agricultural production, sector growth and inclusive rural economy
- Reduced outbreak cases of Controlled and Notifiable Animal Diseases
- Increased research knowledge production, agricultural education and training

### LEGISLATIONS AND OTHER MANDATES

The legislative mandate of the Department is derived from various sections of the constitution. The Department executes a concurrent national and provincial legislative mandate in terms of schedule 4 and 5 of the constitution. Section 27 of the Bill of Rights of the South African Constitution, Act of 108 of 1996, gives obligation to the state to uphold health care, food, water and social security rights. **Section 27 1(b)** states, “everyone has the right to have access to sufficient food and water”.

**Section 27 1(c)** states, “everyone has the right to social security, including, if they are unable to support themselves and their dependents, appropriate social assistance”. **Section 27 (2)** states, “the state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realization of each of these rights. There have been no significant changes to the Agriculture and Rural Development legislative and other mandates. Below is a list of all relevant legislation for the Department.

## **Transversal legislation**

- Constitution of the Republic of South Africa (Act No. 108 of 1996)
- Public Finance Management Act (Act No. 1 of 1999, as amended) and Treasury Regulations
- KZN Provincial SCM Policy Framework of 2006
- Preferential Procurement Policy Framework Act (Act No. 5 of 2000)
- Companies Act (Act No. 61 of 1973)
- Public Service Act (Act No. 109 of 1994, as amended) and Public Service Regulations of 2001
- Labour Relations Act (Act No. 66 of 1995)
- Basic Conditions of Employment Act (Act No. 75 of 1997)
- Skills Development Act (Act No. 97 of 1998)
- Promotion of Access to Information Act (Act No. 2 of 2000)
- Occupational Health and Safety Act (Act No. 85 of 1993)
- Compensation for Occupational Injuries and Diseases Act (Act No. 130 of 1993)
- Annual Division of Revenue Act
- Employment Equity Act (Act No. 55 of 1998)
- Public Service Commission Act (Act No. 65 of 1984)
- Promotion of Administrative Justice Act (Act No. 3 of 2000)

## **Agriculture legislation**

- KwaZulu Animal Protection Act (Act No. 4 of 1987)
- Conservation of Agricultural Resources Act (Act No. 43 of 1983)
- Marketing of Agricultural Products Act (Act No. 47 of 1996)
- Control of Market in Rural Areas Ordinance (No. 38 of 1965)
- Subdivision of Agricultural Land Act (Act No. 10 of 1970)
- Plant Improvement Act (Act No. 53 of 1976)
- Agricultural Pests Act (Act No. 36 of 1983)
- Agriculture Law Extension Act (Act No. of 1996)
- KwaZulu General Law Amendment Act (Act No. 3 of 1987)
- KwaZulu General Law Amendment Act (Act No. 21 of 1988)
- National Veld and Forest Fire Act (Act No. 101 of 1998)
- Veterinary and Para-Veterinary Professions Act (Act No. 19 of 1982)
- Livestock Brands Act (Act No. 87 of 1962)
- Livestock Improvement Act (Act No. 25 of 1977)
- Meat Safety Act, 2000 (Act No. 40 of 2000) (Replacing Abattoir and Co-operation Act)
- South African Medicines and Medical Devices Regulatory Authority Act (Act No. 32 of 1998)
- International Animal Health Code of World Organisation for Animal Health (OIE-Office International des Epizooties)
- Animal Diseases Act (Act No. 35 of 1984)
- International Code for Laboratory Diagnostic Procedure for Animal Diseases of World Organisation for Animal Health
- The Sanitary and Phyto-sanitary Agreement of the World Trade Organisation (WTO)
- Water Services Act (Act No. 108 of 1997)
- Marketing of Agricultural Products Act (Act No. 47 of 1996)
- Agricultural Research Act (Act No. 86 1990)
- Agricultural Products Standards Act (Act No. 119 of 1990)
- Agricultural Produce Agents Act (Act No. 12 of 1992)
- Agricultural Development Fund Act (Act No. 175 of 1993)
- Perishable Product Export Control Act (Act No. 9 of 1983)
- Fertilizers, Farm Feeds, Agricultural Remedies and Stock Remedies Act (Act No. 36 of 1947)
- Agricultural Credit Act (Act No. 28 of 1966)

- Marketing Act (Act No. 59 of 1958)
- Plant Breeder's Right Act (Act No. 15 of 1976)
- Land Redistribution Policy for Agricultural Development
- Agricultural Debt Management Act (Act No. 45 of 2001)
- Soil User Planning Ordinance (Ordinance No. 15 of 1985)
- Generally Modified Organisms Act (Act No. 15 of 1997)
- Hazardous Substances Act (Act No. 63 of 1973)
- Environment Conservation Act (Act No. 73 of 1989)
- Agri-business Development Agency Bill.

### **Rural Development Legislation**

- Deeds Registries Act (Act No. 47 of 1937)
- State Land Disposal Act (Act No. 48 of 1961)
- Physical Planning Act (Act No. 88 of 1967)
- Sectional Titles Act (Act No. 95 of 1986)
- Upgrading of Land Tenure Rights Act (Act No. 112 of 1991)
- Land Reform: Provision of Land and Assistance Act (Act No. 126 of 1993)
- Restitution of Land Rights Act (Act No. 22 of 1994)
- Land Reform (Labour Tenants) Act (Act No. 3 of 1996)
- Communal Property Associations Act (Act No. 28 of 1996)
- Land Survey Act (Act No. 8 of 1997)
- Extension of Security of Tenure Act (Act No. 62 of 1997)
- Planning Profession Act (Act No. 36 of 2002)
- Professional and Technical Surveyors Act (Act No. 40 of 1984)
- Spatial Data Infrastructure Act (Act No. 54 of 2003)
- Spatial Planning and Land Use Management Act (Act No. 16 of 2013)
- Data Infrastructure Act (Act No. 54 of 2003)
- Restitution of Land Rights Amendment Act (Act No. 48 of 2003)
- Removal of Restrictions Act (Act No. 84 of 1967) Estimates of Provincial Revenue and Expenditure 84
- Physical Planning Act (Act No. 125 of 1991)
- Land Titles Adjustment Act (Act No. 111 of 1993)
- Communal Land Rights Act (Act No. 11 of 2004)
- Abolition of Certain Title Conditions Act (Act No. 43 of 1999)
- Transformation of Certain Rural Areas Act (Act No. 94 of 1998)
- Interim Protection of Informal Land Rights Act (Act No. 31 of 1996)



## PART B: 1. SITUATION ANALYSIS

This is the first Annual Performance Plan (APP) of the KwaZulu-Natal Department of Agriculture and Rural Development in the sixth Administration. It comes after the country marked 25 years of freedom and democracy and begin our advance to the third decade of democracy. The national planning frameworks especially the National Development Plan (NDP) Vision 2030, the Medium Term Strategic Framework (MTSF) 2019-2024 and the Agricultural Policy Action Plan (APAP) have identified the agricultural sector as one of the key economic sectors to drive economic growth and be the key job driver in the country and in the province of KZN.

The Department of Agriculture and Rural Development (DARD) whose vision is to achieve ***an inclusive, sustainable and radically transformed agricultural sector that builds thriving communities in balance with nature***, has been implementing a number of programmes and interventions towards the achievement of its vision and strategic objectives. The mission of the Department is to promote through partnerships, sound agricultural practices that promote economic growth, food security and advancement of rural communities in the province.

This APP is the implementation plan for the 2019-2024 Medium-Term Strategic Framework (MTSF). In this regard, KZN DARD and its entities are an important institutional mechanism that must be responsive to the needs of the society, and in particular the farming community in the province. If the NDP 2030 Vision and targets are to be met, every institution across the agricultural sector will need to improve the quality of its service provision and delivery.

*The Department has sought to ensure its programmes makes meaningful contribution towards achievement of the seven key priorities.*

*These priorities are:*

**Priority 1:** A capable, ethical and developmental state

**Priority 2:** Economic transformation and job creation

**Priority 3:** Education, skills and health

**Priority 4:** Consolidating the social wage through reliable and quality basic services

**Priority 5:** Spatial integration, human settlements and local government

**Priority 6:** Social cohesion and safe communities

**Priority 7:** A better Africa and world

These priorities are also contained in the MTSF 2019-2024 as government's priorities over a five-year period. These priorities will be achieved through the joint efforts of government, the private sector and civil society.

MANIFESTO PRIORITIES	MTSF PRIORITIES	PROVINCIAL PRIORITIES	DARD OUTCOMES
1. Transform the economy To serve the people	Priority 2: Economic transformation and job creation	Priority No.2 – Job Creation Priority No 3 – Growing the Economy Priority No.4 - Growing SMMEs and Cooperative	Outcome 3: Improved farmer development for increased agricultural production, sector growth and inclusive rural economy.
2. Advance social transformation	Priority 2: Health and Education	Priority No. 5 – Education and Skills Development	Outcome 2: Improved household food security in the province
			Outcome 4: Reduced outbreak cases of Controlled and Notifiable Animal Diseases
			Outcome 5: Increased research knowledge production, agricultural education and training
	Priority 3 : Consolidating Social Wage through reliable and quality basic services	Priority No.1 – Basic Services	Outcome 3: Improved farmer development for increased agricultural production, sector growth and inclusive rural economy.
	Priority 4: Spatial integration, human settlements and local government	Priority No. 6 – Human Settlement and sustainable livelihood	Outcome 3: Improved farmer development for increased agricultural production, sector growth and inclusive rural economy.
3. Build safer communities	Priority 5 : Social Cohesion and Safe Communities	Priority No. 7 – Build a Peaceful Province	Outcome 1: Effective and efficient corporate and financial support services to the Department.
			Outcome 4: Reduced outbreak cases of Controlled and Notifiable Animal Diseases
4. Fight corruption and promote integrity	Priority 1: Capable, Ethical and Developmental State	Priority No. 8 - Build a caring and incorruptible government	Outcome 1: Effective and efficient corporate and financial support services to the Department.
5. Strengthen governance and public institutions	Priority 6: Capable, Ethical and Developmental State	Priority No. 8 - Build a caring and incorruptible government	Outcome 1: Effective and efficient corporate and financial support services to the Department.
6. Build national unity and embrace our diversity	Priority 5: Social Cohesion and Safe Communities	Priority No. 7 – Build a Peaceful Province	Outcome 1: Effective and efficient corporate and financial support services to the Department.
7. South Africa, Africa and the world	Priority 7: Better Africa and the World	Priority 7: Better Africa and the World	Outcome 1: Effective and efficient corporate and financial support services to the Department.

The Department has sought to align its budget allocation with the relevant government priority as per the table below:

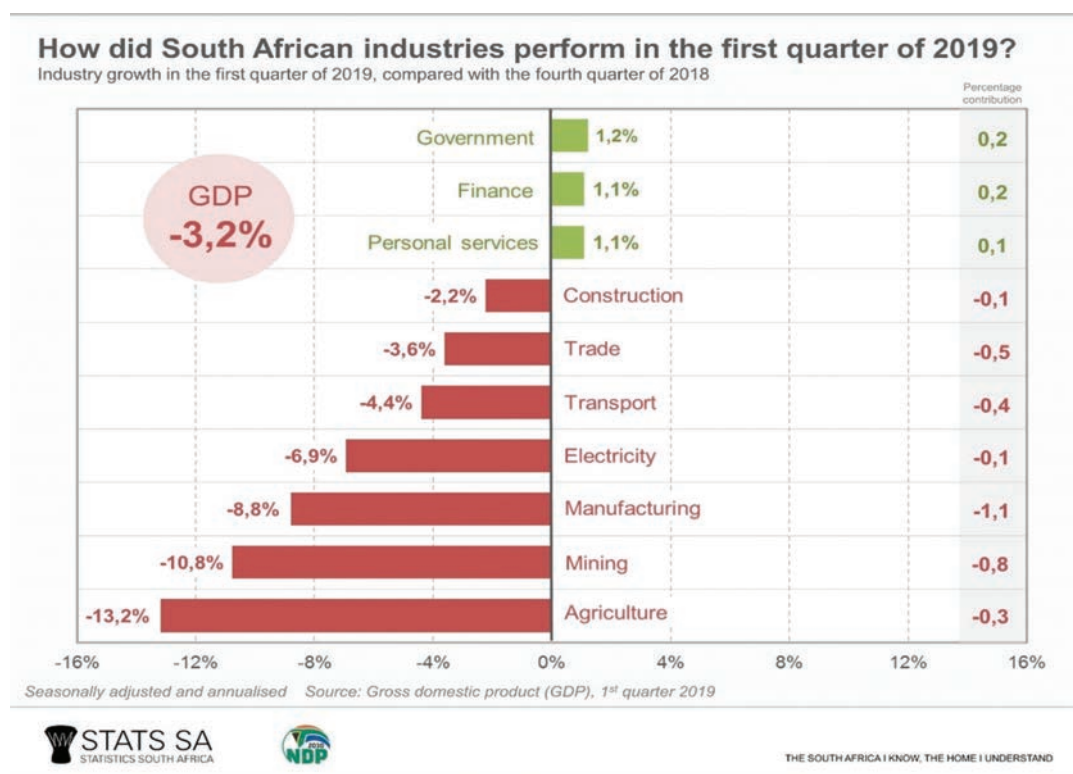
**Budget allocation per Government Priority: 2019/10 to 2022/23**

R'000	2019/20	2020/21	2021/22	2022/23
<b>Priority 1: A Capable, Ethical and Developmental State</b>	<b>562,101</b>	<b>653,744</b>	<b>695,108</b>	<b>732,018</b>
Programme 1: Administration, excluding external Bursaries	562,101	653,744	695,108	732,018
<b>Priority 2: Economic Transformation and Job Creation</b>	<b>1,169,126</b>	<b>1,195,605</b>	<b>1,227,952</b>	<b>1,268,413</b>
Sub-programme: Farmer Support and Development	1,157,586	1,181,755	1,213,200	1,252,738
Agricultural Economic Services	11,540	13,850	14,752	15,675
<b>Priority 3: Education, Skills and Health</b>	<b>572,882</b>	<b>545,999</b>	<b>585,357</b>	<b>625,304</b>
Sub-programme: Structured Agricultural Education and Training	113,174	111,374	117,675	124,322
Sub-programme: Research and Technology Development Services	226,676	184,470	196,153	208,201
Veterinary Services	212,060	217,200	230,558	244,004
External Bursaries	5,000	5,100	5,381	5,677
Unemployed graduates placement programme	15,972	27,855	35,590	43,100
<b>Priority 5: Spatial Integration, Human Settlements and Local Government</b>	<b>122,832</b>	<b>152,809</b>	<b>154,217</b>	<b>159,404</b>
Sub-prog: Sustainable Resource Management	96,390	94,578	94,921	98,088
Prog 3: Rural Development (excluding Unemployed graduates)	26,442	58,231	59,296	61,316
<b>TOTAL</b>	<b>2,426,941</b>	<b>2,548,157</b>	<b>2,662,634</b>	<b>2,785,139</b>

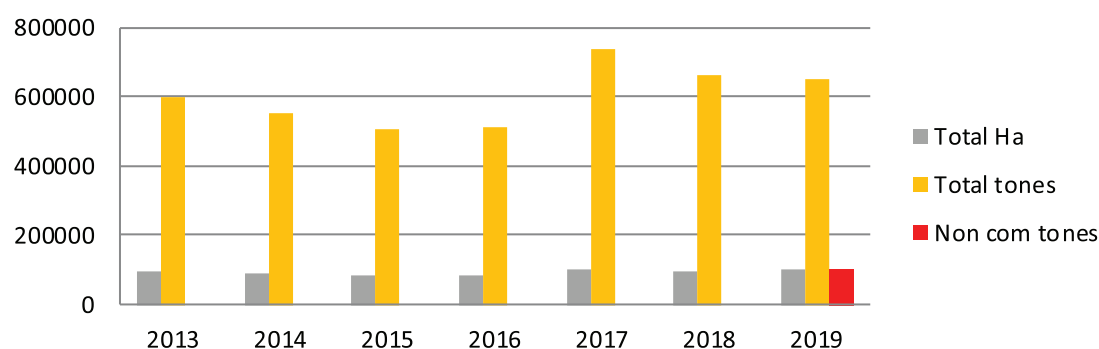
## External Environment Analysis

The agricultural sector is of key strategic importance in KZN. The suitable natural resources in KZN gives the province a comparative advantage in agriculture. Based on the natural resources, the majority in KZN is suitable for livestock production. Livestock production contributes ±46,5% of total KZN agricultural value. It is estimated that about 316 000 ha of the arable land in the communal areas are presently under-utilised. As a primary sector, agriculture contributes about 4% to provincial GVA.

KwaZulu-Natal produces almost 30% of national agricultural output and hence contributes significantly towards creating formal and informal employment, while providing food security in South Africa. Nationally, agriculture production slumped by 13,2% after registering a 7,9% rise in activity in the fourth quarter of 2018. A slowdown in the production of field crops (wheat, sunflower seeds, and tobacco) and horticultural products (vegetables, citrus and deciduous fruits) weakened performance in the first quarter.

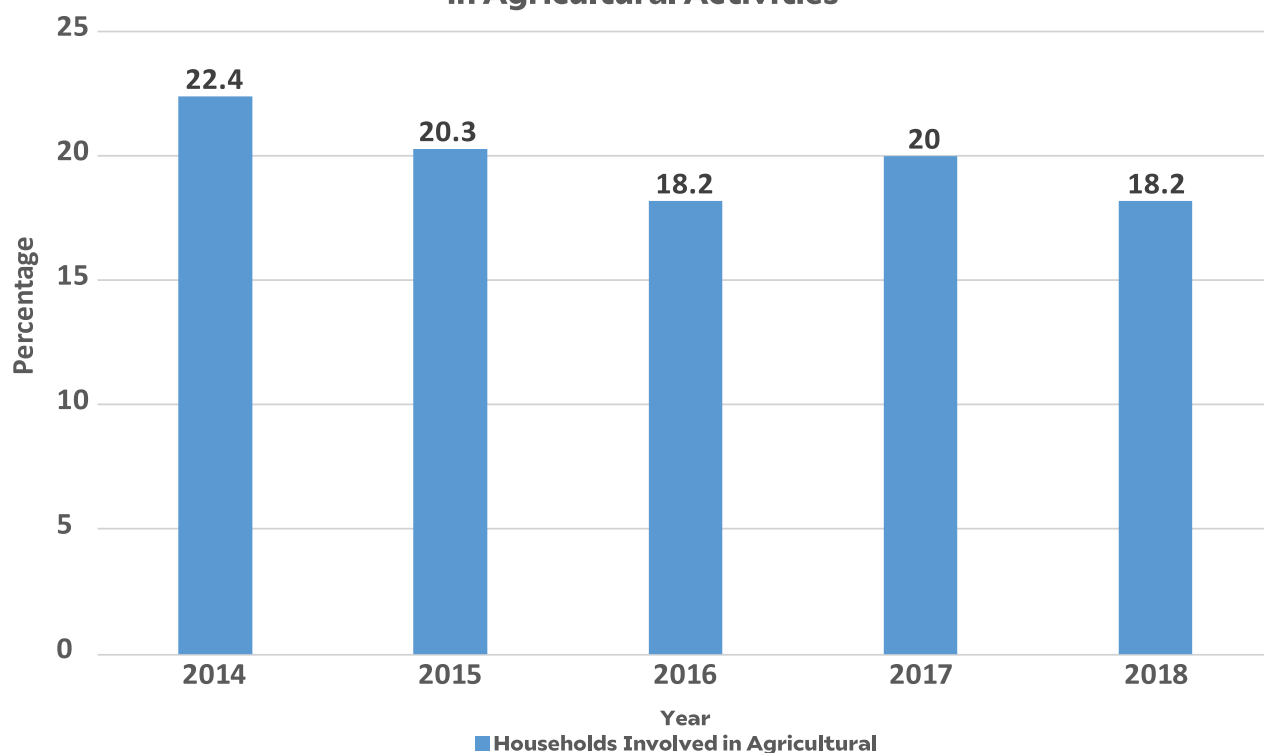


## Maize production in KZN



- KZN produce 5% of the total maize in the country
- KZN produce 19 % of the non-commercial maize at an average of 1.8 t/ha

## KZN Percentage Distribution of Households Involved in Agricultural Activities



Source: Statistics South Africa, General Household Survey

The sector is faced with several challenges that continue to affect its ability to deliver on the key outcomes. The decline in agricultural production is obviously concerning, especially for food security, employment in the sector and levels of competitiveness. It makes it difficult to achieve the kinds of outcomes that government is looking for regarding reduction in the levels of poverty, unemployment and other related socio-economic development. Below is a breakdown of some of the most potent of these challenges and how they are being addressed:





Table 1. Situational Analysis:  
Agricultural Sector in KZN

### Inadequate Access to Funding

The poor financial status and the lack of assets which can serve as collateral, negatively affects the creditworthiness of smallholder farmers. Smallholder farmers are restricted from accessing credit from formal private financial institutions because they do not hold title deeds which can serve as collateral for loan applications.

Transformation that has occurred in terms of land transfers saw farmers having access to land which cannot be used as collateral to access credit from financial institution because they do not hold title deeds or long term leases. The stringent measures or requirements by the financial institutions puts smallholder farmers at a disadvantage in accessing funding.

For instance, businesses are required to project previous financial statements of which most of the smallholder farmers do not have due to a lack of record keeping. Furthermore, smallholder farmers lack banking culture which pose a low confidence levels on the side of financial institutions.

The lack of off-take agreements or guarantees makes financial institutions hesitant from granting funding as there is no evidence of having a market. Agricultural production is easily impacted by natural disaster, particularly floods, fires and drought. Climate change pose a risk for financial institutions to grant funding to smallholder farmers because of their high risk to natural disaster. Farmers are compelled to take out insurance for them to qualify

for funding. Due to lack of finance (amongst others), farmers end up failing to maintain farm infrastructure which continues to deteriorate making it more difficult for them to access funds due to low value of their depleted infrastructure.

It is too costly for smallholder farmers to take insurance relating to production. With some crops, the cost of insurance goes as high as 18% of production cost. It becomes difficult for farmers to have insurance. Insurance premium is paid annually while income is generated after some time due to the seasonal nature of agriculture. The Department will pursue engagements with agricultural financiers in order to leverage on the resources at their disposal to support the development and transformation of the sector.

### Lack of Market Access

The lack of access to market is as a result of a combination of issues such as; lack of access to information by farmers, small volumes of supply, poor quality and inconsistency of supply especially for smallholder farmers. Strict requirements relating to volumes, quality, and food safety systems demanded by formal markets often results to farmers failing to participate in formal markets. There is inability of smallholder farmers to organize themselves to market-orientated cooperatives in order to benefit from economies of scale.

In terms of exports of agricultural products by South Africa during 2018, the five largest trading partners were the Netherlands, with exports to the value of

R12,5 billion, the United Kingdom (R11 billion), China (R8,8 billion), Mozambique (R6,8 billion) and the United States (R4,8 billion).

Focus in marketing agricultural produces should not only be on domestic opportunities but we should seek to exploit all avenues available in terms of the export market opportunities. The Department will be forging partnerships with the National Department of Agriculture especially with their Perishable Product Export Control Board (PPECB) ensuring high levels of compliance and quality standards which will enable our farmers to be export ready.

### **Concentrated Agricultural Industry**

Throughout the value chain, there are corporate which have mastered the food system making it difficult for those who were marginalized to access or penetrate through. There is still a need for transformation and inclusiveness of the previously disadvantaged individuals into the food value chain. Corporate have economies of scale in terms of production at all levels (primary secondary and tertiary level) and this is linked to the issue of market access. Corporate apply vertical integration where they participate in all levels of the value chain starting from the farm level up to the marketing level.

Private sector has located centers in the remote areas in order to control the market. Production inputs are supplied by limited suppliers further perpetuating concept of developing the agricultural industry by introducing new suppliers of seed, chemicals and fertilizers. Government needs to engage more with the private sector on local economic empowerment models or programmes such as the RASET programme. As much as government, through the RASET programme has identified an entry point to the market for previously disadvantaged individuals, but, there is a need for continued stakeholder engagement with corporate especially at a government level. Commercial farms are consolidating their farming units to benefit from economies of scale, further promotion of a concentrated industry.

### **Poor Agricultural Infrastructure Development**

The majority of smallholder farmers are situated in remote rural areas with poor infrastructural

development or inadequate physical infrastructure. The absence of proper infrastructure puts farmers at risk of losing the produce, quality of the produce and customers. Lack of access to on-farm infrastructure (such as abattoirs, storage, and processing facilities) by smallholder farmers impede their participation in markets.

Poor development and maintenance of off-farm infrastructure such roads and road networks pose a challenge for seamless movement of agricultural produce to the market distribution centers. Improved road condition allows for better access to a wider market and reduce losses and delays in moving the farm produce. Development of new agricultural infrastructure (such as water amenities, abattoirs, agro processing facilities, etc.) is costly. Given the limited economies of scale by most communal areas, it becomes impossible for farmers to invest in infrastructure development. It therefore becomes a need for the state to assist the community by developing agricultural infrastructure (such as irrigation infrastructure, storage facilities, rehabilitation of roads or new roads, etc.)

The Department is cognisant of the need for investment in agricultural infrastructure as one of the key instruments in unlocking rural socio-economic development, growth and development of the sector and this is clearly stated in the NDP. Accordingly, the department will continue to support the establishment and maintenance of infrastructure.

### **Loss of Agricultural land**

The conversion of agricultural land for commercial, industrial and residential use continue to be of grave concern. In the period between 2015 to 2017 approximately 54 000 hectares of agricultural land was approved for land conversion. On average this translates to approximately 18 000 hectares of land conversions annually over the period. The competency for the protection of agricultural land is a national competency administered through the Subdivision of Agricultural Act 70 of 1970 by the National Department of Agriculture Forestry and Fisheries.

## Lack of Agricultural Baseline Information

The province lacks current and accurate baseline information for planning purposes. There is little or no access to recent statistical information on agricultural trends in the province. The sector continues to develop at a high pace but information is not being updated. Access to credible data sources becomes key for government to develop sound policies and strategies. There has been a lot of shift in the agricultural production systems. As a state, we should be a repository of such information which will enable the state to plan accordingly. The department is in a process of establishing credible agricultural baseline information (state of agriculture) in KwaZulu-Natal through mapping of all the areas where there is crop and livestock production and identification of all rural agricultural infrastructure.

## Access to Land and Land Reform

Access to land is the basic unit for most of agricultural enterprises. Where transformation of land has been made, production is not at the desired level. Development support and land transferred is disconnected resulting to these farms not being productive. As a result, the contribution of land reform farms to food security, income generation, employment, and economy at large has decreased. Inability of individuals with proven record of being successful farmers at a small scale level to become land owners (farms).

***The Report of Advisory Panel on Land Reform and Agriculture was recently issued by the Presidency after the report served before cabinet. In the main, the report of the panel advises the President as follows:***

- Restore human dignity and social justice by enabling and resourcing restitution, redistribution and securing tenure in rural and peri-urban areas.
- Amend “willing buyer willing seller” method of compensation and explore more effective land acquisition methods.
- Develop appropriate policy mechanism to allow for land donations by private owners, churches, mining houses, commercial farmers in the interest of nation-building
- Panel acknowledged that there’s circumstances and cases that may warrant Expropriation without Compensation and provided guidance on how

Section 25 of the Constitution may be amended in order to make provision for zero compensation in certain instances.

- Strengthen the rights of farm dweller, who continue to be vulnerable to inhumane and wide scale evictions by farm owners.

The overall conclusion of the Advisory Panel argued that land reform process should also be seen as a tool for economic growth and social cohesion. And that “policies and laws cannot reach their potential without the political will to implement and a state that has capacity and heart to function and deliver to its people” and that “land reform process is not to undermine the property rights of individuals but to realise the constitutions mandate to deliver land reform as a corrective and restorative measure to historical issues”.

## Climate Change

Agriculture in South Africa faces a variety of risks associated with climate change. The changes in rain patterns, increased evaporation rates, and higher temperatures results in increased pests and diseases, reduced yields and spatial shift in optimum growing regions. The province has been affected by impact of changing climatic conditions and the related untold suffering it has had and may continue to have on agriculture, natural resources, people’s livelihoods and infrastructure. In this regard, the Department will need to work through whole of government approach in finding mitigation measures against climate change. The Department will continue to study the potential impacts and its effects to a sustainable agricultural industry in the province in order to develop appropriate agricultural systems of production, innovation and adaptation of climate smart technologies.

## Decline in Employment

The agricultural sector continues to record job losses and consequently threatens the rural livelihoods. Employment in the agricultural sector is only associated with primary production. Employment prospects are considerably higher in Agro-processing however this is accounted for as contribution to the secondary and tertiary sectors. Structural constraints affecting emerging farmers leading to reduction in production and job losses.

## Water Use and Water Access

Allocation of water rights is an important requirement in increasing agricultural production especially for smallholder farmers. Land and water transfers from agriculture to urban use seem to be accelerating as more people move to cities. There needs to be a striking balance between agricultural and urban water interests/use as we see urban development. Water as a scarce or limited resource needs to be conserved through promotion of climate smart technologies. In line with the forth industrial revolution, there is a need to use smart climate technologies in order to conserve water. There is a need to adopt technologies that will allow dictation of soil conditions and stress levels in a particular patch so that irrigation can be automated as per the need of the crop. If water use efficiency is at a correct level, we can expand the area under irrigation.

In light of the challenges highlighted above, the Department has identified several areas of intervention. Agricultural productivity can be increased in many ways, but each is limited by the natural resources available to each farm or scheme. The future development of agricultural sector in the province will be premised on the transformation and promotion of previously disadvantage producers and their inclusion in the agricultural mainstream economy to achieve the following:

- Ensuring household food security
- Increased Production; and Productivity especially of smallholder producers
- Promotion of competitiveness and commercialisation of agricultural enterprises
- Promoting efficient utilisation of agricultural land with potential towards a thriving and environmentally sustainable resource that is accessed equitably and can support a range of livelihoods and agricultural enterprises
- Expansion of irrigable land through water use efficiency for both crops and livestock
- Improving market access for producers, in particular smallholder farmers, through better supply chain management
- Adding value and agro processing to agricultural products before they reach local and international markets

## INTERNAL ENVIRONMENT ANALYSIS

One of the main indicators used by oversight structures and the general public about the performance or the state of affairs of the Department is the audit report of the Auditor General. The Department received qualified audit outcomes. This means there has been a systematic decline of the internal systems of the organization that have resulted in this decline.

The latest audit report highlighted financial statements; quality of submitted performance information and supply chain as risks areas. These functions are transversal in nature and require the entire organisation to follow established processes because weakness in our planning in seen when financial statements are prepared, performance reports compiled and through the procurement processes.

The Department is currently implementing a turnaround focusing on the areas that have shown systematic weakness over the past few years. The critical positions of the Head of Department and Chief Financial Officer, together with other senior management positions, are now filled to ensure sound administrative leadership. The Department is in the process of filling the DDG: Agricultural Development services, DDG: Corporate Services and Chief Director: Business Support positions.

The Department has identified the improvement of its internal systems of control and governance to ensure a responsive, effective and efficient operational environment. These initiatives are intended to support the core function of the Department, to develop agricultural sector and support farmer development.

The alignment of the organisational structure to Department's strategy is always important. The current review aims to introduce a directorate that will oversee Youth, Women and People with Disability to implement empowerment programmes focusing on these priority groups.



## PART C: MEASURING OUR PERFORMANCE

### 1. Institutional Programme Performance Information

The Department has three budget programmes. The budget allocation for the three programmes is as follows:

- **Programme 1** – Administration – **R658.844 million**
- **Programme 2** – Agriculture – **R1 803,227 million**
- **Programme 3** – Rural Development – **R86.086 million**

**Total: Vote 3 – Agriculture & Rural Dev. – R2 548.157 billion**

#### BUDGET PROGRAMMES

##### Programme 1: Administration- Corporate Services

###### Sub-programmes:

- Financial Management
- Human Resource Management
- Business Support
- Legal Services
- Intergovernmental and International relations

##### Programme 3: Rural Development

###### Sub-programmes:

- Integrated Rural Development
- Rural Enterprise and Industry Development

##### Programme 2: Agricultural Development Services

###### Sub- programmes:

- Sustainable Resource Management
- Farmer Support and Development
- Veterinary Services
- Research and Technology Development
- Agricultural Economics Services
- Structured Agricultural Education and Training

### SUMMARY OF PAYMENTS AND ESTIMATES FOR VOTE 3

#### Summary of payments and estimates by programme: Agriculture and Rural Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2016/17	2017/18	2018/19	2019/20			2020/21	2021/22	2022/23
1. Administration	457,419	476,647	490,025	567,101	591,869	578,106	658,844	700,489	737,695
2. Agriculture	1,744,190	1,536,918	1,619,583	1,827,866	1,969,822	1,984,579	1,803,227	1,867,259	1,943,028
3. Rural Development	14,757	19,300	17,088	31,974	26,855	25,861	86,086	94,886	104,416
<b>Total</b>	<b>2,216,366</b>	<b>2,032,865</b>	<b>2,126,696</b>	<b>2,426,941</b>	<b>2,588,546</b>	<b>2,588,546</b>	<b>2,548,157</b>	<b>2,662,634</b>	<b>2,785,139</b>

#### Summary of payments and estimates by economic classification: Agriculture and Rural Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2016/17	2017/18	2018/19	2019/20			2020/21	2021/22	2022/23
<b>Current payments</b>	<b>1,644,912</b>	<b>1,635,267</b>	<b>1,694,113</b>	<b>2,070,454</b>	<b>2,176,767</b>	<b>2,117,361</b>	<b>2,054,537</b>	<b>2,164,827</b>	<b>2,277,071</b>
Compensation of employees	950,488	996,587	1,023,233	1,195,333	1,102,743	1,074,071	1,246,640	1,329,472	1,419,270
Goods and services	694,322	637,724	670,871	875,030	1,073,933	1,043,198	807,805	835,258	857,699
Interest and rent on land	102	956	9	91	91	92	92	97	102
<b>Transfers and subsidies to:</b>	<b>275,994</b>	<b>287,119</b>	<b>320,815</b>	<b>208,053</b>	<b>315,783</b>	<b>316,149</b>	<b>360,031</b>	<b>361,747</b>	<b>376,364</b>
Provinces and municipalities	1,278	1,380	1,626	2,159	2,159	2,159	2,216	2,338	2,450
Departmental agencies and accounts	97,000	123,184	122,649	129,357	136,485	136,485	198,188	208,390	217,724
Higher education institutions	3,000	44	92	-	100	100	99	99	99
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	155,526	136,592	171,426	66,773	160,340	160,340	149,670	140,730	145,412
Non-profit institutions	3,569	7,321	-	-	-	-	-	-	-
Households	15,621	18,598	25,022	9,764	16,699	17,065	9,858	10,190	10,679
<b>Payments for capital assets</b>	<b>293,622</b>	<b>109,991</b>	<b>110,079</b>	<b>148,434</b>	<b>95,996</b>	<b>155,036</b>	<b>133,589</b>	<b>136,060</b>	<b>131,704</b>
Buildings and other fixed structures	163,282	76,430	63,165	100,832	40,060	102,730	93,929	95,156	85,198
Machinery and equipment	130,120	32,866	46,695	47,032	55,366	51,497	39,090	40,303	45,876
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	169	695	219	570	570	570	570	601	630
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	51	-	-	-	-	239	-	-	-
<b>Payments for financial assets</b>	<b>1,838</b>	<b>488</b>	<b>1,689</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>2,216,366</b>	<b>2,032,865</b>	<b>2,126,696</b>	<b>2,426,941</b>	<b>2,588,546</b>	<b>2,588,546</b>	<b>2,548,157</b>	<b>2,662,634</b>	<b>2,785,139</b>

**Programme 1:** Administration shows a steady increase over the seven-year period. The increase from the 2019/20 Main to Adjusted Appropriation is in respect of the centralisation of the security services at district and local offices previously allocated under Programme 2, as well as a roll-over relating to the maintenance of office buildings, SITA payments and adjustments to security services costs.

The decrease in the 2019/20 Revised Estimate is due to vacant posts, planned additional office space not secured by DOPW, as well as a decrease in consumable supplies and travel and subsistence costs. There is inflationary growth over the MTEF to provide the necessary administrative support to the line function programmes. An amount of R3.679 million was cut in 2020/21 only under Programme 1 within the sub-programme: **Corporate Services against Compensation of employees as a result of the fiscal consolidation and PES formula updates budget cuts. This cut was implemented in this programme due to the historic savings resulting from natural attrition, as well as the slow process of filling vacant posts.**

**Programme 2:** shows a significant decrease from 2016/17 to 2017/18 and a minimal increase in 2018/19 due to the under-expenditure incurred by the department during this period. The increase from the 2019/20 Main to Adjusted Appropriation is attributable to the conditional grant roll-over of R97.425 million, as well as R62.415 million in respect of the equitable share for the production inputs and goods and services committed in 2018/19 and finalised and paid for in 2019/20. There was also a virement from Programme 1 and 3 towards augmenting the budget for the planting season. These increases were offset by a reduction in respect of the centralisation of security services. The further increase in the Revised Estimate is as a result of re-prioritisation that was undertaken at the end of the third quarter toward increasing the service delivery programmes such as production inputs and veterinary supplies.

The decrease in 2020/21 is due to the reprioritisation of R30 million from Compensation of employees to Programme 3 for agri-parks, nurseries and seed banks, as well as the effects of the fiscal

consolidation and PES formula updates budget cuts, budget cuts due to low spending on Compensation of employees, budget cuts on events, as well as conditional grant budget cuts, as mentioned.

This programme is the core of the department's service delivery and, over the MTEF, provides for sustainable resource management, farmer support and development through extension services and project interventions, veterinary services, research and technology development, agricultural education training at the department's two colleges, as well as the digi-pen software to enhance the departments' extension and advisory services. The programme shows steady growth over the MTEF despite the budget cuts.

**Programme 3:** Rural Development provides for rural development co-ordination and social facilitation functions. The increase in 2017/18 is in respect of the implementation of the UAGYP, whereby the department formed a partnership with the Future Farmers Foundation in implementing the UAGYP and the placement of graduates on farms. The roll-out of the programme declined in 2018/19 due to a change in the implementation approach and the department discontinuing the partnership with the Future Farmers Foundation. The increase in 2019/20 is for the placement of unemployed graduates under the UAGYP. The revised strategy is to appoint the graduates on contract and manage the stipends through PERSAL and not through partnerships with other stakeholders.

The actual implementation was slower than planned and, hence, the reduction in the 2019/20 Adjusted Appropriation and Revised Estimate. The significant increase in 2020/21 is in respect of the R30 million reprioritised from Programme 2 for the establishment of agri-parks, nurseries and seed banks. The MTEF provides for the continued roll-out of the UAGYP programme, establishment of agri-parks, nurseries and seed banks, as well as co-ordinating, monitoring and reporting on rural development in the province. This programme was reduced by R133 000 and R140 000 in 2020/21 and 2021/22, respectively against Compensation of employees due to the CPI inflation projections being revised downward from 5.5 to 4.8 per cent.

## PROGRAMME 1: CORPORATE SERVICES

### Purpose:

Programme 1 provides support to the line function components of the Department in achieving their goals. The focus for Programme 1 is the provision of finance, corporate and strategic support services to the Department. These include, but are not limited to Financial Management, Human Resource Development, Integrated Planning, Policy, Monitoring and Evaluation (IPPM&E), Information Communications Technology (ICT), Legal Services, Management Advisory Services, Labour Relations as well as Security and Occupational Health and Safety.

### Outcomes, Outputs, Performance Indicators and Targets

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited /Actual Performance			Estimated Performance	MTEF Period		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Effective and efficient corporate and financial support services to the Department	Decisions that are compliant with the Promotion of Administrative Justice Act finalized.	Percentage of decisions that are compliant with the Promotion of Administrative Justice Act finalized.	New indicator	7	11	100%	100%	100%	100%
	Capacity building initiatives implemented for contract compliance	Number of capacity building initiatives implemented for contract compliance	New indicator	New indicator	4	5	8	10	12
	Departmental business processes automated to improve operational efficiency	Number of Departmental business processes automated to improve operational efficiency	New indicator	New indicator	1	3	2	2	4
	Approved funded vacant posts filled within 3 months after the closing date	Percentage of approved funded vacant posts filled within 3 months after the closing date.	New indicator	New indicator	100%	100%	100%	100%	100%
	Performance reports submitted to oversight structures	Number of performance reports submitted to oversight structures	New indicator	New indicator	5	5	5	5	5
	Achievement of Departmental APP targets	Percentage achievement of Departmental APP targets	New indicator	New indicator	8	8	8	8	4
	Skills development interventions implemented	Number of skills development interventions implemented	4	4	4	4	4	4	2
	Performance oversight meetings held with Department entities	Number of performance oversight meetings held with Department entities	New indicator	4	4	4	1	1	1
	Achievement of Departmental APP targets	Percentage achievement of Departmental APP targets	New indicator	New indicator	New indicator	100%	100%	100%	100%
	Employees who sign performance agreements within the prescribed timeframe	Percentage of employees who sign performance agreements within the prescribed timeframe	New indicator	New indicator	New indicator	100%	100%	100%	100%
	Percentage of annual employee performance assessments concluded	Percentage of annual employee performance assessments concluded	New indicator	New indicator	New indicator	1	1	1	1

## Indicators, Annual and Quarterly Targets

Output Indicators	Annual Target	Reporting Period	Q1	Q2	Q3	Q4
Percentage of decisions that are compliant with the Promotion of Administrative Justice Act finalized.	100%	Quarterly	100%	100%	100%	100%
Number of capacity building initiatives implemented for contract compliance	5	Quarterly	0	1	1	3
Number of Departmental business processes automated to improve operational efficiency	3	Quarterly	0	0	1	2
Percentage of approved funded vacant posts filled within 3 months after the closing date of advertisement.	100%	Quarterly	100%	100%	100%	100%
Number of performance reports submitted to oversight structures	5	Quarterly	1	2	1	1
Number of skills development interventions implemented	8	Quarterly	2	2	2	2
Number of performance oversight meetings held with Department entities	4	Quarterly	1	1	1	1
Percentage achievement of Departmental APP targets	100%	Quarterly	100%	100%	100%	100%
Percentage of employees signed performance agreements submitted within the prescribed timeframe	100%	Quarterly	100%	0	0	0
Percentage of annual employee performance assessments finalised within the prescribed timeframe	100%	Quarterly	0	0	100%	0

## PROGRAMME RESOURCE CONSIDERATIONS

### Summary of payments and estimates by sub-programme: Administration

	Audited Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2016/17	2017/18	2018/19	2019/20			2020/21	2021/22	2022/23
1. Office of the MEC	16,001	11,812	14,729	16,475	22,484	23,457	24,745	26,295	27,848
2. Senior Management	26,144	43,393	54,738	47,259	58,953	57,383	52,558	55,701	58,849
3. Corporate Services	244,961	272,772	262,469	293,430	330,652	319,633	361,553	389,174	409,885
4. Financial Management	142,117	117,230	133,806	173,659	143,819	141,609	180,612	187,517	197,142
5. Communication Services	28,196	31,440	24,283	36,278	35,961	36,024	39,376	41,802	43,971
<b>Total</b>	<b>457,419</b>	<b>476,647</b>	<b>490,025</b>	<b>567,101</b>	<b>591,869</b>	<b>578,106</b>	<b>658,844</b>	<b>700,489</b>	<b>737,695</b>

### Summary of payments and estimates by economic classification: Administration

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
R thousand	2016/17	2017/18	2018/19	2019/20			2020/21	2021/22	2022/23
<b>Current payments</b>	<b>412,181</b>	<b>443,038</b>	<b>446,646</b>	<b>507,458</b>	<b>541,316</b>	<b>524,724</b>	<b>596,173</b>	<b>634,371</b>	<b>669,634</b>
Compensation of employees	192,245	205,016	213,402	241,093	231,553	224,111	266,205	282,198	300,075
Goods and services	219,850	238,022	233,241	266,365	309,763	300,613	329,968	352,173	369,559
Interest and rent on land	86	-	3	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	<b>8,971</b>	<b>7,569</b>	<b>10,071</b>	<b>9,348</b>	<b>10,258</b>	<b>10,510</b>	<b>9,819</b>	<b>10,360</b>	<b>10,858</b>
Provinces and municipalities	1,278	718	996	1,200	1,200	1,200	1,210	1,277	1,338
Departmental agencies and accounts	2,418	1,849	2,632	3,048	2,831	2,831	3,289	3,470	3,637
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	5,275	5,002	6,443	5,100	6,227	6,479	5,320	5,613	5,883
<b>Payments for capital assets</b>	<b>34,448</b>	<b>25,685</b>	<b>32,574</b>	<b>50,295</b>	<b>40,295</b>	<b>42,872</b>	<b>52,852</b>	<b>55,758</b>	<b>57,203</b>
Buildings and other fixed structures	6,650	3,184	6,485	29,345	19,345	19,345	30,959	32,662	32,998
Machinery and equipment	27,747	22,501	26,089	20,950	20,950	23,288	21,893	23,096	24,205
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	51	-	-	-	-	239	-	-	-
<b>Payments for financial assets</b>	<b>1,819</b>	<b>355</b>	<b>734</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>457,419</b>	<b>476,647</b>	<b>490,025</b>	<b>567,101</b>	<b>591,869</b>	<b>578,106</b>	<b>658,844</b>	<b>700,489</b>	<b>737,695</b>



The sub-programme: Office of the MEC provides for the efficient operation of the ministry. The increase in the 2019/20 Adjusted Appropriation and Revised Estimate relates to the current staff establishment and filled posts. The MTEF allocations show steady growth in line with anticipated wage adjustments and inflationary increases.

The sub-programme: Senior Management provides for the running costs of the office of the HOD, DDGs and Chief Directors. This sub-programme also provides for audit fees, any other audits commissioned, as well as the rationalisation of public entities and the study on the Status of Agriculture in the Province.

The increase in the 2019/20 Adjusted Appropriation is in respect of the ongoing SIU investigations, Treasury support in SCM, as well as consultants' support during the audit. The growth over the MTEF is in respect of the carry-through costs of the above-budget wage agreements and annual salary increments.

The Corporate Services sub-programme includes human resource management and development, business support services, legal and security services, facilities, etc. The MTEF caters for support to the department in terms of sound legal advice, adequate IT infrastructure, human resource management and development, employee wellness and ensuring adherence to the occupational health and safety requirements.

The sub-programme: Communication Services includes activities to promote the department's image and market the services provided by the department through a comprehensive communication strategy for both external stakeholders, as well as internal employees.

The sub-programme shows steady growth over the MTEF, providing for the annual wage adjustment and inflationary increases for marketing and advertising.

#### **Programme 1: Financial Management**

Purpose: The Finance sub-programme consists of the Office of the Chief Financial Officer, Management Accounting Services, Financial Accounting and Administration Services, Assets Management, Infrastructure Management and Supply Chain Management.

#### **The responsibilities are as follows.**

- **The Office of the Chief Financial Officer:**

responsible for ensuring compliance with all finance related matters and to provide leadership on all matters related to finance in the Department.

- **The Directorate Management Accounting**

**Services:** management of budget and revenue planning, control and reporting.

- **The Directorate Financial Accounting and**

**Administration Services:** provides expenditure and creditor management, bookkeeping, loss control, banking, financial systems development services as well as salary administration, financial administration and reporting services.

- **The Directorate Asset Management:** responsible for fleet management, inventory management and moveable asset management services.

- **The Directorate Infrastructure Management:**

Was established during the 2018/19 financial year to manage the infrastructure developments in the department that was previously under the Directorate: Asset Management

- **The Directorate Supply Chain Management:**

provides contract development, bids administration, demand, supply and logistics services to the department.

## Outcomes, Outputs, Performance Indicators and Targets

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited /Actual Performance			Estimated Performance	MTEF Period		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Effective and efficient corporate and financial support services	Approved 2021/22 Departmental Procurement Plan	Approved 2021/22 Departmental Procurement Plan	1	1	1	1	1	1	1
	Approved 2020/21 Infrastructure Programme Management Plan (IPMP)	Approved 2020/21 Infrastructure Programme Management Plan (IPMP)	1	1	1	1	1	1	1
	Valid invoices paid within 30 days	Percentage of valid invoices paid within 30 days	85%	96%	92%	100%	100%	100%	100%
	Number of In-Year Monitoring Reports submitted to oversight structures	Number of In-Year Monitoring Reports submitted to oversight structures	12	12	12	12	12	12	12
	Approved 2020/21 Departmental Strategic Risk Register	Approved 2020/21 Departmental Strategic Risk Register	1	1	1	1	1	1	1
	Approved 2020/21 Departmental Asset Register	Approved 2020/21 Departmental Asset Register	New Indicator	New Indicator	New Indicator	1	1	1	1
	Approved 2020/21 Departmental Contract Register	Approved 2020/21 Departmental Contract Register	New Indicator	New Indicator	New Indicator	1	1	1	1
	Percentage achievement of programme budget expenditure	Percentage achievement of programme budget expenditure	New Indicator	New Indicator	New Indicator	100%	100%	100%	100%
	Investigations conducted on fruitless, unauthorized and irregular expenditure	Number of investigations conducted on fruitless, unauthorized and irregular expenditure	New Indicator	New Indicator	New Indicator	1	4	6	6
	Unqualified AG audit outcome	Number of unqualified AG audit outcome	New Indicator	New Indicator	New Indicator	1	1	1	1

## Indicators, Annual and Quarterly Targets

Output Indicators	Annual Target	Reporting Period	Q1	Q2	Q3	Q4
Approved 2021/22 Departmental Procurement Plan	1	Annual	0	0	0	1
Approved 2020/21 Infrastructure Programme Management Plan (IPMP)	1	Quarterly	1	0	0	0
Number of valid invoices paid within 30 days	100%	Quarterly	100%	100%	100%	100%
Number of In-Year Monitoring Reports submitted to oversight structures	12	Quarterly	3	3	3	3
Approved 2020/21 Departmental Strategic Risk Register	1	Quarterly	1	0	0	0
Approved 2020/21 Departmental Asset Register	1	Quarterly	1	0	0	0
Approved 2020/21 Departmental Contract Register	1	Quarterly	0	1	0	0
Percentage achievement of programme budget expenditure	100%	Quarterly	25%	50%	75%	100%
Investigation conducted on fruitless, Unauthorized and irregular expenditure	1	Quarterly	0	0	0	1
Unqualified AG audit outcome	1	Annual	0	0	0	1

The sub-programme: Financial Management provides for sound financial management systems and controls, SCM systems that are fair, transparent and address the need for radical economic transformation, as well as the management of the departmental fleet and capital infrastructure development. The operational costs of vehicles are being charged to the programmes that utilise the vehicles.

The DOPW is the implementing agent for the department's infrastructure projects, such as the upgrade and refurbishment of departmental offices and staff accommodation. The 2020/21 MTEF provides for continued support to the line functions, rehabilitation and upgrade of office accommodation at various departmental district and local offices, as well as the replacement of departmental vehicles.

## Programme 2: Agricultural Development Services

### Summary of payments and estimates by sub-programme: Agriculture

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2016/17	2017/18	2018/19	2019/20			2020/21	2021/22	2022/23
<b>1. Sustainable Resource Management</b>	<b>74,396</b>	<b>75,340</b>	<b>74,186</b>	<b>96,390</b>	<b>92,386</b>	<b>86,483</b>	<b>94,578</b>	<b>94,921</b>	<b>98,088</b>
Engineering Services	19,084	17,264	13,676	28,044	21,343	15,213	21,242	23,083	24,829
Land Care	41,601	41,712	46,158	51,471	54,168	54,273	53,777	51,350	51,788
Land Use Management	10,193	11,496	9,908	11,908	11,908	11,970	14,275	14,906	15,621
Disaster Risk Management	3,518	4,868	4,444	4,967	4,967	5,027	5,284	5,582	5,850
<b>2. Farmer Support and Development</b>	<b>1,233,265</b>	<b>958,766</b>	<b>1,077,006</b>	<b>1,168,026</b>	<b>1,374,876</b>	<b>1,362,100</b>	<b>1,181,755</b>	<b>1,213,200</b>	<b>1,252,738</b>
Farmer-Settlement and Development	701,418	315,123	375,607	285,593	398,828	400,591	376,877	350,972	334,441
Extension and Advisory Services	514,022	556,164	604,325	668,432	652,650	633,073	694,160	741,850	785,877
Food Security	17,825	87,479	97,074	214,001	323,398	328,436	110,718	120,378	132,420
<b>3. Veterinary Services</b>	<b>176,333</b>	<b>200,850</b>	<b>208,050</b>	<b>212,060</b>	<b>207,617</b>	<b>256,299</b>	<b>217,200</b>	<b>230,558</b>	<b>244,004</b>
Animal Health	141,881	166,079	175,658	170,607	172,239	222,182	175,802	186,537	197,289
Veterinary Public Health	9,117	2,721	6,044	8,941	8,941	6,896	8,096	8,754	9,532
Veterinary Laboratory Services	25,335	32,050	26,348	32,512	26,437	27,221	33,302	35,267	37,183
<b>4. Research and Technology Development</b>	<b>170,881</b>	<b>187,457</b>	<b>159,520</b>	<b>226,676</b>	<b>177,812</b>	<b>169,484</b>	<b>184,470</b>	<b>196,153</b>	<b>208,201</b>
Research	126,406	127,259	103,951	144,186	108,186	104,177	116,527	124,347	132,369
Research Infrastructure Support	44,475	60,198	55,569	82,490	69,626	65,307	67,943	71,806	75,832
<b>5. Agricultural Economic Services</b>	<b>5,047</b>	<b>9,289</b>	<b>8,363</b>	<b>11,540</b>	<b>10,830</b>	<b>8,234</b>	<b>13,850</b>	<b>14,752</b>	<b>15,675</b>
Agri-Business Support and Development	5,047	9,289	8,363	11,540	10,830	8,234	13,850	14,752	15,675
<b>6. Structured Agricultural Education and Training</b>	<b>84,268</b>	<b>105,216</b>	<b>92,458</b>	<b>113,174</b>	<b>106,301</b>	<b>101,979</b>	<b>111,374</b>	<b>117,675</b>	<b>124,322</b>
Higher Education and Training	76,440	95,230	75,896	90,808	83,935	80,503	91,055	93,261	98,424
Further Education and Training (FET)	7,828	9,986	16,562	22,366	22,366	21,476	20,319	24,414	25,898
<b>Total</b>	<b>1,744,190</b>	<b>1,536,918</b>	<b>1,619,583</b>	<b>1,827,866</b>	<b>1,969,822</b>	<b>1,984,579</b>	<b>1,803,227</b>	<b>1,867,259</b>	<b>1,943,028</b>

## Summary of payments and estimates by economic classification: Agriculture

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2016/17	2017/18	2018/19	2019/20			2020/21	2021/22	2022/23
<b>Current payments</b>	<b>1,221,290</b>	<b>1,175,394</b>	<b>1,231,665</b>	<b>1,531,164</b>	<b>1,608,891</b>	<b>1,567,185</b>	<b>1,372,642</b>	<b>1,435,943</b>	<b>1,503,407</b>
Compensation of employees	750,131	779,552	798,491	942,894	851,789	831,391	934,298	992,457	1,055,252
Goods and services	471,143	395,838	433,168	588,179	757,011	735,702	438,252	443,389	448,053
Interest and rent on land	16	4	6	91	91	92	92	97	102
<b>Transfers and subsidies to:</b>	<b>263,995</b>	<b>277,095</b>	<b>310,573</b>	<b>198,705</b>	<b>305,406</b>	<b>305,406</b>	<b>350,113</b>	<b>351,288</b>	<b>365,407</b>
Provinces and municipalities	-	662	630	959	959	959	1,006	1,061	1,112
Departmental agencies and accounts	94,582	121,335	120,017	126,309	133,654	133,654	194,899	204,920	214,087
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	155,526	134,368	171,426	66,773	160,340	160,340	149,670	140,730	145,412
Non-profit institutions	3,569	7,321	-	-	-	-	-	-	-
Households	10,318	13,409	18,500	4,664	10,453	10,453	4,538	4,577	4,796
<b>Payments for capital assets</b>	<b>258,886</b>	<b>84,296</b>	<b>77,342</b>	<b>97,997</b>	<b>55,525</b>	<b>111,988</b>	<b>80,472</b>	<b>80,028</b>	<b>74,214</b>
Buildings and other fixed structures	156,632	73,246	56,680	71,487	20,715	83,385	62,970	62,494	52,200
Machinery and equipment	102,085	10,355	20,443	25,940	34,240	28,033	16,932	16,933	21,384
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	169	695	219	570	570	570	570	601	630
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>19</b>	<b>133</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1,744,190</b>	<b>1,536,918</b>	<b>1,619,583</b>	<b>1,827,866</b>	<b>1,969,822</b>	<b>1,984,579</b>	<b>1,803,227</b>	<b>1,867,259</b>	<b>1,943,028</b>

## Programme: Sustainable Resource Management

### Purpose:

The Sustainable Resource Management sub-programme includes the Engineering Services and Land Care sub-sub-programmes, as well as Land Use Management and Disaster Risk Management. The purpose of the sub-programme is to provide agricultural support services to farmers in order to ensure sustainable development and management of agricultural resources.

### Outcomes, Outputs, Performance Indicators and Targets

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited / Actual Performance			Estimated Performance	MTEF Period		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Increased research knowledge production, agricultural education and training	Subdivision of Agricultural Land Act applications to change land use submitted to National Department (DLRRD) within 30 days	Percentage of Subdivision of Agricultural Land Act applications to change land submitted to National Department (DLRRD) within 30 days	New Indicator	New Indicator	New Indicator	100%	100%	100%	100%
	Farm management plans developed for farmers	Number of farm management plans developed for farmers	New indicator	New indicator	14	10	10	10	10
	Disaster risk early warning campaigns conducted	Number of disaster risk early warning campaigns conducted	New indicator	New indicator	1	4	4	4	4
	Hectares of agricultural land rehabilitated through the Land Care Programme	Number of hectares of agricultural land rehabilitated through the Land Care Programme	9152.24	13778.62	9170	5500	6500	7000	8000

	Number of beneficiaries trained under Land Care EPWP Programme	Number of beneficiaries trained under Land Care EPWP Programme	New indicator	New indicator	New indicator	255	625	372	270
	Number of people employed on Land Care EPWP programme	Number of people employed on Land Care EPWP programme	New indicator	1061	1478	1120	1030	1130	1145

## Indicators, Annual and Quarterly Targets

Output Indicators	Annual Target	Reporting Period	Q1	Q2	Q3	Q4
Percentage of Subdivision of Agricultural Land Act applications to change land use submitted to National Department (DLRRD) within 30 days	100%	Quarterly	100%	100%	100%	100%
Number of farm management plans developed for farmers	10	Quarterly	0	5	0	5
Number of disaster risk early warning campaigns conducted	1	Quarterly	0	0	0	1
Number of hectares of agricultural land rehabilitated through the Land Care Programme	5500	Quarterly	600	1500	1800	1600
Number of beneficiaries trained under Land Care EPWP Programme	255	Quarterly	20	55	180	0
Number of people employed on Land Care EPWP programme	1120	Quarterly	350	180	300	290

The Sustainable Resource Management sub-programme houses the Land Care sub-sub-programme, which implements the EPWP Integrated Grant for Provinces. This is an annual allocation, based on the prior year's performance.

This grant shows fluctuations over the years, accounting for the fluctuations under that sub-sub-programme. Furthermore, a drought relief allocation of R9.850 million was received under the Land Care grant in 2018/19. The decrease in the 2019/20 Adjusted Appropriation under the sub-sub-programme Engineering Services is due to delays in the filling of critical posts.

The 2020/21 MTEF provides for the implementation of land care projects and for re-establishing land for agricultural purposes, and these projects are implemented using EPWP principles aimed at job creation.

The Engineering Services sub-sub-programme provides technical support and specifications for infrastructure related projects, such as irrigation schemes, fencing, animal handling facilities, etc., and also ensures that the service providers adhere to the correct standards and specification during implementation.

This sub-sub-programme also provides for soil conservation services, including developing and conducting research on new soil conservation methods that will be adaptive to climate change, as well as providing advisory services to farmers.

The Disaster Risk Management sub-sub-programme caters for the operational costs of the unit only, which provides continuous monitoring and advisory services on any potential and unusual climatic conditions.

This unit will manage any disaster that may occur and oversee the implementation of any interventions required, including the submission of requests for funding to the provincial and national disaster management centres. The growth of this sub-programme is impacted on by budget cuts totalling R2.545 million against Compensation of employees in each year over the 2020/21 MTEF, due to low Compensation of employees spending.

It is anticipated that this cut will not have a significant impact as there is a high vacancy rate in the department and slow filling of posts.



## Farmer Support and Development

### Purpose:

Farmer Support and Development houses the largest programmes in the organisation and is duly considered as the core agricultural services programme in the Department. This programme provides extension and advisory services as well production inputs support to smallholder and commercial farmers for sustainable agricultural development. One of the most urgent policy imperatives for this programme includes the support, advice and coordinate the implementation of National Policy on Food and Nutrition Security.

### Outcomes, Outputs, Performance Indicators and Targets

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited /Actual Performance			Estimated Performance	MTEF Period		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Improved household food security in the province	Households supported with food security interventions	Number of households supported with food security interventions	300000	42 171	23 880	21 277	20 645	17 712	17 800
	Hectares planted for food production	Number of hectares planted for food production	20225	11376.80	18 761.34	20 938	20 938	12 600	12 700
Improved farmer development for increased agricultural production, sector growth and inclusive rural economy	Smallholder producer supports with agricultural production inputs	Number of smallholder producers supported with agricultural production inputs	100	14 232	3 381	4 138	3 098	1 930	2 000
	Commercial producer supports with agricultural production inputs	Number of commercial producers supported with agricultural production inputs	22	69	145	33	29	45	65
	Producers supported with agricultural advice	Number of producers supported with agricultural advice.	-	23 871	7 506	4 567	3 876	3 315	3 420
	Agricultural job opportunities created through departmental infrastructure and mechanization interventions	Number of agricultural job opportunities created through departmental infrastructure and mechanization interventions	1179	1001	520	576	625	533	670
	Agricultural infrastructure established by the Department	Number of agricultural infrastructure established by the Department	133	261	40	96	85	80	80
	Agricultural infrastructure rehabilitated by the Department	Number of agricultural infrastructure rehabilitated by the Department	4	6	11	22	23	47	50
	Kilometres of fence erected for agricultural use	Kilometres of fence erected for agricultural use	430	85	303.0493	509.30	603.43	250	300
	Female farmer projects supported by the Department	Number of female farmer projects supported by the Department	New indicator	New indicator	New indicator	27	24	40	50
	Youth farmer projects supported by the Department	Number of youth farmer projects supported by the Department	New indicator	New indicator	New indicator	27	22	40	50

	Projects for persons with disability supported by the Department	Number of projects for persons with disability supported by the Department	New indicator	New indicator	New indicator	7	7	15	20
	Land reform farms supported by the Department	Number of land reform farms supported by the Department	New indicator	New indicator	New indicator	35	7	19	30

## Indicators, Annual and Quarterly Targets

Output Indicators	Annual Target	Reporting Period	Q1	Q2	Q3	Q4
Number of households supported with food security interventions	21 277	Quarterly	4047	3 714	6 440	7 076
Number of hectares planted for food production	20 938	Quarterly	670	1 050	11 390	7 828
Number of smallholder producers supported with agricultural production inputs.	4 138	Quarterly	1 009	918	873	1 338
Number of black commercial producers supported with agricultural production inputs	33	Quarterly	6	7	11	9
Number of producers supported with agricultural advice.	4 567	Quarterly	838	1079	1094	865
Number of job opportunities created through Departmental Infrastructure and Mechanization interventions	576	Quarterly	130	151	132	163
Number of agricultural infrastructure established by the Department	96	Quarterly	20	31	24	21
Number of agricultural infrastructure rehabilitated by the Department	22	Quarterly	5	10	2	5
Kilometre of fence erected for agricultural use	509.30	Quarterly	170.49	48.10	230	60.01
Number of female farmer projects supported by the Department	27	Quarterly	4	9	11	3
Number of youth farmer projects supported by the Department	27	Quarterly	3	4	10	10
Number of projects for persons with disability supported by the Department	7	Quarterly	1	1	3	2
Number of land reform farms supported by the Department	35	Quarterly	1	6	5	23

The Farmer Support and Development sub-programme houses the bulk of the conditional grants, funding for the Makhathini development project during 2016/17 to 2018/19, extension services, as well as the fencing and irrigation scheme programmes and food security interventions at household, subsistence and smallholder level.

This programme includes the transfers to ADA, and previously to Mjindi Farming. The decrease in 2017/18 is because of fiscal consolidation cuts, as well as the reprioritisation undertaken to fund 133 critical vacant posts in the department and the effect of the under-expenditure in that year. The increase from the 2019/20 Main to Adjusted Appropriation is in respect of the rollover of the CASP grant, Ilima/Letsema Projects grant and the equitable share.

Further reprioritisation into this sub-programme was made in line with Provincial Executive Council directive in 2019/20, that the department should plant at least 16 000 hectares instead of 12 000 hectares and this accounts for the increase in the 2019/20 Revised Estimate and over the MTEF.

There was reprioritisation of R30 million from this sub-programme to Programme 3 in 2020/21 and over MTEF for the establishment of agri-parks, nurseries and seed banks.

This sub-programme is the key service delivery programme of the department, with the budget allowing the department to facilitate, co-ordinate and provide support to smallholder and commercial farmers through sustainable agricultural development within agrarian reform initiatives such as on-and off-farm infrastructure development, market access, agri-processing, etc. The Food Security sub-sub-programme shows an increase in 2019/20 in line with the shift in the strategy towards providing nutritious food security support at household and subsistence level.

The roll-over of funds (conditional grant and equitable share) explains the increase in the 2019/20 Adjusted Appropriation. The interventions at household level will include, among others, one-household-one-hectare, communal gardens and distribution of various varieties of seeds/commodities to provide nutritious food throughout the year whereas, in the past, it was biased toward summer crops only (maize and beans in particular).

The sub-sub-programme: Extension and Advisory Services, which is partly funded by the CASP grant, provides for extension services to farmers through the department's extension officers that are located at the local offices throughout the province.

The budget under this sub-sub-programme is therefore primarily for Compensation of employees and related costs such as travel and subsistence, the digi-pen software and ERP, as well as the utility services at district and local offices. The department implemented cuts of R30.749 million and R45.317 million, respectively under this sub-programme against Goods and services, as well as R4.198 million in each year of the MTEF on events.

These cuts will result in a reduction of funds available for direct interventions such as the provision of seeds and seedlings, fertilizer, chemicals etc. to households, community gardens and smallholder farmers.

The Department will review the impact and feasibility of the budget cuts being implemented in this area during the 2021/22 MTEF budget process to explore other alternative areas of reduction within the department's budget.

In addition, this sub-programme was affected by budget cuts to the conditional grants, which will have an impact on the funding of agricultural on-farm structures such as fencing, irrigation schemes, animal handling facilities, as well as provision of agricultural inputs such as seeds, seedlings, fertilizer, etc., at household and smallholder level.

## Programme: Veterinary Services

### Purpose:

The purpose of the veterinary programme is to provide veterinary services to clients in order to ensure healthy animals, safe animal products and wellbeing of animals and the public. Veterinary services is comprised of several sub-programmes, which includes Animal Health; Veterinary Export Control; Veterinary Public Health and laboratory services.

### Collectively these programmes enable this programme to undertake the following key activities:

- Facilitate and provide animal health services, in order to protect the animals and public against identified zoonotic and diseases of economic importance;
- Facilitate the export of animals and animal products through certification of health status;
- Promote the safety of meat and meat products; and
- Provide veterinary diagnostic laboratory and investigative services that support and promote animal health and production towards the provision of safe food.

### Outcomes, Outputs, Performance Indicators and Targets

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited /Actual Performance			Estimated Perform- ance	MTEF Period		
			2017/18	2018/19	2019/20		2020/21	2021/22	2022/23
Reduction in outbreak cases of Controlled and Notifiable Animal Diseases	Visits to epidemiological units for veterinary interventions	Number of visits to epidemiological units for veterinary interventions	New Indicator	7733	13075	15 000	20 000	20 000	20 000
	Rabies vaccination conducted by veterinary services	No of rabies vaccinations conducted by veterinary services	New Indicator	New Indicator	New Indicator	350 000	350 000	400 000	450 000
	Export control certificate issued by State Veterinarians	No of export control certificate issued by State Veterinarians	New Indicator	635	1597	1 848	2500	2600	2700
	Level of abattoir compliance to Meat Safety Regulations	Percentage level of abattoir compliance to Meat Safety Regulations	100%	100%	68.7%	100%	100%	100%	100%
	laboratory tests performed according to prescribed standards	Number of laboratory tests performed according to prescribed standards	New Indicator	75 070	186 211	90 000	90 000	95 000	100 000
	Rural auction sales facilitated by the Department	Number of rural auction sales facilitated by the Department	New Indicator	New Indicator	New Indicator	10	10	20	28
	Goat Production Improvement Strategy	Approved Goat Production Improvement Strategy	New Indicator	New Indicator	New Indicator	1	0	0	0

## Indicators, Annual and Quarterly Targets

Output Indicators	Annual Target	Reporting Period	Q1	Q2	Q3	Q4
Number of visits to epidemiological units for veterinary interventions	20 000	Quarterly	5000	5000	5000	5000
Number of rabies vaccinations conducted by veterinary services	350 000	Quarterly	87 500	87 500	87 500	87 500
Percentage level of abattoir compliance to meat safety regulation	100%	Quarterly	100%	100%	100%	100%
Number of export control certificate issued	2500	Quarterly	625	625	625	625
Number of rural auction sales facilitated by the Department	10	Quarterly	0	2	4	4
Approved Goat Production Improvement Strategy	1	Quarterly	0	0	1	0
Number of laboratory tests performed according to prescribed standards	90 000	Quarterly	22 500	22 500	22 500	22 500

Veterinary Services provides for the acquisition of animal medicines and dipping chemicals. There is steady growth over the 2020/21 MTEF to provide veterinary services to clients in order to ensure healthy animals, and safe animal products.

The sub-sub-programme: Animal Health provides for animal health technicians in the various veterinary offices to facilitate and provide animal disease control services in order to protect the animal and human population against identified infectious, zoonotic and/or economic diseases, through the implementation of the Animal Diseases Act, and primary animal health programme/projects such as dipping and vaccinations.

The sub-sub-programme: Veterinary Public Health ensures the safety of meat and meat products through the implementation of the Meat Safety Act, the Animal Diseases Act, and other relevant legislation through inspections of abattoir facilities and quality control of the export of meat.

The provision for the sub-sub-programme: Veterinary Laboratory Services is for the operational costs of the veterinary laboratories at Allerton in Pietermaritzburg and Vryheid, which are utilised to render veterinary diagnostic, laboratory and investigative services that will focus on the control of animal diseases for adherence to hygiene standards and for generating data.

This sub-programme was not impacted on by any budget cuts except for the reduced inflationary forecast on Compensation of employees which should not have any impact on service delivery. The impact of veterinary services will be evident through reduction in canine mediated human rabies cases; sustainable market access for regulated products of animal origin and when there's ready access to rapid high quality and reliable veterinary diagnostic services.

### Programme: Agricultural Research, Technology Development and Agricultural Institutes

**Purpose:** The objective of the ARDTI programme is to provide expert and needs based agricultural research, development and technology transfer affecting development objectives and natural resource management. The aim of the programme will be realized through consistent investment in knowledge acquisition and dissemination of information on research and technology developed to clients, peers and scientific community.

The Department has six (6) research stations that serve as the base for primary agricultural research. Through the research Infrastructure Support, the Department will ensure the management and maintenance of research infrastructure facilities for the line function to perform research and technology transfer functions, i.e. experimental farms.

## Outcomes, Outputs, Performance Indicators and Targets

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited / Actual Performance			Estimated Performance	MTEF Period		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Increased research knowledge production, agricultural education and training	Scientific papers published in accredited journals	Number of scientific papers published in accredited journals	80	5	5	5	6	6	6
	Research presentations made at peer review events	Number of research presentations made at peer review events	-	2	10	1	12	12	12
	Research presentations made to disseminate information on research and technology developed to clients, peers and scientific community.	Number of research presentations made to disseminate information on research and technology developed to clients, peers and scientific community.	198	260	228	83	228	230	240
	Research infrastructure managed	Number of research infrastructure managed	5	6	6	6	6	6	6
	Research projects implemented to improve agricultural production	Number of research projects implemented to improve agricultural production	198	80	70	59	70	80	90
	Plan to convert research stations into Centre of Excellence & Innovation for 4th Industrial Revolution adaptation	Approved plan to convert research stations into Centre of Excellence & innovation for 4th Industrial Revolution adaptation	New Indicator	New Indicator	New Indicator	1	0	0	0

### Indicators, Annual and Quarterly Targets

Output Indicators	Annual Target	Reporting Period	Q1	Q2	Q3	Q4
Number of scientific papers published in accredited journals	5	Annual	0	0	0	5
Number of research presentations made at peer review events	1	Quarterly	0	0	0	1
Number of research presentations made to disseminate information on research and technology developed to clients, peers and scientific community.	83	Quarterly	10	42	16	15
Number of research infrastructure managed	6	Annual	0	0	0	6
Number of research projects implemented to improve agricultural production	59	Annual	0	43	0	16
Approved plan to convert research stations into Centre of Excellence & innovation for 4th Industrial Revolution adaptation	1	Annual	0	0	0	1

**The sub-programme:** Research and Technology Development Services shows that the 2019/20 Main Appropriation provides for filling additional posts, however these were not filled at the anticipated rate thus resulting in a decrease in the Adjusted Appropriation. There is a steady increase over the 2020/21 MTEF.



The sub-sub-programme: Research provides for existing and new scientists to conduct, facilitate and co-ordinate research and to participate in multi-disciplinary development projects, as well as to disseminate information on research and technology to farmers. The Department has a soil analytical laboratory at Cedara that provides critical soil analysis for farmers to enable them to maintain and enhance the fertility of the soil.

The sub-sub-programme: Research Infrastructure Support Services provides for the maintenance and management of the six agricultural research farms that are used to conduct the above-mentioned research. These research farms are at Cedara in uMgungundlovu, Kokstad in Harry Gwala, Dundee in uMzinyathi, as well as Bartlow, Makhathini, and OSCA in uMkhanyakude.

The growth of this sub-programme is impacted on by budget cuts of R5 million against Compensation of employees in each year over the MTEF, due to low Compensation of employees spending. It is anticipated that this cut will not have a significant impact as there is a high vacancy rate in the department and slow filling of posts.

#### **Programme: Agricultural Economics Services**

The purpose of the programme is to provide timely and relevant agricultural economic services to ensure equitable participation in the economy. This includes collecting and processing economic and statistical information on the performance of the agricultural sector in order to inform planning and decision-making. Furthermore, this sub-programme facilitates agro-processing initiatives to ensure participation in the value chain.

The purpose of the Agricultural Economic Services sub-programme is to market information and facilitate marketing and provide agricultural economic services to clients. It is expected that the activities will play a leading role in stimulating agri-business and related activities in the rural areas of KZN.

As such, this sub-programme increases steadily over the period, and was not impacted on by any budget cuts except for the reduced inflationary forecast from Compensation of employees of R71 000 and R75 000 in 2020/21 and 2021/22, respectively which should not have any impact on service delivery

### **Outcomes, Outputs, Performance Indicators and Targets**

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited /Actual Performance			Estimated Performance	MTEF Period		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Improved farmer development for increased agricultural production, sector growth and inclusive rural economy	Beneficiaries supported with marketing advisory services	Number of beneficiaries supported with marketing advisory services	28	20	30	300	500	550	600
	Clients supported with production economic services	Number of clients supported with production economic services	913	1100	2000	350	550	600	670
	Economic reports produced by the Department	Number of economic reports produced by the Department	4	4	4	4	4	4	4
	Beneficiaries supported with agro-processing services	Number of beneficiaries supported with agro-processing services	44	10	10	300	500	550	600

## Indicators, Annual and Quarterly Targets

Output Indicators	Annual Target	Reporting Period	Q1	Q2	Q3	Q4
Number of beneficiaries supported with marketing advisory services	300	Quarterly	150	50	50	50
Number of clients supported with production economic services	350	Quarterly	150	50	50	100
Number of economic reports produced	4	Quarterly	1	1	1	1
Number of beneficiaries supported with agro-processing services	300	Quarterly	150	50	50	50

## Sub-Programme: Structured Agricultural Education And Training

### Purpose

The purpose of this sub-programme is to facilitate and provide structured and vocational agriculture education and training in line with the National Education and Training Strategy for Agriculture, Forestry and Fisheries (NETSAFF) in order to establish a knowledgeable, prosperous and competitive sector.

Through the Higher Education and Training and Agricultural Skills Development offerings of agricultural institutes (OSCA and CEDARA), the Department is able to provide tertiary agriculture education and training from NQF levels 5 to applicants who meet minimum requirements as well as offer formal and non-formal training on NQF levels 1 to 4 through structured vocational education and training programmes.

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited /Actual Performance			Estimated Performance	MTEF Period		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Increased research knowledge production, agricultural education and training	Students graduated from agricultural training institutes	Number of students graduated from Agricultural Training Institutes	New Indicator	92	81	90	90	90	90
	Farmers trained in agriculture skills development programmes	Number of farmers trained in agriculture skills development programmes	New Indicator	335	2768	460	2000	1800	1600
	Career awareness activities organised to promote agricultural education.	Number of career awareness activities organized to promote agricultural education	New Indicator	New Indicator	New Indicator	25	100	100	100

## Indicators, Annual and Quarterly Targets

Output Indicators	Annual Target	Reporting Period	Q1	Q2	Q3	Q4
Number of students graduated from Agricultural Training Institutes.	90	Annual	0	0	0	90
Number of participants trained in skills development programmes in the sector.	460	Quarterly	0	0	180	280
Number of career awareness activities implemented to promote agriculture	25	Quarterly	0	0	0	25

The Structured Agricultural Education and Training sub-programme houses the department's agricultural colleges, namely Cedara and OSCA, as well as the other agricultural colleges (Zakhe Agricultural College, Weston College, etc.). The two department's colleges provide an accredited two-year diploma in agriculture courses, and various FET short courses. Cedara is also accredited with UKZN and provides a three-year B. Agric. Degree.

Funding for improving the infrastructure facilities at these colleges is received from the CASP grant across all seven years. The MTEF allocations are mainly in respect of the appointment of lecturers and support staff, operational costs for the student farms and hostels, as well as rehabilitation/ upgrading and new infrastructure such as sport facilities, lecture rooms, dairy milk parlours for the two colleges.

This sub-programme was not impacted on by any budget cuts except for the reduced inflationary forecast from Compensation of employees of R359 000 and R379 000 in 2020/21 and 2021/22, respectively which should not have any impact on service delivery.

### Programme 3: Rural Development

#### Purpose:

To ensure the continuous improvement of sustainable rural livelihoods through the coordination of integrated rural development services and facilitation of rural enterprise and industry development. Programme 3 is made up of the following sub-programmes:

- **Sub-programme 3.1:** Integrated Rural Coordination
- **Sub-programme 3.2:** Rural Enterprise and Industry Facilitation and Development

This programme was previously responsible for coordinating Outcome 7 of the 2014-2019 Medium Term Strategic Framework. However, Government Outcomes have been replaced by the 7 Priorities in the sixth administration.

As a result, the programme will be re-adjusting its programmes accordingly to respond to the new priorities. There will be increased effort to the growth of sustainable rural enterprises and industries characterised by strong rural-urban linkages, increased investment in agro-processing, agri-hubs and mega nurseries with a view to drive inclusive rural economy.

### Outcomes, Outputs, Performance Indicators and Targets

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited /Actual Performance			Estimated Performance	MTEF Period		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Improved farmer development for increased agricultural production and inclusive rural economy	Agri-Hubs business plans developed	Number of Agri-Hubs business plans developed	New Indicator	New Indicator	New Indicator	1	4	4	4
	Seed mega-nurseries established	Number of seed mega-nurseries established	New Indicator	New Indicator	New Indicator	2	2	2	2
	Rural development projects supported with mentorship	Number of rural development projects supported with mentorship	New Indicator	New Indicator	New Indicator	37	50	60	75
	Graduates enrolled into Unemployed Agriculture Graduates Programme	Number of graduates enrolled into Unemployed Agriculture Graduates Programme	New Indicator	New Indicator	New Indicator	280	340	400	460

## Indicators, Annual and Quarterly Targets

Output Indicators	Annual Target	Reporting Period	Q1	Q2	Q3	Q4
Number of Agri-Hubs business plans developed	1	Quarterly	0	0	0	0
Number of seed mega-nurseries established	2	Quarterly	0	0	0	2
Number of rural development projects supported with mentorship	37	Quarterly	5	10	10	12
Number of graduates enrolled into Unemployed Agriculture Graduates Programme	280	Annual	0	0	0	280

## Programme Recourse Consideration

### Summary of payments and estimates by sub-programme: Rural Development

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
R thousand	2016/17	2017/18	2018/19	2019/20			2020/21	2021/22	2022/23
1. Rural Development Co-ordination	7,999	5,875	6,207	6,934	6,934	4,283	7,490	7,953	8,425
2. Social Facilitation	6,758	13,425	10,881	25,040	19,921	21,578	78,596	86,933	95,991
<b>Total</b>	<b>14,757</b>	<b>19,300</b>	<b>17,088</b>	<b>31,974</b>	<b>26,855</b>	<b>25,861</b>	<b>86,086</b>	<b>94,886</b>	<b>104,416</b>

### Summary of payments and estimates by economic classification: Rural Development

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
R thousand	2016/17	2017/18	2018/19	2019/20			2020/21	2021/22	2022/23
<b>Current payments</b>	<b>11,441</b>	<b>16,835</b>	<b>15,802</b>	<b>31,832</b>	<b>26,560</b>	<b>25,452</b>	<b>85,722</b>	<b>94,513</b>	<b>104,030</b>
Compensation of employees	8,112	12,019	11,340	11,346	19,401	18,569	46,137	54,817	63,943
Goods and services	3,329	3,864	4,462	20,486	7,159	6,883	39,585	39,696	40,087
Interest and rent on land	-	952	-	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	<b>3,028</b>	<b>2,455</b>	<b>171</b>	<b>-</b>	<b>119</b>	<b>233</b>	<b>99</b>	<b>99</b>	<b>99</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	3,000	44	92	-	100	100	99	99	99
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	2,224	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	28	187	79	-	19	133	-	-	-
<b>Payments for capital assets</b>	<b>288</b>	<b>10</b>	<b>163</b>	<b>142</b>	<b>176</b>	<b>176</b>	<b>265</b>	<b>274</b>	<b>287</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	288	10	163	142	176	176	265	274	287
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>952</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>14,757</b>	<b>19,300</b>	<b>17,088</b>	<b>31,974</b>	<b>26,855</b>	<b>25,861</b>	<b>86,086</b>	<b>94,886</b>	<b>104,416</b>

Programme 3: Rural Development provides for rural development co-ordination and social facilitation functions. The increase in 2017/18 is in respect of the implementation of the UAGYP, whereby the department formed a partnership with the Future Farmers Foundation in implementing the UAGYP and the placement of graduates on farms.

The roll-out of the programme declined in 2018/19 due to a change in the implementation approach and the department discontinuing the partnership with the Future Farmers Foundation. The increase in 2019/20 is for the placement of unemployed graduates under the UAGYP.

The revised strategy is to appoint the graduates on contract and manage the stipends through PERSAL and not through partnerships with other stakeholders. The actual implementation was slower than planned and, hence, the reduction in the 2019/20 Adjusted Appropriation and Revised Estimate.

The significant increase in 2020/21 is in respect of the R30 million reprioritised from Programme 2 for the establishment of agri-parks, nurseries and seed banks. The MTEF provides for the continued roll-out of the UAGYP programme, establishment of agri-parks, nurseries and seed banks, as well as co-ordinating, monitoring and reporting on rural

development in the province. This programme was reduced by R133 000 and R140 000 in 2020/21 and 2021/22, respectively against Compensation of employees due to the CPI inflation projections being revised downward from 5.5 to 4.8 per cent. Compensation of employees shows a steady increase from 2016/17 to 2018/19 which is mainly in respect of the annual wage adjustments and pay progressions, rather than the appointment of additional staff.

The increase in the 2019/20 Main Appropriation was to cater for the above-budget wage adjustment, as well as filling additional 56 posts. The filling of posts was slower than anticipated, though, and these savings were reprioritised in the Adjustments Estimate toward service delivery items under Goods and services to fund spending pressures of agricultural production inputs, unplanned SIU investigations, financial assistance for Ntingwe, as well as to offset the shortfall under Transfers and subsidies to: Households, as a result of unplanned staff exit costs.

The non-filling of posts also accounts for the further decrease in the Revised Estimate. The significant

increase in 2020/21 is to cater for the planned filling of 194 critical posts, as well as the increase by 144 in the number of UAGYP graduates which are also included on PERSAL.

The Compensation of employees budget adequately caters for the increase and the filling of 338 posts, including 144 graduates to be placed on farms in 2020/21 at 16.1 per cent. The growth is inadequate in 2021/22 at 6.6 per cent, growing to 6.8 per cent in 2022/23.

The growth of this category is impacted on by budget cuts totalling R13.457 million, R13.798 million and R7.545 million over the 2020/21 MTEF as a result of the fiscal consolidation and PES formula updates budget cuts, CPI inflation projections being revised downward, as well as budget cuts relating to low Compensation of employees spending in previous years. It is anticipated that this cut will not have a significant impact as there is a high vacancy rate in the department and slow filling of posts.

The department will carefully manage this reduction in the Compensation of employees allocation within 2020/21 and over the MTEF.

## UPDATED KEY RISKS

Outcome	Key Risk	Risk Mitigation
Effective and efficient corporate and financial support services to the Department	High vacancy rate	Obtain approval from Treasury and Office of the Premier to fill critical funded posts timeously and ensure all critical posts are funded
	Slow filling of posts	Department to utilise the services of response handling facility to ensure speedy recruitment process and ensure appointed panels fulfil their duties within the pre-scribed timelines.
	Irregular, fruitless and wasteful expenditure	Department to introduce stricter expenditure monitoring, reporting and accountability controls to reduce irregular, fruitless and wasteful expenditure.
	Slow SCM Processes and Poor contract management	Department to improve SCM human capacity; ensure accurate and updated contract register that will ensure quicker and efficient procurement process.
Reduced household food insecurity in the province	Poor institutional audit outcomes	Department to implement a turnaround strategy to improve systems of internal control that will ensure improvement of the Department's audit outcomes.
	Budget cuts	Budget reprioritisation
	Climate Change	Implementation of Early Warning system
		Promote the use of climate smart varieties (e.g. drought resistant)
Improved farmer development for increased agricultural production, sector growth and inclusive rural economy	Use of agricultural land for other purposes e.g. housing and business developments	Climate smart agriculture including promotion of conservation agriculture
		Classification of agricultural land and zoning
Increased research knowledge production, agricultural education and training	Inability to effectively provide research and training due to high vacancy rate	Fill vacant posts
Reduced outbreak cases of Controlled and Notifiable Animal Diseases	Failure to control outbreaks, leading to production losses and economic impact.	Intensify disease control through identification and implementation of control strategies as well as to increasing awareness



## PUBLIC ENTITIES

The rationalisation of the department's entities is at an advanced stage and is planned to be finalised by 31 March 2020, which sees the amalgamation of Mjindi and ADA into one entity under ADA from 2020/21 onward.

### Agri-business Development Agency (ADA)

The actual expenditure and 2020/21 MTEF transfers are for projects to be implemented by ADA, as well as the operational costs of the entity. The increase in the 2019/20 Adjusted Appropriation is in respect of funding provided for support to Ntingwe's operational costs. In the past, such support was provided through Ithala.

The support to Ntingwe will in future be provided through ADA as part of the rationalisation of entities process. This was once-off support in 2019/20 and hence the reduction in 2020/21, and there was a reduction in the funding for projects of R3.491 million, R4.381 million and R5.260 million over the 2020/21 MTEF due to fiscal consolidation budget cuts. The impact of these cuts are that the entity will have to reprioritise projects to be implemented over the MTEF and defer other projects to other years.

The significant increase over the 2020/21 MTEF is due to the fact that ADA will implement a new strategic direction, in line with the rationalisation of public entities recommendations and the due diligence study outcomes.

As such, the allocation over the MTEF includes allocations for ADA, Ntingwe, as well as Mjindi, as mentioned. The entity will continue to focus on secondary agriculture and commercial farming with particular focus on the agri-processing sector, while the department will focus on household and subsistence farming aligned to the department's agrarian transformation strategy. The Department will not utilise ADA to implement CASP funded projects from the 2019/20 Revised Estimates onwards.

### Mjindi Farming (Pty) Ltd (Mjindi)

The transfers over the 2020/21 MTEF provide for the operational costs of the entity, as well as maintenance of the existing infrastructure. As mentioned, this entity is amalgamated with ADA from 2020/21.

Name of Public Entity	Mandate	Outcomes	Current Annual Budget (R thousand)
Agri-Business Development Agency	ADA was established in terms of Cabinet Resolution No. 79 of 29 July 2009 to provide agri-business support services to entrant black commercial farmers who acquired land through the Government's Land Reform Programme and on a private basis. It has grown into a catalytic vehicle that facilitates the growth of a strong, transformed, diversified, dynamic, competitive and sustainable agro-processing industry in KwaZulu-Natal.	<ul style="list-style-type: none"> <li>Increased number of agribusiness entrepreneurs participating across the commodity value chains</li> <li>Transformed and skilled agribusiness that are competitive in the sector.</li> <li>Improved market access or value chain participation</li> </ul>	R194 898 000

## 2. Infrastructure Projects

### Infrastructure projects

Project No.	Project name	Budget programme name	Project Description	Outputs	Project duration		Total project cost	Total available
			Irrigation scheme; borehole; storage and marketing facility; fencing; animal housing facility; access road etc		Date: Start	Date: Finish		2020/21
R thousands								
<b>1. New and replacement assets</b>								
1	Mtubatuba agric local office	Administration	Office Building		01/03/2021	31/03/2024	33,000	10
2	Edumbe agric local office	Administration	Office Building		20/09/2018	20/10/2023	36,798	6,234
3	Umzimkhulu local office	Administration	Office Building		05/06/2020	10/05/2023	31,500	6,500
4	Utrecht agric local office	Administration	Office Building		01/03/2021	31/03/2024	33,000	10
5	Nkandla local office	Administration	Office Building		15/04/2019	31/03/2023	40,000	2,000
6	Cedara College Poultry abattoir	Administration	Poultry Abattoir		19/10/2020	21/09/2022	12,962	3,000
8	Cedara Admin - Depot Asset Management	Administration	Storage Warehouse		01/06/2020	31/03/2023	6,316	141
9	Ndumo A Irrigation Scheme	Administration	Irrigation Scheme		12/02/2014	31/03/2023	53,827	537
10	Abaqulusi agric local office	Administration	Office Building		01/03/2021	31/03/2024	15,000	50
11	Umgungundlovu District Office	Administration	Office Building		01/03/2021	31/03/2024	7,500	400
12	Kwangwanase Abattoir Completion Project	Agriculture	Beef Abattoir		20/01/2020	31/03/2022	2,500	135
13	Owen Sithole College	Agriculture	Sports Complex and fields		01/04/2019	31/03/2021	9,031	5,000
32	Yinle indalo	Agriculture	Fence Community project		01/04/2020	31/03/2021	200	200
33	Iembe packhouse	Agriculture	Packerhouse storage facility		01/04/2020	31/03/2021	850	850
34	Maphumulo Sub Tropical Fruit Growers	Agriculture	Fence Community project		01/04/2020	31/03/2021	1,320	1320
35	Bumbanani Mantimande	Agriculture	Irrigation scheme & storage shed		01/04/2020	31/03/2021	2,000	2000
36	Phumelela irrigation scheme	Agriculture	Irrigation Scheme		01/04/2020	31/03/2021	3,000	3,000
37	Ntsinde irrigation scheme	Agriculture	Irrigation Scheme		01/04/2020	31/03/2021	2,600	2,600
38	Nondabuya irrigation scheme	Agriculture	Irrigation scheme		01/04/2020	31/03/2021	2,100	2,100
39	Development of embayisizwe irrigation scheme	Agriculture	Irrigation scheme		01/04/2020	31/03/2021	3,000	3,000
40	Construction of sub surface drainage at block 6A	Agriculture	Irrigation scheme		01/04/2020	31/03/2021	5,000	5,000
41	Construction of sub surface drainage at block 15	Agriculture	Irrigation scheme		01/04/2020	31/03/2021	5,000	5,000
42	Development of Ndumo-A irrigation scheme	Agriculture	Irrigation Scheme		01/04/2020	31/03/2021	1,000	1,000
43	Revitalization of Makhathini Scheme	Agriculture	irrigation Scheme		01/04/2020	31/03/2021	1,001	1,001
<b>Total New infrastructure assets</b>							<b>272,403</b>	<b>51,088</b>
<b>2. Upgrades and additions</b>								
1	Cedara College upgrade FET	Agriculture	Training Building		19/10/2020	01/06/2021	1,000	480
2	Cedara College Hostel separage male & females	Agriculture	Training Building		14/05/2013	31/03/2023	43,970	4,229
3	Hlanganani local office storage	Agriculture	Storage warehouse building		06/10/2020	16/05/2022	2,894	500
4	Ixopo local office storage	Agriculture	Storage warehouse building		07/07/2020	17/10/2022	3994	896
5	Cedara College convert outbuilding to office	Agriculture	Training Building		13/07/2020	23/02/2022	1,852	-
6	Umhlabuyalingana local office water	Administration	Office Building		20/04/2018	31/03/2021	2,321	757
7	Dundee Research Station	Agriculture	Residential Buildings		06/07/2020	31/03/2023	16,347	8,326
8	Jozini Marula packerhouse Jam production	Agriculture	Packerhouse storage		28/08/2019	31/03/2023	13,000	11,850
9	Msinga & Muden sub office	Administration	Office Building		01/03/2020	31/03/2021	300	300
10	Cedara Admin Undercover parking	Administration	Parking Garage		01/03/2020	31/05/2022	500	50
<b>Total Upgrades and additions</b>							<b>72,378</b>	<b>27,388</b>
<b>3. Rehabilitation, renovations and refurbishments</b>								
1	Allerton lab PCR repairs	Agriculture	Laboratory Building		15/11/2012	31/03/2022	5,424	273
2	Cedara admin House 40	Administration	Office Building		17/11/2020	25/08/2022	3,000	500
3	Cedara College lecture rooms	Agriculture	Training Building		04/05/2012	31/03/2021	8,072	860
4	Cedara admin border fencing	Agriculture	Border Fence		12/01/2021	20/10/2021	2,591	800
5	Kokstad Research Farm office & village houses	Agriculture	Residential Buildings		20/08/2020	15/10/2023	26,289	232
6	Cedara admin broadacres house	Agriculture	Office ablution & Change room		27/07/2020	06/03/2022	2,841	1,229
7	Cedara admin canteen and eating facility	Administration	Office Canteen Building		09/10/2020	14/06/2022	4,926	500
8	Cedara College laundry	Agriculture	Training Building		05/06/2020	31/03/2021	250	150
9	Cedara College Computer Room	Agriculture	Training Building		03/11/2020	16/06/2021	8,934	1,322
10	Allerton lab Border fence	Agriculture	Laboratory Facility		20/10/2020	30/12/2021	2,350	689
11	Bartlow Research Station State houses/single quarters	Administration	Residential Buildings		20/12/2018	31/03/2023	23,000	1,000
12	Cedara admin ablution facility	Administration	Office Building		09/12/2020	14/07/2021	4,970	1,200
13	OSCA College Phase 3	Agriculture	Training Building		30/10/2019	31/03/2023	20,000	2,000
14	Umsunduzi Training Centre	Agriculture	Training Building		01/03/2020	30/06/2021	240	160
15	Cedara admin house 67 to archives	Administration	Office Building		09/02/2021	01/12/2021	3,240	1,000
16	OSCA College Phase 2 Completion Project 1	Agriculture	Training facility		24/07/2017	31/03/2021	20,068	343
17	Ethekwini district office 230 Currie Rd	Administration	Office Building		01/02/2019	31/03/2023	20,000	395
18	Ulundi local office	Administration	Office Building		01/03/2020	30/06/2021	3,000	50
19	Inchanga Local Office	Administration	Office Building		01/03/2020	30/06/2021	1,500	50
20	Makhathini Research Station state houses/single quarters	Administration	Residential Buildings		01/03/2020	30/06/2024	10,000	50
21	Cedara Administration Security access system	Administration	Office Building		01/03/2020	30/06/2024	3,000	150
23	Rehabilitation of canal & irrigation	Agriculture	Irrigation Scheme		01/03/2020	31/03/2021	2,500	2,500
<b>Total Rehabilitation, renovations and refurbishments</b>							<b>122,802</b>	<b>15,453</b>
<b>4. Maintenance and repairs</b>								
1	Various Maintenance Projects	Administration	Maintenance to Office Buildings		01/04/2020	31/03/2023		8,000
2	Various Maintenance Projects	Agriculture	Maintenance to Office Buildings		01/04/2020	31/03/2023		2,337
<b>Total Maintenance and repairs</b>							<b>-</b>	<b>10,337</b>
<b>Total Agriculture Infrastructure</b>							<b>467,583</b>	<b>104,266</b>

## 3. Public Private Partnerships

The Department does not have planned public-private partnerships for the financial year 2020/21.

The technical indicator description is posted on the Department website.

To consult these descriptions kindly visit [www.kzndard.gov.za](http://www.kzndard.gov.za)

## Annexures to the Annual Performance Plan

### Annexure B: Conditional Grants

#### 7.3 Summary of conditional grant payments and estimates

Tables 3.6 and 3.7 illustrate conditional grant payments and estimates from 2016/17 to 2022/23.

Further details are given in Annexure – Vote 3: Agriculture and Rural Development.

Note that the conditional grant figures in Table 3.1 for the period 2016/17 to 2022/23 indicate the actual receipts for each grant, as well as other technical adjustments, and therefore should not be compared to the figures reflected in Table 3.6, which show the actual expenditure and estimates.

**Table 3.6 : Summary of conditional grant payments and estimates by name**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2016/17	2017/18	2018/19	2019/20			2020/21	2021/22	2022/23
CASP grant	222 155	159 935	170 962	199 351	267 655	267 655	206 446	219 645	226 604
Ilima/Letsema Projects grant	63 876	44 540	67 655	75 253	98 226	98 226	73 233	81 905	84 328
Land Care grant	10 632	12 012	18 682	12 418	15 115	15 115	12 701	13 022	13 385
EPWP Integrated Grant for Provinces	3 840	8 466	7 308	4 842	4 842	4 842	4 647	-	-
<b>Total</b>	<b>300 503</b>	<b>224 953</b>	<b>264 607</b>	<b>291 864</b>	<b>385 838</b>	<b>385 838</b>	<b>297 027</b>	<b>314 572</b>	<b>324 317</b>

**Table 3.7 : Summary of conditional grants payments and estimates by economic classification**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2016/17	2017/18	2018/19	2019/20			2020/21	2021/22	2022/23
<b>Current payments</b>	<b>154 476</b>	<b>90 828</b>	<b>143 740</b>	<b>205 418</b>	<b>275 482</b>	<b>239 178</b>	<b>90 475</b>	<b>115 505</b>	<b>131 490</b>
Compensation of employees	19 296	21 000	24 129	25 844	18 344	21 927	33 356	35 242	36 856
Goods and services	135 180	69 828	119 611	179 574	257 138	217 251	57 119	80 263	94 634
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	<b>36 593</b>	<b>68 351</b>	<b>75 340</b>	<b>29 863</b>	<b>96 245</b>	<b>93 713</b>	<b>144 866</b>	<b>135 690</b>	<b>140 130</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	10 500	27 087	18 000	29 863	2 532	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	26 093	41 264	57 340	-	93 713	93 713	144 866	135 690	140 130
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>109 434</b>	<b>65 774</b>	<b>45 527</b>	<b>56 583</b>	<b>14 111</b>	<b>52 947</b>	<b>61 686</b>	<b>63 377</b>	<b>52 697</b>
Buildings and other fixed structures	72 812	62 516	31 936	48 204	(2 568)	38 342	55 341	57 607	46 770
Machinery and equipment	36 622	3 258	13 591	8 379	16 679	14 605	6 345	5 770	5 927
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>300 503</b>	<b>224 953</b>	<b>264 607</b>	<b>291 864</b>	<b>385 838</b>	<b>385 838</b>	<b>297 027</b>	<b>314 572</b>	<b>324 317</b>

The Department is responsible for the following four national conditional grants, discussed briefly below.

The CASP grant is aimed at enhancing the capacity of the agriculture sector by providing support to beneficiaries of land and agrarian reform programmes. This grant also focuses on the revival of agricultural extension services. The decrease in 2017/18 was due to fiscal consolidation, to allow the DALRRD to conduct an agricultural and rural census, as well as to correctly allocate disaster funds that were inadvertently allocated to all nine provinces instead of the Northern Cape.

The under-expenditure of R49.663 million in 2017/18 and R68.304 million in 2018/19, due to slow progress in the implementation of infrastructure projects and delivery of agricultural inputs, further contributed to the low expenditure. The increase from the 2019/20 Main to the Adjusted Appropriation was due to the roll-over of unspent funds from 2018/19.

The decrease from 2019/20 to 2020/21 is due to funds being allocated to DALRRD in order to support animal and plant health to sustain the country's exports. Sustainable agricultural exports depend on sound biosecurity capacity and the ability of the country to quarantine animals and plants, and their products. Several recent incidents have highlighted the risks that South Africa could lose its ability to export agricultural products to the European

Union and other markets if we do not improve our biosecurity capacity. These funds are therefore reprioritised to fund improved laboratory capacity, border controls and inspections by the national department.

In KZN, a portion of the CASP grant is transferred to ADA against Transfers and subsidies to: Departmental agencies and accounts in respect of projects implemented by ADA for 2016/17 to 2018/19 as per the CASP grant business plan. These projects were identified specifically for ADA.

From 2019/20 Revised Estimate onward, the department will no longer utilise ADA for implementation of CASP projects. The grant allocation is also used for projects that are funded by way of direct transfers and are managed through funding agreements between the department and beneficiaries.

This method of funding is only utilised once the beneficiary has met certain criteria. Beneficiaries funded under this category include Inqanawe Tunnel Project, Rapid Dawn 1064 CC, Siyathuthuka Farms, Copperfield Dairy, Ekuphileni Poultry and Agricultural Farming Primary Co-operative, Mpofana Land Reform Cluster, etc. The grant shows a steady increase from 2020/21 onward, despite the budget cut, to develop and support farmers by improving their infrastructure (driptanks, broiler houses, fencing,

irrigation, etc.), improving the extension services through the ERP by providing skills and training, as well as provision of adequate tools and equipment. The MTEF also provides for continued upgrading and improvement of the infrastructure at OSCA.

The Ilima/Letsema Projects grant, which falls under the Ilima/Letsema campaign driven by DALRRD, is aimed at unlocking the potential of currently 'dead' land and other assets, particularly in communal areas. In KZN, this grant is used for various projects, including the food security and mechanisation programme and the irrigation schemes within the Makhathini development project. There was further under-expenditure of R26.424 million in 2018/19 which accounts for the increase from the 2019/20 Main to Adjusted Appropriation due to the funds being rolled over.

The grant allocation is reduced by R6.159 million and R2.329 million in 2020/21 and 2021/22, with a nominal increase of R95 000 in 2022/23. This reduction is due to an indirect Ilima/ Letsema grant that was created in the 2019/20 Adjustments Estimate to fund the National Food and Nutrition Survey aimed at setting the baseline for poverty, vulnerability and food insecurity in the country.

This survey is being conducted by the Human Sciences Research Council (HSRC). The shifting of funds to an indirect grant allows DALRRD to pay the HSRC directly as opposed to the funds coming from the nine provinces. The Land Care grant is aimed at optimising the sustainable use of natural resources to ensure greater productivity, food security and job creation.

The allocation remains largely constant between 2016/17 and 2017/18. The increase in 2018/19 is due to the once-off allocation of R9.850 million for drought relief. This explains the increase in the 2019/20 Adjusted Appropriation. The grant shows a steady increase from 2020/21 to 2022/23 in respect of the management of grazing land, alien species control, fencing, etc. despite the minor reduction to the grant.

The EPWP Integrated Grant for Provinces allocation is based on the number of EPWP jobs created in the previous year and therefore allocations are for one year only and not over the MTEF period, hence there is no allocation in 2021/22 and 2022/23. This grant is used to fund additional projects in the department's land care programme, and includes costs for materials and wages.



Name of Grant	Purpose	Outputs	Current Annual Budget (R thousand)	Period of Grant
Comprehensive Agriculture Support Programme (CASP)	<p>To provide effective agricultural support services, promote and facilitate agricultural development by targeting beneficiaries of land reform, restitution and redistribution, and other black producers who have acquired land through private means and are engaged in value-adding enterprises domestically, or involved in export.</p> <p>To revitalize agricultural colleges and centers of excellence</p>	<ul style="list-style-type: none"> <li>Farmer supported per category (subsistence, smallholder and commercial);</li> <li>Beneficiaries of CASP SA GAP certified;</li> <li>Jobs created;</li> <li>Youth, women and farmers with disabilities supported through CASP;</li> <li>Unemployed graduates placed on commercial farms;</li> <li>On and off - farm infrastructure provided and repaired including agro processing infrastructure;</li> <li>Land under agricultural production (crop and livestock);</li> <li>Yields per unit area;</li> <li>Beneficiaries of CASP trained on farming methods or opportunities along the value chain;</li> </ul>	R206 446 000	2020/21-2024/25
Ilima/Letsema	<ul style="list-style-type: none"> <li>To assist vulnerable South African farming communities to achieve an increase in agricultural production within strategically identified grain, livestock, horticulture and aquaculture production areas, and</li> <li>Invest in infrastructure that unlocks agricultural production.</li> </ul>	<ul style="list-style-type: none"> <li>Vulnerability Assessment surveys conducted in all 9 provinces</li> <li>Land under agricultural production (grain, livestock, horticulture &amp; aquaculture)</li> <li>Yields per unit area</li> <li>Superior breeding animals acquired and distributed to farmers</li> <li>Jobs created</li> <li>Beneficiaries/farmers supported by the grant per category</li> <li>Hectares (ha) of rehabilitated and expanded irrigation schemes</li> </ul>	R73 233 000	2020/21 to 2024/25
Land Care Grant	To promote sustainable use and management of natural resources by engaging in community based initiatives that support the pillars of sustainability (social, economic and environmental), leading to greater productivity, food security, job creation and better well-being for all	<ul style="list-style-type: none"> <li>Hectares of rangeland protected and rehabilitated</li> <li>Hectares of arable land protected and rehabilitated</li> <li>Hectares of land under Conservation Agriculture</li> <li>Number of youths successfully attending organized Junior LandCare initiatives</li> <li>Number of hectares of land where water resources are protected and rehabilitated</li> <li>Number of capacity building initiatives conducted for Land Carers</li> <li>Number of people benefited from capacity building initiatives</li> <li>Number of awareness campaigns conducted and attended by Land Carers</li> <li>Number of people more aware of sustainable use of natural resources</li> <li>Hectares of land where weeds and invader plants are under control</li> <li>Number of kilometres of fence erected</li> <li>Number of green jobs created expressed as full time equivalents (FTEs)</li> <li>Number of Land Care committees established</li> </ul>	R12 701 000	2020/21 to 2024/25
EPWP Integrated Grant for Provinces	To incentivize provincial departments to expand work creation efforts through the use of labour intensive delivery methods in compliance with the EPWP guidelines	<ul style="list-style-type: none"> <li>Number of people employed and receiving income through the EPWP</li> <li>Increased average duration of the work opportunities created</li> </ul>	R4 647 000	Annual allocation





# ANNUAL PERFORMANCE PLAN-2020/21

GROWING KWAZULU-NATAL TOGETHER



## KWAZULU-NATAL PROVINCE

AGRICULTURE AND RURAL DEVELOPMENT  
REPUBLIC OF SOUTH AFRICA

# ANNUAL PERFORMANCE PLAN 2020/21

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