



agriculture & rural development

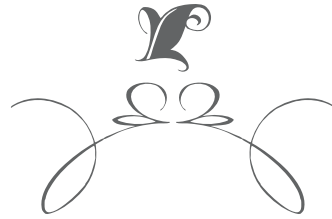
Department:
agriculture & rural development
PROVINCE OF KWAZULU-NATAL



ANNUAL PERFORMANCE PLAN 2019/20

LET'S MAKE AGRICULTURE OUR CULTURE





ANNUAL PERFORMANCE PLAN 2019/20



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KZN Department of Agriculture and Rural Development
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For enquiries:

Mr Thabani W. Mkhize: Director, IPPM&E

Tel No.: (033) 355 9446

Email: Wiseman.mkhize@kzndard.gov.za

Website: www.kzndard.gov.za

Facebook: [https://www.facebook.com/KZN Department of Agriculture and Rural Development](https://www.facebook.com/KZN%20Department%20of%20Agriculture%20and%20Rural%20Development)

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FOREWORD

BY THE MEC

MRS BONGI SITHOLE-MOLOI

It is with honour and privilege that I present the 2019/2020 Annual Performance Plan of the Department of Agriculture and Rural Development (DARD) in the province of KwaZulu-Natal. The APP is the main instrument that we use to execute the strategic programmes of government. It contains critical service delivery indicators and targets of the Department budget programmes. Therefore, it forms a binding contract between us and those who exercise oversight over our work.

Given its mandate, the Department of Agriculture and Rural Development is at the centre of the development endeavours of the province. For any nation, development starts and ends with the ability of the citizen to feed themselves nutritious and healthy food on sustainable basis. South Africa and the Province of KwaZulu-Natal is thus not an exception in that regard.

Accordingly, President Ramaphosa's message, articulated in his State of the nation Address on 20 June 2019, that "within the next decade no person in South Africa will go hungry" resonate strongly with our efforts to ensure comprehensive food security programmes and agricultural support to our communities.

This Department, is enjoined by section 27 1(b) of the Bill of Rights of the Constitution of the Republic of South Africa, Act of 108 of 1996, that states, **"everyone has the right to have access to sufficient food and water"** and provides responsibility to the government to ensure these rights are made realised through appropriate legislative and policy interventions.

In his maiden State of the Province Address, the Premier of KwaZulu-Natal, Honourable Sihle Zikalala echoed the President's message, boldly declaring, "Over the next five years will see this province embarking on the agriculture revolution to ensure food security, the growth of the sector and job creation."

The recent elections have provided a clear public mandate to the 6th administration on what ought to occupy apex position as main priorities of government. The prevalence and persistence of poverty, unemployment and widening inequality serve as stark reminders of the immense task that this government and all its social partners have to address. For the majority of KwaZulu-Natal citizens, having a meal and ability to support one's livelihood should be not be a distant dream.

The quality of life of the majority of our citizens and their food security and nutrition status should not be in doubt. That is why we will go to every breath and length of this province to ensure comprehensive food security and nutrition programme. We want every household in KZN to have a garden to grow own food.

Furthermore, in households and communities, when hunger is no longer a daily threat, those who wish to become farmers and food producers in the agricultural value-chain must find a reliable ally in the Department's Farmer Support and Development Programmes. We want to see more smallholder producers graduating into sustainable commercial enterprise.

To achieve its goals, the Department has policy, financial and human arsenal at its disposal to deploy to optimal effect.

Our commitment is simple. Agriculture must grow to work for the most vulnerable people and those that trade in this sector as business people must have the support of government to grow their enterprises in order to increase employment opportunities and contribution to the provincial economy. The transformation of the sector to expand opportunities for all our people is also a critical priority that we will pursue with vigour.

It was with these consideration and sight of the prevailing state of agriculture that prompted the Department to embark upon a policy review process. This process has yielded a new Agricultural Development Policy and Comprehensive KZN Agricultural Masterplan, which is in the final phases of development.

The Masterplan will serve as a roadmap to unlock agricultural development potential and bring about a revolution leading to real transformation in the sector, addressing amongst others, the triple challenges of poverty, unemployment and inequality.

We want youth and women empowerment to find more pronounced expression in our development programmes. Under our watch, disabled people must not be excluded from agricultural development. Our programmes have to bring the principle of Ubuntu to the centre.

Coordination of rural development in the province and across government remains one of the most pronounced challenges the department is faced with since it received this mandate. All government institutions are implementing some form of development programmes in the rural areas of this province. However, what the government machinery has not adequately mastered, is ensuring synergy of these programmes for greater impact in the development aspirations of rural areas.

That is why we have planned a Rural Development Summit that will culminate in the Development of an all-encompassing KZN Rural Development Strategy in this financial year.

The Department will also pay particular attention to its organisational capacity by finalising the recruitment of critical positions within executive management and all other identified categories. The significant achievements that the Department over the years must be sustained, whilst improving all other areas where weakness have been noted.

Accordingly, we wish to record our appreciation to the Honourable Premier for entrusting us with the leadership responsibility of this Department and all our colleagues in the Executive Council and the Legislature for their support. We would not be able to accomplish all our goals without the support of our Departmental stakeholders.

I also express gratitude to the Acting Head of Department, management team and all Department officials for their unyielding support and commitment to serve the people of KZN with distinction.

Signature: 

Mrs Bongi Sithole-Moloi

MEC: Agriculture and Rural Development



MS NELI SHEZI

Acting Head
of the Department: HOD

Department of Agriculture & Rural Development, KwaZulu-Natal

STRATEGIC OVERVIEW

ACCOUNTING OFFICER

I am honoured to support the tabling of the 2019/2020 Annual Performance Plan (APP) of the KwaZulu-Natal Department of Agriculture and Rural Development.

Strategic management is a critical function of any Department in government as it sets the direction that the organization intends to pursue. In terms of government planning, Departments are expected to produce a 5-year Strategic Plan and an Annual Performance Plan.

The Department of Agriculture and Rural Development in KwaZulu-Natal is committed to realizing a sustainable and vibrant agricultural sector with thriving rural communities. To realize its mandate, the Department requires cogent strategic framework that provides clear guidance on how the goals and priorities of the Department are achieved.

The Honourable MEC, Mrs. Sithole-Moloi has given fresh perspective with regards to the policy and strategic direction that the Department has to take. Agriculture has to work for the people. It is within this context that the Department obtains its strategic priorities of arresting food insecurity amongst poor households, assist farmers in their growth and development trajectory, broaden market access opportunities to boost producer commercial aspirations and ultimately jobs and economic contribution.

We must feed the province and ensure we have healthy citizens, free from constant worry about where their next meal will come from. We must promote food security in our communities and support those

who want to be farmers and producers in this sector. Our support must be comprehensive to include all the essential elements that will empower smallholder producers to bring more players into the agricultural industry. Transformation is not a socio-political imperative but in this sector, it's a critical element for social cohesion.

In the recent years, the Department has encountered serious challenges that have affected its ability to delivery optimally on its mandate. However, our mission is simple. We must focus on our core business, which is to ensure sustainable agricultural development in KZN. We must develop appropriate support policies and packages to enable farmer growth and development.

The success of any organisation lies on the implementation of its strategy and business plans. That is why it is critical to have strong leadership to exercise adequate oversight responsibility over strategy execution as well drive action plans to address internal controls deficiencies. A steady focus must be placed on DARD's strategic goals at all times.

This must be the basis for programme and project design, implementation and performance monitoring and evaluation in pursuit of core strategic principles driving the Agriculture Master Plan. Without this ability, Departments run the risk of pursuing programmes that are misaligned to the political and administrative priorities.

As part of the Department Turnaround Strategy, several changes to improve performance and service delivery, changes will be introduced to operational models within Farmer Support and Project Implementation; Infrastructure Planning and Development; Procurement of Production Inputs and Corporate Governance to name but a few.

The targets contained in this APP are fully endorsed. The policy programme and commitments made by the MEC have our full support. As management we shall implement the programme of the Department to ensure growth of agriculture in the province.

In this regard, we are indebted to the wise counsel of our honourable principals, the Premier of KZN and our Honourable MEC. The support of oversight structures, in particular, portfolio committee, is appreciated. The support of DARD stakeholders, management and all the officials in the Department is acknowledged.

Signature: 

Mrs. N Shezi

Head of Department (Acting)

KwaZulu-Natal Agriculture and Rural Development



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 2015-2020; 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 2019/2020.

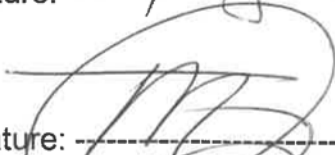
Ms INN Zwane-Dlomo
Acting Deputy Director General:
Corporate Services

Signature: 

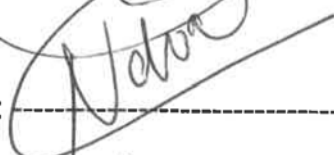
Mr MM Sifundza
Deputy Director General:
Agriculture Development Services

Signature: 


Mr J Mfusi
Deputy Director General:
Rural Development

Signature: 

Mr N Biyela
Chief Financial Officer

Signature: 

Mrs N Shezi
Acting Head of Department

Signature: 

Approved by:
Mrs B Sithole-Moloi
MEC: AGRICULTURE AND RURAL DEVELOPMENT

Signature: 

INTRODUCTION

Part A of the Annual Performance Plan reviews recent developments in the operational environment and links the annual budget to the achievement of strategic outcomes oriented goals and objectives.

Part B details planning information on the individual programmes and sub-programmes, specifying annual and MTEF performance targets for both strategic objectives and the programme performance indicators.

Part C considers details of budgets for infrastructure and other capital projects, and any planned changes to conditional grants, public entities and public-private partnerships.

PART A: STRATEGIC OVERVIEW

VISION, MISSION, VALUES AND GOALS

The Department is reviewing its agrarian reform strategy to iron out design inefficiencies detected early on implementation.

1.1 VISION

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

1.2 MISSION

To advance sound agricultural practices that stimulates comprehensive economic growth, food security and advancement of rural communities.

1.3 VALUES

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

VALUES	
BATHO PELE AND SERVICE ORIENTATION	Department officials will conduct themselves in a manner befitting a government that is caring, dedicated and pro-poor, influenced by the spirit of Ubuntu.
CO-OPERATIVE GOVERNANCE AND STRATEGIC PARTNERSHIPS	Department commits itself to the principles of cordial inter-governmental relations and strategic partnerships across all spheres of society, with particular focus on business and civil society organisations as delivery partners.
SELF-SUFFICIENCY AND INDEPENDENCE	The department commits itself to the promotion self-sufficiency in all its interventions and focuses on the empowerment of people to be more independent and entrepreneurial.

TRANSFORMATION	Department is an agent of state transformation agenda to change the historical uneven development of South Africa and KwaZulu-Natal society and its policies must reflect this character at all times.
FINANCIAL PRUDENCE AND RESOURCE LIMITATION	Department is the custodian of public funds and its policies must promote economic use of such limited funds to achieve efficient and effective delivery of public services. Government will always be faced with a challenge of growing public demands and limited resources to fulfil every obligation.
ACCOUNTABILITY AND TRANSPARENCY	Department is obligated to promote good governance by accounting and being transparent to the public, legislature and oversight institutions for its performance and use of public resources.
DEVELOPMENT AND RECOGNITION	The Department employees are recognised as its most valuable asset and therefore it aspires to ensure the on-going development and recognition of an effective, professional team.

1.4 STRATEGIC GOALS AND OBJECTIVES

The strategic goals and strategic objectives of the Department as reviewed for alignment with government mandate and priorities and mandate of planning institutions to restructure the processes of development and service delivery as reflected, changes as effected are reflected below.

STRATEGIC GOALS	STRATEGIC GOALS
1. Corporate governance and integrated service delivery	Provision of sound, responsive and transformed corporate and financial management systems.
2. Develop and promote the agricultural potential in KwaZulu-Natal.	Promotion of optimal agricultural production for food security, improved economic development and job creation.
3. Sustainable natural environmental management	Promotion of natural resource conservation for improved agricultural production.
4. Promote sustainable rural livelihoods	Improve access to services in rural areas through coordination.

1.2 Updated Situation Analysis

KwaZulu-Natal is operating within a fiscally constrained environment owing to the consolidation measures that are intended to reduce costs of government administration. The severe budget cut that has been effected to the provincial fiscus has had a noticeable effect on Departments, in particular, on staffing. Notwithstanding these constraints, the mission of the provincial government has not changed, eradication of poverty, reduction of unemployment and inequality remain the key priorities of this administration.

Agriculture contributes about 3% to the country's Gross Domestic Product (GDP). KZN is the second largest province of the country and is blessed with good natural resources and a climate conducive to agriculture production. The province is faced with challenges such as high poverty rates, inequalities, and unemployment and food insecurity.

The General Household Survey 2016 data shows that 13.7% of South Africa's population with inadequate access to food (StatsSA, 2017). These statistics confirm the importance of food security interventions to assist vulnerable households to produce sufficient and nutritious food for own consumption.

In South Africa, KZN has one of the highest agricultural potential, of which 17% of the land surface is arable and 7.5% is high potential. However, evidence suggests that during the past decade the sector's contribution to the economy of the province has been on the decline, thus the need to revive agriculture in the province. Agriculture is identified as a primary driver of growth in the economy.

As such, the sector is expected to play a meaningful role in the reduction of poverty, unemployment and inequality. One of the most overarching challenges is the potential severe impact of climate change on livestock and crop production. This is acknowledged as a major threat.

The agricultural sector needs to have adaptive management strategies in response to climate change. Climate-smart agricultural approaches must be investigated and attention must be given to environmental degradation and soil erosion,

the emergence of new pests and diseases, alien invasive plant encroachment and water use inefficiency.

Together with the impacts of climate change, the other major threat facing the agricultural sector is the loss of agricultural land to other non-productive agricultural land uses. A spatial analysis undertaken by the National Department of Agriculture, Forestry and Fisheries in 2011 estimates that 3 million hectares of agricultural land has already been lost to urban and mining developments, with more agricultural land being lost each year.

This problem is further exacerbated by a growing population and a greater demand for foodstuffs, with an estimated 7 million more mouths to feed by 2030 (UN Secretariat, 2015). Consequently, commercial farmers in South Africa will need to sustainably produce more food from an ever-shrinking land base.

More effective sharing of available market intelligence and research and technology information with producers across the board could lead to better timing and co-ordination of planting as well as consistency, quality and sustainability of supply. This will allow for access to relevant markets in an equitable manner.

Farmers are faced with many other challenges. These include an already volatile, high risk and seasonally constrained production system that is compounded further by stock, produce and equipment theft as well as personal and property safety and vandalism. Labour legislation, unresolved land restitution and farm ownership issues and aging of skilled farmers place further pressure on farmers' resilience.

The outbreak of diseases is another major strategic threat to the Department and the province of KwaZulu-Natal. The recent cases of rabies, avian influenza and listeriosis diseases poses major threat to human life, food safety and industry reputation and financially ruinous to the economy. Veterinary services has received additional capacity in terms of new personnel, which will boost the fight against disease outbreak.

Another important process for the sector is the ongoing Census of Commercial Agriculture that is being conducted by Stats SA on behalf of DAFF. The purpose of the census is to establish commercial agriculture activity in the country focusing on all areas of the sector, including oceans (marine) and forestry subsectors.

It will provide vital data about the state of the agricultural industry, especially information about production, labour, farming expenses, farming debt, food security and the overall market needs of the sector. Farmers, government, farmer associations, funding institutions, academic institutions and lobby groups will use the data to conceptualize appropriate programmes to support this critical sector to the South African economy.

The timing of the Census on Commercial Agriculture is most opportune given the recent decision to endorse the Policy on land expropriation without compensation. Land ownership debates and the various proposals on future land regime of the country has gained momentum. It is now a firmly entrenched socio-political issue in the public discourse and will remain so for some time.

1.2.1 Performance Delivery Environment

According to Socio-Economic Impact Assessment System (SEIAS) Report (Phase 1) conducted by the Department of Planning, Monitoring and Evaluation in 2016, it was noted that there's "skewed participation and uncoordinated, ineffective and inefficient support and delivery systems for producers in agriculture."

However, despite these various interventions, the skewed participation and ownership patterns have persisted, with the majority of black producers and those in rural areas struggling to operate sustainable and viable enterprises that are capable of competing with successfully in the markets. This reality has prompted shifts in government policies.

Agricultural industry is not immune from the apartheid economic exclusion and distorted patterns of ownership. This is one of the principal reason for the transformation imperative in the sector.

Many producers, especially smallholders, often face constraints of limited collateral, absence of infrastructure and inability to access funds from financial institutions. As identified by DAFF, most smallholder producers cannot use their land as collateral as a result of their tenure rights to land, particularly those in communal areas as their rights cannot enable them to approach financial institutions for assistance.

Even in the instance where funding is provided, it's often not adequately complemented with the provision of other required support services (non-financial). Poor coordination between financial and non-financial support is therefore of concern.

For government, the biggest challenge has to harmonise provision of support services to the various categories of producers under a comprehensive policy framework. In some respect, this has led to limited achievement of the intended outcomes and impact. The democratic government has introduced various policy interventions focusing on agricultural development.

This prompted the National Department of Agriculture, Forestry and Fisheries to conceptualise the National Policy on Comprehensive Producer Development Support. The Draft policy was gazetted for public comment on 3 August 2018. This policy initiative proposes a suite of support services and interventions to be provided to various categories of producers by Government, the Private Sector, Civil Society Organisations (CSOs) and Development Partners (DPs) and other sector stakeholders.

The Department, together with DAFF, held two policy consultations sessions at Ulundi and Pietermaritzburg, respectively. The Ulundi consultation session was attended by farmers and industry stakeholders from Zululand, King Cetshwayo, UMzinyathi, Amajuba and UMkhanyakude Districts.

The Pietermaritzburg consultation session was attended by UGu, Harry Gwala, UThukela, EThekweni, ILembe and UMgungundlovu District farmers. The aim of the consultation was to solicit views of farmers in KZN to ensure that the new policy has buy-in from all the industry stakeholders before it is approved for implementation.

Closely related to this, is the ongoing discussion between DAFF and provincial Departments of Agriculture on the Black Farmer Commercialisation Programme. Each province is expected to have a formally approved programme at the commencement of the financial year, and farmers already identified for participating in this endeavour. The main aim of the commercialisation of agriculture is giving platform to more producers to access mainstream markets to sell their products, allowing them to grow beyond producing for family consumption.

The approach to commercialize black producers is twofold. The first phase is what can be described as “developmental phase” for potential producers to operate at commercial level includes the following:

- Farm and farmer needs assessments of 50 farmers per province;
- Skills and capacity building including record keeping;
- Farm planning i.e. primary and secondary commodities;
- Assistance with business plan development;
- SA GAP certification; and
- Infrastructural and input support to enable achievement of turnover per annum of R500 000

The second phases is blended commercialization funding approach, which incorporates a combination of loan and grant funding that is going to be managed through a central grant funding facility in partnership with the Land Bank. The partners in the programme include Banking Association of South Africa (ABSA, FNB, Standard Bank, Nedbank), AgBiz, Jobs Fund, Development Funding Institutions, DTI and IDC. The target is 450 black producers commercialized over 5-year period; and the programme to develop black producers was developed in partnership with the DTI, Land Bank, IDC and NEF.

DARD has also started reviewing its Agricultural Development Policy to provide a comprehensive agricultural development support programme. This policy review was precipitated by concerns that the 50/50 funding model was not yielding the desired results. Many smallholder farmers were struggling to raise their 50% contribution and the policy needed to augment support to smallholder producers.

The Department has taken heed of these concerns and has revised its policy by identifying five beneficiary categories that it intends to support:

- Vulnerable Households
- Subsistence Producer
- Smallholder producer
- Commercial producer
- Community Investment

Vulnerable Household is defined as a non-producer or a producer that produces primarily for household consumption to meet the daily dietary needs and has limited resources and skills to operate a market-oriented production system.

This category includes child headed households & households producing in communal land and commonages that are classified or registered as indigents or they meet the criteria for registration as indigents. The Department will provide food security package to vulnerable households to a maximum of R50 000 per household. In addition, these households will be supported with appropriate technology and/or tillage equipment to allow them to grow their own food.

Subsistence Household Producer is defined as a Producer that produces primarily for household consumption to meet the daily dietary needs. These producers are not classified as indigents by their municipality. They may market limited surplus production with an annual turnover of less than R50 000. Support for this category of farmers is capped at the maximum of R250 000 per producer.

Financial support will generally be limited over a five-year period, however, a graduation principle allows for producers to graduate from one category to the other, therefore qualifying for support under the new category. Subsequent application within the same category will be considered after five years.

A Smallholder Producer is defined as a venture undertaken by an individual or business entity for the purpose of household consumption and deriving a source of income from agricultural, forestry and fisheries activities along the value chain. These are usually the new entrants with an annual turnover ranging from **R50 000 - R5 million per annum**. Support to be provided over a 5-year period on a sliding scale.

Commercial Producer is defined as a venture undertaken by an individual or business entity for the purpose of deriving a source of income from agricultural, forestry and fisheries activities along the value chain. These are established enterprises with an annual turnover ranging from **R5 million and above**. Support to be provided on a sliding scale as indicated in the table below capped at R 7,5 million per business enterprise.

Community Investment projects that will benefit a greater population of the farming community will be supported at 100% dependent for bulk shared agricultural infrastructure. The projects may include but not be limited to the following:

- Rainwater harvesting
- Boreholes and windmills
- Irrigation with Water Right
- Approved Dams with Water Rights
- Building supplies and structures
- Fencing
- Storage and handling
- Agro Processing
- Packaging and handling systems
- Dip tanks

One of the major concerns is that since the adoption of the Agriculture White Paper in 1996, KZN government has not developed a detailed provincial guideline developed by the for the agriculture sector. The province has been developing and changing agricultural policies. But their scope has not been all-encompassing. The ability of the province to unlock agricultural potential and transform the sector requires such a framework. It is on that account that the Department has led the process to develop the KwaZulu-Natal Agricultural Masterplan.

The Masterplan is a provincial plan developed to give a provincial overview of the sector's performance in the province post the adoption of the White Paper. It will act as a guide for those in and those impacting on the sector in KZN, wanting to work with the KZN Government towards the achievement of common vision and objectives, through common well-co-ordinated and integrated actions.

This 2019-2035 Comprehensive Agricultural Development Masterplan, for KZN, is a culmination of intense reflection and discussions with stakeholders in the agricultural sector.

The Comprehensive Agricultural Development Masterplan will form an integral part of the KZN Provincial Growth and Development Strategy (PGDS) through its adoption by the KZN Provincial Government. This will ensure that it is reviewed within the PGDS's monitoring and evaluation process of government and that it becomes an integrated part of the annual work of the Action Working Group structure and respective departments and spheres of government. The Comprehensive Agricultural Development Masterplan is for the period 2019 – 2035 with the aim is to review it every five years.

1.2 Organisational environment

As 2015-2020 Medium Term Strategic Framework comes to an end, the Department has a responsibility to review their performance and service delivery models to identify new areas of improvements. The Department undertook such a review, with the intention to identify areas of weakness and strengths leading to new planned improvements.

During this process, it was important that national and provincial imperatives were properly integrated into the Department plans to ensure a comprehensive set of interventions. On reflection there have been mixed results towards achieving the medium term targets for the sector.

This is largely because agriculture now operates within a complex global agro-food industry with a wide range of role players and relationships. These combine to affect cost and availability of agricultural produce to the consumer.

Harnessing the potential of the agricultural sector requires far more strategic co-ordination, focus and consistency in purpose than anticipated. Transforming critical areas or tackling key challenges within the sector in a more co-ordinated manner, to unleash its potential, also possibly requires a far higher level of common analysis and understanding of local conditions.

The Department undertook organizational restructuring process in 2015, which was only finalized in 2016. The restructuring resulted in the abolition of Regional model of which were led by Chief Directors and the elevation of the post of District Managers from Deputy Director Level to Director.

The Directorate for Food Security; Directorate and Women, Youth and People with Disabilities were also abolished and are now being re-introduced following the MEC's new directive. All these changes affect resource allocation, strategic direction and policy coherence. In the main, these have been disruptive changes to the strategic trajectory of the Department and affected its capacity to achieve all its goals.

The Department is confronted with serious governance and management challenges. These are reflected in two consecutive unqualified AG audit outcomes in 2016/2017 and 2017/2018. These audit outcomes are a regression from the previous financial years. In 2013/2014; 2014/2015 and 2015/2016 the Department received unqualified audits.

In many respect, adverse audit findings over the two financial years have shone light to the weakness in the management levels of the Department. Manifestly, there has to be dedicated focus to the implementation of action plans to reverse identified challenges.

Departmental governance improvement commitments for 2019/20:

- Improve internal controls, leadership oversight, consequence management
- Improve expenditure management and contract management
- Reclassification of expenditure previously allocated as transfers and subsidies.
- Strict measures of control over infrastructure implementing agents to ensure legislative compliance
- Provide capacity to monitoring and evaluation function and reconfigure systems of internal control

The Department is continuously improving its systems of governance and internal controls to provide for an enabling environment that promotes service excellence. There is a dedicated focus to higher performance and service delivery trends.

The Management Performance Assessment (MPAT) 1.8 scores are indicating that there's improvement in the management practices in some of the critical areas, but more still has to be done to reach the desired level. Some strategic MPAT Standards have been included in the Department's Annual Performance Plan and the rest included in the operational plans of Corporate Services and Finance since the bulk of these standards fall under Administration.

Furthermore, MPAT are being included in the performance agreements and work plans of the respective responsibility directors to ensure they are implemented. MPAT Improvement Plan is reported on a regular basis to the Risk Management and Internal Control Committee of the Department and EXCO. All these measures are intended to cement the institutionalisation of MPAT in order to foster sustained improvement in the management practices of Departments and service delivery.

2.3 Strategic Alignment of the Departmental 5 Year Strategy to National Outcomes

The Department has endeavoured to align its strategic goals and objectives with the new government priorities as outlined in the State of the Nation and State of the Province Address.

SONA 7 PRIORITIES	DARD PROGRAMMES
Comprehensive support package to KZN Farmers	Farmer Support and Development Programme Production Inputs procurement Mechanization Programme
Strengthen Mechanization Programme	Extension and Advisory Services Research and Technology Transfer Agriculture Economic Services
Assessment and Needs Analysis of all Land Reform Farms	Natural Resources and Land Use Management Extension and Advisory Services Farmer Support and Development Programme
Agri-Hubs per year for emerging farmers	Rural Enterprise and Development and Industry Development Provision of Agriculture infrastructure projects
National Young Producers and Entrepreneurs Strategy	Mentorship Programme Farmer Support and Development Programme
Agricultural Graduates Placement Programme	Farmer Support and Development Programme Placement of Agricultural Graduates Agricultural Training, Colleges and Skills Development
Commodity think-tank industry cluster	Research and Technology Development Agricultural Economic Services
Livestock Research and Animal Production	Veterinary Services Livestock Research and Animal Production Sustainable Natural Resources
Farmers and Farm Workers/ Dwellers Cohesion Programme	Social facilitation / Rural Enterprise / Industry Development
Building a capable, ethical and developmental state	Strengthen internal controls Graduate Placement Farmer Support and Development Integrated Rural Development and Coordination
Comprehensive support package to KZN Farmers	Farmer Support and Development Programme Production Inputs procurement Mechanization Programme
Strengthen Mechanization Programme	Extension and Advisory Services Research and Technology Transfer Agriculture Economic Services
Assessment and Needs Analysis of all Land Reform Farms	Natural Resources and Land Use Management Extension and Advisory Services Farmer Support and Development Programme
Agri-Hubs per year for emerging farmers	Rural Enterprise and Development and Industry Development Provision of Agriculture infrastructure projects
National Young Producers and Entrepreneurs Strategy	Mentorship Programme Farmer Support and Development Programme

SONA 7 PRIORITIES	DARD PROGRAMMES
Agricultural Graduates Placement Programme	Farmer Support and Development Programme Placement of Agricultural Graduates Agricultural Training, Colleges and Skills Development
Commodity think-tank industry cluster	Research and Technology Development Agricultural Economic Services
Livestock strategy for KZN	Veterinary Services Livestock Research and Animal Production Sustainable Natural Resources
Farmers and Farm Workers/ Dwellers Cohesion Programme	Social facilitation / Rural Enterprise/ Industry Development
Building a capable, ethical and developmental state	Strengthen internal controls Graduate Placement Farmer Support and Development Integrated Rural Development and Coordination

DARD programmes are aligned to the Provincial Growth and Development Plan (PGDP) as per the table below:

PGDP GOAL	STRATEGIC GOALS	STRATEGIC OBJECTIVES	BUDGET PROGRAMME
Goal 6: Governance and Policy Goal 2: Human Resource Development	Corporate governance and integrated service delivery	Provision of sound, responsive and transformed corporate and financial management systems.	Programme 1: Administration Corporate Services Sub-programmes : • Financial Management • Human Resource Management • Business Support • Legal Services • Intergovernmental and International relations
PGDP GOAL	STRATEGIC GOALS	STRATEGIC OBJECTIVES	BUDGET PROGRAMME
Goal 1: Job Creation Goal 3: Human And Community Development	Develop and promote the agricultural potential in KwaZulu-Natal.	Promotion of optimal agricultural production for improved economic development and job creation.	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
PGDP GOAL	STRATEGIC GOALS	STRATEGIC OBJECTIVES	BUDGET PROGRAMME
Goal 5: Environmental sustainability	Sustainable natural environmental management	Promotion of natural resource conservation for improved agricultural production.	Programme 2: Agricultural Development Services Sub- programmes: • Land Care • Natural Resources Management • Research and Technology Development

PGDP GOAL	STRATEGIC GOALS	STRATEGIC OBJECTIVES	BUDGET PROGRAMME
Goal 4: Strategic infrastructure Goal 7: Spatial equity	Promote sustainable rural livelihoods	Improve access to services in rural areas through coordination.	Programme 3: Rural Development Sub-programmes: <ul style="list-style-type: none"> • Integrated Rural Development • Sub-programme : Rural Enterprise and Industry Development

2.4 Outcome 7: Vibrant, Equitable, Sustainable Rural Communities and Food Security for All

OUTPUTS	ACTIVITIES
Output 1: Sustainable Agrarian Reform	<ul style="list-style-type: none"> • Support to small holder farmers to produce • Increased irrigation through watering schemes • Mechanisation Contractor Development & Fund • Establishment and support of Agricultural Co-ops • Formal and informal training of Farmers and Farming Communities • Extension Recovery Programme • Redistribution of strategically located land for the establishment of smallholder farmers. • Fencing programme and agricultural infrastructure.
Output 2 : improved access to affordable and diverse food	<p><i>• Create the opportunity for all households who experience hunger to produce food through:</i></p> <ul style="list-style-type: none"> • Household Packs • Training of Beneficiaries in household food security, food preservation, preparation and storage. • Diversification of food at household level • Pest and disease control • Composting and use of manure to promote organic cropping • Livestock farming • Rain water harvesting
Output 3: Rural Services and sustainable livelihoods	<ul style="list-style-type: none"> • District Land and Agriculture Committees • Agricultural & Rural Development Plans • Agricultural Cooperatives supplying Hospitals, Schools & Prisons. • Employment of youth to enhance service delivery through National Rural Youth Services Corp Programme.
OUTPUTS	ACTIVITIES
Output 4: Improved employment opportunities and promotion of economic livelihood	<ul style="list-style-type: none"> • Sustainable Job Creation through EPWP (Land Care). • Establishment of Agri-Parks / Agri-Villages • Revitalisation of Irrigation Schemes • Livestock Centres & Fencing. • Increase the percentage of small farmers producing for commercial sales.
Output 5: Enabling institutional environment for sustainable and inclusive growth	<ul style="list-style-type: none"> • Primary Agricultural Co-operatives & Secondary ValueAdding Co-operatives. • Capacitate Livestock Associations and Crop Farmers for major Commodities i.e. Maize, Dry Beans, Vegetables.

2.5. Revisions to Legislative and other Mandates

There have been no significant changes to the Agriculture and Rural Development legislative and other mandates. The list of legislations relevant to the Department are itemised in the Strategic Plan 2015/2020 and posted on the Department's website for ease of reference. At the time of the strategic plan review, the Department had several routine litigation matters that it was defending in court but these were not so significant as to warrant mention in this plan. Currently, the Department is not facing court cases that could affect its policies or mandate.

3. SUMMARY OF PAYMENTS AND ESTIMATES FOR VOTE 3

Table 3.6 : Summary of payments and estimates by programme: Agriculture and Rural Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
1. Administration	432 548	457 419	476 647	532 805	564 160	527 102	567 101	604 516	638 481
2. Agriculture	1 764 748	1 744 190	1 536 918	1 759 864	1 794 556	1 839 244	1 827 866	1 948 581	2 061 445
3. Rural Development	1 891	14 757	19 300	31 439	32 380	24 750	31 974	34 278	36 162
Total	2 199 187	2 216 366	2 032 865	2 324 108	2 391 096	2 391 096	2 426 941	2 587 375	2 736 088

Table 3.7 : 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		
	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
Current payments	1 738 423	1 644 912	1 635 267	1 938 325	1 946 481	1 993 498	2 070 454	2 199 210	2 325 794
Compensation of employees	911 392	950 488	996 587	1 106 994	1 074 337	1 033 451	1 195 333	1 289 565	1 360 492
Goods and services	826 804	694 322	637 724	831 241	872 054	959 957	875 030	909 553	965 205
Interest and rent on land	227	102	956	90	90	90	91	92	97
Transfers and subsidies to:	246 968	275 994	287 119	208 699	212 300	219 017	208 053	218 588	230 400
Provinces and municipalities	1 313	1 278	1 380	2 092	2 083	2 083	2 159	2 216	2 338
Departmental agencies and accounts	101 306	97 000	123 184	122 838	122 840	122 840	129 357	136 170	143 659
Higher education institutions	-	3 000	44	-	-	92	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	112 091	155 526	136 592	74 230	69 586	69 586	66 773	70 344	74 213
Non-profit institutions	13 770	3 569	7 321	-	-	-	-	-	-
Households	18 488	15 621	18 598	9 539	17 791	24 416	9 764	9 858	10 190
Payments for capital assets	213 177	293 622	109 991	177 084	232 315	178 582	148 434	169 577	179 894
Buildings and other fixed structures	172 688	163 282	76 430	130 547	169 512	124 410	100 832	121 689	129 374
Machinery and equipment	40 139	130 120	32 866	45 987	62 253	53 953	47 032	47 318	49 919
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	350	169	695	550	550	219	570	570	601
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	51	-	-	-	-	-	-	-
Payments for financial assets	619	1 838	488	-	-	-	-	-	-
Total	2 199 187	2 216 366	2 032 865	2 324 108	2 391 096	2 391 096	2 426 941	2 587 375	2 736 088

Programme 1: Administration shows a steady increase over the seven-year period. The increase from the 2018/19 Main to Adjusted Appropriation is in respect of the roll-over of R14.575 million relating to the rehabilitation and upgrading of office accommodation at the Cedara head office, which was not completed in 2017/18 and is being undertaken by DOPW.

In addition, there was avirement of R15.580 million from *Programme 2* from *Compensation of employees* to fund the investigations undertaken by the Special Investigating Unit (SIU) which were not budgeted for, to cater for increases in utility tariffs, such as water, at the Cedara head office, as well as to fund the terms of reference for the study on the Status of Agriculture in the Province.

Furthermore, an amount of R1.200 million was shifted from Goods and services under Programme 3 relating to the communication strategy for the UAGYP and was moved to the same category in Programme 1, as the communication strategy for the UAGYP will be managed by Communication Services.

The decrease in the Revised Estimate is mainly due to slow progress by DOPW in securing office accommodation, as well as slow implementation of infrastructure projects. There is a steady inflationary linked increase over the MTEF to provide the necessary administrative support to the line function programmes.

Programme 2: shows a significant decrease from 2015/16 to 2017/18 due to the under-expenditure incurred by the department over this period, as well as the effect of the matching and placing of staff in terms of the new organisational structure.

The increase from the 2018/19 Main to Adjusted Appropriation is attributable to the roll-over of conditional grant funding, as well as R4.456 million in respect of the equitable share for the rehabilitation of staff accommodation.

The further increase in the Revised Estimate is as a result of reprioritisation that was undertaken at the end of the third quarter toward increasing the service delivery programmes such as intervention and assistance to the piggery industry and veterinary services.

The low growth in 2019/20 relates to budget cuts in respect of the CASP grant, as mentioned. The programme shows steady growth in 2020/21 and 2021/22.

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, the Status of Agriculture in the Province Study, as well as the digi-pen software to enhance the departments' extension and advisory services.

Programme 3: Rural Development is a programme that commenced in 2015/16 and provides rural development co-ordination and social facilitation functions. The increase from 2015/16 to 2016/17 takes into account the new organisational structure, where certain directorates such as Investment and Partnerships were moved to this programme.

Also contributing to the 2016/17 increase is the partnership with the University of Zululand (UNIZULU) for the development of a Centre for Sustainable and Integrated Rural Development (CSIRD) at the university. The increase from 2017/18 onward provides for the implementation of the UAGYP aimed at facilitating comprehensive interventions towards promoting equitable and sustainable opportunities for unemployed agricultural graduates in KZN.

The decrease from the 2018/19 Main to Adjusted Appropriation is due to the slower than planned implementation of the UAGYP, in particular the formation of partnerships for the placement of unemployed graduates on farms.

The department advertised in the third quarter and placements on farms commenced in the fourth quarter of 2018/19. The decrease in the Revised Estimate is due to the slow implementation of UAGYP, as mentioned. The department will be remunerating the graduates that are placed and will also manage their progress. The MTEF provides for the continued roll-out of the UAGYP programme, as well as co-ordinating, monitoring and reporting on rural development in the province.

PART B: PROGRAMME AND SUB-PROGRAMME PLANS

4.1 Programme 1: Administration

Programme 1 is made up of the following branches:

- Corporate Services
- Financial Administration

4.1 Purpose of the Programme and Its Sub-Programmes

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.

4.2 Strategic Goals and Objectives

The strategic goal linked to Programme 1 is that of integrated, responsive and transformed service delivery. The strategic objectives for this programme are to:

- Provide effective and efficient corporate and strategic support services to MEC, HOD and the Department
- Provide effective human resource capacity
- Provide effective, efficient and transparent financial and risk management systems.

4.3 Programme Priorities

The administration function is very crucial in supporting the Department to achieve its objectives.

The Department is prioritising the following sub programmes in the long term:

- Good governance and integrity management
- Human Resource Management, Development and Performance Management
- Employee Health and Wellness Programme
- Leadership Development
- Business Automation
- Service Delivery Improvement
- ICT Connectivity and Institutional Memory (knowledge management)
- Sound financial administration and a Clean Audit

For Programme 1 the Annual Performance Plan 2019/20 only lists a summary of selected activities within the Corporate and Financial services branches. This is in line with Treasury requirements that while the APP should be reserved for high-level, strategic indicators linked to service delivery.

Programme Performance Measures and Annual Targets for 2019/20: Administration

Strategic objective	Strategic objective indicator	Audited/actual performance			Estimated performance 2018/19	Medium Term Targets		
		Output 2015/16	Output 2016/17	Output 2017/18		2019/20	2020/21	2021/22
Provide effective and efficient corporate and strategic support Services to MEC, HOD and Department.	Clean audit opinion for the department.	1	1	0	1	1	1	1

Programme Performance Indicator and Annual Targets for 2019/20: Administration

Programme Performance Indicator	Audited/actual performance			Estimated performance 2018/19	Medium Term Targets		
	Output 2015/16	Output 2016/17	Output 2017/18		2019/20	2020/21	2021/22
Number of decisions that are compliant with the Promotion of Administrative Justice Act.	New indicator	New indicator	7	10	10	12	14
Number of business processes automated	New indicator	New indicator	New indicator	1	3	2	2
Number of capacity building campaigns on contract compliance	New indicator	New indicator	New indicator	New indicator	6	8	10
Percentage of approved funded vacant posts filled	New indicator	New indicator	New indicator	100%	100%	100%	100%
Number of performance reports submitted to oversight structures	New indicator	New indicator	New indicator	New indicator	5	5	5
Number of skills development interventions	New indicator	New indicator	New indicator	8	8	8	8
Number of performance reviews conducted for Department entities	4	4	4	4	4	4	4

Quarterly Targets for 2019/20: Programme 1: Administration

Programme Performance Indicator	Annual Target 2019/20	Reporting Period	Quarterly Targets			
			Q1	Q2	Q3	Q4
Number of decisions that are compliant with the Promotion of Administrative Justice Act.	10	Quarterly	2	3	3	2
Number of business processes automated	3	Quarterly	0	0	1	2
Number of capacity building campaigns on contract compliance	6	Quarterly	0	2	2	2
Percentage of approved funded vacant posts filled	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 conducted for Department entities	4	Quarterly	1	1	1	1

Programme Performance Measures and Annual Targets for 2019/20: Financial Management

Programme Performance Indicator	Audited/actual performance			Estimated performance 2018/19	Medium Term Targets		
	Output 2015/16	Output 2016/17	Output 2017/18		2019/20	2020/21	2021/22
Approved Departmental Procurement Plan	1	1	1	1	1	1	1
Approved Infrastructure Programme							
Management Plan (IPMP)	1	1	1	1	1	1	1
Number of valid invoices paid within 30 days	83%	85%	96%	92%	100%	100%	100%
Number of In year Monitoring reports submitted	12	12	12	12	12	12	12
Approved Strategic Risk Register	1	1	1	1	1	1	1

Quarterly Targets 2019/20: Financial Management

Programme Performance Indicator	Annual Target 2019/20	Reporting Period	Quarterly Targets			
			Q1	Q2	Q3	Q4
Approved Departmental Procurement Plan	1	Annual	0	0	0	1
Approved infrastructure programme management plan (IPMP)	1	Annual	0	1	0	0
Number of valid invoices paid within 30 days	100%	Quarterly	100%	100%	100%	100%
Number of In year Monitoring reports submitted	12	Quarterly	3	3	3	3
Approved strategic risk register	1	Annual	1	0	0	0

SUMMARY OF PAYMENTS AND ESTIMATES BY SUB-PROGRAMME: ADMINISTRATION

Table 3.15 : Summary of payments and estimates by sub-programme: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
1. Office of the MEC	14 129	16 001	11 812	15 535	15 965	16 273	16 475	17 327	18 279
2. Senior Management	31 238	26 144	43 393	45 917	47 925	57 817	47 259	49 797	52 533
3. Corporate Services	227 745	244 961	272 772	275 268	286 893	272 551	293 430	311 283	328 404
4. Financial Management	133 645	142 117	117 230	162 138	177 440	149 855	173 659	187 688	198 730
5. Communication Services	25 791	28 196	31 440	33 947	35 937	30 606	36 278	38 421	40 535
Total	432 548	457 419	476 647	532 805	564 160	527 102	567 101	604 516	638 481

Table 3.16 : Summary of payments and estimates by economic classification: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
Current payments	391 822	412 181	443 038	476 750	490 216	470 791	507 458	541 845	572 363
Compensation of employees	188 954	192 245	205 016	223 302	217 923	222 336	241 093	260 068	274 372
Goods and services	202 817	219 850	238 022	253 448	272 293	248 455	266 365	281 777	297 991
Interest and rent on land	51	86	-	-	-	-	-	-	-
Transfers and subsidies to:	7 327	8 971	7 569	8 713	10 313	11 218	9 348	9 819	10 360
Provinces and municipalities	1 147	1 278	718	1 180	1 180	1 180	1 200	1 210	1 277
Departmental agencies and accounts	1 805	2 418	1 849	2 823	2 823	2 823	3 048	3 289	3 470
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	5	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	4 370	5 275	5 002	4 710	6 310	7 215	5 100	5 320	5 613
Payments for capital assets	32 780	34 448	25 685	47 342	63 631	45 093	50 295	52 852	55 758
Buildings and other fixed structures	10 705	6 650	3 184	27 789	42 364	20 386	29 345	30 959	32 662
Machinery and equipment	22 075	27 747	22 501	19 553	21 267	24 707	20 950	21 893	23 096
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	51	-	-	-	-	-	-	-
Payments for financial assets	619	1 819	355	-	-	-	-	-	-
Total	432 548	457 419	476 647	532 805	564 160	527 102	567 101	604 516	638 481

PROGRAMME 1: AGRICULTURE DEVELOPMENT SERVICES

The sub-programme: Office of the MEC provides for the efficient operation of the ministry, and the MTEF allocations show steady growth in line with anticipated wage adjustments and inflationary increases, as well as the fact that the MEC's salary did not increase in 2018/19.

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 (to be undertaken in 2019/20).

The increase in 2017/18 is ascribed to the filling of posts such as the DDG: Agriculture Services, Chief Directors: Veterinary Services, Research and Development, Rural Enterprise Development, Human Resource Management, as well as the costs for the investigation undertaken by the SIU.

The increase against the 2018/19 Revised Estimate was due to an incorrect inter-face between PERSAL and BAS instead of to the Rural Development programme.

This will be corrected and there will be no reduction from 2018/19 to 2019/20. The growth over the MTEF is in respect of the carry-through costs of the above-budget wage agreements and annual salary increments, as well as undertaking the Status of Agriculture in the Province study in 2019/20.

The Corporate Services sub-programme includes human resource management and development, business support services, legal services, security services, facilities, etc. The increases in 2016/17 and 2017/18 relate to the cost of the migration from Novell to Microsoft, and hence there is no growth in 2018/19.

The decrease in the Revised Estimate is due to savings on computer services, legal fees and subsistence and traveling costs. The 2019/20 MTEF provides 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: 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 charged to the programmes that utilise the vehicles. DOPW is the implementing agent for the department's infrastructure projects, such as the upgrade and refurbishment of departmental offices and staff accommodation.

The progress of implementation was slow between 2015/16 and 2017/18 which explains the low spending against this sub-programme and Buildings and other fixed structures. This trend continues into 2018/19, and the roll-over of funds increased the 2018/19 Adjusted Appropriation.

The 2019/20 MTEF provides for continued support to the line function, rehabilitation and upgrade of office accommodation at various departmental district and local offices, as well as the replacement of departmental vehicles.

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

The decrease in the 2018/19 Revised Estimate is due to the procurement of signage for the remaining offices not covered in phase 1 not being finalised.

PROGRAMME 2: AGRICULTURE DEVELOPMENT SERVICES

Purpose of the programme

To engage, empower and transform our communities to participate in sustainable agricultural and environmental practices in order to realize economic development and food security in the Province.

• **Programme 2 is made up of the following sub-programmes:**

- **Sub-programme 2.1:** Sustainable Resource Management
- **Sub-programme 2.2:** Farmer Support and Development
- **Sub-programme 2.3:** Veterinary Services
- **Sub-programme 2.4:** Research and Technology Development
- **Sub-programme 2.5:** Agricultural Economics Services
- **Sub-programme 2.6:** Structured Agricultural Education and Training

Programme Priorities

KwaZulu-Natal has high potential agricultural land which can sustain a varied range of agricultural enterprises. However, large numbers hectares of agricultural land remain barren and significantly underutilized due to inadequate operational farming resources. In order to unlock this potential, the Department will focus on the following key interventions in the long term,

- Food security
- Farmer development
- Veterinary services
- Agricultural Training
- Research and technology development
- Natural resource management

Sub-programme 2.1: Sustainable Resource Management

Purpose

To provide technical resources for the support of planning, procurement, implementation and commissioning of agricultural infrastructure such as irrigation, agricultural roads, farm buildings, resource conservation services, and to address the problem of degradation of natural/agricultural resources in order to improve the socio-economic status and food security of rural communities.

Strategic Objective Annual Targets

Strategic objective	Strategic objective indicator	Audited/actual performance			Estimated performance 2018/19	Medium Term Targets		
		Output 2015/16	Output 2016/17	Output 2017/18		2019/20	2020/21	2021/22
To provide agricultural support services to farmers in order to ensure sustainable development and management of agricultural resources	Number of hectares cleared	4880	2960	6605	6500	6500	7000	7500

*(Ha cleared as per indicator below)

Performance Indicators and Annual Targets for 2019/20: Sustainable Resource Management

Programme Performance Indicator	Audited/actual performance			Estimated performance 2018/19	Medium Term Targets		
	Output 2015/16	Output 2016/17	Output 2017/18		2019/20	2020/21	2021/22
Number of Agricultural infrastructure established	82	133	261	59	104	90	95
Number of Agricultural infrastructure rehabilitated	12	4	6	46	225	90	95
Number of km fenced	268	430	85	450	543	320	350
Number of agro ecosystem management plans developed	New Indicator	New Indicator	New Indicator	0	1	2	3
*Number of hectares protected to improve agricultural production	4880	2960	6605	5178.364	6500	7000	7500
Number of farm management plans developed	New Indicator	New Indicator	New Indicator	14	10	10	10
Number of disaster relief schemes managed.	2	3	1	0	1	3	3
Number of disaster risk reduction services managed.	New Indicator	New Indicator	1	4	1	4	4
No of green jobs created	1556	2000	2293	1120	1000	1100	1100
Number of hectares of agricultural land rehabilitated	New Indicator	8604	6500	8000	8800	8800	8800

*(Ha cleared as per indicator below)

Quarterly Targets for 2019/20: Sub-Programme: Sustainable Resource Management

Programme Performance Indicator	Annual Target 2019/20	Reporting Period	Quarterly Targets			
			Q1	Q2	Q3	Q4
Number of agricultural infrastructure established	104	Quarterly	15	20	31	38
Number of agricultural infrastructure rehabilitated	75	Quarterly	10	15	25	25
Number of kilometre fenced	543	Quarterly	63	130	150	200
Number of agro-ecosystem management plans developed	1	Annual	0	0	0	1
Number of hectares protected to improve agricultural production.	6500	Quarterly	1625	1625	1625	1625
Number of farm management plans developed	10	Quarterly	0	5	0	5
Number of disaster relief schemes managed.	1	Annual	0	0	0	1
Number of disaster risk reduction services managed.	1	Annual	0	0	0	1
Number of green jobs created through Land Care.	1000	Quarterly	890	110	0	0
Number of hectares of agricultural land rehabilitated	8800	Quarterly	2200	2400	2300	1900

Sub-programme 2.2: Farmer Support and Development

Purpose

- To provide extension, input support and training to farmers, with a special emphasis on developing emerging farmers in communal areas and supporting those benefiting from the Land Reform Programme.
- To co-ordinate and implement various cropping and livestock projects in partnership with sister Departments, municipalities and development agencies.
- To facilitate mentorship, institution building and creation of micro-enterprises, prioritizing vulnerable groups, especially youth, women and disabled groups.

In terms of the DARD's new agrarian transformation strategy, this sub-programme is critical to providing hands on specialized agricultural technical support to the implementation of Land Reform, Agri-Village, Communal Estates and River Valley initiatives.

Strategic Objective Annual Targets for Farmer Support and Development

Strategic objective	Indicator	Audited/actual performance			Estimated performance 2018/19	Medium Term Targets		
		Output 2015/16	Output 2016/17	Output 2017/18		2019/20	2020/21	2021/22
To provide support to all farmers through agricultural development programmes	Number of famers supported	8000	122	14301	7113	1489	11245	11245

*(Small holder and commercial farmers supported as per indicators below)

Sub-programme Performance Indicators and Annual Targets for 2019/2020: Farmer Support and Development

Programme Performance Indicator	Audited Actual Performance			Estimated Performance 2018/19	Medium term targets		
	2015/16	2016/17	2017/18		2019/20	2020/21	2021/22
*Number of smallholder producers supported	8500	100	14232	7010	1458	3750	4000
*Number of commercial farmers supported.	500	22	69	103	31	100	105
Number of smallholder producers supported with agricultural advice.	8500	-	23871	30724	9787	25000	27000
Number of hectares under irrigation used by smallholder farmers.	New Indicator	New Indicator	199	6128,5	1554	1500	1510
Number of jobs created through departmental interventions	New Indicator	New Indicator	895	832	840	800	900
Number of hectares planted for food production.	14100	20225	11376.80	7020	16 162	12000	12500
Number of households supported with agricultural food production initiatives	9500000	300000	11102	54180	17 968	22361	23702

Quarterly targets for 2019/20-Sub Programme: Farmer Support and Development

Programme Performance Indicator	Annual Target 2019/20	Reporting Period	Quarterly Targets			
			Q1	Q2	Q3	Q4
Number of smallholder producers supported.	1458	Quarterly	150	216	392	700
Number of commercial farmers supported	31	Quarterly	2	4	10	15
Number of smallholder producers supported with agricultural advice.	9787	Quarterly	1500	2300	2500	3487
Number of hectares under irrigation used by smallholder farmers	1554	Quarterly	200	350	460	606
Number of jobs created through Departmental interventions	840	Quarterly	60	150	230	400
Number of hectares planted for food production	16 162	Quarterly	1000	3000	6000	6162
Number of households supported with agricultural food production initiatives	17 968	Quarterly	1550	2550	5868	8000

Sub-programme 2.3: Veterinary Services

Purpose

To support development of animal health, production and welfare to ensure human health by controlling zoonotic diseases in order to provide quality and safe animal products for the local and international markets. In terms of the DARD's new agrarian transformation strategy, this sub-programme is critical to providing animal health and meat safety support to the implementation of Agro-processing and Communal Estates initiatives.

Strategic Objective Annual Targets for Veterinary Services

Strategic objective	Strategic objective indicator	Audited/actual performance			Estimated performance 2018/19	Medium Term Targets		
		2015/16	2016/17	2017/18		2019/20	2020/21	2021/22
To provide veterinary services to clients in order to ensure healthy animals products and welfare of the people of South Africa	Number of animals subjected to animal health care measures	997348	127386	7300	175 000	14900000	1490 0000	1490 0000

*(animals will be subjected to animal health care as per indicators below)

Sub-Programme Performance Indicators and Annual Targets for 2019/20: Veterinary Services

Programme Performance Indicator	Audited/ Actual performance			Estimated Performance 2018/19	Medium term targets		
	2015/16	2016/17	2017/18		2019/20	2020/21	2021/22
*Number of visits to epidemiological units for veterinary interventions.	New indicator	New indicator	New indicator	New indicator	15000	20000	20000
Number of export control certificates issued	New indicator	New indicator	New indicator	New indicator	1848	2500	2600
Percentage level of abattoir compliance to meat safety legislation	New Indicator	New Indicator	60%	100%	100%	100%	100%
Number of laboratory tests performed according to prescribed standards.	New Indicator	New Indicator	74 988	65 000	85 000	90 000	95000

Quarterly Targets for 2019/20: Sub-Programme: Veterinary Services

Programme Performance Indicator	Annual Target 2019/20	Reporting Period	Quarterly Targets			
			Q1	Q2	Q3	Q4
Number of visits to epidemiological units for veterinary interventions.	15 000	Quarterly	3000	4000	4000	4000
Number of export control certificates issued	1848	Quarterly	462	462	462	462
Percentage level of abattoir compliance to meat safety legislation	100%	Annual	100%	100%	100%	100%
Number of laboratory tests performed according to prescribed the standards	85 000	Quarterly	20000	22000	22000	21000

Sub-Programme 2.4: Research and Technology Development

Purpose

To develop new and adapt existing technologies in order to promote sustainable agricultural practices in the Province, and then to document and communicate research findings to all clients. In terms of the DARD's new agrarian transformation strategy, this sub-programme is critical to providing scientific research and technology support to the implementation of all of the four pillars.

Strategic objective Annual targets for Research and Technology Development

Strategic objective	Strategic objective indicator	Audited performance			Estimated performance 2018/19	Medium Term Targets		
		2015/16	2016/17	2017/18		2019/20	2020/21	2021/22
To provide the agricultural production through conducting , facilitating and coordinating medium to long term research and technology development	Number research Projects completed	6	6	32	6	70	8	10

*(research projects gets implemented as per indicator below)

Sub-Programme Performance Indicators and Annual Targets for 2019/20: Research and Technology Development

Programme Performance Indicator	Audited/Actual performance			Estimated performance 2018/19	Medium term targets		
	2015/16	2016/17	2017/18		2019/20	2020/21	2021/22
Number of scientific papers published	9	11	3	11	5	12	12
Number of research presentations made at peer review events	4	4	95	5	11	12	12
Number of research presentations made at technology transfer events	0	0	95	101	228	228	228
Number of research infrastructure managed	15	22	5	11	6	11	11
*Number of research projects implemented to improve agricultural production	7	6	32	80	70	80	80

Quarterly Targets for 2019/20: Sub-Programme: Research and Technology Development

Programme Performance Measures	Annual Target 2019/20	Reporting Period	Quarterly Targets			
			Q1	Q2	Q3	Q4
Number of scientific papers published	5	Annual	0	0	0	5
Number of research presentations made at peer review events	11	Quarterly	0	5	0	6
Number of research presentations made at technology transfer events	228	Quarterly	93	66	32	37
Number of research infrastructure managed	6	Annual	0	0	0	6
Number of research projects implemented to improve agricultural production	70	Annual	0	0	0	70

Sub-programme 2.5: Agribusiness and Agro-processing

Purpose

To provide market information, facilitate marketing, and to facilitate the implementation of agribusiness and agro-processing initiatives. In terms of the DARD's new agrarian transformation strategy, this sub-programme is critical to providing market intelligence, agribusiness and agro-processing support to the implementation of all of four pillars.

Strategic objective annual targets for Agricultural Economics Services

Strategic objective	Strategic objective indicator	Audited/Actual performance			Estimated Performance 2018/19	Medium term targets		
		2015/16	2016/17	2017/18		2019/20	2020/21	2021/22
To provide timely and relevant agricultural economic services to the sector in support of sustainable agricultural and agri-business development to increase economic growth	Number of agri-Businesses supported.	58	20	28	20	30	40	45

*(research projects gets implemented as per indicator below)

Sub-Programme Performance Indicators and Annual Targets for 2019/20: Agricultural Economics Services

Performance Measures	Audited/Actual performance			Estimated Performance 2018/19	Medium term targets		
					2019/20	2020/21	2021/22
*Number of Agribusinesses supported with marketing services.	12	20	28	20	30	40	45
Number of agri-business supported with production economic services	1338	2000	913	1100	2000	2000	2100
Number of economic reports compiled	n/a	n/a	4	4	4	4	4
Number of agro processing Initiatives supported	n/a	5	44	10	10	20	20

Quarterly Targets for 2019/20: Sub-Programme: Agricultural Economics Services

Programme Performance Indicator	Annual Target 2018/19	Reporting Period	Quarterly Targets			
			Q1	Q2	Q3	Q4
Number of agri-businesses supported with marketing services.	30	Quarterly	5	10	10	5
Number of agri-businesses supported with production economic services	2000	Quarterly	300	500	600	600
Number of economic reports compiled.	4	Quarterly	1	1	1	1
Number of agro-processing initiatives supported.	10	Annual	0	0	0	10

Sub-programme 2.6: Structured Agricultural Education and Training

Purpose

To provide tertiary and further education and training focusing on agriculture and its commodities. In doing so, under the new Agrarian Reform strategy, the Sub-Programme has committed itself to also supporting Agricultural High Schools in the province as they are a critical conduit for the youth to enter the farming sector.

Strategic Objective Annual Targets for Structured Agricultural Education and Training

Outputs	Programme Performance Indicator	Audited/Actual performance			Estimated Performance 2018/19	Medium term targets		
		2015/16	2016/17	2017/18		2019/20	2020/21	2021/22
To facilitate and provide structured and vocational agriculture, forestry and fisheries education and training in line with the national indication and training strategy for agriculture, forestry and fisheries (NETSAFF), in order to establish a knowledgeable, prosperous and competitive sector	Number of farmers trained in agriculture	New indicator	New indicator	335	2400	1200	1200	1200

*(farmers get trained as per indicator below)

Sub-Programme Performance Indicators and Annual Targets for 2019/20: Structured Agricultural Education and Training

Programme Performance Indicators	Audited/Actual performance			Estimated Performance 2018/19	Medium term targets		
	2015/16	2016/17	2017/18		2019/20	2020/21	2021/22
Number of students graduated from Agricultural Training Institutes.	New indicator	New indicator	92	90	90	90	90
*Number of participants trained in skills development programmes in the sector.	New indicator	New indicator	335	2400	2400	2000	1800
Number of interventions implemented in schools programme	New indicator	New indicator	4	2	2	4	4

Quarterly Targets for 2019/20: Sub-Programme: Structured Agricultural Training

Programme Performance Indicators	Annual Target 2019/20	Reporting Period	Quarterly Targets			
			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.	2400	Quarterly	350	850	850	350
Number of interventions implemented in schools programme	2	Quarterly	0	0	1	1

SUMMARY OF PAYMENTS AND ESTIMATES BY SUB-PROGRAMME: AGRICULTURE

Table 3.17 : Summary of payments and estimates by sub-programme: Agriculture

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
1. Sustainable Resource Management	75 492	74 396	75 340	85 176	89 495	90 556	96 390	96 321	101 621
Engineering Services	36 571	19 084	17 264	26 098	18 534	19 779	28 044	29 984	31 636
Land Care	38 921	41 601	41 712	43 250	57 218	56 205	51 471	48 372	51 032
Land Use Management	-	10 193	11 496	11 214	9 674	10 007	11 908	12 589	13 281
Disaster Risk Management	-	3 518	4 868	4 614	4 069	4 565	4 967	5 376	5 672
2. Farmer Support and Development	1 235 839	1 233 265	958 766	1 146 349	1 187 853	1 257 627	1 168 026	1 253 314	1 327 931
Farmer-Settlement and Development	452 879	701 418	315 123	313 275	348 723	430 800	285 593	288 476	310 026
Extension and Advisory Services	761 833	514 022	556 164	630 215	636 271	620 666	668 432	738 040	778 633
Food Security	21 127	17 825	87 479	202 859	202 859	206 161	214 001	226 798	239 272
3. Veterinary Services	163 086	176 333	200 850	198 694	193 131	211 261	212 060	226 594	239 058
Animal Health	131 833	141 881	166 079	159 655	154 092	176 848	170 607	182 933	192 995
Veterinary Public Health	7 951	9 117	2 721	8 409	8 409	6 296	8 941	9 410	9 928
Veterinary Laboratory Services	23 302	25 335	32 050	30 630	30 630	28 117	32 512	34 251	36 135
4. Research and Technology Development	181 914	170 881	187 457	212 362	209 729	170 482	226 676	240 417	253 641
Research	133 932	126 406	127 259	135 104	128 015	105 381	144 186	153 065	161 485
Research Infrastructure Support	47 982	44 475	60 198	77 258	81 714	65 101	82 490	87 352	92 156
5. Agricultural Economic Services	5 699	5 047	9 289	10 746	9 281	9 265	11 540	12 480	13 167
Agri-Business Support and Development	5 699	5 047	9 289	10 746	9 281	9 265	11 540	12 480	13 167
6. Structured Agricultural Education and Training	102 718	84 268	105 216	106 537	105 067	100 053	113 174	119 455	126 027
Higher Education and Training	102 718	76 440	95 230	85 534	84 064	83 390	90 808	95 747	101 015
Further Education and Training (FET)	-	7 828	9 986	21 003	21 003	16 663	22 366	23 708	25 012
Total	1 764 748	1 744 190	1 536 918	1 759 864	1 794 556	1 839 244	1 827 866	1 948 581	2 061 445

Table 3.18 : Summary of payments and estimates by economic classification: Agriculture

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
Current payments	1 344 710	1 221 290	1 175 394	1 432 677	1 424 150	1 498 345	1 531 164	1 623 347	1 717 543
Compensation of employees	720 896	750 131	779 552	873 193	843 822	799 143	942 894	1 017 246	1 073 195
Goods and services	623 638	471 143	395 838	559 394	580 238	699 112	588 179	606 009	644 251
Interest and rent on land	176	16	4	90	90	90	91	92	97
Transfers and subsidies to:	239 641	263 995	277 095	197 662	201 939	207 628	198 705	208 769	220 040
Provinces and municipalities	166	-	662	912	903	903	959	1 006	1 061
Departmental agencies and accounts	99 501	94 582	121 335	120 015	120 017	120 017	126 309	132 881	140 189
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	112 086	155 526	134 368	71 906	69 586	69 586	66 773	70 344	74 213
Non-profit institutions	13 770	3 569	7 321	-	-	-	-	-	-
Households	14 118	10 318	13 409	4 829	11 433	17 122	4 664	4 538	4 577
Payments for capital assets	180 397	258 886	84 296	129 525	168 467	133 272	97 997	116 465	123 862
Buildings and other fixed structures	161 983	156 632	73 246	102 758	127 148	104 024	71 487	90 730	96 712
Machinery and equipment	18 064	102 085	10 355	26 217	40 769	29 029	25 940	25 165	26 549
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	350	169	695	550	550	219	570	570	601
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	19	133	-	-	-	-	-	-
Total	1 764 748	1 744 190	1 536 918	1 759 864	1 794 556	1 839 244	1 827 866	1 948 581	2 061 445

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 from 2016/17 onward.

The additions of the latter two sub-sub-programmes were in line with the organisational structure, as well as further alignment to the uniform budget structure for the sector. Also affecting the Land Care sub-sub-programme, is the EPWP Integrated Grant for Provinces, which 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 added to the Land Care grant in the 2018/19 Adjusted Appropriation under the sub-sub-programme: Land Care. The budget over the 2019/20 MTEF is to provide for the implementation of land care projects and to re-establish 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 Farmer Support and Development sub-programme houses the bulk of the conditional grants, funding for the Makhathini development project, extension services, as well as the fencing and irrigation scheme programmes.

The Farmer-Settlement and Development sub-sub-programme includes the subsidies to ADA and Mjindi. The decrease in 2017/18 is as a result 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 2018/19 Main to Adjusted Appropriation is in respect of the roll-over of the CASP and Ilima/Letsema Projects grants. Further reprioritisation into this sub-programme for additional hectares to be cultivated accounts for the increase in the 2018/19 Revised Estimate.

This sub-programme shows steady growth over the 2019/20 MTEF and 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, agro-processing, etc.

The Food Security sub-sub-programme shows an increase in 2017/18 and 2018/19 in line with the shift in the strategy towards providing nutritious food security support at household and subsistence level. 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 also 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 and security services at district and local offices.

Veterinary Services provides for the acquisition of animal medicines and dipping chemicals.

The increase in 2017/18 and again in the 2018/19 Revised Estimate is the result of reprioritisation for the acquisition of dipping material and chemicals to address the high demand for this service at communal level. There is steady growth over the 2019/20 MTEF to provide veterinary services to clients in order to ensure healthy animals, safe animal products and the welfare of the people of South Africa.

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 hygienic standards and for generating data.

The sub-programme: Research and Technology Development Services shows a fluctuating trend between 2015/16 and the 2018/19 Revised Estimate, due to the effect of the matching and placing of posts, difficulty in the procurement of high-tech

equipment for the soil analytical laboratory, as well as slow progress in the rehabilitation of official houses at research farms.

There is a steady increase over the 2019/20 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 Makhathini, Bartlow and OSCA in uMkhanyakude.

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 agribusiness and related activities in the rural areas of KZN. As such, this sub-programme increases steadily over the period, and was not impacted by any budget cuts.

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 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.

PROGRAMME 3: RURAL DEVELOPMENT

Purpose of the programme

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

Programme Priorities

The Rural Development programme is guided by six main national MTSF (2014-2019) priorities, which respond directly to the intended outcome of the mandate, which seeks to achieve “vibrant, equitable, sustainable rural communities contributing towards food security for all”.

These priorities are:

1. Improved land administration and spatial planning for integrated development in rural areas.
2. Sustainable land reform (agrarian transformation).
3. Improved food security.
4. Smallholder farmer development and support (technical, financial, infrastructure) for agrarian transformation
5. Increased access to quality basic infrastructure and services, particularly in education, healthcare and public transport in rural areas.
6. Growth of sustainable rural enterprises and industries characterised by strong rural-urban linkages, increased investment in agro-processing, trade development and access to markets and financial services-resulting in rural job creation.

The branch works towards these national priorities by aligning them within the KZN province PGDP goals through processes of co-ordination and integration of comprehensive government interventions.

Of key importance in translating the national priorities are the goals of the KZN PGDP. The Department seeks to make significant strides towards achieving the long-term national objective of government, where rural areas will be spatially, socially and economically integrated across the three spheres of government.

Strategic objective annual targets for Rural Development

Strategic objective	Strategic objective indicator	Audited/actual performance			Estimated performance 2018/19	Medium Term targets		
		2015/16	2016/17	2017/18		2019/20	2020/21	2021/22
Integrated coordination of implementation for Rural development	Number of rural development structures coordinated	N/A	N/A	N/A	2	2	4	6

*(Coordination of rural development as per indicators below)

Programme Performance Measures and Annual Targets for 2019/20: Integrated Rural Development

Programme Performance Indicator	Audited/actual performance			Estimated Performance 2018/19	Medium Term targets		
	2015/16	2016/17	2017/18		2019/20	2020/21	2021/22
Develop KZN programme of action aligned to Outcome 7	New indicator	New indicator	1	1	1	1	1
*Number of structures coordinated in line with the CRDP's	New indicator	New indicator	New indicator	2	2	2	2
Outcome 7 performance reports submitted for the Province	New indicator	4	4	4	4	4	4

Quarterly Targets for 2019/20: Sub-Programme: Integrated Rural Development

Programme Performance Indicators	Annual Target 2019/20	Report period	Quarterly targets			
			Q1	Q2	Q3	Q4
Develop KZN programme of action aligned to Outcome 7	1	Annual	0	1	0	0
Number of structures coordinated in line with the CRDP's	2	Quarterly	0	0	1	1
Outcome 7 performance reports submitted for the Province	4	Quarterly	1	1	1	1

Strategic objective	Strategic objective indicator	Audited/actual performance			Estimated performance 2018/19	Medium Term targets		
		2015/16	2016/17	2017/18		2019/20	2020/21	2021/22
Rural Enterprise and Industry Facilitation and Development	Number of projects mentored	N/A	N/A	N/A	175	50	100	150

(Promotion of rural enterprise as per indicators below)

Programme Performance Indicators and Annual Targets for 2019/20: Rural Enterprise and Industry Development

Programme Performance Indicator	Audited/actual performance			Estimate performance 2018/19	Medium Term targets		
	2015/16	2016/17	2017/18		2019/20	2020/21	2021/22
Number of projects mentored	55	55	50	13	50	50	50

Quarterly Targets for 2018/19: Programme 3: Integrated Rural Development

Number of projects mentored	50	Quarterly	0	25	10	15	

**** Definitions for all performance indicators listed in the APP for 2019/20 are provided in the Department website**

Table 3.20 : Summary of payments and estimates by sub-programme: Rural Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
1. Rural Development Co-ordination	1 089	7 999	5 875	6 415	7 546	6 914	6 934	7 478	7 890
2. Social Facilitation	802	6 758	13 425	25 024	24 834	17 836	25 040	26 800	28 272
Total	1 891	14 757	19 300	31 439	32 380	24 750	31 974	34 278	36 162

Table 3.21 : Summary of payments and estimates by economic classification: Rural Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
Current payments	1 891	11 441	16 835	28 898	32 115	24 362	31 832	34 018	35 888
Compensation of employees	1 542	8 112	12 019	10 499	12 592	11 972	11 346	12 251	12 925
Goods and services	349	3 329	3 864	18 399	19 523	12 390	20 486	21 767	22 963
Interest and rent on land	-	-	952	-	-	-	-	-	-
Transfers and subsidies to:	-	3 028	2 455	2 324	48	171	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	3 000	44	-	-	92	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	2 224	2 324	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	28	187	-	48	79	-	-	-
Payments for capital assets	-	288	10	217	217	217	142	260	274
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	288	10	217	217	217	142	260	274
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	1 891	14 757	19 300	31 439	32 380	24 750	31 974	34 278	36 162

The Rural Development Co-ordination sub-programme aims to ensure that effective rural development co-ordination, monitoring and evaluation structures are established across all three spheres of government. The allocation provides for Compensation of employees and related costs and, to some extent, the hosting and co-ordination of meetings and forums. As mentioned, a draft Rural Development Strategy was previously developed, but was not adopted.

The department will focus on developing a revised strategy, to include agri-parks, agri-hubs and farmer development support centres. The Social Facilitation sub-programme increased in 2017/18 and in the 2018/19 Main Appropriation relating to the implementation of the UAGYP, aimed at facilitating comprehensive interventions towards promoting equitable and sustainable opportunities for unemployed agricultural graduates in KZN. Progress was slower than planned, though, and this accounts for the decrease in the 2018/19 Revised Estimate. A total of 160 graduates were employed in the final quarter of 2018/19. The allocation increases over the MTEF, taking into account the ongoing implementation of the UAGYP.

PART C: LINKS TO OTHER PLANS

1. FIXED CAPITAL ASSETS: LONG TERM INFRASTRUCTURE AND CAPITAL PLANS

Table 3.10 : Summary of infrastructure payments and estimates by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
Existing infrastructure assets	56 937	44 218	33 956	84 721	68 484	15 824	79 522	93 460	98 600
Maintenance and repair: Current	25 312	6 059	4 001	9 278	9 278	9 441	9 798	10 337	10 906
Upgrades and additions: Capital	6 321	1 089	5 659	-	13 243	8 472	8 810	9 150	9 654
Refurbishment and rehabilitation: Capital	25 304	37 070	24 296	75 443	45 963	(2 089)	60 914	73 973	78 040
New infrastructure assets: Capital	141 063	125 123	46 475	55 104	110 306	92 852	31 108	38 567	41 680
Infrastructure transfers	-	30 606	10 621	-	-	-	-	-	-
Infrastructure transfers: Current	-	-	-	-	-	-	-	-	-
Infrastructure transfers: Capital	-	30 606	10 621	-	-	-	-	-	-
Infrastructure: Payments for financial assets	-	-	-	-	-	-	-	-	-
Infrastructure: Leases	-	-	-	-	-	-	-	-	-
Non infrastructure	-	-	-	-	-	-	-	-	-
Total	198 000	199 947	91 052	139 825	178 790	108 676	110 630	132 026	140 280
<i>Capital infrastructure</i>	<i>172 688</i>	<i>193 888</i>	<i>87 051</i>	<i>130 547</i>	<i>169 512</i>	<i>99 235</i>	<i>100 832</i>	<i>121 689</i>	<i>129 374</i>
<i>Current infrastructure</i>	<i>25 312</i>	<i>6 059</i>	<i>4 001</i>	<i>9 278</i>	<i>9 278</i>	<i>9 441</i>	<i>9 798</i>	<i>10 337</i>	<i>10 906</i>

1. *Non infrastructure* is a stand-alone item, and is therefore excluded from *Capital infrastructure* and *Current infrastructure*, but it is included in the overall total

2. CONDITIONAL GRANTS

2.1 Name of grant	CASP
Purpose	To provide post settlement support to targeted beneficiaries of land reform and redistribution and other producers who have acquired land through private means and are engaged in value-adding enterprises domestically, or involved in export.
Performance Indicator	<ul style="list-style-type: none"> • Number of subsistence, smallholder and black commercial farmers supported through CASP • Number of youth and women farmers supported through CASP • Number of CASP beneficiaries of trained in farming methods, etc. • Number of CASP beneficiaries of accessing markets <p>Number of jobs created</p> <ul style="list-style-type: none"> • Number of extension personnel recruited and maintained in the system • Number of extension officers upgrading qualifications at various institutions • Agricultural Information Management System
Continuation	Yes
Motivation	It is not sufficient to provide prospective farmers with land and even capital alone; they must be empowered to manage their businesses effectively and profitably in a competitive and often hostile environment and as such the CASP and the Ilima/Letsema grants serve as the launching pad for smallholder farmers with a comprehensive support package.

2.2 Name of grant	Ilima/ Letsema
Purpose	Fight poverty by increasing food production in South Africa through farming. The programme also focuses on unlocking agricultural production by investing in other strategic programmes that include the revitalisation of the irrigation schemes.
Performance Indicator	<ul style="list-style-type: none"> • Number of ha planted. • Number of tons produced within agricultural development corridors, e.g. maize. • Number of beneficiaries/entrepreneurs supported by the grant. • Number of ha of rehabilitated and expanded irrigation schemes
Continuation	Yes
Motivation	It is not sufficient to provide prospective farmers with land and even capital alone; they must be empowered to manage their businesses effectively and profitably in a competitive and often hostile environment and as such the CASP and the Ilima/Letsema grants serve as the launching pad for smallholder farmers with a comprehensive support package.

2.3 Name of grant	Land Care
Purpose	Promote sustainable development and use of natural resources by engaging in the community based initiatives that support the pillars of sustainability (social, economic and environmental), leading to greater productivity, food security, job creation and better quality of life for all.
Performance Indicator	<ul style="list-style-type: none"> • Number of ha of agricultural land under rehabilitation/ rehabilitated • Number of job opportunities as measured by FTEs created through the EPWP. • Number of awareness campaigns conducted at schools for learners and teachers.
Continuation	Yes
Motivation	Assessments of the state of natural agricultural resources, including environment, concluded that up to 80% of the surface area of South Africa is degraded. The degree of degradation varies from slightly to severely degraded. The degradation of our natural capital impacts directly on the agro-ecosystem, reducing the capacity to deliver production, ecological and socio-economical services. This results in the reduction of household and national food security, the ability of farmers to generate an income and the livelihoods of rural communities. The focus of the Land Care Programme is to promote stewardship and to assist farmers and rural communities with the rehabilitation of the natural agricultural resources to achieve the longterm sustainable use of agricultural land.

3. PUBLIC ENTITIES

Within its portfolio, the Department has three public entities, namely Agri-Business Development Agency (ADA), Mjindi Farming and Ntingwe Tea. These entities produce their own separate performance plans that provide details of their mandates and targets. The Department also has representation at board meetings. It monitors these entities by conducting quarterly reviews of financial and non-financial performance.

Transfers to public entities listed in terms of Schedule 3 of the PFMA

Table 3.11 shows transfers made by the department to public entities that are listed in terms of Schedule 3 of the PFMA. The financial summaries received from ADA and Mjindi are provided in **Annexure – Vote 3: Agriculture and Rural Development**. Although decisions taken in respect of the rationalisation of public entities are expected to have an impact on the 2018/19 MTEF budgets of Mjindi and ADA, the baselines for these entities were maintained, with inflationary growth provided for over the MTEF, pending the finalisation of the rationalisation exercise.

Summary of departmental transfers to public entities

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
Agri-Business Development Agency	99 500	94 581	121 334	120 014	120 014	120 014	126 308	132 880	140 188
Ithala Development Finance Corporation	12 193	–	11 323	–	–	–	–	–	–
Mjindi Farming (Pty) Ltd	50 506	53 183	56 001	58 801	58 801	58 801	62 094	65 509	69 112
Total departmental transfers	162 199	147 764	188 658	178 815	178 815	178 815	188 402	198 389	209 300

Agri-business Development Agency (ADA)

The actual expenditure and 2019/20 MTEF transfer is for projects to be implemented by ADA, as well as the operational costs of the entity. The decrease in 2016/17 was due to the slow progress in implementation of projects that led to the department not transferring all the funds to the entity. The transfers increase steadily from 2017/18 onwards. The entity will continue to focus on secondary agriculture and commercial farming with particular focus on the agro-processing sector, while the department will focus on household and subsistence farming aligned to the department's agrarian transformation strategy.

Ithala Development Finance Corporation (Ithala)

The 2015/16 and 2017/18 amounts relating to Ithala cater for a shortfall in wages and operational costs of Ntingwe Tea Estate during the off-season. DARD is the main shareholder in the Ntingwe Tea Estate. Ithala is a lesser shareholder, and provides the management oversight of the entity. The department uses Ithala as a vehicle to channel the funding to Ntingwe Tea Estate. The rationalisation of public entities exercise also impacts on Ntingwe Tea, as well as the outcome of the due diligence study and a priority area for the entity is to obtain its rain forest accreditation that will allow the entity to export their products and obtain better returns, thus increasing profits.

Mjindi Farming (Pty) Ltd (Mjindi)

The transfers from 2015/16 onward provide for the operational costs and maintenance of existing infrastructure. The transfers over the 2019/20 MTEF provides for operational costs of the entity, as well as maintenance of existing infrastructure.

4. PUBLIC PRIVATE PARTNERSHIPS

In the financial year 2019/2020, the department does not have any public-private partnerships.

ANNEXURE D

1. The Department has reviewed its strategy and has amended 5-year targets for strategic objectives in the strategic plan for the period 2015-2020. Programme 2 were also captured in the APP for 2019/20.
2. The Department's link with other plans is as captured in PART C of the APP for 2019/20 above. This link is part of the Department's strategic plan for 2015-2020.

The tables below highlight strategic objectives and long-term targets for the Department.

PROGRAM 1: ADMINISTRATION

Strategic Objective 1.1	To provide strategic support services
Objective Statement	Provide effective, efficient corporate and strategic support services to MEC, HOD and Department.
Baseline	Continued support services annually
Justification	Administration is to provide support services to staff.
Links	PGDP
5-year target	Unqualified audit opinion
Strategic Objective 1.2	To develop Financial and risk management systems
Objective Statement	Provide effective, efficient and transparent financial and risk management systems
Baseline	Unqualified audit opinion
Justification	To ensure effective
Links	PFMA
5-year target	Unqualified audit opinion

PROGRAM 2: AGRICULTURE

Strategic Objective 2.1	To provide agricultural support services to farmers in order to ensure sustainable development and management of agricultural resources.
Objective Statement	Integrated land management and spatial planning initiatives
Baseline	28 455 hectares of degraded land were protected/rehabilitated during 2017/2018.
Justification	Fertile and sufficient soils are conducive for optimal agricultural production.
Links	Outcome 10: Priority 1; PGDP 5.1
5-year target	30565 hectares to be rehabilitated/protected
Strategic Objective 2.2	To provide support to all farmers through agricultural development programmes.
Objective Statement	Provide support to smallholder producers in order to ensure production efficiencies
Baseline	98 818 smallholder producers were supported in 2017/2018
Justification	The Department has a critical role to unlock the agricultural potential in the province.
Links	Outcome 7 : Priority 4 and PGDP Objective 1.1
5-year target	44026 farmers supported
Strategic Objective 2.3	To provide veterinary services to clients in order to ensure healthy animals, safe animal products and welfare of the people of South Africa.
Objective Statement	Promotion of animal health and welfare for safe, healthy and sustainable living environment.
Baseline	21 957 animals were subjected to animal healthcare measures.
Justification	Animal health is critical for improved economic viability and a disease-free environment.
Links	PGDP Goal 3
5-year target	About 30 109 686 animals subjected to animal healthcare measures.

Strategic Objective 2.4	To provide expert and needs based research, development and technology transfer services impacting on development objectives.
Objective Statement	To adapt existing technologies in order to promote sustainable agricultural practices.
Baseline	80 research projects were undertaken in 2017/2018.
Justification	Research is central towards transforming the agricultural sector.
Links	PGDP Goal 3
5-year target	A total of 132 research projects to be undertaken.
Strategic Objective 2.5	To provide timely and relevant agricultural economic services to the sector in support of sustainable agricultural and agri-business development to increase economic growth.
Objective Statement	To promote agri-business support through agro-processing, value-adding and access to markets.
Baseline	About 117 agricultural cooperatives were established in 2017/2018.
Justification	There is a strong need to promote agro-processing as a catalyst to economic development.
Links	Outcome 4 and 7
5-year target	A total of 138 agri-businesses to be supported.
Strategic Objective 2.6	To facilitate and provide structured agricultural education and training in line with the Agriculture Education and Training Strategy to all participants in the agricultural sector in order to establish a knowledgeable, prosperous and competitive sector.
Objective Statement	To facilitate and provide structured agricultural education and training in line with the Norms and Standards for Agricultural Training Institutes to all participants in the agricultural sector in order to establish a knowledgeable, prosperous and competitive sector.
Baseline	2 067 farmers were trained in 2017/2018.
Justification	The province needs trained farmers for agricultural sustainability.
Links	Enhance the knowledge economy- Output (1.5)
5-year target	A total of 5135 farmers to be trained in agriculture.
Strategic Objective 2.7	To coordinate integrated and vibrant rural development.
Objective Statement	To coordinate integrated rural development for sustainable development in KwaZulu-Natal.
Baseline	4 structures coordinated in 2017/2018
Justification	The Department has a critical role to unlock the agricultural potential in the province.
Links	Outcome 7
5-year target	A total of 39 of enterprises and industries supported in rural development initiatives.





agriculture & rural development

Department:
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PROVINCE OF KWAZULU-NATAL



ANNUAL PERFORMANCE PLAN 2019/20

KZN Department of Agriculture and Rural Development

Directorate: Integrated Planning, Policy, Monitoring and Evaluation
Private Bag X9059
Pietermaritzburg
3200

Telephone: 033 355 9100
Facsimile: 033 - 355 9122

Editing, Distribution, Layout and Design
Directorate: Communication Services

Printer
Government Printers

For enquiries:
Mr Thabani W. Mkhize: Director, IPPM&E
Tel No.: (033) 355 9446
Email: Wiseman.mkhize@kzndard.gov.za
Website: www.kzndard.gov.za
Facebook: <https://www.facebook.com/KZN-Department-of-Agriculture-and-Rural-Development>
Twitter: <http://twitter.com/KZNDARD>

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