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Department of Agriculture



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Foreword by the Minister

During the past year a common vision that embodies unity and prosperity was developed for the agricultural sector. The vision implies equal and profitable participation in the South African economy by all stakeholders.

The new policy development resulted in the identification of three key strategies, namely to promote equitable access to resources for agricultural development, to enhance global competitiveness and to ensure sustainable use of our natural resources. These policy shifts reflect the continued commitment by Government to broaden access to agriculture, to make it more representative of the South African population and more profitable for the country.

The major achievement for agriculture during the year under review was the development by Government and industry of the Strategic Plan for South African Agriculture. This strategic document outlines a common agricultural perspective and actions to which Government and industry will commit efforts and resources.

The challenge for the sector in the coming year is to come up with actions that support quality service delivery, build investor confidence, foster good production and social relations, build public/private partnerships and ensure sustainable development.

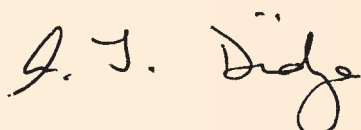
The Department's management of the foot-and-mouth-disease (FMD) outbreak in parts of the country demonstrated skilled leadership, scientific knowledge and technological advancement. These are areas that need to be enhanced continuously in order for South Africa to become a major role-player in the world economy. The country was once again declared a foot-and-mouth disease free zone and farmers could resume the export of meat and other animal products worldwide.

For us as South Africans, the issue of food security lies at the heart of fighting poverty and underdevelopment. In response to this challenge we initiated a food security campaign in a number of urban and rural areas, working with nongovernment organisations such as Food Gardens Foundations and others, in order to address the issue of household food security.

As an illustration of our commitment to create awareness on food security, South Africa hosted the TeleFood concert, an initiative of the Food and Agriculture Organization (FAO). Funds raised through this concert will be used for sustainable projects that will help small-scale farmers produce more food for their families and communities.

The Department has worked tirelessly, in collaboration with the Government of Egypt and the New Partnership for African Development (NEPAD) Secretariat to advance the agriculture development agenda identified by NEPAD as one of its major programmes.

The Department of Agriculture will continue to play its part in driving the economy and bringing about equitable access to land, water and finance and to align our agricultural productivity standards with international requirements. In this way we hope to build a better tomorrow for our children.



Ms Thoko Didiza (MP)

MINISTER FOR AGRICULTURE AND LAND AFFAIRS



THE HONOURABLE MINISTER FOR AGRICULTURE AND LAND AFFAIRS,
MS THOKO DIDIZA

Dear Minister

I have the pleasure of presenting the Annual Report of the Department of Agriculture for the period 1 April 2001 to 31 March 2002.

A handwritten signature in black ink, appearing to be 'BN', followed by a period.

Ms B Njobe

Director-General
Department of Agriculture

Contents

PART 1	General Information	1
PART 2	Human Resource Management	11
PART 3	Programme Performance	35
	Farmer Support and Development	
	Trade and Business Development	
	Economic Research and Analysis	
	Sustainable Resources Management and Use	
	National Regulatory Services	
	Communication, Planning, Monitoring and Evaluation	
	Administration and Governance	
	Financial Management	
PART 4	Report of the Audit Committee	95
PART 5	Annual Financial Statements	99



PART 1

General Information



Director-General's Overview

The year under review was very challenging for the agricultural sector. The policy shifts that Government implemented in its continued commitment to broaden access to agriculture and to make the sector more representative of the South African population, had a dramatic impact on the morale and institutional arrangements in the sector. These developments further necessitated the repositioning of the national as well as the provincial departments to align their activities accordingly.

The most outstanding achievements of the agricultural sector during the year under review was the strategic plan that was developed in response to President Thabo Mbeki's challenge to all role-players in agriculture to identify a mutual strategy that would unite the sector. The Department of Agriculture, AgriSA and the National Farmers' Union (NAFU) worked together to compile The Strategic Plan for South African Agriculture. This strategic plan is a product of government and the industry based on a common agricultural perspective.

The basic needs and values of the new South African society dictate the vision of a united and prosperous agricultural sector supported by a policy framework designed to maximise the contribution of the sector to economic growth and development.

In support of this vision, the core focus for the strategic sector plan will be to generate access and participation in a globally competitive, profitable and sustainable agricultural sector, contributing to a better life for all.

The sector plan consists of three core strategies, namely (i) enhancement of equitable access to and participation in agricultural opportunities, deracialisation of land and enterprise ownership, and unlocking the full entrepreneurial potential of the sector, (ii) global competitiveness and profitability through improving the sector's primary production, agriprocessing and agritourism, and (iii) sustainable resource management which aims to enhance farmers' capacities to use resources in a sustainable manner and to ensure the judicious use and management of natural resources.

The successful pursuit of these objectives should lead to wealth creation in rural areas, sustainable employment in agriculture and increased incomes and foreign exchange earnings. It will also reduce poverty and inequalities in land and enterprise ownership and improve farm efficiency and national and household food security. In addition, investor confidence will be boosted and the levels of crime and violence reduced.

One of the biggest challenges facing the Department of Agriculture is, therefore, the successful implementation of the Strategic Sector Plan.

The Land Redistribution for Agricultural Development programme (LRAD) gained momentum during the year under review. The programme is intended to provide grants to previously disadvantaged South Africans to access land specifically for agricultural purposes. Approximately 450 000 ha of State-owned land has been transferred and allocated to farmer settlement through the LRAD programme. The Land Bank, Agricultural Research Council (ARC), National Land Committee, National Farmers' Union (NAFU) and AgriSA are partners in this venture. The provinces are now providing support services and in some cases infrastructure and grant packages.

Agriculture contributes to both household food security and economic growth. During the year under review an amount of R13 million was allocated for pilot food security projects and this amount could increase in subsequent years. In KwaZulu-Natal more than 40 000 households benefited from these projects.

The Animal Health System Reform Programme was one of the important issues dealt with during the year under review. This programme will in the long run ensure that every magisterial district has access to primary animal health care.

During the year under review the Department extended its research capacity and data sources on agricultural trade policy in preparation for the WTO negotiations. We now have eight agriculturally related Export Councils and/or joint action groups, most of which have come into being in the past two years.

In another development, a cooperation agreement was signed with Rwanda which aims at rehabilitating that country's veterinary services. An Institutional Cooperation Agreement has also been signed with Nigeria. Through these agreements the two countries undertook to ensure that animal products



being exported do not contain hormones, medicines, germs, pesticides or any other substances harmful to human health. South Africa and France signed an agreement at the end of 2001 following a visit to our country by the French Prime Minister. Cooperation between the two countries will involve food processing, new technology and rural development. The Department also recently reopened its office in Washington.

The long-awaited Wine and Spirits Agreement between South Africa and the European Community was signed early in 2002. The negotiations to conclude the agreement were not without controversy and various compromises were necessary. It is anticipated that the Wine and Spirits Agreement will improve market access into the large European market for South African wines and spirits.

Increased international trade has made it necessary to strengthen the control of cross-border diseases. Legislation, regulations and access control structures will be reviewed because of the many challenges presented by the free flow of agricultural goods. At the same time, the Department is seeking to ensure that South African agriculture maximises the potential benefits it can derive from the opening up of trade opportunities.

With regard to domestic markets, the Department is focusing on developing an accessible market information system that will serve the needs of all farmers and in particular developing farmers. This follows a training programme on marketing during the past 18 months for approximately 2 000 provincial extension officers and small farmers. Some of these initiatives include the use of multipurpose centres as delivery mechanisms.

The lack of a comprehensive and accurate statistical database on agriculture, and analytical skills were identified as the primary obstacles for effective planning and implementation of development programmes. The Department established an Economic Forum and has started producing, at more frequent intervals, overviews of economic changes and their impact on the sector. Working with national and international experts, in-house capacity at national and provincial levels will be built in collaboration with the provincial departments.

Landcare projects are ongoing and more than 8 000 jobs have been created in the past few years.

To maintain our ability to export agricultural products against increasingly stringent international standards, it is imperative that we improve and maintain a reliable national agricultural regulatory service. The strengthening of veterinary and plant health services to guarantee food safety to South African consumers and the international markets, remains a priority for the Department.

The Department also acquired a helicopter that will be used specifically in specialised activities, which include the combating of migratory pests such as locusts and blackflies. The helicopter will also be used during aerial inspections and the auditing of natural agricultural resources. Abused, degraded and problem areas may be identified from the air and reported to regionally based offices.

We once again experienced great enthusiasm countrywide for the annual Female Farmer of the Year Competition. This competition serves as an instrument to keep the role of women centre stage and to profile women's participation and contribution to agriculture.

A process towards establishing a national Agricultural Communication Forum was started to streamline communication issues between national and provincial Departments. Airtime was obtained on nine SABC radio stations and the provinces were requested to make inputs to the content of these programmes. We also continued to support provinces with the editing and publishing of newsletters and other publications.

We have moved in our transformation process to set up a new structure that will enable us to meet our mandate as articulated in the Strategic Plan and to improve on our intergovernmental and international relations. To this end in October 2001 the Minister for Agriculture and Land Affairs approved a three-phase process to implement a new structure which will be in place by the year 2004.

I want to thank the staff of the Department for their devotion and support and to ask our partners, the public entities, farmers' organisations and the agricultural industry to continue engaging with the Department in pursuit of achieving the vision of a united and prosperous sector.



Bongive Njobe
DIRECTOR-GENERAL

Economic Overview

This report gives an overview of the major macro-economic trends of the agricultural sector for the period 1 April 2001 until 31 March 2002. Aggregates are compared with the period 1 April 2000 to 31 March 2001.

GROSS FARM INCOME

Gross income refers to that part of agricultural production marketed at basic prices. It also includes production for the producers' own consumption, valued at the same prices.

Gross income from all agricultural products amounted to R52 754 million for the year ended on 31 March 2002, which is 15,0 % higher than for the previous year. This increase can be attributed to an increase of 17,9 % in the gross income from field crops, 15,0 % from animal products and 11,3 % from horticultural products. *Animal products* contributed 43,1 %, *field crops* 31,5 % and *horticultural products* 25,4 % to the gross farm income.

The gross income from *animal products* amounted to R22 742 million for the year ended 31 March 2002 compared to R19 768 million for the previous year. The gross income from ostrich products (feathers, meat, skins), wool, poultry, sheep, dairy products as well as fresh milk increased by 37,4, 27,3, 16,9, 15,2, 14,2 and 13,1 % respectively. These increases can mainly be attributed to the high increases in the producer prices of animal products as well as an increase in production.

The gross income from *field crops* increased by 17,9 %. The increases of 174,4 % in the income from sunflower seed, 38,8 % from tobacco, 28,4 % from wheat and 26,1 % from groundnuts were the main contributors to this increase, and are attributable to larger crops. However, the income from grain sorghum decreased by 37,4 %, mainly as the result of a smaller crop. The gross income from maize increased by 5,1 %, due to the 39,4 % increase in the price of maize.

The income from *horticultural products* increased by 11,3 % as the result of an increase of 73,1 % in the income from rooibos tea, 22,6 % from deciduous and other summer fruit and 11,0 % from vegetables, mainly as a result of higher prices and an increase in production. However, the income from dried fruit decreased by 25,5 %, because of lower production.

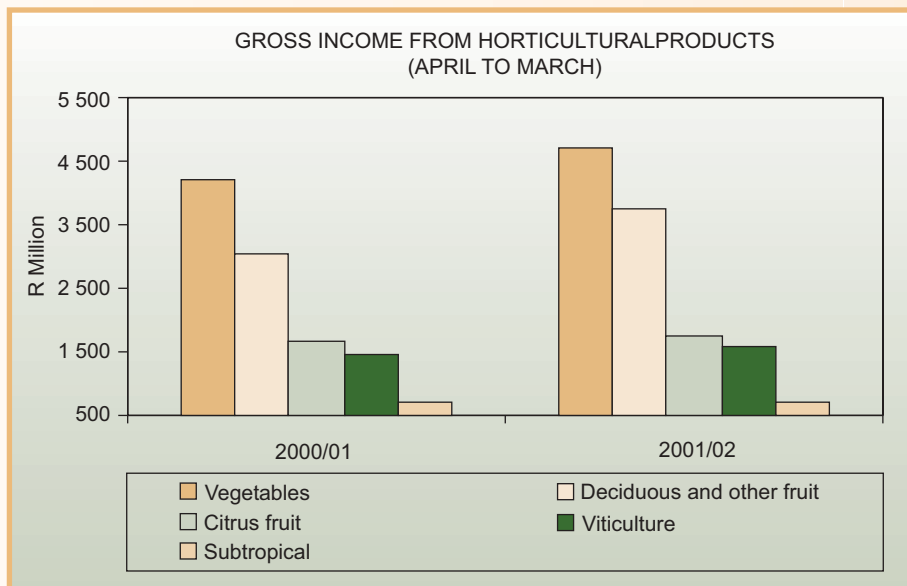
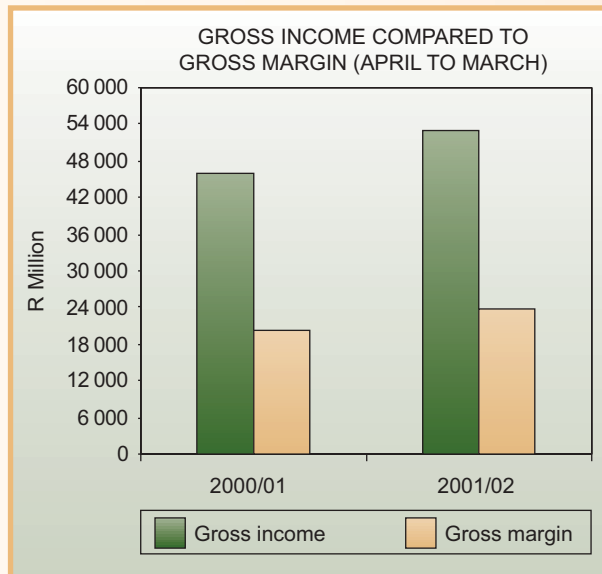
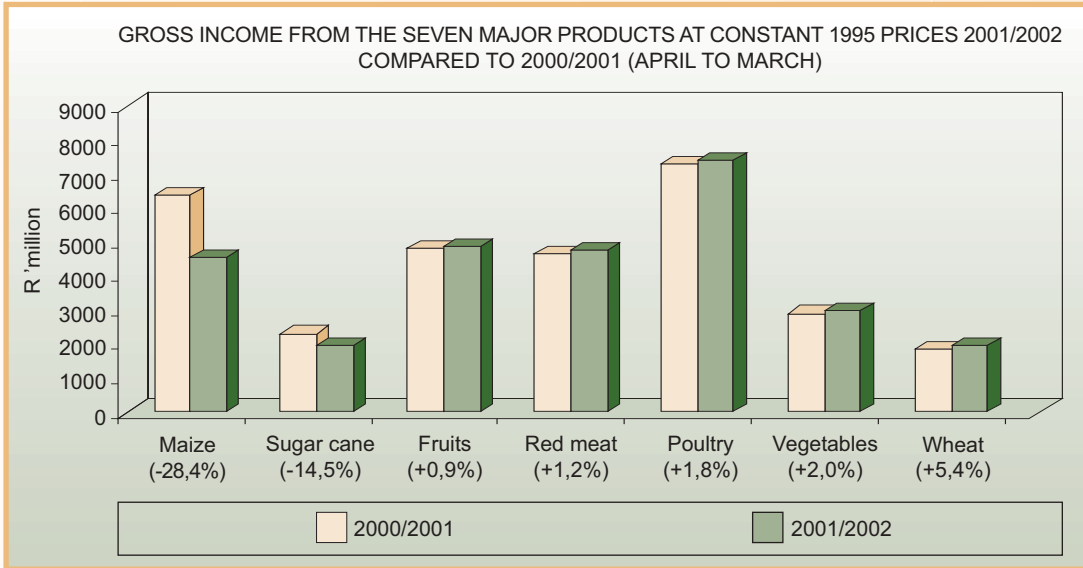
INTERMEDIATE EXPENDITURE

Intermediate expenditure refers to the value of the goods and services that were purchased to be consumed as inputs during the process of production. Intermediate expenditure increased by 13,7 % to R29 139 million. Expenditure on farm feeds remained the biggest expenditure item, accounting for 22,9 %, followed by 14,9 % for maintenance and repairs, 11,2 % for fuel, 9,9% for fertilisers and 9,0 % for dips and sprays. Large increases occurred in the expenditure on farm feeds, which increased by 24,4 %, insurance by 20,7 %, fertilisers by 14,9 %, farm services by 14,6 % and seed and plants by 13,0 %. Expenditure on packing material as well as maintenance and repairs of machinery and implements increased by 12,0 and 8,7 % respectively.

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

On average, prices received by farmers for agricultural products increased by 14,2 % compared to an increase of 5,7 % the previous year. The average prices of field crops increased by 23,6 %, mainly because of increases in the prices of summer grains, tobacco, oilseeds, sugar cane and winter grains, which increased by 38,9, 23,4, 23,3, 21,6 and 20,8 % respectively. Prices of horticultural products increased by 5,2 %. Fruit prices increased





by 9,2 %, but vegetable prices increased by only 0,8 %. The average prices of animal products increased by 13,7 %, mainly through an increase of 30,6 % in pastoral products, 15,2 % in dairy products and 14,4 % in poultry products.

The prices paid for farming requisites, including machinery and implements, material for fixed improvements as well as intermediate goods, increased by 12,7 % compared to an increase of 14,2 % the previous year. Prices increased by 20,5 % for fertilisers, 20,4 % for farm feeds, 11,4 % for tractors, 11,3 % for implements, 10,9 % for trucks, 9,9 % for dips and sprays and 7,6 % for packaging material.

The result of the relatively higher increase in prices received compared to the increase in prices paid by farmers resulted an increase of 1,4 % in the terms of trade.

GROSS MARGIN, NET FARM INCOME AND CASH FLOW

The increase of 15,0 % in gross farm income compared to an increase of 13,7 % in intermediate expenditure resulted in an increase of 16,5 % in the gross margin (gross income—intermediate expenditure). Net farm income increased by 46,6 % to R10 069 million, due to the significant increase in the gross income and gradual increases in intermediate expenditure as well as factor payments, i.e. labour, rent and interest payments. This also contributed an increase of 38,1 % in the cash flow of farmers.

CONCLUSION

The gross income of farmers for the period 1 April 2001 to 31 March 2002 increased dramatically, due to the very high producer prices and increases in the production of certain field crops, horticultural and animal products. These increases compared to the gradual increase in farm cost expenditure, caused the net farm income and cash flow of farmers to increase considerably. Expectations are that the gross and net farm income of farmers will further increase during 2002, mainly due to higher prices and production levels. It is expected that the economic growth in the agricultural sector will be positive for the year 2002.

Top Management



Masiphula Mbongwa
Deputy Director-General
Agricultural Economics and Business Development



Bongiwe Njobe
Director-General



Njabulo Nduli
Deputy Director-General
Agricultural Production and Resources Management



Vangile Titi
Deputy Director-General
Programme Planning, Monitoring and Evaluation



Luvuyo Mabombo
Chief Operating Officer
Operations Management and Governance

Vision

To provide a national governance service in support of sustainable agricultural economic growth, equity and social development.

Mission

The national Department of Agriculture strives to lead agricultural development for sustainable economic growth and food security in South Africa and in the process plays a constructive role in agricultural development in Africa.

Strategic Objectives

In order to fulfil its mandate and meet its own commitment to the national strategy for agricultural development, the Department has set the following as its medium-term strategic objectives:

- Guide and support equitable access to resources for agricultural development
- Enhance the economic performance of the sector
- Ensure sustainable natural resources management and use
- Promote and support the participation of black people, women, youth and the disabled in agriculture
- Ensure consumer confidence in agricultural products and services
- Achieve departmental service excellence

Key Clients

Agriculture is a concurrent responsibility; consequently the national Department of Agriculture, while playing the leadership role in the sector, is one of several institutions which deliver agricultural services. Its key clients therefore are:

- Provincial departments of agriculture
- Public entities working in the agricultural sector
- Consumers of agricultural products
- Exporters of agricultural products
- Producers of agricultural products

Legislative Mandate

The Department of Agriculture is primarily responsible for all agriculture-related legislation. The following Acts exist:

- Performing Animals Protection Act, 1935 (Act No. 24 of 1935)
- Land Bank Act, 1944 (Act No. 13 of 1944)
- Fertilizers, Farm Feeds, Agricultural Remedies and Stock Remedies Act, 1947 (Act No. 36 of 1947)
- Livestock Brands Act, 1962 (Act No. 87 of 1962)
- Animal Protection Act, 1962 (Act No. 71 of 1962)
- Fencing Act, 1963 (Act No. 31 of 1963)
- Agricultural Credit Act, 1966 (Act No. 28 of 1966)
- Subdivision of Agricultural Land Act, 1970 (Act No. 10 of 1970)
- Plant Breeders' Rights Act, 1976 (Act No. 15 of 1976)
- Plant Improvement Act, 1976 (Act No. 53 of 1976)
- Livestock Improvement Act, 1977 (Act No. 25 of 1977)
- Designated Areas Development Act, 1979 (Act No. 87 of 1979)
- Co-operatives Act, 1981 (Act No. 91 of 1981)
- Veterinary and Para-Veterinary Professions Act, 1982 (Act No. 19 of 1982)
- Perishable Products Export Control Act, 1983 (Act No. 9 of 1983)
- Agricultural Pests Act, 1983 (Act No. 36 of 1983)
- Conservation of Agricultural Resources Act, 1983 (Act No. 43 of 1983)
- Animal Diseases Act, 1984 (Act No. 35 of 1984)
- Liquor Products Act, 1989 (Act No. 60 of 1989)
- Agricultural Research Act, 1990 (Act No. 86 of 1990)
- Agricultural Product Standards Act, 1990 (Act No. 119 of 1990)
- Agricultural Produce Agents Act, 1992 (Act No. 12 of 1992)
- South African Abattoir Corporation Act, 1992 (Act No. 120 of 1992)
- Groot Constantia Trust Act, 1993 (Act No. 58 of 1993)
- Societies for the Prevention of Cruelty to Animals Act, 1993 (Act No. 169 of 1993)
- Agricultural Development Fund Act, 1993 (Act No. 175 of 1993)
- Marketing of Agricultural Products Act, 1996 (Act No. 47 of 1996)
- Agriculture Laws Extension Act, 1996 (Act No. 87 of 1996)
- Genetically Modified Organisms Act, 1997 (Act No. 15 of 1997)
- Animal Improvement Act, 1998 (Act No. 62 of 1998)
- Subdivision of Agricultural Land Act Repeal Act, 1998 (Act No. 64 of 1998)
- Agricultural Laws Rationalisation Act, 1998 (Act No. 72 of 1998)
- Onderstepoort Biological Products Incorporation Act, 1999 (Act No. 19 of 1999)
- Meat Safety Act, 2000 (Act No. 40 of 2000)
- Agricultural Debt Management Act, 2001 (Act No. 45 of 2001)

PART 2

Human Resource Management



Human Resource Management

VOTED FUNDS

Total amount appropriated for the financial year 2001–02	R899 362 000
Responsible Minister/MEC	MINISTER FOR AGRICULTURE AND LAND AFFAIRS
Accounting Officer	DIRECTOR-GENERAL: DEPARTMENT OF AGRICULTURE

SUMMARY OF PROGRAMMES

The activities of the Department are organised in six programmes. These are:

- *Administration* includes support services such as financial control, management of human resources, as well as policy formulation by top management. It also includes generic support services such as business analysis, general administrative support, legal services and information technology.
- *Agricultural development* promotes access by historically disadvantaged groups and individuals, and includes farmer settlement, agribusiness and institutional support (for food security, disaster management and cooperatives), human resources support (education and training) and agricultural communication.
- *Sustainable resource use and management* enforces legislation relating to conserving the natural agricultural resource base. Programmes to ensure sustainable management and use of genetic and natural resources, investments in research, and the development of new and improved technology are also included.
- *Agricultural production* provides for the development and implementation of norms and standards for effective agricultural production, animal and plant health, agricultural inputs and product quality. Risk management associated with the containment of plant and animal disease is also monitored at national level, in line with international norms and developments.
- *Trade, economic and policy analysis* includes the collation and analysis of agricultural statistics and trends, analysis of market and international trade trends, impact assessments and the provision of economic and trade advice to the Department and the provincial departments of agriculture.
- *Associated services* finance the Department's building projects.

1. SERVICE DELIVERY

At the start of the financial year, departments are required to develop service delivery indicators. These are summarised in a table in the Estimate of Expenditure.

The following table summarises what progress has been made with regard to meeting each of the published indicators. In the case of a deviation from the service delivery indicator, an appropriate comment is provided.

TABLE 1 – Report against outputs and service delivery indicators

Original targets set in the medium-term expenditure estimate			Report against targets	
Subprogramme	Outputs	Service delivery indicators	Status	Comment
Agricultural Communication	Agricultural Communication Strategy	– Establish an Agricultural Communication Council	– Not completed	– Framework for communication strategy is developed
		– Pilot Rural Information Centres	– Not completed	– Integrating with Multi Purpose Community Centres
	Publicity and media events	– Survey on media coverage for departmental programmes	– Not done	– No capacity
		– Organise Female Farmer 2001 Competition	– Completed	– Award ceremony: November 2001
		– Organise Minister's Annual Indaba	– Completed	– Indaba: September
		– Increase Landcare awareness	– Ongoing	– Promotional material developed
	Information Dissemination	– Pilot vernacular radio programmes in two provinces	– Completed	– Radio programmes broadcast in vernacular in 7 provinces
		– Produce Farmer Handbook series	– Completed	– 1 Handbook published
		– Newsletters and <i>ad hoc</i> publications	– Completed	– 30 Newsletters
				– 20 <i>Ad hoc</i> publications
Development of human resources	Agricultural education and training strategy	– Launch of Bursary Scheme	– The Bursary Scheme was approved by Departmental Executive Committee (DEXCO) on 21 June 2002	– Currently setting up a tender process for the identification of an external agent to administer the scheme on behalf of the national Department of Agriculture (NDA)
		– Formation of the Agricultural and Training Council	– Terms of reference for the establishment of a task team to conduct a nationwide audit of the colleges of agriculture developed	– The findings report will provide recommendations for future governance of the colleges
		– Produce National Extension Strategy	– Writing of the proposed extension model underway, to be concluded December 2002	– The total expenditure by all 9 provinces in terms of their pilot projects on the improvement of extension services amounted to R7 970 616,82
		– Incorporate colleges of agriculture into higher education	– To be informed by audit of colleges	
		– Launch Departmental in-service training programme	– Policy on Experiential Training for the Department has been finalised	– Policy will be considered for approval at the Governance and Organisational Policy Committee (GOPC) meeting of 19 July 2002
		– Publish Agricultural Education and Training Bill	– Not completed	– Once approval by the Departmental Bargaining Forum (DBF) and ratified by DEXCO, the policy will be implemented at the beginning of the last quarter of the 2002/2003 financial year

TABLE 1 – Report against outputs and service delivery indicators (*continued*)

Original targets set in the medium-term expenditure estimate			Report against targets		
Subprogramme	Outputs	Service delivery indicators	Status	Comment	
Business and Institutional Development	Agricultural Enterprise Strategy	– Produce Agricultural Enterprise Policy	– Outstanding		
		– Establish a National Agricultural Enterprise Council	– Outstanding		
		– Establish the Association of Business Women in Agriculture (NAWACO)	– Completed	– Launched October 2001	
	National Drought Disaster Management Strategy	– Produce the Agricultural Enterprise Programme	– Entrepreneurial training completed and handed over to HRD		
		– Produce the restructuring of state agricultural enterprises framework	– Not dealt with under this section		
		– Produce Drought Disaster Management Plan	– Draft plan drawn		
		– Establish National, Provincial and Local Drought Disaster Management Committees	– National Committee established provincial initiated local still has to be established		
	Food Security Strategy	– Produce the Agricultural Insurance Bill	– Crop Insurance Bill completed		
		– Produce a National Food Policy	– Draft National Strategy completed		
		– Pilot a Special Programme for Food Security	– Facilitation done, ongoing process		
	Legislation	– Establish the National Food Security Council	– Done		
		– Publish a Land Bank Bill	– Draft completed, Act submitted– December 2001		
		– Publish a Cooperatives Bill	– Draft Bill completed– July–September 2001		
		– Publish an Agricultural Financial Services Bill	– Draft Bill submitted		
Farmer Settlement and Development	Farmer Settlement Strategy	– Produce a Cooperatives Banking Framework	– Draft document on financial services		
		– Settle black farmers	– A (draft) policy document on a comprehensive agricultural cultural support programme for farmer settlement beneficiaries was compiled	– Discuss the assignments of duties between the Provincial Departments of Agriculture and Land Affairs in the provinces	
		– Disposal of agricultural state land	– 66 % of the 669 000 ha have been disposed of	– Assess how best to speed up the delivery of the LRAD programme	
		– National and provincial business plans	– 3 854 beneficiaries	– Capacitate the provincial departments' agricultural scientists/extension officers responsible for LRAD	
		– Produce an agricultural land use management system	– National and Provincial LRAD business plans were designed (Operational Manual) and distributed to all provinces	– Appointment of provincial project coordinators	
		– Design an Acquisition of Private Farmland framework		– Facilitate the process of designing training modules for LRAD beneficiaries	
International Relations	International Agricultural Relations Strategy	– Establish a National Land Redistribution Council			
		– Open China and USA offices	– Agricultural Attaché posts established: USA, China, Italy (FAO) and Belgium	– Foreign offices operational. Six month assessment pending: October	
		– Form an International Agricultural Relations Council (IARC)	– IARC still in planning phase	– The role of an IARC is being reviewed	

TABLE 1 – Report against outputs and service delivery indicators (*continued*)

Original targets set in the medium-term expenditure estimate			Report against targets	
Subprogramme	Outputs	Service delivery indicators	Status	Comment
Agricultural Land Use and Soil Management	The effective and efficient use of funding from the special allocation for poverty relief	<ul style="list-style-type: none"> – Quality and timeliness of the expenditure in each financial year – Quality and timeliness of progress reports submitted to the National Treasury 	<ul style="list-style-type: none"> – Special allocation for poverty relief: A Project Manager was appointed to coordinate overall project management and provincial reporting of LandCare projects in terms of quality, timeliness and project expenditure – Independent consultant conducted an impact assessment and evaluation of LandCare Projects 	<ul style="list-style-type: none"> – Reports are received timeously by National Treasury – Accurate records of financial expenditure from provinces – Improved quality of Project Proposals and Business Plans – Proposals for LandCare projects submitted on time to national Department of Agriculture and National Treasury – Final report on the monitoring and evaluation study is completed
	A policy framework that includes: <ul style="list-style-type: none"> • Legislation and standards 	The results of surveys to gauge the improvements in: <ul style="list-style-type: none"> • Information availability 	<ul style="list-style-type: none"> – Draft Sustainable Use of Agricultural Resources (SUAR) Bill submitted to Departmental Executive Committee (DEXCO) and Committee for Environmental Coordination (CEC) for approval 	<ul style="list-style-type: none"> – A public participation and consultation process follows after approval of the draft SUAR Bill
	<ul style="list-style-type: none"> • Regulatory management of risks 	<ul style="list-style-type: none"> • Information availability 	<ul style="list-style-type: none"> – Grazing capacity modelling results for long-term grazing capacity for grassveld completed. National Oceanic and Atmospheric Administration (NOAA) integration and land capability database completed – Implementation of helicopter remote sensing system – Weeds and invasive plants database available – Implementation of Locust Control Management System completed – Enforcement of Act No. 43 of 1983 and auditing of natural agricultural resources by regional offices – Draft policy document on the control of black-flies and quelea and prime agricultural land available – World Overview of Conservation Approaches and Technologies (WOCAT) database and Agricultural Geo-referenced Information System (AGIS) website implemented 	<ul style="list-style-type: none"> – Management system developed

TABLE 1 – Report against outputs and service delivery indicators (*continued*)

Original targets set in the medium-term expenditure estimate			Report against targets	
Subprogramme	Outputs	Service delivery indicators	Status	Comment
	<ul style="list-style-type: none"> Organisational framework 	<ul style="list-style-type: none"> Integration and coordination of relevant institutions 	<ul style="list-style-type: none"> Roles/responsibilities with internal and external stakeholders clarified Planning phases for implementation of ISO 9000 standards series completed 	<ul style="list-style-type: none"> Implementing the 2000 version of ISO 9000 standards in progress
	<ul style="list-style-type: none"> Promotional framework 	<ul style="list-style-type: none"> Capacity of institutions 	<ul style="list-style-type: none"> First year of a three-year AUS/Aid funded, intensive capacity-building programme at local provincial and national levels to support the National LandCare Programme—known as the Institutional Strengthening Department of Agriculture Project 	<ul style="list-style-type: none"> Quarterly and annual reports available
		<ul style="list-style-type: none"> The building of alliances or partnerships 	<ul style="list-style-type: none"> Informal and formal partnerships developed with organisations including Crop Protection and Animal Health Association (AVCASA), Food and Trees for Africa, Technikon SA, Interunion for Conservation of Nature (IUCN), Venda University, Department Environmental Affairs and Tourism (DEAT) Desertification, Department of Water Affairs (DWAF) Community Forestry, Social Development, Environment and Development Agency Trust (EDA), Cora's Costumes, Mondi Wetlands, University of Natal, Farmers' Support Group, Project Literacy & Wildlife and Environment Society of SA (WESSA) 	<ul style="list-style-type: none"> Partners have contributed towards the development of the National LandCare Programme
		<ul style="list-style-type: none"> The use of available incentive mechanisms 	<ul style="list-style-type: none"> Support to the National Eskom Eduplant Permaculture Competition under Junior LandCare in terms of adjudication, resource materials and special awareness events. LandCare incentives provided to rural communities for addressing land degradation in an integrated manner—in the form of community support worth R4 million. Major projects worth R1 million for youth development in KwaZulu-Natal, R7 million for soil care, R4,6 million for veld care and R4,6 million for water care was implemented in 2001/2002 	<ul style="list-style-type: none"> The use of incentives has contributed towards reclamation of degraded land, improvement in productivity, sustainable natural resource management, job creation, upliftment of rural communities and poverty alleviation

TABLE 1 – Report against outputs and service delivery indicators (*continued*)

Original targets set in the medium-term expenditure estimate			Report against targets	
Subprogramme	Outputs	Service delivery indicators	Status	Comment
		<ul style="list-style-type: none"> • Compliance with international standards and agreements • Provincial compliance with national direction • Society's awareness developments in agriculture 	<ul style="list-style-type: none"> – Participation, integration in programmes and training of officials in terms of the South African obligations for the Convention to Combat Desertification (CCD), Biodiversity Convention and Convention on Wetlands of International Importance (RAMSAR) – Provinces have successfully implemented major LandCare projects addressing soil, water and rangeland management, community and youth issues worth R25 million – Started an aggressive LandCare awareness/marketing campaign targeting existing stakeholders, extension officers, public, youth and rural communities including communication strategies – Development and distribution of promotional and resource materials on LandCare and alien as well as invader plants 	<ul style="list-style-type: none"> – International conventions actively promoted through the National LandCare Programme – Coordination at national level through a working group with provincial representatives, and at a provincial level through regional offices, committees, forums and groups – National LandCare Conference planned for May 2002
Agriculture Water Use Management	<p>A policy framework on agricultural water use management that includes:</p> <ul style="list-style-type: none"> • Legislation and standards • Regulatory management of risks • Organisational framework • Promotional framework 	Surveys as set out above	<ul style="list-style-type: none"> – Investment in research: Provided professional support for five projects – Invested in three projects – National norms: Three manuals drafted – Policy: Draft of Integrated Management of Agricultural Water Use – Promotion of Irrigation Management: WaterCare at four schemes 	<ul style="list-style-type: none"> – Support = Serving on Steering/Advisory Committees for Water Research Commission projects – Investment = Research projects funded from subprogramme budget – Manuals = Design instructions/guidelines – Extensive consultation with stakeholders, affected parties and international experts took place during the process and this has continued prior to submission to Cabinet – Promotion = Advice to and consultation with contractor appointed by Limpopo as well as counterparts in other provinces

TABLE 1 – Report against outputs and service delivery indicators (*continued*)

Original targets set in the medium-term expenditure estimate			Report against targets	
Subprogramme	Outputs	Service delivery indicators	Status	Comment
			<ul style="list-style-type: none"> – Promotion/Organisation of Stockwater provision: Drilling service provided – Promotion/Organisation of prevention, stabilisation and rehabilitation of eroded areas – Promotion of International contracts: International Commission on Irrigation and Drainage, International Water Management Institute, Global water partnership, International Programme for Technology and Research in Irrigation and Drainage (IPTRID) 	<ul style="list-style-type: none"> – Drilling projects were commenced in nodes and for farmer resettlement schemes – Liaison on projects took place in Limpopo, Mpumalanga, KwaZulu-Natal, Eastern Cape Province, Western Cape Province and North West Province
Genetic Resources	<p>Policy framework</p> <ul style="list-style-type: none"> • Legislation, policy, norms and standards, philosophies values, culture <p>Regulatory management of risks</p> <ul style="list-style-type: none"> • Inspections, audits, evaluation • Monitoring, certification, enforcement impact assessments, registrations risk assessment, disaster management <p>Organisational framework</p> <ul style="list-style-type: none"> • Resource alignment and mobilisation, institutional alignment, system integration, co-operation, interface management, institutional capacity, advice <p>Promotional framework</p> <ul style="list-style-type: none"> • Awareness creation, incentives, ensuring support, achieving buy-in, advice 	<p>These indicators are applicable to all the outputs of this subprogramme</p> <ul style="list-style-type: none"> • Availability of regulatory/control systems • Informed/aware society • Information availability • Integrated institutional approach • Availability of institutions • Capacity of institutions • Alliances and partnerships • Availability of incentive mechanisms • Compliance to international standards • International agreements • Provincial compliance to national direction 		

TABLE 1 – Report against outputs and service delivery indicators (*continued*)

Original targets set in the medium-term expenditure estimate			Report against targets	
Subprogramme	Outputs	Service delivery indicators	Status	Comment
International Trade	An international agricultural trade strategy and capacity for negotiations and implementation regarding the World Trade Organisation, the Southern African Development Community, the European Union and Mercosur	<ul style="list-style-type: none"> – Successful negotiations, which improve the South African position, in bilateral and multilateral agreements – Increase in the volume and earnings of agricultural exports 	<ul style="list-style-type: none"> – Ongoing 	<ul style="list-style-type: none"> – SA/EU Trade, development and cooperation agreement quotas are being implemented, however, some implementation issues are still outstanding. – Negotiations with Mercosur are still ongoing – WTO multilateral negotiations to agree on modalities for further reform are still ongoing – SADC trade protocol implemented, however some aspects on nontariff barriers still to be negotiated – Agricultural exports: 2000: R15,820 billion Tons: 6 560 410 2001: R19,605 billion Tons: 6 272 687 Value of agricultural products influenced by the weakening of the exchange rate
Trade Administration	Marketing advice, information and support services to a range of stakeholders, including: <ul style="list-style-type: none"> • Provincial Departments of Agriculture • The National Agricultural Marketing Council • Small, medium and micro enterprises (SMMEs) 	<ul style="list-style-type: none"> – Improvements in the functioning of agricultural markets within the country – Increased utilisation of rebate permits by SMMEs 	<ul style="list-style-type: none"> – Partially – Concluded 	<ul style="list-style-type: none"> – Agricultural marketing training for extension officers was successfully concluded to assist with better utilisation of markets – Due to lack of capacity no additional tasks were undertaken – The portion of quotas for allocation to SMMEs was increased from 5 to 10 % of the available quotas – 151 import/export permits were issued to SMMEs under the different quotas
Economic and Policy Analysis	Various research reports including: <ul style="list-style-type: none"> • Enterprise productivity and profitability • Resources availability and utilisation • Participation and contribution of different demographic groups in the industry 	<ul style="list-style-type: none"> – Quality and timeliness of reports – Results of a survey to gauge whether reports are used by stakeholders in policy formulation and implementation 	<ul style="list-style-type: none"> – Minor reports completed – Major reports postponed 	<ul style="list-style-type: none"> – See detailed report of Directorate – Major projects postponed due to delay in implementation of new structure

TABLE 1 – Report against outputs and service delivery indicators (*continued*)

Original targets set in the medium-term expenditure estimate			Report against targets	
Subprogramme	Outputs	Service delivery indicators	Status	Comment
Agricultural Statistical Information	Improved data availability on key policy areas, including: <ul style="list-style-type: none"> • Emerging sector • Crop estimation 	– An effective Advisory Council on Agricultural Statistics	– Not functioning effectively	– Data suppliers unwilling to share information freely. Greater emphasis to be placed on participation in new Agricultural Economic Forum
		– Quality and timeliness of published surveys	– Outstanding	– Results of 2000 farm survey not finalised yet by Statistics SA. However, report to be released in 2002. This survey captured data from all types of farmers in all regions, especially the emerging sector
			– Ongoing	– New improved crop forecasting system implemented in order to enhance the accuracy of the monthly forecasts.

2. EXPENDITURE

The following tables summarise final audited expenditure by programme (Table 2.1) and by salary level (Table 2.2). In particular, it provides an indication of the amount spent on personnel costs in terms of each of the programmes or salary level within the Department.

TABLE 2.1 – Personnel costs by programme, 2001/02

Programme	Total expenditure	Personnel expenditure	Administrative expenditure	Professional and special services	Personnel cost as a percentage of total expenditure	Average cost per employee
	(R'000)	(R'000)	(R'000)	(R'000)		(R'000)
Administration	11 9805	69 284	13 739	15 793	57,8	97,7
Agricultural Support and Development	161 950	31 781	25 957	10 396	19,6	97,8
Sustainable Resource Management Use	406 869	49 003	12 866	16 326	12,0*	72,7
Agricultural Production	134 245	61 453	14 597	28 551	45,8	70,9
Agricultural Trade and Economic Policy Analysis	36 764	8 594	1 958	18 808	23,4	168,5
Associated services	10 647	–	–	3 222	–	–
Special functions	854	–	–	–	–	–
Total	871 134	220 115	69 117	93 096	25,3*	83,8

* Total expenditure includes R271 246 million transferred to the ARC – if this is discarded the personnel cost ratio to total expenditure will increase to 36,1 and 36,7 % respectively.

TABLE 2.2 – Personnel costs by salary level, 2001/02

Salary levels	Total expenditure	Personnel expenditure	Administrative expenditure	Professional and special services	Personnel cost as a percentage of total expenditure	Unit per person cost
	(R'000)	(R'000)	(R'000)	(R'000)		(R'000)
Professionals	–	304	–	–	–	304,00
Salary levels 1–2	–	34 855	–	–	–	39,0
Salary levels 3–5	–	25 538	–	–	–	51,3
Salary levels 6–8	–	106 458	–	–	–	108,0
Salary levels 9–12	–	42 019	–	–	–	186,8
Salary levels 13–14	–	9 624	–	–	–	397,29
Salary levels 15–16	–	1 317	–	–	–	329,25
Salary unclassified	–	–	–	–	–	–
Total as on financial system	871 134	220 115	69 117	93 096	25,3	83,8
Total	871 134	220 115	69 117	93 096	25,3	83,8

The following tables provide a summary by programme (Table 2.3) and salary level (Table 2.4), of expenditure incurred as a result of overtime, allowances, and benefits. Benefits reflect the amount utilised for homeowner allowances, medical aid, and pension. In each case, the table provides an indication of the percentage of the personnel budget that was used for these items.

TABLE 2.3 – Overtime, allowances, and benefits by programme, 2001/02

Programme	Overtime		Allowances		Benefits	
	Amount	% of personnel costs	Amount	% of personnel costs	Amount	% of personnel costs
	(R'000)		(R'000)		(R'000)	
Administration	1 480	2,1	5 889	8,5	17 987	26,0
Agricultural Support and Development	178	0,6	1 261	4,0	7 810	24,6
Sustainable Resource Management Use	–	–	2 403	4,9	11 995	24,5
Agricultural Production	1 406	2,3	3 000	4,9	14 287	23,2
Agricultural Trade and Economic Policy Analysis	–	–	623	7,3	1 845	21,5
Associated services	–	–	–	–	–	–
Total	3 064	1,4	13 176	6,0	53 924	24,5

TABLE 2.4 – Overtime, allowances, and benefits by salary level, 2001/02

Salary level	Overtime		Allowances		Benefits	
	Amount	% of personnel costs	Amount	% of personnel costs	Amount	% of personnel costs
	(R'000)		(R'000)		(R'000)	
Professionals	–	–	30	9,87	47	15,46
Salary levels 1–2	372	1,06	2 100	6,02	8 752	25,1
Salary levels 3–5	456	1,79	1 430	5,6	7 514	29,4
Salary levels 6–8	2 077	1,95	6 150	5,78	23 189	21,78
Salary levels 9–12	159	0,38	2 226	5,23	10 181	24,2
Salary levels 13–14	–	–	1 050	10,9	4 087	42,5
Salary levels 15–16	–	–	220	16,7	154	11,69
Salary unclassified	–	–	–	–	–	–
Total	3 064	1,4	13 176	6,0	53 924	24,5

3. EMPLOYMENT AND VACANCIES

The tables in this section summarise the position with regard to employment and vacancies. The approved establishment is the number of posts that an executing authority has approved to carry out the core and support functions of the Department. The first table (Table 3.1) provides an estimate of the size of the establishment over the MTEF period.

TABLE 3.1 – Approved establishment by programme

Programme	Approved establishment		Medium-term establishment estimate	
	1 April 2001	31 March 2002	31 March 2003	31 March 2004
Administration	801	797		
Agricultural Support and Development	411	486		
Sustainable Resources Use and Management	861	864		
Agricultural Production	1 043	1 055		
Agricultural Trade, Economic and Policy Analysis	67	70		
Associated services	0	0		
Total	3 183	3 272		

The following tables summarise the number of posts on the establishment, the number of employees, vacancy rate and whether there are any staff members additional to the establishment. This information is presented in terms of four key variables.

Departments have identified critical occupations that need to be monitored. Table 3.4 provides establishment and vacancy information for the key critical occupations of the Department. In terms of current regulations, it is possible to create a post on the establishment that can be occupied by more than one employee. Therefore, the vacancy rate reflects the percentage of posts that are not filled.

TABLE 3.2 – Employment and vacancies by programme, 31 March 2002

Programme	Establishment	Number of employees	Vacancy rate	Additional to the establishment
Administration	797	709	11	1
Agricultural Support and Development	486	325	33	12
Sustainable Resources Use and Management	864	674	22	2
Agricultural Production	1 055	867	18	46
Agricultural Trade, Economic and Policy Analysis	70	51	27	0
Associated services	0	0	0	0
Total	3 272	2 626	19,7	61

TABLE 3.3 – Employment and vacancies by salary band, 31 March 2002

Salary band	Establishment	Number of employees	Vacancy rate	Additional to the establishment
Salary levels 1–2	1 079	893	17	
Salary levels 3–5	612	498	19	
Salary levels 6–8	1 210	985	19	
Salary levels 9–12	334	225	33	
Salary levels 13–14 (professionals)	1	1	0	
Senior Management Service	36	24	33	
Total	3 272	2 626	19,7	61

TABLE 3.4 – Employment and vacancies by critical occupation, March 2002

Critical occupations	Establishment	Number of employees	Vacancy rate	Additional to the establishment
Engineer	10	7	30	0
State veterinarian	37	25	32	11
Data technologist	10	7	30	0
Programmer	2	1	50	0
Economist	21	8	62	0
Total	80	48	40	11

The information in each case reflects the situation as at 31 March 2002. For an indication of changes in staffing patterns over the year under review, please refer to section 5 of this report.

4. JOB EVALUATION

The Public Service Regulations, 1999 introduced job evaluation as a way of ensuring that work of equal value is remunerated equally. Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the Regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled. This was complemented by a decision by the Minister for the Public Service and Administration that all SMS jobs must be evaluated before 31 December 2002.

The following table (Table 4.1) summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

TABLE 4.1 – Job evaluation, 1 April 2001 to 31 March 2002

	Establishment	Number of jobs evaluated	Posts upgraded		Posts downgraded	
			Number	% of total	Number	% of total
Salary levels 1–2	1 079	1	1	0,09	0	0
Salary levels 3–5	612	4	3	0,49	0	0
Salary levels 6–8	1 210	3	2	0,16	0	0
Salary levels 9–12	334	21	7	2,08	0	0
Salary levels 13–14 (Professional)	1	0	0	0	0	0
Senior Management Service	36	11	1	2,7	0	0
Total	3 272	40	14	0,4	0	0

The following table provides a summary of the number of employees absorbed in an upgraded post. In addition to the total number of employees absorbed, the table provides an indication of the beneficiaries by race, gender and disability.

TABLE 4.2 – Profile of employees absorbed in an upgraded post, 1 April 2001 to 31 March 2002 (PSR V, C.6) [J.4 (b)]

Total number of employees absorbed in an upgraded post				
Beneficiaries	African	Asian	Coloured	White
Female	5	0	0	1
Male	1	0	0	0
Employees with a disability	0	0	0	0

The following table summarises the number of cases where remuneration levels exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

TABLE 4.3 – Remuneration levels that exceeded the grade determined by job evaluation, 1 April 2001 to 31 March 2002 (in terms of PSR V, C.3)

Total number of employees whose remuneration exceeded the grade determined by job evaluation in 2001/ 02:	None
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Table 4.4 summarises the beneficiaries of the above in terms of race, gender and disability.

TABLE 4.4 – Profile of employees whose remuneration levels exceeded the grade determined by job evaluation, 1 April 2001 to 31 March 2002 (in terms of PSR V, C.3)

Total number of employees whose remuneration levels exceeded the grade determined by job evaluation				
Beneficiaries	African	Asian	Coloured	White
Female	0	0	0	0
Male	0	0	0	0
Employees with a disability	0	0	0	0

5. EMPLOYMENT CHANGES

This section provides information on changes in employment over the financial year. Table 5.1 summarises appointments (including interdepartmental transfers to the Department), promotions and service terminations (including interdepartmental transfers from the Department) by race, gender and disability. In addition, the table provides an indication of the impact of these changes on the employment profile of the Department.

TABLE 5.1 – Appointments, promotions, and terminations, 1 April 2001 to 31 March 2002

	Employees 1 April 2001	Appointments and transfers	Promotions	Terminations and transfers	Net % change
African	1 355	212	122	165	3,5
Male	1 067	118	96	115	0,3
Female	288	94	26	50	15
Asian	35	5	4	1	11
Male	24	3	1	1	8
Female	11	2	3	0	18
Coloured	271	27	13	17	3,7
Male	206	18	7	13	2,4
Female	65	9	6	4	7,7
White	987	12	22	81	-7
Male	417	7	9	30	-5,6
Female	570	5	13	51	-8
Employees with a disability	15	0	0	0	0
Total	2 663	256	161	264	-0,3

Turnover rates provide an indication of trends in employment profile of the Department. The following tables provide a summary of turnover rates by salary band (Table 5.2) for critical occupations (Table 5.3).

TABLE 5.2 – Annual turnover rates by salary band

Salary band	Employees 1 April 2001	Appointments and transfers	Terminations and transfers	Turnover rate
Levels 1–2	921	70	62	0,8
Levels 3–5	504	45	37	1,6
Levels 6–8	989	117	147	–3
Levels 9–12	220	19	14	2,3
Professionals (13–14)	1	0	0	0
SMS (13–16)	28	5	4	3,6
Total	2 663	256	264	

TABLE 5.3 – Annual turnover rates by critical occupation

Occupation	Employees 1 April 2001	Appointments and transfers	Terminations and transfers	Turnover rate
Engineer	5	1	0	20
State veterinarian	25	1	3	–8
Data technologist	8	0	1	–12,5
Programmer	1	0	0	0
Economist	13	8	0	61,5
Total	52	10	4	11,5

Table 5.4 identifies the major reasons why staff left the Department.

TABLE 5.4 – Reasons why staff left the Department

Termination type	Number	Per 100 000 employees
Death	43	1 637
Resignation	52	1 980
Expiry of contract	77	2 932
Dismissal – operational changes	0	0
Dismissal – misconduct	12	457
Dismissal – inefficiency	0	0
Discharged due to ill-health	17	647
Retirement	47	1 790
Other (transfers)	16	602
Total	264	10 053

6. AFFIRMATIVE ACTION

The Public Service Regulations require the development and implementation of an affirmative action programme that contains the following:

- Numeric and time-bound targets for achieving representativeness,
- Annual statistics on the appointment, training and promotion within each grade of each occupational category, of persons historically disadvantaged (PSR, III, D.2).

The following tables describe changes in the composition of the Department for employees below the level of SMS (Table 6.1), the Senior Management Service (Table 6.2), and other key target groups in terms of race, gender and disability.

TABLE 6.1 – Progress made with respect to affirmative action, 2001/02 (employees at levels below the SMS)

	Progress – 2001/02				Medium-term targets		
	1 April 2001	Target set for 31 March 2002	Actual number at 31 March 2002	Variance	March 2003	March 2004	March 2005
African	1 342	1 374	1 330	-3,2	1 406	1 442	1 483
Male	1 059	1 075	1 019	-5,2	1 091	1 109	1 129
Female	283	299	311	4	315	333	354
Asian	35	67	37	-44	99	135	169
Male	24	40	26	-35	56	74	91
Female	11	27	11	-59	43	61	78
Coloured	271	303	281	-7,2	335	371	405
Male	206	222	213	-4	238	256	273
Female	65	81	68	-16	97	115	132
White	972	1 023	940	-8	1 052	1 103	1 152
Male	404	404	382	-5	382	382	382
Female	568	619	558	-9,8	670	721	770
Employees with a disability	14	17	13	-23	20	23	26
Total	2 634	2 784	2 601 *	-6,5	2 912	3 074	3 235

* number of employees on 31 March 2002

Establishment on 31 March 2002 = 3 272

TABLE 6.2 – Progress made with respect to affirmative action, Senior Management Service, 2001/02

	Progress – 2001/02				Medium-term targets		
	1 April 2001	Target set for 31 March 2002	Actual number at 31 March 2002	Variance	March 2003	March 2004	March 2005
African	13	14	13	-7	16	18	19
Male	8	8	8	0	9	10	10
Female	5	6	5	-16	7	8	9
Asian					2	2	2
Male					1	1	1
Female					1	1	1
Coloured					2	2	2
Male					1	1	1
Female					1	1	1
White	15	15	11	-26	12	12	12
Male	13	13	10	-23	10	10	10
Female	2	2	1	-50	2	2	2
Employees with a disability	1	1	1	0	2	2	2
Total	29	30	25	-16	34	36	37

TABLE 6.3 – Progress made with respect to affirmative action (Africans and females), 2001/02

	Progress – 2001/ 02				Medium-term targets		
	1 April 2001	Target set for 31 March 2002	Actual number at 31 March 2002	Variance	March 2003	March 2004	March 2005
African	1 355	1 388	1 343	-3,2	1 422	1 460	1 502
Male	1 067	1 083	1 027	-5	1 100	1 119	1 139
Female	288	305	316	3,6	322	341	363
Asian							
Male							
Female	11	27	11	-59	44	62	79
Coloured							
Male							
Female	65	81	68	-16	98	116	133
White							
Male							
Female	570	621	559	-9	672	723	772
Employees with a disability							
Total	2 001	2 117	1 981	-6,4	2 235	2 361	2 486

7. PERFORMANCE REWARDS

To encourage good performance, the Department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender and disability (Table 7.1), salary levels (Table 7.2), and critical occupations (Table 7.3).

TABLE 7.1 – Performance rewards by race, gender, and disability, 1 April 2001 to 31 March 2002

	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total	Cost (R'000)	Per capita cost
African	223	1 343	16,6%	1 263 491	5 666
Male	139	1 027	13,5	795 512	5 723
Female	84	316	26,6	467 979	5 571
Asian	9	37	24,3	97 132	10 792
Male	4	26	15,4	55 636	13 909
Female	5	11	45,5	41 496	8 299
Coloured	53	281	18,9	258 278	4 873
Male	41	213	19,2	189 657	4 626
Female	12	68	17,6	68 621	5 718
White	339	951	35,6	3 715 015	10 959
Male	126	392	32,1	512 840	12 007
Female	213	559	38	2 202 175	10 339
Employees with a disability	5	14	35,7	64 390,1	2 878
Total	629	2 626	24	5 398 306	858 236

9. SICK LEAVE

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave (Table 9.1) and disability leave (Table 9.2). In both cases, the estimated cost of the leave is also provided.

TABLE 9.1 – Sick leave, 1 April 2001 to 31 March 2002

Grade (salary band)	Total days (‘000)	Per cent certification	Employees	% of total employees	Average per employee	Estimated cost (R’000)
Levels 1–2	3 124		416	24,5	7,51	354 080
Levels 3–5	3 454		385	22,6	8,97	507 800
Levels 6–8	6 403		747	44	8,57	1 761 011
Levels 9–12	798		135	8	5,91	424 750
Levels 13–14	42		15	0,9	2,8	35 735
SMS	9		2	0,1	4,5	12 302
Total	13 830		1 700	100	8,1	3 095 678

TABLE 9.2 – Disability leave (temporary and permanent), 1 April 2001 to 31 March 2002

Grade (salary band)	Total days (‘000)	Per cent certification	Employees	% of total employees	Average per employee	Estimated cost (R’000)
Levels 1–2	306		9	27,27	34	33 070
Levels 3–5	116		5	15,15	23	18 525
Levels 6–8	264		19	57,57	13,89	78 839
Levels 9–12	4		1	4	4	2 397
Levels 13–14	0		0	0	0	0
SMS	0		0	0	0	0
Total	690		34	0	21,34	132 831

Table 9.3 summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000, requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

TABLE 9.3 – Annual leave, 1 April 2001 to 31 March 2002

Grade (salary band)	Total days taken (‘000)	Employees	Average per employee
Levels 1–2	18 008	893	20,17
Levels 3–5	10 926	498	21,94
Levels 6–8	20 332	985	20,64
Levels 9–12	5 228	225	23,24
Levels 13–16	16	1	16
SMS	673	24	28,04
Total	55 183	2 626	21,01

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

TABLE 9.4 – Leave payouts

Reason	Total amount ('000)	Number of employees	Average per employee
Termination of service			
Leave not taken by 30 June 2001	0	0	0
Total	0	0	0

10. LABOUR RELATIONS

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

TABLE 10.1 – Collective agreements, 1 April 2001 to 31 March 2002

Subject matter	Date
1. Policy on Remunerated Overtime	15 May 2001
2. Policy on the Employee Assistance Programme for the NDA	27 November 2001
Total number of collective agreements	2

The following table summarises the outcome of disciplinary hearings conducted within the Department for the year under review.

TABLE 10.2 – Misconduct and discipline (new)

Outcomes of disciplinary hearings	Number	% of total
Verbal warning	0	0
Written warning	1	8
Final written warning	3	25
Not guilty	2	17
Case withdrawn	1	8
Dismissal	5	42
Total	12	100

11. SKILLS DEVELOPMENT

This section highlights the efforts of the Department with regard to skills development. Table 11.1 summarises the development of skills by salary band, including costs incurred in skills development while Table 11.2 provides the same information in terms of race, gender and disability.

TABLE 11.1 – Skills development by salary band, 1 April 2001 to 31 March 2002

Grade (salary band)	Internal training		External training		Expenditure	
	Training day equivalents	Average days per employee	Training day equivalents	Average days per employee	Total expenditure (R'000)	Average per employee
Levels 1–2	218	0,3	2 476	2,9	2 131 200	2 522
Levels 3–5	151	0,3	1 718	3,4	1 332 000	2 602
Levels 6–8	388	0,4	2 433	2,4	2 530 800	2 521
Levels 9–12	273	1,7	1 522	6,5	599 400	2 562
Levels 13–14	24	0,5	66	2,4	66 600	2 379
SMS	5	0,5	24	0,8	66 600	2 220
Total	1 059	0,4	8 239	3,1	6 660 000	2 533

TABLE 11.2 – Skills development by race, gender and disability, 1 April 2001 to 31 March 2002

Grade (salary band)	Internal training		External training		Expenditure	
	Training day equivalents	Average days per employee	Training day equivalents	Average days per employee	Total expenditure (R'000)	Average per employee
African	528	0,4	2 293	1	3 463 200	2 506
Male	300	0,3	1 440	1,4	2 664 000	2 520
Female	228	0,7	853	2,6	799 200	2 437
Asian	12	0,3	1 471	1,9	133 200	21 600
Male	3	0,1	1 416	56,6	66 600	31 968
Female	9	0,8	55	4,6	66 600	66 600
Coloured	152	0,5	1 625	0,4	666 000	2 906
Male	96	0,5	1 059	5,1	5 328 000	3 880
Female	56	0,8	566	8,2	1 998 000	11 583
White	367	0,4	2 850	2	2 397 600	849
Male	140	0,4	1 342	3,4	999 000	2 003
Female	227	0,4	1 508	2,8	1 398 600	1 475
Employees with a disability	1	0,1	24	1,7	66 600	476
Total	1 059	0,4	8 239	3,1	6 660 000	2 528

The following table provides a summary of the various training areas where staff were provided with skills training.

TABLE 11.3 – Skills development by type of training, 1 April 2001 to 31 March 2002

Type of training	Training				Expenditure	
	Number of beneficiaries	Training day equivalents	Average days per person	% of total	Total expenditure (R'000)	Average per beneficiary
Internal training	372	1 102	0,4	25	57 000	250
Formal training	72	–	–	5	573 000	7 958
Computer training	260	758	0,3	17	1 327 000	5 104
Management development	31	184	0,1	2	270 000	8 710
Office-based training	201	921	0,4	13	1 340 000	6 667
Policy-specific training	183	294	0,1	12	884 000	4 831
ABET	98	4 880	1,9	7	420 000	4 300
Other	282	1 057	0,4	19	2 362 000	8 376
Total	1 499	9 298	3,5	100	7 233 000	4 825

The following table summarises actual expenditure on training for the year under review. The table also provides a comparison with the initial estimate published in the Estimate of Expenditure.

TABLE 11.4 – Total expenditure on skills development by programme, 2001/ 02

Programme	Expenditure – 2001/ 02			Medium-term expenditure estimates		
	Original estimate	Actual expenditure	Variance	2002/ 03	2003/ 04	2004/ 05
ABET	460 000	420 000	40 000	483 000	507 000	532 000
Skills Development	6 660 000	6 660 000	0	6 993 000	7 343 000	7 710 000
Formal	600 000	573 000	27 000	6 000 000	6 300 000	6 615 000
Total	7 720 000	7 233 000	67 000	13 476 000	14 150 000	14 857 000

Finally, the following table summarises the bursaries granted to employees during the last financial year by salary level (Table 11.5) and race, gender and disability (Table 11.6).

TABLE 11.5 – Bursaries granted by salary level, 1 April 2001 to 31 March 2002

Salary level	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total	Cost (R'000)	Per capita cost
Levels 1–2	0	893	0	0	0
Levels 3–5	25	498	4,8	131 000	5 000
Levels 6–8	42	985	4,2	304 000	7 000
Levels 9–12	5	225	2,1	138 000	27 600
Professionals (13–14)	0	1	0	0	0
Senior Management Service	0	24	0	0	0
Total	72	2 626	2,7	573 000	8 000

TABLE 11.6 – Bursaries granted by race, gender and disability, 1 April 2001 to 31 March 2002

	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total	Cost (R'000)	Per capita cost
African	57	1 343	4,2	469 000	8 228
Male	36	1 027	3,5	299 000	8 306
Female	21	316	6,6	170 000	8 095
Asian	1	37	2,7	4 000	4 000
Male	1	26	3,8	4 000	4 000
Female	0	11	0,0	0	0
Coloured	2	281	0,7	12 000	6 000
Male	1	213	0,5	8 000	8 000
Female	1	68	1,4	4 000	4 000
White	12	951	1,3	88 000	7 333
Male	8	392	2,0	68 000	8 500
Female	4	559	0,7	20 000	5 000
Employees with a disability	0	14	0,0	0	0
Total	72	2 626	2,7	573 000	7 958

12. INJURY ON DUTY

The following table provide basic information on injury on duty.

TABLE 12.1 – Injury on duty, 1 April 2001 to 31 March 2002

Nature of injury on duty	Number	% of total
Required basic medical attention only	40	80
Temporary total disablement	10	20
Permanent disablement	0	0
Fatal	0	0
Total	50	100

PART 3

Programme Performance



Programme Performance

AIM

The aim of the Department of Agriculture is to lead agricultural development for economic growth, equity and social development in South Africa through the provision of national leadership, regulatory and coordination services, agricultural risk management and targeted transitional programmes.

KEY OBJECTIVES AND PROGRAMMES

Agriculture plays a central role in the South African economy, it reduces inequalities by increasing income and employment opportunities for poor people while ensuring sustainable use of natural resources. The Department of Agriculture aims to establish an environment within which opportunities are created for resource-poor farmers while the commercial farming sector continues to thrive. The national Department, which implements agricultural policy in collaboration with the provincial departments, therefore contributes to rural development in line with the Integrated Sustainable Rural Development Strategy (ISRDS).

Agriculture's key objectives over the medium term are to achieve sustainable agricultural economic growth, equity and social development by:

- Guiding and supporting equitable access to resources for agricultural development
- Enhancing the global competitiveness of the sector
- Ensuring sustainable use of natural resources
- Promoting participation of historically disadvantaged groups
- Ensuring consumer confidence in agricultural products

At national level, these objectives are addressed through the following six programmes:

- *Administration* includes support services such as financial control, management of human resources, as well as policy formulation by top management. It also includes generic support services such as business analysis, general administrative support, legal services and information technology.
- *Agricultural development* promotes access by historically disadvantaged groups and individuals, and includes farmer settlement, agribusiness and institutional support (for food security, disaster management and cooperatives), human resources support (education and training) and agricultural communication.
- *Sustainable resource use and management* enforces legislation related to conserving the natural agricultural resource base. Programmes to ensure sustainable management and use of genetic and natural resources, investments in research, and the development of new and improved technology are also included.
- *Agricultural production* provides for the development and implementation of norms and standards for effective agricultural production, animal and plant health, agricultural inputs and product quality. Risk management associated with the containment of plant and animal disease is also monitored at national level, in line with international norms and developments.
- *Trade, economic and policy analysis* includes the collation and analysis of agricultural statistics and trends, analysis of market and



international trade trends, impact assessments and the provision of economic and trade advice to the Department and the provincial departments of agriculture.

- *Associated services* finance the Department's building projects.

During the year under review the Department was restructured. The new top structure was approved by the Minister of Agriculture and was implemented in the latter part of the year under review. As a result some directorates were shifted to other branches and new subprogrammes or divisions were established, some of which already became operative towards the end of the report period. Therefore, the reporting of the various directorates touches on responsibilities as outlined in the previous structure, but also accommodates activities and outputs within the new structure in cases where it was already in place.

Farmer Support and Development

AIM

The aim of the Farmer Support and Development Programme is to focus on the development of policy, norms and standards for farmer settlement, food security and rural development, agricultural finance, the development of cooperatives and agricultural risk management. Through these subprogrammes, it is also intended that in an incremental manner, the Department of Agriculture, in collaboration with the provinces, will provide comprehensive support products to ensure the restructuring of the agricultural sector in a manner that promotes profitability, growth, representivity, competitiveness, diversification and sustainability.

PROGRAMME POLICY DEVELOPMENT

The Farmer Support and Development Programme is organised into the following components:

- Farmer Settlement
- Financial Services and Cooperative Development
- Food Security and Rural Development
- Agricultural Risk Management

Farmer Settlement provides support for commercially viable farmers from previously disadvantaged communities.

Financial Services and Cooperative Development is responsible for training and renders institutional support to cooperatives.

Food Security and Rural Development develops policies on food security, manages early warning systems and finances projects for the achievement of household food security.

Agricultural Risk Management develops an agricultural disaster management system to ensure that agricultural enterprises recover, grow and develop after natural disasters.



Peter Ngobese

Assistant Director-General
Farmer Support and Development

Farmer Settlement

OBJECTIVES

- Disposal of 669 000 ha of State-owned agricultural land in all nine provinces to land reform beneficiaries
- Designing of national and provincial Land Redistribution for Agricultural Development (LRAD) business plans
- Production of an agricultural land use management system¹
- Designing of an Acquisition of Private Farmland Framework²
- Establishment of a National Land Redistribution Committee
- Establishment of joint ventures for farmers in established high value and export-oriented subsectors such as the citrus industry



Sam Malatji

Senior Manager: Farmer Settlement

¹ and ² to be transferred to the Directorate Land Use and Soil Management and the Department of Land Affairs respectively

ACHIEVEMENTS

LRAD

This subprogramme guided the implementation of the LRAD programme in all the provinces and facilitated the settlement of farmers on State-owned farms in conjunction with Provincial Departments of Agriculture through leasing with options to purchase and administered lease agreements. It was also responsible for the administration of State-owned agricultural land and coordinated the work of departments such as Public Works and Land Affairs, which are involved in land delivery.

Sixty-six percent of the 669 000 ha of State-owned agricultural land have been disposed of to land reform beneficiaries

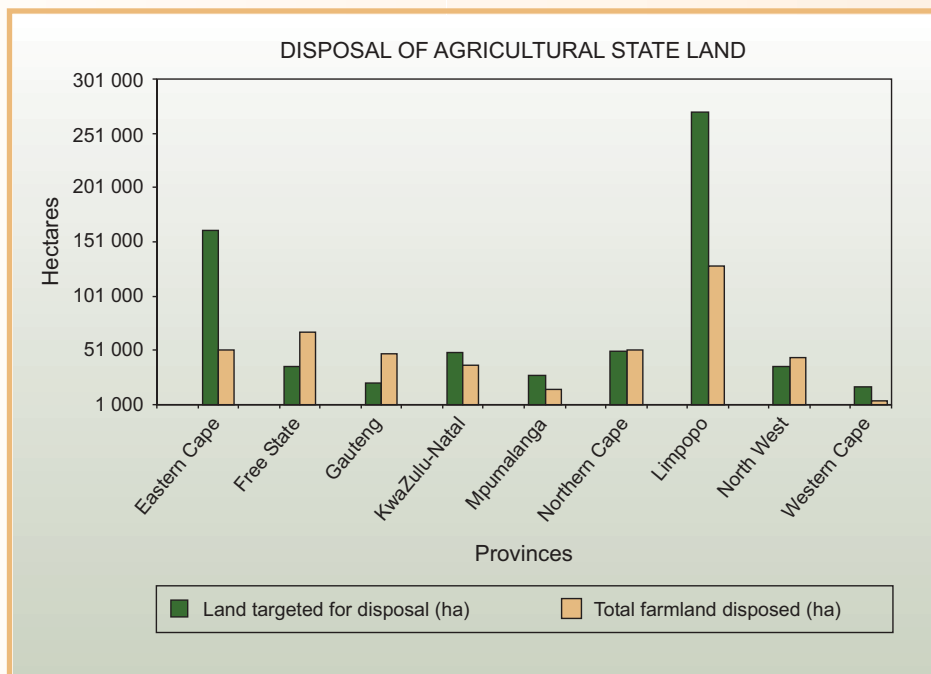


Disposal of 669 000 ha of State-owned land in all the provinces. Progress has been achieved as reflected in the following table:

Land targeted for disposal	Status to date (March 2002)	Comments
Limpopo (270 777 ha)	128 180 ha of land have been disposed of in areas such as Munich, Strydpoort, Steilloop, Dendron, Nwanedi and Immerpan. 10 367 ha have been disposed of to beneficiaries through LRAD. The number of beneficiaries is 355	The State agricultural land without restitution claims is continuously being disposed of to beneficiaries
North West (36 459 ha)	43 778 ha, slightly more than targeted, have been transferred to farmers in the districts of Brits, Rustenburg, Zeerust, Ventersdorp, Mankwe and Moretele. The area is occupied by 457 beneficiaries	A uniform method of lease agreements for both the newly settled tenants and the former Bophuthatswana permit holders on State agricultural land is being designed. The Potchefstroom District LRAD projects were launched by the Minister early March 2002
Western Cape (17 380 ha)	3 860 ha of land have already been disposed of to 962 beneficiaries. 3507,6 ha have been disposed of through LRAD in 16 agricultural projects	In spite of staff constraints, the implementation of LRAD is continuing
KwaZulu-Natal (KZN) (48 472 ha)	36 610 ha of land in KZN have been leased to 1 170 beneficiaries on short-term leases due to restitution claims. This area includes farms such as Ntambanana, Franklands, Natal Trust Farms, Eshowe, Ixopo, Makhathini and Impendle	The disposal of the State agricultural land is still in process
Northern Cape (49 931 ha)	50 824 ha of land have already been disposed of, of which 13 272 ha were disposed of to 79 beneficiaries through the LRAD programme	The process of disposing of State agricultural land in the Northern Cape is continuing. More land than targeted has already been disposed of
Eastern Cape (EC) (161 363 ha)	50 283 ha in total have been disposed of to farmers. 2000 ha of land are leased with the option to buy. The total number of beneficiaries to date is 639	Disposal of the available State agricultural land is continuing
Mpumalanga (27 853 ha)	15 060 ha of land have been disposed of to farmers. The disposed area is occupied by 300 beneficiaries. Of these, 206 are from groups of women and youth. 14 774 ha of State land is leased with the option to buy	The disposal of State agricultural land is ongoing and the Inkomazi projects have already been launched by the Minister
Free State (36 364 ha)	67 498 ha of land have been disposed of to farmers in the districts of Koppies, Petrusburg, Fauresmith, Harrismith, Bethlehem, Jacobsdal and Thaba-Nchu. 18 995 ha of land have been disposed of through the LRAD programme to 421 beneficiaries, comprising of 255 men and 166 women on 81 projects. 10 657 ha of farm land under Public Works are in the process of being transferred to Agriculture for disposal	The transfer of State agricultural land is continuing Process to be finalised in 2002
Gauteng (20 401 ha)	A total of 47 883 ha is leased to farmers. 3 710 ha of this land are leased on short-term leases, including the Rust-de-Winter area, part of which is still under restitution claim. Bronkhorstspuit and Bapsfontein are also leased out to beneficiaries	The lease will be changed after the finalisation of the remaining claims. The disposal of the vacant 700 ha in Rust-de-Winter will be completed by the end of May 2002
National projects	The Business Plan for NCERA Development 3 103 ha (EC) has been completed. Terms of reference for the disposal of Sondela project have been finalised	Transfer to be completed in 2002

The establishment of joint ventures for farmer settlement in established high value and export-orientated subsectors such as citrus, wine and table grapes.

Target subsector	Actions undertaken	Comments
Citrus	65 farmers have been settled in Seloane (6), Marivheni (27) and Mabunda (32)	Farmers are on the land and leases are in the process of being formalised



Financial Services and Cooperative Development

ACHIEVEMENTS

Cooperative service centres were established in conjunction with a German organisation. The pilot programme was launched in Limpopo Province, with the inauguration of buying associations. Altogether 44 people attended a workshop for input/service providers arranged and financed by German Cooperative and Raiffeisen Confederation (DGRV).

Opportunities were identified to establish new partners and linkages. Since August 2001 more than 50 partnerships have been formed, including partnerships between:

- The Agricultural Research Council (ARC), the Animal Sciences Division and new products and projects
- Sector Education and Training Authority for Secondary Agriculture (SETASA) and Primary Agriculture and Training Authority (PAETA) on skills development
- Agri SA towards better coordination and delivery
- Micro Finance (DGRV)

Seventeen training manuals were developed on agribusiness and cooperative leadership, and training was given in all the provinces. The manuals were launched together with the National Women's Forum in Agribusiness, and

will be available on the website of the Department of Agriculture. These manuals were translated into the nine local languages.

Altogether 2 500 members of the management of various cooperatives attended training workshops. Other short-term courses on cooperative management and development were compiled for tertiary institutions.

A National Cooperative Apex Body is envisaged. A draft of this concept was compiled and discussed at workshops attended by stakeholders and interested parties in all the provinces.

A concept document on the need for a Cooperative Bank was also developed and distributed to interested parties.

Food Security and Rural Development

ACHIEVEMENTS

A decision was taken at the Cabinet Lekgotla of 2000 to design an integrated food security strategy to streamline, harmonise and integrate actions/programmes that address food security in the country. The Integrated Food Security Strategy was adopted at MINMEC (Ministers and Members of Provincial Executive Councils Meeting), resulting in consultative workshops with the relevant departments at national and provincial levels.

A joint plan of action was agreed upon with Provincial Departments of Agriculture.

The Departments provided a list of their existing food security programmes and committees that could be linked to the food security strategy.



Mangi Ramabenyane

Acting Senior Manager:
Food Security and Rural Development



Ms Thoko Didiza handing out garden tools during a Food Security Campaign

This section successfully embarked upon a food security awareness campaign in which projects were identified. The second step of the campaign was the launching of Telefood with a concert that was broadcast internationally to create awareness of the plight of poor people in the country and fundraising towards food security projects specifically for our country and the African continent. This was done in collaboration with the FAO and the South African Broadcasting Corporation (SABC), Africa channel.

A database of non-governmental organisations and community-based organisations has been initiated for the rolling-out of food security projects.

The section also participated in the launch of the Integrated Food Security and Nutrition Campaign together with the Department of Health.

A draft Food Security Bill was prepared in 2001. During working committee discussions with officials of the Human Rights Commission and the United Nations (UN) Council for Human Rights, the document was highly regarded as the first of its kind to comprehensively address all pertinent food-related issues. The draft will be used as a basis for discussions in Africa and at the UN.

A workshop on the food security information system was held to advance networking and collaboration towards the development of a food security information system. Priority was given to the establishment of information systems in the nodal areas where food security campaigns were held.

The preparatory phase of the Special Programme for Food Security (SPFS) was completed in the three pilot provinces. Preparations are under way towards the implementation and expansion stage.

Risk Management

ACHIEVEMENTS

A Crop Insurance Bill and an Agricultural Risk Management Bill were drafted and are under review before submission to Parliament.

The first instalment of R85 million for the Flood Relief Scheme of 2000 was allocated late in 2001. The scheme became operational in 2002.

A meeting with representatives of KwaZulu-Natal, the Free State, Mpumalanga and Organised Agriculture was held in December 2001 to determine the number of livestock deaths caused by the cold spell that occurred in the three provinces in September 2001. Once the number has been established, a scheme to assist farmers will be drafted.

An early warning system was established in collaboration with the South African Weather Service. Meetings were held with various provinces to arrange for the training of extension officers on the interpretation of weather climate forecasts. To date 40 extension officers from North West Province have been trained.

The Department held a workshop in September 2001 to finalise the RSA/USA Binational Risk Management Project.

A Working Group was formed which will develop a drought management strategy.



Mac Carstens

Acting Senior Manager:
Risk Management

Registrar of Cooperatives

At the end of 2001 a total of 1892 cooperatives were registered in terms of the Cooperatives Act, 1981. Of these, 677 were registered during the year under review. The Act is currently being revised. The draft Bill has been submitted to the State Law Advisors. It is anticipated that the Bill will be submitted to Parliament before the end of 2002.



Rector Rapoo

Acting Registrar of Cooperatives

Trade and Business Development

AIM

The aim of the Agricultural Trade and Business Development Programme is to promote trade, market access and black economic empowerment, and provide support to the National Agricultural Marketing Council.

PROGRAMME POLICY DEVELOPMENT

The programme comprises the following components:

- Agribusiness Promotion and Industry Relations
- International Trade
- Marketing

Agribusiness Promotion and Industry Relations develops strategies for the growth of strategic agricultural industries, and promotes equity.

International Trade analyses, develops and advises on agricultural trade policy and supports and monitors the implementation of trade agreements. It also provides negotiating support, analysis, information and advice regarding strategies on world markets, and it develops and implements strategies to facilitate growth in agricultural exports.

Marketing develops and implements policies and instruments to improve and facilitate domestic market access, particularly for previously disadvantaged groups, and the growth of the domestic market. It provides analysis, information and advice regarding domestic markets and tariff policy. It implements trade measures in terms of treaties through the administration of permits, quotas and schemes.



Domestic market



Attie Swart

Assistant Director-General
Trade and Business Development

Agribusiness Promotion and Industry Relations

This is a newly established unit, charged with promoting participation and equity sharing towards an inclusive, equitable and prosperous agricultural sector. Its ultimate purpose is twofold:

- Firstly, unlocking economic potential of idle or under-utilised resources of emergent groups by:
 - Instilling self-confidence and self-esteem in them through the enhancement of organisational skills, basic business management principles and technical skills
 - Encouraging and supporting them to take charge of their lives by facilitating the opening of opportunities/markets and accessing of productive resources
 - Allowing/affording them the opportunity to contribute to the growth and wealth of their economy. This will be achieved in two ways. At each value chain level, niche enterprises and possible partnerships will be developed. Special training, mentorship support and incentive support packages will be utilised.
- Secondly, facilitating the restructuring/expansion of existing agribusinesses to enhance their competitiveness and their contribution to the sector, as well as the sector's contribution to the economy as a whole. This expansion will create opportunities for new groups to grow into markets and contribute to the growth of the economy.



Liako Moahloli

Senior Manager: Agribusiness Promotion and Industry Relations

OBJECTIVES

- To develop a national agribusiness policy framework for an inclusive, equitable and prosperous agricultural sector
- To establish a legislative framework for managing relationships/partnerships within the sector
- To provide coordinated support packages in:
 - The development of niche enterprises
 - Project establishment/maintenance support
 - Incentive schemes towards reducing transaction costs and risk management
 - Skills development and capacity building/mentorship support
- To coordinate the development and implementation of relevant programmes
- To monitor and evaluate progress towards set targets

International Trade

ACHIEVEMENTS

The renegotiations of the South African Customs Union (SACU) Agreement were finalised and the Minister of Trade initiated the Agreement in October 2001.

Several meetings of the SADC Trade Negotiating Forum took place with the aim of resolving the few outstanding issues still delaying the full implementation of the SADC Protocol on Trade. Although progress was made on several issues, disagreement still exists among member states on appropriate rules of origin for several products,



Gerda van Dijk

Senior Manager:
International Trade



Signing of the Wine and Spirits Agreement between South Africa and the European Community

including coffee, tea and spices, as well as on wheat and wheaten products.

A fact-finding mission to Mercosur was organised. The information collected during this visit served as a basis for developing an agricultural negotiating position for a possible free trade agreement with Mercosur.

Several country profiles were developed. These were used as inputs for supporting documents for trade missions and binational or Joint Ministerial Commissions.

During 2001 WTO agricultural negotiations commenced and the Directorate participated in the four Special Negotiation Sessions (SNS) of the Committee on Agriculture.

South Africa's interests were served by participating in the submission of four joint Cairns Group proposals on export subsidies, domestic support, market access and export restrictions and taxes, and comments and proposals of other WTO members. Furthermore, the action contributed to the development of the Africa Group position on agricultural negotiations.

Various studies, often with industry participation, have been completed to identify South Africa's interest and objectives in the WTO agricultural negotiations. Special coordination meetings were held with SADC representatives in Geneva to increase information sharing and understanding of individual positions.

The Directorate took part in the wine and spirits negotiations with the EU. Negotiations for the conclusion of the agreement were finalised at the end of 2001 and the agreement was signed on 28 January 2002.

South Africa was also represented at the New World Wine Producers' Forum and participated at a meeting of the forum in Adelaide, Australia in April.

Two sessions of the International Grains Council (IGC) were held during the year. The Directorate prepared the directives for the SA delegation to the meetings.

Information sessions on the provision of the WTO agreement on domestic support were held individually in the nine Provincial Departments of Agriculture.

China and Taiwan became members of the World Trade Organisation in late 2001. The impact of China's membership on the South African agricultural sector is still being assessed.

An information document on the Africa Growth and Opportunities Act (AGOA) was developed, highlighting the importance of this Act for South African agriculture. This document was widely distributed among stakeholders.

During a high-level meeting of the Agricultural Trade Forum, presentations on the latest developments regarding South Africa's international trade relations were made to senior members of the agricultural sector, including company executives, top manage-

ment of the NDA and the Minister. Through this meeting, the Directorate achieved its aim to sensitise agricultural stakeholders about the importance of the global economic environment for the South African economy in general and the agricultural sector in particular. Valuable and positive feedback was received from several participants.

Access to the database of the international Trade Centre was secured through intensive interaction with the Department of Trade and Industry. This is utilised for strategic market research.

Three Universities have already included Strategic Market Research into their training to economics students by using TradeMap. Training was provided to 17 people in the private sector, mainly members of the Agricultural Trade Forum (ATF), on Strategic Market Research.

The Food and Hotel Asia exhibition in Singapore was attended together with Trade and Investment South Africa (TISA) and South African exhibitors. The fruit industry launched the 'Fruit South Africa' campaign in Asia. Strategies for Asia have been shared with the fruit industry together with our representative in China.

Export-led poverty reduction pilot projects were initiated in the Eastern Cape. Investigations and the necessary networking with stakeholders have been done.

Marketing

ACHIEVEMENTS

General notices were approved and published in the *Government Gazette*. These notices inform potential importers and exporters of various trade agreements and of the administrative procedures required in applying for and allocating quotas. The timely publication of such notices ensures the effective implementation of trade agreements.

After consultation with the industry and the National Agricultural Marketing Council (NAMC), approval was obtained for the global quantities of honey and cotton to be imported duty-free.

A total of approximately 1 300 import and export permits were issued timely in order to utilise the various quotas and rebate facilities in terms of trade agreements.

A system for monitoring the utilisation of issued permits was implemented. The system will be computerised and improved during 2002.



Secretarial services were rendered during seven Agricultural Trade Forum meetings. These services involved minuting the procedures, distributing documentation and logistical arrangements.

An agricultural marketing extension training project was implemented during the year with technical assistance from the Food and Agriculture Organisation (FAO). About 2 000 provincial extension officers and small-scale farmers were trained to enhance their marketing skills.

Economic Research and Analysis

AIM

The aim of the Agricultural Research and Economic Analysis Programme is to support the establishment and management of national agricultural databases and provide for the collection and analysis of agricultural statistics. The programme thus monitors and evaluates the economic state and performance of the sector, producing quarterly forecasts and reports on sector trends.

PROGRAMME POLICY DEVELOPMENT

The programme Economic Research and Analysis comprises the following components:

- Economic Analysis
- Agricultural Statistics

Economic Analysis analyses and provides advice on the economic performance of the agricultural sector, the impact of policies and the external environment on agriculture, the availability of agricultural resources/intermediate inputs and their productive and effective utilisation, the competitiveness of agricultural commodities, and the efficiency and diversity of farm businesses.

Agricultural Statistics generates, collates, verifies, maintains and makes available statistics on the agricultural sector. These activities entail monitoring the economic performance of agriculture, monitoring and projecting production trends in agriculture, food security and food utilisation, and developing and maintaining a database on all farmers.

Economic Analysis



Ben van Wyk
Senior Manager:
Economic Analysis

ACHIEVEMENTS

The main highlight of the year was the finalisation of a new proposed strategy and structure for the Directorate that includes a substantive increase in the allocation of resources (human and financial) to perform its core business. In an effort to lay a sound foundation for extended service delivery, a start was made with an inventory of websites and databases needed for our intended economic sectoral analysis programme. This effort was complemented by an inventory of available outside capacities of service providers that can deliver on quantitative macroeconomic analysis models.

Achievements were noted in respect of the following aspects:

SA/EU Wine and Spirits Agreements

Participation as convener of the SA negotiation team to conclude the SA/EU wine and spirits agreements continued and these agreements were signed and provisionally implemented in January 2002.

Broader agricultural participation in the Supply-Side Incentive Scheme

Proposals were submitted to the Department of Trade and Industry to broaden the participation



Jerry Tube
Assistant Director-General:
Economic Research and Analysis

of the agricultural sector in the government Supply-Side Incentive Scheme.

Rise in food prices

In reaction to concerns about the sharp rise in food prices, steps were taken to more closely monitor changes in food commodity prices and evaluate causes of these changes. The Directorate also participated in a Government initiative to commission an urgent study on this matter.



Development of and access to economic analysis databases and tools

The Directorate participated in the commencement of a cooperative project (PROVIDE) of the provincial and national departments of agriculture, to develop an integrated set of regional macroeconomic analysis tools for the agricultural sector. Additional seed funding was provided to ensure the start of Phase I of the project.

The Directorate negotiated access to an existing social accounting matrix model for South Africa that will be used for internal capacity building in anticipation of the completion of the PROVIDE project in three years' time.

Progress with the Directorate's own investigations

An advanced stage of analysis was reached in the national study on the impact of the importation of live sheep on the local red-meat markets.

In cooperation with the Directorate: Information Management Systems, the Directorate monitored, SITA's execution of the Phase II development of the computerised economic/financial record system as an information creation engine (FINREC).

A desk study was undertaken to assess the present state of affairs and compile an inventory of exerting enterprise income-cost budgets (COMBUD) on a national basis. The information is needed to revive this important economic analysis and economic farm-planning tool for purposes of public decision making.

The publication of industry brochures continued as a permanent feature with the completion of the brochure on cotton. The compilation of brochures on potatoes and citrus was also started at the end of the year under review.

Comments on policies, legislation and other technical reports

The Directorate commented on draft or final documents/reports relating to the paradox of HIV/Aids; soil salinity; the taxation of alcoholic beverages; proposals on the introduction of minimum wages for farmworkers; the strategy to implement a State land disposal policy; the proposed rental (tariff) charged for grazing on State-owned land; an evaluation of the strategic plan (Vision 2020) of the wine industry from a public interest perspective; and proposals on agricultural support packages for emerging farmers. The Directorate also participated in internal departmental technical activities relating to the draft risk management and food security bills.

The Directorate participated in a working group that made proposals on the implementation of a diesel rebate for offroad consumption in agriculture. It also contributed to an interdepartmental group investigating possible exemptions from normal tax levies on environment-friendly liquid fuels. Discussions for an agricultural group pertaining specifically to biodiesel were also facilitated.

Agricultural Statistics

Economic activities

Data are collected and processed to calculate the major macro-economic aggregates used for monitoring the economic performance of the agricultural sector on a quarterly basis. These activities include the provision of figures reflecting the gross value of agricultural production, income generated by the farming sector, expenditure by this sector on production inputs and services, and remuneration of production factors. The figures also reflect investment in new machinery, equipment and fixed improvements and the value of farm assets. This information is submitted to Statistics SA and the Reserve Bank for incorporation into the quarterly national economic accounts.



Rodney Dredge
Senior Manager:
Agricultural Statistics

Economic position of agriculture

The average prices received by farmers for their products increased by 14,2 % compared to an increase of 5,7 % during the previous year. As a result, the gross income from all agricultural products amounted to R52 754 million for the year ending on 31 March 2002, which was 15,0 % higher than for the previous year. This increase can be attributed to an increase of 17,9 % in the gross income from field crops, 15,0 % from animal products and 11,3 % from horticultural products.

However, the prices paid for farming inputs, including machinery and implements, material for fixed improvements as well as intermediate goods, increased by 12,7 % compared to an increase of 14,2 % the previous year. Intermediate expenditure - i.e. the value of the goods and services that were purchased to be consumed as inputs during the process of production - increased by 13,7 % to R29 139 million. Therefore the increase of 15,0 % in gross farm income compared to an increase of 13,7 % in intermediate expenditure resulted in the net farm income increasing by 46,6 % to R10 069 million.

Market Information

Data are collected and processed to calculate macroeconomic indicators, which are used to determine agricultural trends. These data include the volume index of production, farming requisites price index, consumer price index, land price index, interest rate index, farm debt, the volume and value of agricultural imports and exports, the food basket of farm products, i.e. the producers' share in the consumer's rand, and the volume, value and prices of fresh produce sold on the major markets.

Food security statistics

Data are collected and processed to make regular crop forecasts and livestock estimates, to calculate the consumption expenditure on food and to determine the availability and consumption of foodstuffs. Monthly crop forecasts are available on the websites of the Department and of the South African Grain Information Services.

Monthly forecasts on the production of summer field crops (maize, sorghum, groundnuts, sunflower seed, soya beans and dry beans) and winter cereals (wheat, barley, oats, canola and sweet lupins) were released on a provincial basis. It is estimated that 2,708 million ha were planted to maize compared to the 3,230 million ha for the previous production season.



The expected commercial maize crop was 7,225 million tons, which is 28,8 % less than the 10,141 million tons of the previous year.

In order to improve the accuracy of the monthly crop forecasts, a consortium under the leadership of the ARC was appointed to develop an improved forecasting system. This system is to a large extent based on a statistical point frame approach and is similar to systems used in other free market economies. The use of Geographical Information Systems (GIS), Remote Sensing Technology and Global Positioning Systems (GPS) will feature prominently in the system design and implementation.

Estimates of livestock numbers were released quarterly. At the end of August 2001 there were approximately 13,5 million cattle, 28,8 million sheep, 6,8 million goats and 1,6 million pigs in South Africa. The food consumption expenditure increased by 10,5 % and amounted to R123 341 million for the 12-month period ending on 31 December 2001. Increases occurred mainly in the expenditure on bread and grain products (14,7 %), oils and fats (8,4 %), potatoes (7,4 %) and fruit and vegetables (4,1 %).

The food balance sheet is drawn up annually and as commodity information becomes available during the production season, the figures are updated. The food balance sheet provides an indication of the country's total consumption, as well as of the per capita consumption of the most important foodstuffs.

A monthly food balance sheet is also drawn up for cereal products. This cereal balance sheet is made available to the Regional Early Warning Unit of the SADC for inclusion in the SADC regional food balance sheet.

Agricultural census 2002

Work continued during the year on the preparatory phases to conduct a census of commercial agriculture. Statistics SA will conduct the census during 2002 and the results will be made available early in 2004.

2000 Farm Survey

The results of the farm survey conducted by Statistics SA in 2000 will be made available during 2002. This survey, which covered 15 000 farm households, will for the first time include data on all types of farmers in all regions, especially data on the emerging sector.

Publications

- Abstract of Agricultural Statistics (annual publication)
- Economic Review of SA Agriculture (biannual publication)
- Trends in the Agricultural Sector (annual publication)
- Crops and Markets (quarterly publication)
- Statistics on Fresh Produce Markets (annual publication)



Sustainable Resources Management and Use

AIM

The aim of the Sustainable Resources Management and Use Programme is to focus on enhancing farmers' capacity and willingness to use resources in a sustainable manner and to ensure the prudent use and management of natural resources. It also develops policies, norms and standards on the management and use of land and water resources in agriculture.

PROGRAMME POLICY DEVELOPMENT

During the year under review the programme comprised the following sub-programmes:

- Water Use and Irrigation Development
- Land Use and Soil Management

Water Use and Irrigation Development provides access to water resources by providing borehole and irrigation infrastructure to those previously excluded from commercial farming.

Land Use and Soil Management develops and implements policy, legislation and projects supporting sustainable agriculture, and provides for the community-based LandCare programme.



Soil conservation works



Water Use and Irrigation Development

Water Use and Irrigation Development manages agricultural water conservation and utilisation, with particular attention to production and agricultural process factors and natural disasters such as droughts and floods.



Piet Maritz

Senior Manager: Water Use and Irrigation Development

OBJECTIVES

- To promote and regulate agricultural water conservation and utilisation
- To establish and maintain water conservation infrastructure
- To promote effective irrigation policy and systems
- To develop norms and standards for measures to ensure that stormwater runoff on agricultural land does not cause erosion

Drilling Services provides a service throughout the country. Permission has been obtained to continue with the drilling of boreholes in the following nodes: Sekhukhune Cross Border District, North West Province, Ukwahlamba and Kalahari Kgalagadi.

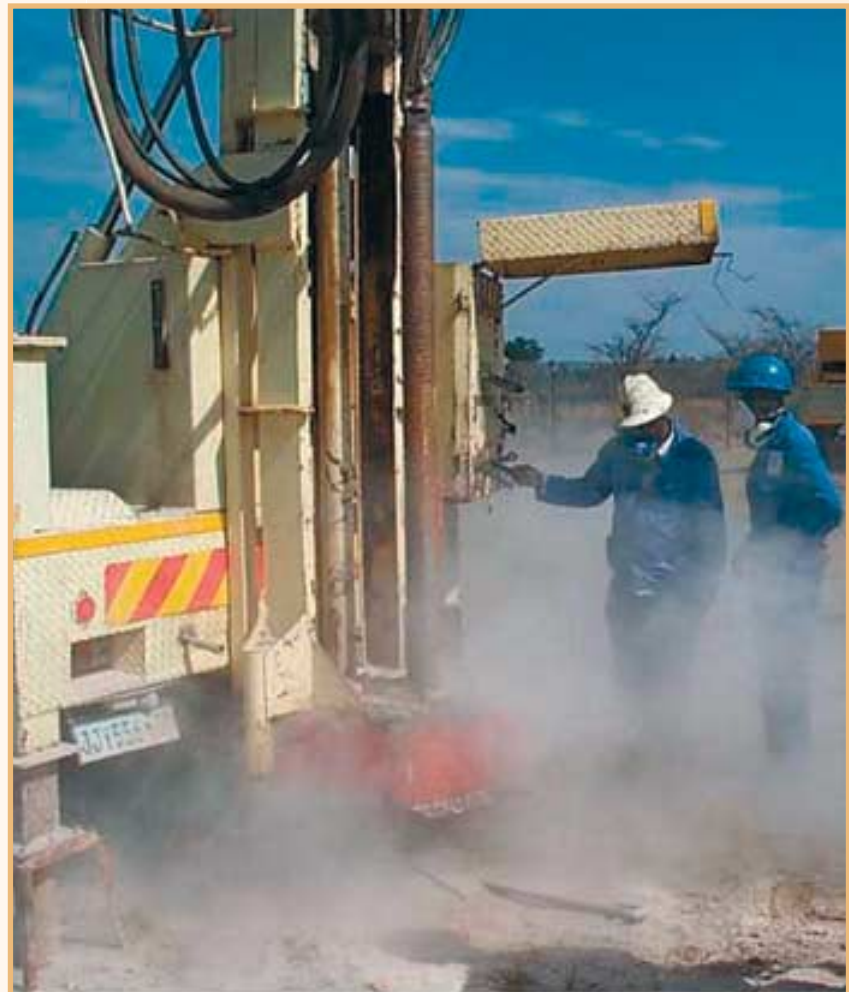
The drilling project at Odi and Moretele, which has been undertaken in collaboration with the Department of Land Affairs, is nearing the final stage of completion. Fifty-five boreholes were drilled and equipped and 47 farmers from the community could be resettled on former State-owned land.

Altogether 16 Scorpion drilling machines are operational in these areas. The drilling of 220 boreholes with a total depth of 29 220 m was undertaken. The success rate of almost 85% is an indication of highly professional service excellence.

Key Soil Conservation Works is responsible for planning, designing and constructing safe, appropriate and cost-effective structures to prevent, stabilise and rehabilitate eroded areas.

The five projects currently under construction are:

- The flood repair works at Senekal: The work will be completed during August 2002.
- Construction work at Segeni: This project will be finished during the next year



- The Elukwatini runoff control and rehabilitation project near Badplaas, Mpumalanga: A highly-eroded area with deep gullies is being protected by means of structures to safely drain the area and combat further erosion.
- The Rysmierbult runoff control project near Ventersdorp and Potchefstroom, North West Province: The project has been completed and the construction of the next project at Sekgopo, near Polokwane, Limpopo Province, has commenced.
- The Nelspoort gully stabilisation project near Beaufort West, Western Cape: The project is nearly completed and the construction team will be relocated to the Engcobo project, Eastern Cape.

The database on the extent of *Cynodon dactylon* infestation in North West Province was completed and is available on the AGIS website.

Technical information was compiled in a technical guide framework. The proposed document will be available on the AGIS website during the first quarter of the new financial year.

A restructuring exercise took place and the intention is to discontinue soil conservation engineering and to retain water conservation.

The draft policy on the coordinated implementation strategies in support of small-scale farmers was completed in October 2001. It has been titled "Mainstreaming the Marginalised through Agricultural Water Use". The next operation will be to table it at various inter and intragovernmental forums, prior to presenting it to Cabinet.

The Limpopo Provincial Department of Agriculture has embarked on a programme to revitalise irrigation schemes in the Province. This WaterCare Programme is funded by the national Department of Agriculture as part of the National LandCare Programme.



Bonga Msomi

Senior Manager: Land Use and
Soil Management

Land Use and Soil Management

ACHIEVEMENTS

Geographical Information Systems (GIS)

The Agricultural Geo-referenced Information System (AGIS) gained momentum through the development of a new interface as well as additional content. This system makes South Africa's agricultural information accessible *via* the Internet.

A national database on agricultural projects was also developed within the AGIS framework. This database provides information on South Africa, such as the location of a project, a description, objectives and progress of the project and the amount of money invested as well as organisations involved in the project.

LANDCARE

During the year under review, the LandCare Division established a help desk and website to improve communication with LandCare stakeholders and practitioners. The LandCare Division manages the following key strategies for promoting sustainable land management:





LandCare projects

Serious concerns about land, vegetation and water degradation, which impact on sustainable resource use, have been identified in each province and specific projects were designed to tackle these issues in an integrated manner. Projects have been implemented throughout South Africa according to themes outlined below, as a result of the R25 million allocation for the year under review.

WaterCare theme

Irrigation schemes in Limpopo enable 5 500 small-scale farmers, with 40 000 dependants, to cultivate 48 000 ha of land. Several of these irrigation schemes have been inactive for many years, resulting in poor land-use efficiency and low outputs. An enabling environment has been created, through which beneficiaries can, by means of a systematic take-over programme, assume full responsibility for the irrigation schemes in a sustainable manner. In view of this policy framework, 11 irrigation schemes were selected in four regions of the province to undergo a programme of holistic and integrated rehabilitation and restructuring.

Through this programme, canals were repaired and provide a regular supply of water for irrigation. Many communities and people were trained, and irrigated land is increasingly utilised for food production by small-scale farmers. In addition, existing soil conservation structures, irrigation dams and scheme roads had been upgraded. Elements of two projects with funds to the value of R4,6 million during this year contributed to this strategy's objectives.

VeldCare theme

Fourteen integrated projects with funding valued at approximately R4,6 million contributed to outputs which include the clearing of alien invasive plants and control of bush encroachment. Altogether 545 communal farmers benefited from temporary employment and training provided by these projects.

SoilCare theme

Seven projects with funds to the value of approximately R7 million (Eastern Cape and KwaZulu-Natal) contributed to this strategy's objectives. Basically the outputs are concerned with soil conservation and the rehabilitation of



LandCare exhibition

degraded areas, in particular parts of former homelands and poverty areas. It will take a while before outputs can be realised and quantified, but many temporary jobs have been created.

JuniorCare theme

Three projects with funds to the value of approximately R1 million contributed to this strategy's objectives. Young people have been trained and supported with sustainable agribusiness ventures that have stimulated LandCare awareness, thus benefiting the community.

Small community grants

This component has catalysed action and on-going commitment to natural resource management in communal areas. Altogether 40 projects with funding valued at approximately R4 million have contributed to this strategy's objectives. Altogether 26 permaculture food gardens were also established in outlying communities of Umtata in partnership with the Eastern Cape Provincial Department of Education.



Policy and legislation

This strategy stimulates the formulation of policy and legislation to support incentive schemes for natural resource management. The Land-Care philosophy and principles have been integrated into the draft Sustainable Use of Agricultural Resources Bill (SUAR). This is a policy shift from the Conservation of Agri-

cultural Resources Act (CARA), to promote and ensure sustainable land management among land-users on communal and privately owned land. The existing CARA Act does not adequately promote sustainable land management in communal areas.

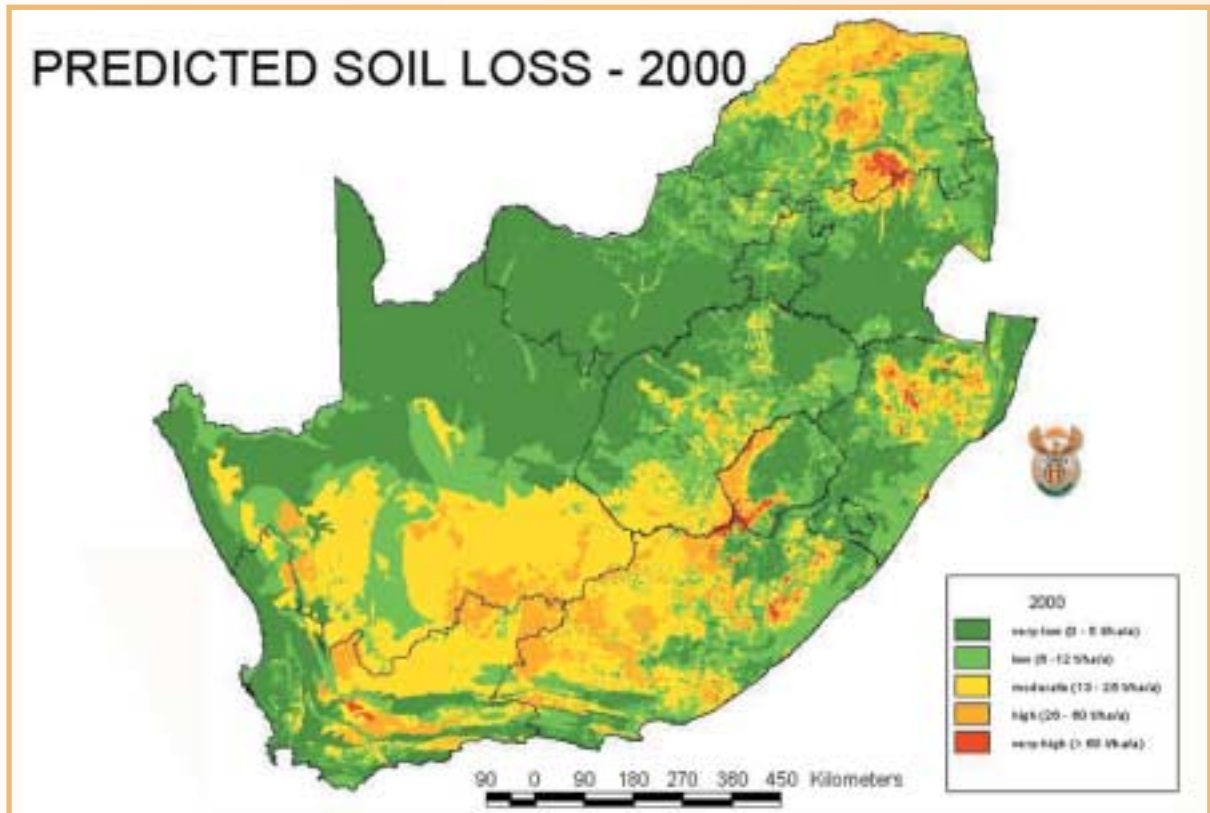
Marketing and awareness

The LandCare Marketing and Awareness strategy includes communication and education interventions designed to empower rural communities and young people, as well as creating a common understanding of LandCare and a broad-based LandCare movement among the general public. These strategies have been gathering momentum during the year under review.

Capacity building

The purpose of this strategy is to empower resource-poor communities to develop LandCare groups and activities through awareness, training and education programmes. Essentially this strategy is a building block for project development and community awareness. Aus/AID have funded a three-year capacity building programme, known as Institutional Strengthening Department of Agriculture Project (ISDA). This programme is moving into its second year of operation.





Research and evaluation

The purpose of research and evaluation was to establish and implement a national monitoring system to evaluate progress, assess contemporary issues and to provide a basis for planning and research. As a result, the quality of proposals and business plans has improved. Independent consultants conducted an impact assessment and evaluation of LandCare projects. A final report on the monitoring and evaluation study has been completed.

Auditing

This Division is responsible for Erosion Prediction for South Africa. Soil loss may lead to a decline in productivity of land and loss of vegetation and resources to support human livelihoods and commercial activities. Soil loss may also lead to reduced biodiversity and loss of ecosystem services such as water and air-quality regulation. The most important ecosystem functions affected by erosion are plant nutrient supply, nutrient cycling and sequestration, and waste material decomposition. Reduction in nutrient supply directly reduces primary productivity and therefore the vegetation cover, which in turn affects habitats, weather conditions and erosion control. A reduced ability to produce, invest profit and increase productivity contributes to increasing poverty and can lead to desertification, drought, floods and famine.

Monitoring agricultural resources

The Mpumalanga and Gauteng resource monitoring projects were completed. The monitoring projects were expanded to two ISRDP nodes. These projects will supply information on the status of the soil and vegetation and will provide valuable land-use planning information.

Inspection services

This division is responsible for the administration of the Conservation of Agricultural Resources Act (Act No. 43 of 1983). The highlight for the year has been the promulgation of the amended Regulations 15 and 16 of the Act.

Regulation 16 deals with indicators of bush encroachment while Regulation 15 deals with weeds and invader plants commonly referred to as WIP. The undesirable plants (198 species) are listed under three categories. Category 1 plants are prohibited and must be controlled, Category 2 plants have commercial value and are allowed in demarcated areas but need to be controlled outside these areas, while Category 3 plants are regarded to have ornamental value but have proved to disperse into natural areas and pose a threat to the production potential of natural resources.

The Department was the co-sponsor to a field guide titled Alien Weeds and Invasive Plants published by the Plant Protection Research Institute (ARC) which depicts all 198 problem species and other plants showing invasive characteristics. Apart from weeds and invader plants, the utilisation of grazing, cultivated land and wetlands are also regulated to promote sustainable utilisation. A total of 112 applications were approved. These include applications to burn veld and to cultivate new land. Altogether 99 new cases were opened where land-use practices needed to be rectified, while in excess of 3 500 inspections were carried out.

By nature, non-agricultural activities have an impact on natural resources of interest to our Department. In order to address these issues, officers of the Inspection Services liaised with other departments that administer legislation impacting on the agricultural environment. Altogether 431 joint inspections were carried out, 240 meetings attended and 480 comments were submitted.

Helicopter

A new helicopter was commissioned during the year under review. It is used to assist the Inspection Services in aerial surveys to plot all the problem areas for subsequent follow-up. It is also used for the spraying of blackflies throughout the year and locusts when there is an outbreak.

CONTROL OF MIGRATORY PESTS

Blackflies

Only 10 applications were undertaken along the Orange River during this financial year, as the river flow was high throughout the year. Despite the status of the river, which made it impossible for control actions to be performed during these times, the Division still managed to control the outbreak of blackflies. The number of applications indicates a significant improvement compared to the previous financial year.

Redbilled quelea control, 1 April 2001 to 31 March 2002

Totals	Annual	Chemical	Explosion
Control operations	145	96	48
Total hectares	544,50	474,90	65,60
Average hectares	3,8	4,3	1,4
Total no. killed (x 1 000)	52 818	35 039	17 779
Average no. killed (x 1 000)	364	365	370
Average success (%)	89	86	95

Locust control

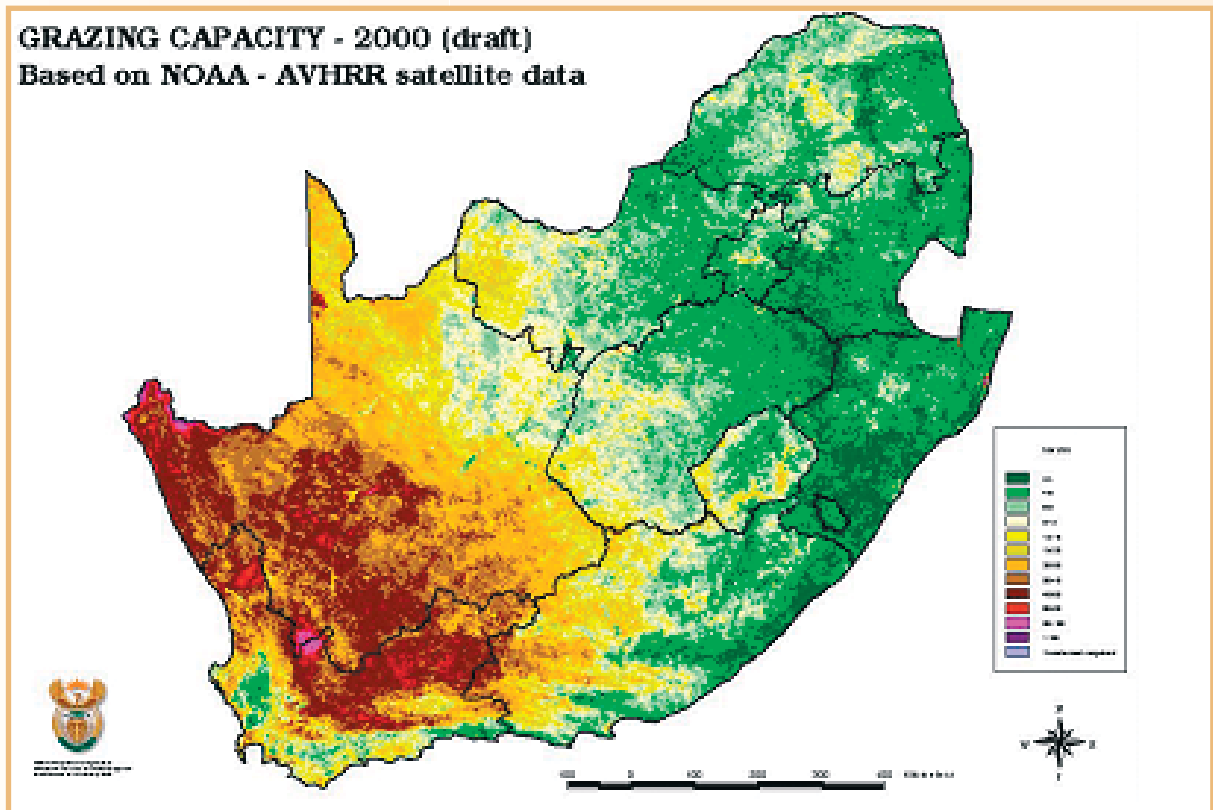
During the year under review locust outbreaks occurred only in the Calvinia West and Ceres locust districts. A total of 2 375 hopper bands and 156 adult swarms were controlled.

Subdivision of agricultural land

The purpose of the Subdivision of Agricultural Land Act (Act No. 70 of 1970) is to control the subdivision and accompanying rezoning of agricul-



tural land, retain prime agricultural land for agricultural uses, and prevent agricultural land from being indiscriminately divided into smaller units. A total of 1 018 new applications were referred for comment, 416 rezoning enquiries dealt with, 1 739 consents issued, and 3 208 telephonic enquiries handled.



National Regulatory Services

AIM

The National Regulatory Services Programme focuses on providing an integrated national regulatory system to support agricultural production. It focuses on managing risks associated with animal and plant diseases and the use of genetically modified organisms. In addition it will put measures in place to boost consumer confidence with regard to food of animal and plant origin.

PROGRAMME POLICY AND DEVELOPMENT

During the year under review the National Regulatory Services Programme comprised the following components:

- Agricultural Production Inputs
- Genetic Resources Management
- Plant Health and Quality
- Veterinary Services

Agricultural Production Inputs administers and implements the Fertilizers, Farm Feeds, Agricultural Remedies and Stock Remedies Act, 1947 (Act No. 36 of 1947) which is currently under review. The functions of the Directorate are to ensure that before any product is released on the market, safety, efficacy and toxicity are determined through:

- Registering all fertiliser components, animal feeds (including pet foods), agricultural remedies and stock remedies before these can be offered for sale to consumers and end-users
- Registering and auditing sterilising plants that produce raw materials, such as carcass and bonemeal used in the manufacturing of some animal feeds and fertilisers
- Registering and auditing pest control operators who apply agricultural remedies for gain or in the course of business
- Evaluating records and tests completed to support registration of products
- Auditing all facilities manufacturing products registered under the Act
- Managing the administration of some 19 000 registered products.

Genetic Resources promotes the conservation, availability and sustainable utilisation of plant and animal propagation material of a high genetic, physical and physiological quality. The Directorate is responsible for the development, standardisation, publication and regulation of norms and for conservation and sustainable use of genetic material for food and agriculture. In pursuing these aims, the Directorate administers the following Acts on behalf of the Minister for Agriculture and Land Affairs:

- The Animal Improvement Act, 1998 (Act No. 62 of 1998)
- The Livestock Improvement Act, 1962 (Act No. 87 of 1962)
- The Plant Improvement Act, 1976 (Act No. 53 of 1976)
- The Plant Breeders' Rights Act, 1976 (Act No. 15 of 1976)
- The Genetically Modified Organisms Act, 1997 (Act No. 15 of 1997)



Emily Mogajane

Assistant Director-General:
National Regulatory Services

Plant Health and Quality promotes and regulates the availability of healthy and productive plant material as well as the quality of agricultural products. This directorate certifies all products of plant origin to ensure that they do not pose a risk to other countries. It also ensures that proper control measures are put in place to avoid further spread of plant diseases. It administers and implements the following acts:

- Agricultural Pests Act, 1983 (Act No. 36 of 1983)
- Liquor Products Act, 1989 (Act No. 60 of 1989)
- Agricultural Product Standards Act, (Act No. 119 of 1990)

Veterinary Services manages risks associated with animals and animal products, and assists in the negotiation of protocols for the import and export of animals and animal products. It administers two acts on behalf of the Minister of Agriculture:

- Animal Diseases Act, Act No. 35 of 1984 which will be replaced by the Animal Health Act
- Meat Safety Act, Act No. 40 of 2000

The new features in the Animal Health Bill are:

- Provisioning for veterinary services performed by provinces as proposed in the South African Constitution
- Introduction of search warrants
- Appointment of assignees

ACHIEVEMENTS

- Discussions were held with members of a visiting delegation from Cuba regarding a bilateral agreement on mutual cooperation in the field of plant and animal health. A revised text was forwarded to the Cuban Embassy for further attention.
- The electronic issuing of permits (ISODA) was scheduled by the Directorate Plant Health and Quality for 1 January 2002, but came into effect in December 2001. This made it a first for the Department of Agriculture and is a special achievement. Importers' data are captured in a database and typing errors are now limited to a minimum.
- A national karnal bunt (KB) survey was undertaken and the Directorate played a leading role in the procedures. Currently the occurrence of KB has been found to be restricted to the area (2 locations) where the disease was found to occur during the previous (2000/2001) survey. Infected grain is utilised in accordance with relevant International Standards for Phytosanitary Measures (ISPMs) and KB quarantine status is being maintained.
- A survey on the larger grainborer in traditional storage systems used by emerging farmers was completed in the areas of Mpumalanga, North West and Limpopo Provinces. Awareness campaigns regarding larger grainborer were also undertaken.
- A successful FMD surveillance programme was conducted during December 2001 to February 2002. This survey indicated that South Africa is now free of FMD. Altogether 10 826 animals have been sampled during the survey, all of them testing negative for FMD virus types SAT1, SAT2 and Type O. The application for freedom status will be submitted in May 2002.
- The Project Coordination Committee for the improvement of ports of entry was established. The purpose is to strengthen control at all ports of entry. Public awareness actions progressed satisfactorily with additional posters put up at Johannesburg International Airport (JIA), as well as "dumping bins", and information leaflets drafted for international travellers applying for visas at South African foreign missions. Good progress was made regarding a cross-cutting training manual for Departmental personnel at ports of entry. Productive contact was made with the Airport Company of South Africa (ACSA) at JIA regarding accommodation and other needs, and with the South African Police Service (SAPS) who are keen to assist the Department regarding the training of dogs and handlers as part of their multidisciplinary, "Integrated Crime Prevention" strategy.

Agricultural Production Inputs

OBJECTIVES

- To enhance the economic performance of the sector by streamlining the registration process and procedures for agricultural remedies, stock remedies, animal feeds and fertilisers as well as risk assessments and policies
- To ensure consumer confidence in agricultural products and services by ensuring the safe use of all remedies, pesticides and other products in the agricultural sector.



Etienne Wolmarans

Senior Manager: Agricultural
Production Inputs

ACHIEVEMENTS

- A comprehensive website was established which covers all activities of the Directorate, including lists of products, guidelines for registration applications, application forms and information on regulatory matters. Details of registered stock remedies were also placed on the website.
- A database for all the sections (agricultural remedies, stock remedies, fertilisers, farm feeds, pest control operators and sterilising plants) is in the final testing phase.
- The Southern and Eastern African Regulatory Committee on Harmonisation (SEARCH) proposed the harmonisation of application forms for agricultural remedies. This was implemented and the new harmonised form is already in use.
- The inspectorate carried out approximately 2 684 inspections during the course of the year. A number of violations of the Act were addressed. In particular over 25 000 tons of unregistered dog food were confiscated. The manufacturer was prosecuted successfully and received a heavy fine and a suspended sentence.
- In addition two fertiliser companies were prosecuted for selling substandard fertiliser. Each was prosecuted successfully and fined heavily.
- A new Guide for the Control of Plant Pests (2002) was published. This guide contains detailed information of all available insecticides (more than 550) in South Africa. The guide is also used as a prescribed textbook at universities and technikons.
- The new Bill to replace the Fertilizers, Farm Feeds, Agricultural Remedies and Stock Remedies Act, 1947 (Act No. 36 of 1947) was drafted. This was achieved with the cooperation of all stakeholders. The Directorate is in the process of drafting regulations. The fertiliser and animal feed regulations are already in an advanced stage.
- The illegal decanting and sale of the highly toxic agricultural pesticide aldicarb caused great concern. The registration holders were requested to institute a major educational campaign to discourage this practice.

In addition, the Inspectorate cooperated with the South African Police Service in a crackdown on offenders. More than 100 hawkers of illegal products were arrested and charged.

The table (next page) indicates the processing of registration applications for the year under review.



	New applications	Amendments	Advertisements	Total registrations
Agricultural remedies	323	455	220	3 720
Stock remedies	155	36	145	2 855
Fertilisers	224	230	25	2 848
Farm feeds (including pet foods)	675	120	60	5 515
Pest control operators	443	–	–	2 300
Sterilising plants	–	–	–	65

OCCUPATIONAL HEALTH AND SAFETY PROGRAMME

The Directorate currently also caters for an Occupational and Safety Programme which includes HIV/AIDS and health promotion. It also has the overarching responsibility for the wellbeing of the employees of the Department of Agriculture.

Objectives

- To provide leadership, support and technical services to the employer and the employee in all areas relating to health and safety in the workplace
- To develop standards, procedures, reporting systems and policies necessary to promote sound operational health and safety practices and to monitor compliance with legislation
- To evaluate, treat and limit temporary or permanent disability resulting from injury or illness occurring in the workplace
- To provide an early-warning system to detect significant and potential hazards as early as possible (database of notifiable diseases)
- To render advice concerning the placement of workers
- To assist employees in handling personal health problems and promote a healthy lifestyle
- To inspect and audit workplaces timeously and proactively to prevent, eliminate and/or reduce incidences or accidents
- To implement a cost-effective, action-orientated Quality Assurance System in the Department
- To coordinate the HIV/AIDS workplace programme.

Achievements

Occupational Health and Safety Programme

Drafted policy on Occupational Health and Safety, including:

- Occupational hygiene programme
- Occupational medicine programme
- Educational training and mentorship programme (Health and Safety Representative)
- Standard operating procedures in relation to Job Safety Analysis
- Management of the ill-health retirement process, sick leave, injuries and accidents
- Conducting and facilitation of seminars pertaining to wellness and health promotion.

HIV/AIDS Programme

- The HIV/AIDS workplace policy was approved.
- Info Paks were compiled and translated in all official languages and distributed in the provinces.
- Condocans were placed in all the buildings of the Department.
- One internal peer educator was trained to every 100 staff members.
- The corporate communications always included a message on HIV/AIDS.
- A candle of hope may be lit at every management meeting.
- An Employee Assistance Programme (incorporating peer educators and counsellors) was established to care for the employees of the Department.
- An intensive outreach programme was embarked upon to conscientise personnel in regional offices.
- The link and integrated strategies for food security and HIV/AIDS were strengthened.
- Mainstreaming HIV/AIDS awareness campaigns as part of departmental campaigns.



Shadrack Moephuli

Senior Manager: Genetic Resources Management

Genetic Resources Management

Plant Genetic Resources

SEED QUALITY CONTROL

Seed Quality Control aims to ensure the physical and physiological quality of seed with two major functions, namely to develop policy and guidelines for the quality of seed, as well as to control, investigate and maintain seed quality. Ten programmes were implemented during the year under review and a total number of 2 981 samples were received and tested in pursuance of this aim.

Achievements

- Testing of official samples to ensure compliance with prescribed standards in national legislation. A total of 648 samples were tested.
- Issuing of International Seed Lot and Sample Certificates as an accredited member of the International Seed Testing Association (ISTA) for export purposes. A total of 1 010 international certificates were issued.
- A total number of 144 national test reports stating the quality of seed received from the private sector for testing were issued. This represents 5 % of the samples received for testing.
- Seed samples were tested for the National Gene Bank for variety purposes. Altogether 297 samples for the germination test were received.
- A total of 68 seed investigations were undertaken for testing for various purposes. Altogether 22 (32 %) of these requests were submitted to resolve disputes between farmers and seed companies.



- South Africa was represented at the triannual ISTA Congress that took place in Angers, France. Two officials participated in the activities of the purity and germination technical committees of ISTA and contributed to the rule changes that were approved at the congress.
 - A programme was implemented and coordinated to encourage standardisation of seed testing nationally and within the SADC region. This was done through:
 - The annual demonstration course in seed testing methods and techniques presented during the year under review and was attended by 10 participants.
 - The annual practical examinations in seed analysis methods and techniques that took place in August 2001 and all three analysts obtained certificates.
 - Eighteen participants attended the triannual specialised workshop on the implementation of the tetrazolium technique.
- Two new private seed-testing laboratories have qualified for preliminary registration, bringing the total to 27.
- Four national referee tests were sent out during this period to investigate aspects of the purity analysis, germination and tetrazolium tests, as well as for seed identification.

Audits conducted

Trade control

Samples drawn:	9 280
Lots inspected:	10 353
Lots approved:	10 184
Lots rejected:	169

Seed exports

Seed exported under section 27 of the Plant Improvement Act:	3 931 119 kg
Seed exported not resorting under section 27 of the Plant Improvement Act:	318 334 599 kg

Control of imported seed

Inspections:	259
Samples drawn:	298
Results falling below requirements:	16
Approved samples:	256

Control of genetically modified organisms

Inspections:	22
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Audits at registered nurseries

Inspections conducted:	53
Lots inspected:	1 094
Lots approved:	1 039
Lots rejected:	55

NATIONAL GENE BANK

A total of 759 accessions of propagating material were collected from wild species and crop varieties cultivated by various farmers in South Africa. The common crops collected were maize (113), cowpeas (89), pumpkins (75) and the rest comprised other varieties of crops. For the year under review, the Gene Bank stored and

maintained 2 223 accessions of landraces and 1 300 accessions of commercial varieties. A total of 76 accessions were delivered to the SADC Plant Genetic Resources Centre.

Variety control

The genetic quality of plant propagating material was investigated to ensure that high-quality propagating material is available to the consumer. The division processed 584 applications where samples were planted and compared with 1 687 known varieties for evaluations. A total of 673 trade control samples were evaluated and found to be of acceptable standard. Similarly, 763 post control samples were evaluated, 679 of which were found to be of acceptable standard.

Genetic Control

Genetic modification and biosafety

ADMINISTRATION OF THE GENETICALLY MODIFIED ORGANISMS (GMO) ACT, 1997 (ACT NO. 15 OF 1997)

Agreed outcome (workplan)	Target for year	Progress to date
<ul style="list-style-type: none"> Administration of all GMO applications submitted to the Department 	<ul style="list-style-type: none"> Maintain a database of all permits issued 	<ul style="list-style-type: none"> Applications received: 211 Applications approved: 207 Applications rejected: 0 Applications pending: 3 Applications cancelled: 1
<ul style="list-style-type: none"> GMO permits issued 	<ul style="list-style-type: none"> Maintain a database of the different types of permits issued 	<ul style="list-style-type: none"> Imports: 78 Exports: 32 Contained use: 3 Field release/use as animal feed: 85 General release: 2 Commodity clearances: 8
<ul style="list-style-type: none"> Arrangement of scientific assessments of all applications 	<ul style="list-style-type: none"> Reviews within the set time-frames Satisfactory distribution of applications to reviewers by courier services 	<ul style="list-style-type: none"> Full reviews out: 3
<ul style="list-style-type: none"> Registration of all facilities involved in genetic modification Meetings of the Advisory Committee 	<ul style="list-style-type: none"> Maintain a database of all facilities registered/renewed Quarterly 	<ul style="list-style-type: none"> Facilities registered: 10 Meetings: <ul style="list-style-type: none"> – 28 June 2001 – 20 September 2001 – 22 November 2001 – 31 January 2002
<ul style="list-style-type: none"> Meetings of the Executive Council 	<ul style="list-style-type: none"> Quarterly 	<ul style="list-style-type: none"> Meetings: <ul style="list-style-type: none"> – 8 June 2001 – 4 September 2001 – 7 December 2001 – 8 February 2002
<ul style="list-style-type: none"> Projects/Activities 	<ul style="list-style-type: none"> Communication strategy for GMO Training for embryo collectors, artificial semen collectors, subcommittee and inspectors Collaboration with Department of Arts, Culture, Science and Technology to produce a National Biotechnology Strategy 	<ul style="list-style-type: none"> Strategy approved by Cabinet in August 2001 Strategy currently on hold. To be adapted to include the National Biotechnology Strategy. Submission requesting permission from Director-General to utilise USAID funds

Animal Genetic Resources

Achievements

Breed evaluations/impact studies

- Evaluation of the Belgian Blue, Murray Grey, Marchigiana and Beefalo beef cattle breeds and the Norwegian/Scandinavian red dairy cattle breeds continued during the year under review.
- Two emergent farmer participants in the Norwegian cattle evaluation exhibited Shorthorn-Norwegian cross cows at the Royal Show in Pietermaritzburg.
- An evaluation of a New Zealand hybrid (Jersey-Holstein) bull for bulk milk production off pastures started in the Western Cape.

Communication

- Papers on aspects of breed conservation, marketing of local breeds and establishing national focal points for Farm Animal Genetic Resources (FAnGR) were presented at workshops and congresses in Swaziland, Zambia and Hungary. These were published in the respective proceedings.
- An educational series on beef cattle production started in NERPO NEWS.
- The registrar and SA coordinator for FAnGR attended workshops in Ethiopia and Angola aimed at assisting countries with the preparation of national reports to FAO on the state of animal genetic resources and the development of policy for more effective management of FAnGR. The Chairperson of the National Emergent Redmeat Producers' Organisation (NERPO) also attended the workshop in Angola as a representative of the emergent African farmer community.

Legislation

ANIMAL IDENTIFICATION

Following presentation to and discussion with the relevant parliamentary committees, the Animal Identification Bill was recommended and processed.

- An improved donor animal registration system was finalised and became operational. This will facilitate far more effective monitoring of donor animals in South Africa.
- A total of 32 533 brands were registered during the year under review. This included a number of communal marks for stockowners on resource poor communities.

ANIMAL IMPROVEMENT

The section dealing with authorisations to import and export animals, semen and embryos continued to render a client-friendly service

Import/Export Authorisations	
Animals for breeding purposes	433
Other animals (slaughter, shows, competitions, grazing, finishing in feedlots)	23 301
Semen—number of doses	710 564
Embryos	90
Poultry—grandparent lines	165 818
Export of ostrich eggs	30 906
Export of ostrich chicks	142 856
Export of ostriches	6 296

Registrations	
Registration of donor animals (collection and sale of semen)	107
Registration of reproduction operators (inseminators, semen collectors, embryo collectors)	114
Registration of centres (semen and embryo collection)	31

International liaison/communication

- Various delegations were received, e.g. from Tanzania, Mozambique, Nigeria, Lesotho, the United Kingdom and the FAO concerning a number of issues, such as trade in genetic material and the planning of animal identification systems (Lesotho and Mozambique).
- As coordinator of the Southern Africa Developing Countries (SADC) Subcommittee for Veld, Animal Production and Marketing, a meeting was arranged and held in Tanzania. This included a joint session with the Southern African Livestock and Meat Forum (SALMF) and ongoing discussions on a strategic plan to facilitate the marketing of meat in the SADC region.

Local communication initiatives

- Presentations on aspects of animal identification and improvement were made at a number of local workshops, training courses and symposiums to keep stakeholders at all levels informed. This included papers on origin and traceability and the development of a genetic/linear labelling system to add value to local breeds.
- The Subdirectorate also maintained an active interest in the activities of the Farm Animal Conservation Trust and Heifer Project International—South Africa and the registrar served on the management committees of both organisations as a link between FAnGR and community animal production programmes.
- The National Youth Show was also supported by way of judging and information services.



A Marchigiana-cross Nguni heifer. These crosses survived the sudden cold spell in the Dundee district that claimed the lives of many animals



Participants at the National Youth Show in Bloemfontein



Plant Health and Quality

OBJECTIVE

The main objectives of this Directorate are to control certain agricultural plant pests and diseases and to ensure the quality of various agricultural products by enforcing legislative prescripts.



Eben Rademeyer

Senior Manager:
Plant Health and Quality

ACHIEVEMENTS

- A Memorandum of Understanding was concluded with regard to phytosanitary matters between South Africa and Algeria (during the October binational council meeting in South Africa). Personal contact was made with the National Plant Protection Organisation (NPPO) of the country in question.
- The draft phytosanitary agreement with Slovakia was revised.
- A Preclearance Agreement was drafted and implemented between Directorate Plant Health and Quality (DPHQ) and USDA-APHIS concerning export of SA Amaryllis bulbs.
- Bilateral liaison as South Africa's National Plant Protection Organisation (NPPO) in terms of this country's membership of the International Plant Protection Convention:
 - The second annual Bilateral Phytosanitary Discussions between The Netherlands and South Africa were held in Pretoria. Issues discussed included the import of strawberries, rose and propagating material as well as bulbs. An intensive exchange of information took place on the status of citrus black spot (CBS) in South Africa in relation to European Union (EU) import legislation, leading to a better mutual understanding.
 - The Directorate participated in a workshop to establish a Common African Plant Protection Strategy (CAPPS), and recommended that the current SADC subcommittee for plant protection aims for the establishment of a regional plant protection organisation (RPPO) for SADC to ensure harmonised phytosanitary regulatory activities among SADC member states.
- A representative from the Department attended the third meeting of the International Plant Protection Convention (IPPC) International Committee for Phytosanitary Measures (ICPM) Informal Working Group on Strategic Planning and Technical Assistance in Thailand. The Working Group concluded that it is essential that all IPPC member countries should be in a position to comply with and implement the international standards for phytosanitary measures.
- South Africa was invited to attend a brainstorming workshop in Uganda to establish a Common African Plant Protection Strategy (CAPPS). Decisions taken at the meeting included that the proposed CAPPS document should be tabled at the 20th IAPSC (Inter-African Phytosanitary Council) General Assembly for adoption. It was clear that the establishment of a regional plant protection organisation (RPPO) for the SADC region is vital.
- The Directorate attended the Interim Commission on Phytosanitary Measures (ICPM) Open-Ended Working Group on Specifications for an International Standard for Phytosanitary Measures (ISPM) on Living Modified Organisms (LMOs) in Rome. The potential risks attached to LMOs were identified and included changes in adaptive characteristics of plants, geneflow, potential effect on nontarget organisms and the possibility of phytopathogenic properties.
- A Pest Risk Analysis Workshop was presented to SADC countries in August 2001 by the US Department of Agriculture. Two of the Directorate's officials attended and made positive contributions.
- The attendance of the Entomological Society of Southern Africa's biannual Congress in Pietermaritzburg in July 2002 was exceptionally successful as a presentation by the attending official could clarify uncertainties about importation of biocontrol agents. Further, the awareness poster and handouts were found

informative to the attendees and requests for additional material were received, complementing the promotion of the Directorate.

- To accommodate and enable South African rose growers to keep abreast with international trends with regard to new cultivars, the import requirements were re-assessed and budwood can now be imported without quarantine measures
- The implementation of the quality system to comply with the ISO 17025 standard progressed to the point where the validation of the multi-residue method is in an advanced phase and most of the system documentation is nearly complete.
- The golden cyst nematode survey progressed successfully and 45 soil samples, representing 180 ha, were taken from potato fields.
- A leaflet was compiled for Protocols and Work Programmes to inform clients about existing export programmes and protocols. Two leaflets were also compiled to inform clients about import and export procedures. Relevant contact numbers and other activities of the Subdirector Plant Health were updated and distributed.
- The Directorate facilitated training in Quality Control of emerging farmers and extension officers on post-handling of tomatoes, litchis and mangoes in the Limpopo Province. Mango and litchi farmers were able to access international markets (Switzerland). Tomato farmers were able to access the Polokwane and Pretoria markets.
- Radio presentations on the promotion of quality standards at various commercial and community radio stations with a combined listenership of 16,3 million.
- The production unit code (PUC) registration, which was started in 2000, closed on 30 June 2002. The aim of this registration was to implement traceability of production units of deciduous as well as subtropical fruit.
- A treaty, which reviewed and established a "new" OIV (International Wine Office in Paris) was signed on 3 April 2001. This enables enhanced participation in all the activities of the OIV as a result of English having been accepted as the working language of OIV and consensus being the main decision-making process.
- The Wine and Spirits Agreement between South Africa and the European Union was initiated in January 2002 after more than seven years of negotiations. South Africa will receive 15 million Euros for restructuring and development of the wine industry and has received a duty-free quota for the export of 42 million litres of wine to the EU. The national Department of Agriculture and the wine industry are actively involved in compiling the first organic legislation for wine production.
- An important Memorandum of Understanding was concluded with regard to phytosanitary matters between South Africa and the People's Republic of China (PROC). A request for PROC to authorise the import of South African citrus fruit was submitted and forwarded to the PROC NPPO (National Plant Protection Organisations). This is the first step towards China providing South Africa with their import requirements for fresh citrus fruit, which will enable South African producers to access this lucrative new market.
- Representatives of the NPPO of South Africa and the Kingdom of Swaziland met in Nelspruit. The aim was to establish a national forum with specific working groups, including one dealing with plant health. Accordingly, this was the first binational meeting of the phytosanitary working group for discussing matters of mutual interest.
- A delegation from Thailand visited South Africa on a fact-finding mission and held a



bilateral discussion on citrus export to that country. South Africa provided a draft protocol and has received feedback. DPHQ currently awaits evaluation by local industry and information re global red scale distribution.

- In the case of fruit exported to Taiwan, special action was taken to ensure compliance with phytosanitary issues after the Taiwanese NPPO liberalised the imports for certain plant products after their entrance to the WTO.
- Citrus black spot (CBS) management procedures for CBS sensitive markets were formulated in consultation with all relevant role-players and stakeholders.
- The Analytical Laboratory screened 5 500 samples for up to 88 different pesticides and sent reports to Perishable Products Export Control Board (PPECB) for their implementation of the relevant standards.
- Following the report on karnal bunt on wheat in the Douglas area, a technical manual and a poster were compiled and distributed to various stakeholders
- To ensure producer compliance with bilaterally agreed plant health requirements for specific export programmes, more than 1 000 grower registrations were dealt with for citrus and more than 700 for deciduous fruit.

Transgression of legislation

- Various illegal incidences involving adulteration of milk have been uncovered. This problem seems to be prevalent in Gauteng Province. Guilty parties will be brought to justice in due course.
- Various cases were investigated where products were exported without the necessary export certificates as required in accordance with the Agricultural Product Standards Act, 1990 (Act No.116 of 1990). In certain cases charges were laid at the SAPS for prosecution.
- Substantial quantities of illegal liquor products have been confiscated during the year. Transgressors are in the process of been prosecuted.

Veterinary Services



Gideon Brückner

Senior Manager: Animal Health

LEGISLATION

- The Animal Health Bill was approved in both houses of Parliament and will come into effect on a date fixed by the President by proclamation in the *Government Gazette*.
- The Animal Diseases Regulations concerning African horsesickness control in the Western Cape and rabies vaccinations were amended for publication in the *Government Gazette*.
- Concept Regulations for Act No. 40 of 2000 were prepared. A working document was submitted to the Provinces and their comments evaluated at a workshop. The final proposed regulations were circulated for public comment early in 2002.

DISEASE CONTROL

- During the year under review the successful foot-and-mouth disease (FMD) control activities in KwaZulu-Natal, Mpumalanga and the Limpopo Province took place with the prospect to apply for FMD-free zone status, in due course.



The health requirements and a new import permit for the importation of day-old turkey poult into South Africa were drafted and finalised after negotiations with UK veterinary authorities. This also included the necessary health requirements for the importation of fertilised ostrich eggs.

Reconstruction of the Kruger National Park (KNP) fences damaged by the floods of 2000, is 80 % completed.

- During the foot-and-mouth disease outbreak in Zimbabwe, the Directorate Animal Health spent R2,9 million to replace an electric fence in the Madimbo Corridor over a distance of 51 km.
- Tenders were also invited for the replacement of three sections of the fence along the southern border of Mozambique and along the Botswana border that was erected during the early 1960s. These fences were damaged when elephants cross the border from Botswana.

BSE (bovine spongiform encephalopathy or mad cow disease)

- New regulations on BSE (feeding of ruminant material) were published in the *Government Gazette* for comments.
- A consultation workshop was conducted with the industry
- BSE questionnaires for EU, Argentina and Canada were completed to facilitate exports of animals and animal products.
- A database on all the cattle imports since 1980 was completed, and the provincial state veterinary offices were requested to follow up on these animals. The database is now being updated regularly to ensure traceability of animals and animal products.

Rabies

The rabies manual was finalised by the rabies advisory group with the approval of the Interdepartmental Technical Committee on Agriculture (ITCA) veterinary working group. The information contained in the manual will be shared with the SADC members and the southern and eastern rabies working group. The purpose for the information is to provide guidelines with regard to rabies control

Foot-and-mouth disease (FMD)

- A successful FMD campaign was conducted during December 2001 to February 2002. This survey indicated that South Africa is now free of FMD. Altogether 10 826 animals have been sampled during the survey, all of them testing negative for FMD virus types SAT1, SAT2 and Type O.
- An independent pig survey was conducted country-wide at abattoirs between October and December 2001. All sera were tested against FMD virus serotypes SAT1, SAT2, SAT3 and serotype O. All 1 368 pigs tested negative.



- As part of the countrywide requirement that all buffalo that are translocated should be tested for FMD, 707 buffalo have been tested since June 2001. All tested negative for FMD.
- Various animal species have been tested between June 2001 and February 2002 before they were exported, including bovines, ovines, caprines, sable antelope and rhinoceros. Altogether 2 188 sera samples were tested and all tested negative for FMD.

MEAT SAFETY RISK MANAGEMENT AND HYGIENE CONTROL

- A *Meat Inspector's Manual for Ostrich Meat* was released and distributed.
- Discussions took place to initiate a meat examiner's course for ostriches through the Technikon Port Elizabeth. This course will be available in 2002.
- The English version of the *Meat Inspector's Manual for Poultry* was revised and translated into other languages
- A *Meat Inspector's Manual for Game* was initiated for use in a course for game meat inspection, during 2002.
- The Directorate made contributions to the standards of training and was actively involved in the formulation of curricula as well as examinations for various courses in meat safety.
- Five provinces were visited in order to monitor the implementation of the Hygiene Assessment System (HAS) at abattoirs. Benefits have become evident at abattoirs where HAS was implemented:
 - Abattoirs are evaluated objectively by their own personnel and the results are being verified by provincial officers.
 - The HAS report form, being an excellent checklist, ensures a standardised guideline for a thorough inspection of structures, as well as operation of an abattoir.
 - The system is accepted and supported by meat inspection service providers.

IMPORT AND EXPORT CONTROL

Import policy

- Bans were imposed on the importation of commodities from countries where outbreaks of diseases occurred.
- Importation of all cloven-hoofed animals and their products from the United Kingdom, France, Germany, the Netherlands, Argentina, Brazil, Zimbabwe, Botswana and Swaziland was banned due to FMD.



The Director-General pours out disinfectant on the foot-baths at the Johannesburg International Airport

- Importation of poultry products was banned from China due to the occurrence of highly pathogenic avian influenza and *Salmonella* Enteritidis.
- Importation of pigs and pig products from Spain and France were banned due to classical swine fever outbreaks.
- New import requirements were drafted for various commodities, including camelids from Australia, dairy products from various countries, turkey poults from the UK, livestock for own consumption from neighbouring states, mink oil from Germany, bones from Botswana, live pigs from France, skin-on sheep heads and feet from Australia and New Zealand and feathers from various countries.
- A number of countries in Eastern Europe are requesting approval to export skimmed milk powder to South Africa. This product often contains animal fat which could pose a risk to South Africa regarding bovine spongiform encephalopathy (BSE). A risk assessment on these countries will be conducted before importation.

Export policy

Following the outbreaks of FMD in South Africa in 2000, several countries suspended or banned importation of commodities from South Africa. Ongoing negotiations were generally unsuccessful, due to the fact that most countries will only allow importation from South Africa again once we have regained our FMD-free status from the OIE.

- The following countries were negotiated with, but would not allow importation:
 - China, Egypt— live cloven-hoofed animals
 - Singapore, Malaysia, Taiwan, Indonesia, South Korea Kuwait, United Arab Emirates, Saudi Arabia—meat exports
 - Brazil, Argentina, United States of America, Australia, Canada—bovine and ovine semen and embryo exports
 - Czech Republic, Slovenia, China—wool, hides, skins.
- Hide and skin exports to Turkey have been banned. The ban was later lifted and then requirements also changed. Negotiations are ongoing.
- The European Union Commission inspected dairy plants in October 2001 and pointed out some deficits in our hygiene control measures at milking sheds and milk- processing factories. These deficits were targeted for rectification in 2001. Two dairy plants were subsequently approved to export cheese to the European Union.
- Health certificates were successfully negotiated for the export of various commodities, including horses to the United Arab Emirates and Singapore, live cattle to Mauritius, dairy products to neighbouring countries, ostrich meat to the European Union, meat from cloven-hoofed animals to the European Union and poultry meat to Singapore.

LABORATORY INFORMATION MANAGEMENT SYSTEM (LIMS)

The development and implementation process of the Laboratory Information Management System (LIMS) was continued during the year. The LIMS was finalised and tested and the process of the migration of data was initiated.

The main activities around the implementation of the LIMS included an extension of the original LIMS tender to enlarge the scope of work and accordingly enable maximum benefit to Veterinary Laboratories.



VETERINARY LABORATORY ACCREDITATION

A quality assurance consultant was appointed to initiate the laboratory accreditation issues of the Government Veterinary Laboratories in South Africa.

This Directorate also actively participated in the Standard Generating Body for the Veterinary and Para-Veterinary groups, which forms part of National Standards Body for Medical Sciences Education.

WEBSITE FOR VETERINARY SERVICES

The veterinary services website was published on 1 September 2001. The address to this site is www.nda.agric.za/vetweb.



Dipping of animals

Communication, Planning, Monitoring and Evaluation

AIM

This programme manages communication, education and training, international relations and coordinates projects.

PROGRAMME POLICY DEVELOPMENT

During the year under review the Communication, Planning, Monitoring and Evaluation Programme comprised the following components:

International Relations, the task of which is to establish and reaffirm agricultural relations with the rest of the world and to support the provinces and the local agricultural community in their activities. It also facilitates bilateral and multilateral relations worldwide.

Agricultural Information Services renders communication support to the Department, disseminates agricultural information and manages campaigns and media events to increase awareness of agricultural issues.

Education and Training manages and facilitates skills development in the Department.

Grootfontein Agricultural Development Institute provides for the training and development of new as well as existing farmers.



Zola Pinda
Assistant Director-General:
Communication, Planning, Monitoring
and Evaluation

International Relations

AGREEMENTS SIGNED AND NEGOTIATED

Africa

A major achievement for the Department in the period covered, was the signing of agreements on phytosanitary measures and the institutional cooperation between South Africa and the People's Democratic Republic of Algeria during the second session of the South Africa/Algeria Binational Commission (BNC) in October 2001. The main objectives of these agreements were to extend research and experimentation in agricultural production, both in animal husbandry and plant health, and to promote exports as well as rural development and natural resources management.

Several interactions preceded and followed on this agreement, including a technical visit to Algeria by officials of this Department. In such interactions, Algeria expressed interest in South African technology, especially in a working partnership for the development of abattoirs according to international red meat standards. Other such agreements still being negotiated are with Ethiopia, Morocco, Uganda and Tunisia.

During the fourth session of the South Africa/Nigeria Binational Commission in March 2002, an agreement on institutional cooperation between the two countries was ratified by the legal State advisors of both parties. For the first time the countries agreed to establish a permanent South Africa/Nigeria Committee which will focus on the implementation of the agreement. A stakeholders' forum was also established to embrace and incorporate private sector involvement.

People's Republic of China

Following the signing of bilateral agreements on animal health and plant health, a further protocol on the export of Boer goats was signed.

Other countries

All outstanding bilateral agricultural agreements have been considered by the Departmental Executive Committee (DEXCO) and it was decided not to conclude the majority of these agreements. Instead, the Department is in the process of conducting public relations exercises as a means to ensure closer cooperation in the field of agriculture as an alternative to signing the agreements. Another option that will be explored, is to undertake reconnaissance visits to certain countries, e.g. Romania, Bulgaria, Slovakia, etc, to determine possible areas for cooperation in, for example, training, technical exchanges and trade opportunities.



Lebohang Mareka

Acting Senior Manager:
International Relations



Exhibition at the CGIAR Mid-Term Meeting in Durban

During the year under review, various foreign delegations visited South Africa and were received by representatives of the Department of Agriculture. These countries include North Korea, the People's Republic of China, Thailand, France, Zimbabwe, Egypt and Tanzania.

JOINT WORKING GROUPS

United States of America

With the change in government in the USA, the Binational Commission between South Africa and the USA has, under the new administration, made way for the Cooperation Forum (CF). However, all projects under the previous BNC continue as in the past. It has been suggested that all activities under the CF be centralised within the Department and that a project manager be appointed to coordinate and execute all activities of the CF.

Cuba

The first session of the Joint Bilateral Commission with Cuba took place in South Africa during the year under review. Bilateral discussions were held regarding the proposed agreement on institutional cooperation and two new proposals for animal health and plant health agreements were signed.

The Netherlands

The second meeting of the Agriculture Committee, established in terms of the binational agreement with the Netherlands, took place in Pretoria. Fruitful discussions took place between the two Working Groups (i.e. Phytosanitary and Animal Health). The visit by the Dutch technical team concluded with the signing of the Agreed Minutes by the relevant Ministers of Agriculture of South Africa and the Netherlands.

People's Republic of China

The Department participated in a Binational Commission meeting in Beijing. Progress was made with regard to matters on plant and animal health which were hampering trade between the two countries. Prospects for technical cooperation in the field of stock farming and trade in general were also discussed.

France

A Binational Commission meeting between France and South Africa was attended in Cape Town. The deliberations eventually led to the signing of a bilateral cooperation agreement.

FOOD AND AGRICULTURE ORGANISATION OF THE UNITED NATIONS (FAO)

The Directorate played a leading role during negotiations between the Government of Rwanda and the ARC when Rwanda requested technical assistance from the FAO through the Tripartite Agreement on foot-and-mouth disease control.

The Directorate coordinated the initiation and implementation of the FAO's Telefood concert, which was held in South Africa.

Technical Cooperation Programmes (TCPs)

Three TCP proposals were submitted to the FAO for consideration. These programmes will deal with NEPAD, food security and the control of the quelea species. The proposals are currently being processed by the FAO.

The Department successfully coordinated the hosting of the CGIAR's Mid-Term Meeting in Durban

Consultative Group on International Agricultural Research (CGIAR)

- CGIAR Mid-Term Meeting (MTM): During the week of 19 to 25 May 2001, which was declared Agricultural Research Week by Parliament, the Department of Agriculture successfully coordinated the hosting of the CGIAR's Mid-Term Meeting in Durban.
- International Centre for Research in Agroforestry (ICRAF): Prior to the MTM, South Africa hosted the International Centre for Research in Agroforestry's satellite meeting in Pietermaritzburg. A task team (Agroforestry Working Committee) was initiated with the objectives of collaborating with ICRAF to identify research projects and funding opportunities for South Africa.
- Phase II Proposal for Maize and Wheat Improvement Network (MWIRNET): Inputs from South Africa for the proposal for the project were submitted and discussed during the finalisation meeting in Botswana. The proposal was to be submitted by SACCAR to the European Commission for approval.
- Other relevant issues: The Directorate participated in various meetings with the objective of contextually briefing the Department on the proceedings and further for follow-up, particularly on side meetings. Among those were the launching of the National Forum for Agricultural Research (NARS) held in Maputo, and CGIAR's International Centre's Week and FAO Council.

Agricultural Information Services

Framework for communication services

A draft framework was developed for communication services in terms of departmental priorities. A new slogan, Agriculture is Life, was adopted and implemented as part of the branding of the Department.

Campaigns and media events

Exhibitions and launches were arranged for the Agriculture Research Week in Pretoria, Durban and Stellenbosch to showcase South Africa's research achievements. Various launches were also organised on national and provincial level for the Land Redistribution and Agricultural Development Programme in the nine provinces.

The annual Female Farmer of the Year Competition was organised with the theme Fight hunger to reduce poverty.



Director-General Bongwiwe Njobe (left) and Adv Holomisa (right), chairperson of the Portfolio Committee for Agriculture and Land Affairs, with the winners of the Female Farmer of the Year Competition, Nomsa Nhlebeza, Rika du Plessis and Lumka Witbooi



Segoati Mahlangu

Acting Senior Manager: Agricultural Information Services

This included national and provincial award ceremonies. Women involved in farming participated in this event throughout the country. The competition highlighted the role of women in supplying food and enhancing food security, as well as their contribution to the country's economy.

The Food Security Campaign included, amongst others, the launching of food gardens in the nodes as well as the hosting of the Telefood Concert.

A communication strategy as well as promotional material was developed to communicate the Strategic Plan for South African Agriculture as widely as possible. The sector plan was distributed countrywide. Promotional material included pamphlets with messages from the President, the Minister, NAFU and Agri SA in a brag folder as well as brochures (translated in 10 languages).

Various internal events were organised for staff members of the Department, namely Youth Day, Tolerance Day, Public Service Day and AIDS Day.

Information dissemination

Information was disseminated to the farming sector and to stakeholders involved in agriculture through various publications and radio broadcasts.

The departmental newsletter, Agricultural News, was issued biweekly and 5 000 copies per edition were distributed. The newsletter focused on policy issues and partnerships with other role-players in agriculture, such as provincial departments of agriculture, the NAMC and ARC and reported on departmental campaigns and key programmes. Supplements were published on agricultural research and the Female Farmer of the Year Competition.

Altogether 24 new Info Paks were published, bringing the total number to 210. Many of these publications were translated into other official languages. Ten provincial newsletters were edited and published. A handbook on pig farming was published as part of the farmer handbook series. Eight editions of the internal newsletter WezoLimo were published.

New web pages were designed for Plant Health and Quality, Genetic Resources and International Trade. Speeches, media releases, foot-and-mouth disease updates and reports were regularly updated. Most of the publications produced within the Department are available on the website, e.g. Info Paks, Annual Report and Agricultural News. The Plant Variety Journal and the S A Variety List are available only on the website. The latest figures on crop estimates are published immediately after the monthly meetings.

News, information on agricultural events and educational material compiled from Info Paks were broadcast on national and community radio stations. A 10-minute radio programme was broadcast weekly in the educational time slot of the SABC by nine African language radio stations for a period of seven months. A biweekly Afrikaans programme of 15 minutes was broadcast on Radio Sonder Grense.

During the year the Library was relocated from the Poynton's Building to the Agriculture Building. Journals were circulated and other publications issued to departmental staff. More than 400 interlibrary lending transactions were handled. Both the national (Sabinet Online) and the international (WorldCat) electronic library catalogues were enhanced by submitting more than 1 000 new bibliographic records, making library stock available for interlibrary lending. The developing in-house electronic catalogue has grown to more than 12 600 bibliographic records.

The Documentation Centre compiled 195 subject profiles for clients in order to retrieve references from the CABI and AGRIS (FAO) databases. Altogether 1 049 references from South African publications were categorised, indexed and submitted to the AGRIS database.

The Resource Centre received approximately 9 800 enquiries, resulting in the sale of 13 208 publications and distribution of more than 184 000 other publications, including Info Paks, locally and in foreign countries

A supportive editorial and publishing service was rendered to the Ministry, departmental clients and the provincial departments of agriculture. This included the design and printing of posters, banners, programmes, invitations, cover pages, certificates, folders and business cards.

The Resource Centre received approximately 9 800 enquiries which resulted in the selling of 13 208 publications. A total of 184 000 other publications were distributed locally and in foreign countries

Education and Training

Project on education and training for agriculture and rural development

A national project to develop an Education and Training Strategy for agriculture and rural development was declared operational by the FAO in June 2001.

The achievements to date in terms of the project are as follows:

- A National Strategy Formulation Team (NSFT) composed of co-opted members from provincial and national departments as well as relevant institutions was established. This has given the national Department of Agriculture leverage in terms of interaction with the provinces.
- The first NSFT Planning workshop was conducted in September 2001.

A two-week training workshop was held in January 2002 for Provincial Research Officers (PROs) and National Research Officers (NROs).

Provincial Agricultural Education and Training Task Teams (PAETTT) were established in all nine provinces.

National extension strategy for South Africa

The Government of the Netherlands made available an amount of R10 million in 1998 towards the improvement of the extension service in South Africa.

Business Enterprises was awarded a tender for a national project manager in September 2001.

A three-day mid-term review workshop was held in October 2001 with the objective of receiving feedback on the different provincial projects and the lessons learnt and/or alternative principles. The first draft strategy document is expected at the end of September 2002.

International study programme

Altogether 27 employees from the provincial Departments of Agriculture and the national Department of Agriculture attended various appropriate training programmes in foreign countries.

A Directory of International Study Opportunities was compiled and distributed to



Joe Kgobokoe

Acting Senior Manager:
Education and Training



Attendants at the first training workshop on the National Strategy on Agricultural Education and Training

Altogether 72 new bursaries were allocated to employees of the Department during the year under review and 600 bursary accounts are currently being managed

all provincial Departments and Colleges of Agriculture.

National Department of Agriculture Staff Bursary

Altogether 72 new bursaries were allocated to employees of the Department during the year under review and 600 bursary accounts are currently being managed.

Presidential Strategic Leadership Development Programme (PSLDP)

This is an innovative training programme targeting employees in the Public Service with the potential to assume leadership and management responsibilities. The programme is coordinated nationally by the South African Management Development Institute within the Department of Public Service Administration.

The Department of Agriculture organised three groups of employees to go through the programme (66 employees).

Workplace Skills Plan

In compliance with the Skills Development Act, the Department succeeded in receiving back 90 % of the questionnaires handed out to individual employees. The questionnaires solicited information on skills needs, which forms a pivot of the Department's Skills Plan for the ensuing year.

External Bursary Scheme

In order to broaden access to financial assistance towards required and appropriate studies in agriculture, an external bursary policy has been finalised. The external bursary scheme will become operational at the beginning of the 2003 academic year.

Grootfontein Agricultural Development Institute



Tino Herselman

Acting Head:
Grootfontein

The Grootfontein Agricultural Development Institute is divided into two sub-directorates, namely a college of agriculture and agricultural research with particular emphasis on sheep and goat production from rangelands.

Objectives

- To provide formal training in the theory and practice of small stock production within the context of the National Qualifications Framework.
- To promote sustainable use of the natural resource base.
- To promote livestock and crop production through technology development and transfer.

Achievements

At the annual diploma ceremony of 2001, 21 students received the Higher Certificate in Agriculture and 16 the Diploma in Agriculture.

The college started the 2002 academic year with



97 registered students, of whom 73 were entered for the Higher Certificate in Agriculture, 18 for the Diploma in Agriculture and 6 as third year B. Tech degree students of P.E. Technikon.

During 2001, nine formal short courses were offered at the college, namely wool classing, medicinal plants, veld management, small stock artificial insemination, farm mechanics, welding, computer use and livestock identification for members of the SAPS Stock Theft Unit as well as courses for agricultural managers of the Standard Bank in the Eastern Cape in crop production, principles of veld management and large and small stock production.

Grootfontein hosted the annual agricultural colleges rugby week.

The research units continued with their research and development programme. A large number of client-driven research and development projects were undertaken and some new projects were launched.

A project for the promotion of wool sheep production in the Ciskei and Transkei was successfully launched. More than 700 sheep of 82 producers in the Ciskei and Transkei were artificially inseminated with semen from the Grootfontein fine wool Merino stud. This is the first time that such technology has been applied to communal sheep, and some of the finest genetic material in the country was made available to communal sheep farmers.

A livestock guard dog project was launched during January 2002. The aim is to evaluate the effectiveness of these dogs to control the vermin problem throughout the sheep and goat production areas of the country.

Grootfontein assisted a community in Middelburg to establish a vegetable project. The Institute made personnel and equipment available to plough the lands and advise on the different aspects of vegetable production.

During the year, officials of the Institute gave talks at 57 farmers' days and approximately 2 010 farmers attended these days.

Administration and Governance

AIM

The Programme: Administration and Governance specialises and focuses on internal support services with regard to information management systems, business analysis services, human resource management, legal services and general administrative support, including infrastructural and security services.

PROGRAMME POLICY DEVELOPMENT

The Programme specialises and focuses on internal support services, comprised the following components:

- Human Resource Management
- Legal Services
- Administration
- Information Management Systems
- Business Analysis Services

Human Resource Management renders an integrated human resources management service through the promotion of staff training and the development of policies and practices benchmarked against Best Practice to ensure the attraction and retention of talented and motivated staff to a caring work environment aimed at improved service delivery.

Legal Services manages and coordinates all the legal activities of the Department.

Administration renders an administrative, secretariat and statutory support service to the Department's Executive Committee as well as infrastructural, general support and security services to the Department.

Information Management Systems (DIMS) renders information technology and information management services to the Department.

Business Analysis Services enhances organisational performance in the Department by optimising organisational systems and processes and the utilisation of resources.

ACHIEVEMENTS

Information Technology (IT) infrastructure is provided to approximately 2 000 internal clients and 3 000 clients located within the Provincial Departments of Agriculture. A total of 49 internal end-user applications and 31 internal corporate applications as well as numerous applications dedicated to Provincial Departments of Agriculture are operational on this IT infrastructure.

The evaluation of jobs, as prescribed, was on target during the year under review. A new Departmental Performance Management System was implemented successfully for staff on salary levels 1 to 12. Seven major training interventions were completed, of which the ABET programme is very successful as an ongoing process. The framework for a human resources plan was developed for implementation.

The construction of an overhead bridge between the Agriculture Building and Dirk Uys Building commenced and the construction of a new chemical store for the Directorate Plant Health and Quality was completed.

An initiative to optimise the administrative support service was launched and a full-scale investigation into the provision of protective clothing was



Andries Goosen
Assistant Director-General
Administration and Governance

completed. Through the intervention of legal services, the provision of legal advice and effective debt collection, the Department succeeded in preventing losses to the State. Certain assets were recovered and the necessity for a costly High Court case was thereby averted.

Human Resources Management

OBJECTIVES

- To promote effective human resources policies and practices
- To render efficient human resources administration services
- To promote and monitor sound employee relations
- To promote and coordinate staff training, enhancing individual performance and career development



Isaac Miti

Senior Manager: Human Resources Management

ACHIEVEMENTS

- Development and implementation of the Departmental Performance Management System (DPMS)
- Development and implementation of the Employment Assistance Programmes (EAP) and the establishment of the EAP Unit
- Establishment of the Employment Equity Forum
- Successful Adult Basic Education and Training (ABET) programmes at Buffelspoort, Grootfontein and Pretoria
- Commencement of negotiations with employee organisations regarding the transfer of staff to Onderstepoort Biological Products Limited (OBP)
- Performance evaluation of all Deputy Directors for the period 1997 to 2001



ABET training session

The Departmental Performance Management System was developed and implemented

Legal Services

OBJECTIVES

- To render legal advice
- To draft and update legislation
- To assist the Department with international legal activities
- To assist in policy formulation
- Litigation
- Debt collection



Ronel van Zyl

Head:
Legal Services

ACHIEVEMENTS

- Multi-skilling: Clients were visited in all parts of the country and simultaneously training was provided to new legal officers.
- The Wine and Spirits Agreement was signed on 28 January 2002.
- Legislation
 - Parliament passed the Animal Identification Act, 2002 (Act No. 6 of 2002), Veterinary and Para-Veterinary Professions Amendment Act, 2002 (Act No. 8 of 2002) and the Agricultural Debt Management Act, 2001 (Act No. 45 of 2001)
 - Legislation tabled in Parliament: Land and Agricultural Development Bank Bill, (Bill No. 15 of 2002).
 - Legislation to Parliament: Cabinet approved the draft Cooperatives Bill for tabling in Parliament.
- During the year under review Legal Services dealt with approximately 50 proclamations, regulations and government notices. A total of 110 formal legal opinions were furnished to the Minister, the Director-General and the Directorates of the Department. Altogether 32 agreements were drafted and approximately 70 court cases dealt with.
- Debt recovery
 - Debt to the amount of R9 013 834 was recovered during the year under review. The recovery of debt is an ongoing process and is dealt with as cases are referred to the legal division.
- Legal Services also prevented the loss of State assets valued at approximately R700 000.

Administration

SECURITY

- Analogue video cameras were installed at entrances to enhance asset protection and emergency exits were provided with coded padlocks. As a result, security breaches dropped from 10 to four reported incidents per month.
- The electronic access systems to the Agriculture and Dirk Uys Buildings have been installed and will be running on finalisation of the computer programming.



Christo van Rooyen

Senior Manager:
Administration

INFRASTRUCTURE

- The main entrance of the Agriculture Building was upgraded to promote the image of the Department. An electronic billboard was erected in the reception area displaying the Department's vision and mission. A traditional medicines garden containing indigenous plants was also established adjacent to the reception area. Parking facilities were improved and the gardens upgraded.



- Consultants were contracted to develop a new file plan to align with the functional changes of the Department and which would meet the needs of the Access to Information Act, (Act No. 2 of 2000) and which could be accommodated in an electronic documentation system. This plan has been submitted to National Archives for approval.
- Policies and procedures were developed for the provision of protective clothing and authority recognition uniforms at points of entry or exit.

STATUTORY SUPPORT

- The annual reports and financial statements of various public entities and boards/councils of non-assigned legislation were tabled in Parliament, e.g. Wines and Spirits Board, Perishable Products Export Control Board and the South African Veterinary Council.
- The Minister appointed new members to the Wines and Spirit Board in terms of the Liquor Products Act, 1989 (Act No. 60 of 1989).
- The rules pertaining to the practising of veterinary professions were also approved by the Minister during the period.
- Four requests to divulge information in terms of the Access to Information Act were received, of which two had to be refused.

SECRETARIAT

- A secretariat service was provided at various national venues to 69 high-level committee meetings such as MINMEC, intergovernmental committees and working groups, the Economic and Employment Cluster, Departmental Management Committee, Departmental Executive Committee (DEXCO) and for meetings of DEXCO with industry or parastatals.
- The secretariat service provided to the Economic and Employment Cluster was of such a high standard that the continuation thereof by this Directorate was preferred above other secretariat providers.

Information Management Systems



Nico van Sittert

Senior Manager:
Information Management Systems

OBJECTIVES

- To render effective and efficient services to the Department. This includes *inter alia* the following areas of services/expertise:
 - Wide Area Network (WAN) and Local Area Network (LAN) communication infrastructure
 - Telecommunication infrastructure and telephone services
 - Computerised systems development and maintenance
 - Information dissemination (Web, Internet, Intranet, e-mail)
 - Information Technology security
 - Computer helpdesk and end-user support
 - Information Management and Information Technology strategy, policies and standards
 - Geo-referenced Agricultural Information Systems (AGIS)
 - IT and Information systems-related advice and problem solving in respect of the above

AGIS served more than 48 national, provincial and local data sets on the internet at <http://www.nda.agric.za/agis>. This site received 65 451 hits since January 2001

- To promote Information Technology as a strategic resource through the accelerated development of the Agricultural Geographical Information System (AGIS), which is necessary as an information resource for the survival and growth of the South African agricultural sector in the global marketplace.
- To integrate all systems and infrastructure as smoothly and in as user-friendly a manner as possible through promoting information sharing, the elimination of duplication and the leveraging of economy of scales.
- To support line functionaries in such a way as to optimise the synergy and effectiveness of their efforts in serving our clients as stipulated in the Master Information System Plan.

ACHIEVEMENTS

- Integration of the Department's functional systems with GIS and web to facilitate client access to information
- Migration of system development function to the State Information Technology Agency (SITA)
- Implementation of redesigned Departmental website
- Impact assessment to describe the readiness and consequences for the implementation of an Electronic Document Management System (EDMS)
- Approval of a Departmental IT security policy
- Completion of a conceptual high-level Disaster Recovery Plan (DRP) for the Department
- Design and implementation of technical solutions to facilitate remote access to key personnel
- Migration of LAN support and Computer Helpdesk to SITA
- A comprehensive pirate software audit in the Department

HIGHLIGHTS

- AGIS serves more than 48 national, provincial and local data sets on the Internet at <http://www.nda.agric.za/agis>.
- A reliable departmental website was redesigned and is maintained in cooperation with the Directorate Agricultural Information Services. This site has received 65 451 hits since 1 January 2001.
- The Directorate built up an Intranet into which many different services have been incorporated and will continue to be included and added to. The Intranet has been accessed 176 031 times by employees since 15 May 2001.
- The Directorate played an important role at the Government Information Technology (GITO) Council in the formulation of IT policies and technical standards for government.
- Participation with SITA has grown to the extent that more than 60 % of the Department's IT services are rendered by SITA.



Business Analysis Services

OBJECTIVES

- Job evaluation
- Organisation design
- Determination of post establishment requirements
- Undertaking of organisation diagnostics
- Optimisation of work procedures and methods



Leana Bouwer

Deputy Director:
Business Analysis Services

ACHIEVEMENTS

- Altogether 97 jobs were evaluated and subjected to quality assurance.
- A total of 46 programmed requests with regard to organisation and post establishment aspects were adhered to. This includes the report on the restructuring of the Directorate Farmer Settlement, which was approved by the Minister.
- The investigation into the restructuring of Legal Services in the Department was completed.
- A workshop was held to clarify administrative functions in the Department. The Sub-Directorate also assisted with the implementation of the Departmental Performance Management System.
- It was the responsibility of this component to coordinate and verify the inputs on the Department's proposed organisational structure.



Financial Management

AIM

The main functions of this Chief Directorate are to evaluate the financial feasibility of programmes, ensure effective financial management, render financial and procurement services, manage the Debt Book, undertake investigations to ensure effective internal control and coordinate budgetary planning and input.

PROGRAMME POLICY DEVELOPMENT

The Chief Directorate was restructured during the year and now comprises the following components:

- Financial Services
- Debt Management and Disbursements,
- Procurement and Asset Management
- Budgets.

Financial Services renders a financial support service to the Department. This service includes a variety of functions, such as banking services (which includes the monthly requisitioning of funds), the reconciliation of accounts, cash flow management, compilation of annual financial statements, payment of salaries, allowances, claims and suppliers, the administration of departmental debt and revenue collection and the payment of revenue to South African Revenue Service (SARS).

Debt Management and Disbursement manages agricultural debt collection and relevant securities. This function also includes the management of repayments, claims and relevant state debt securities.

Procurement and Asset Management renders services such as:

- Tender administration
- Transport
- Procurement.

The Subdirectorates Budgets coordinates budgetary inputs and compiles and submits memoranda to the Accounting Officer, the Minister for Agriculture and Land Affairs and the National Treasury.

Achievements

- Compilation of risk management and fraud prevention plans
- Compilation and implementation of a new budget and code structure
- Promulgation of the Agricultural Debt Management Act, 2000
- The further fine-tuning of financial management and internal control within the framework of the Public Finance Management Act, 1999, and the Treasury Regulations



Tommie Marais
Assistant Director-General:
Financial Management

Financial Services

ACHIEVEMENTS

- The revenue collection process was streamlined by the opening of additional bank accounts to cater for different categories of revenue. Certain debtors can now make deposits directly into the Department's bank accounts *via* their commercial bank accounts. The Department is therefore more accessible to its clients.
- A new debtor subsystem was implemented, which enables the Department to effectively adhere to interest rates of the National Treasury.
- Internal accounting procedures were adapted to such an extent that financial year-end statements, compiled according to Generally Recognised Accounting Practice, can be submitted to the Auditor-General as required.
- The additional financial administration emanating from the foot-and-mouth-disease campaigns was handled with great success during the year under review.
- The internal restructuring of functions was completed, resulting in improved control over financial documentation. This function was integrated with the Division Inspectorate to strengthen control even further.
- The Department's Directorate Financial Services was, due to the realignment of accounting procedures, the first to request the National Treasury to provisionally close its books for the 2001/02 financial year.



Dirk Henrico

Senior Manager:
Financial Services

Debt Management and Disbursements

ACHIEVEMENTS

- The debt recovery programme resulted in a 6 % reduction in the total outstanding debt in the Agricultural Credit Account. In March 2002 the total outstanding debt was R829 817 533, compared with R880 606 890 in March 2001.
- The number of debtors decreased by 727 from 6 927 to 6 200 as at 31 March 2002.
- The number of accounts decreased by 1 292 from 11 068 to 9 776 as at 31 March 2002.
- A total of 1 947 inspections of debtor securities were conducted in terms of the Agricultural Credit Act, 1966 (Act No. 28 of 1966).
- The Agricultural Debt Management Act, 2001 (Act No. 45 of 2001) was approved by Parliament and was published in the *Government Gazette* on 7 December 2001. The Act aims to rationalise and consolidate the various items of remaining legislation that dealt with agricultural debt in its various forms, and aligns the debt recovery processes with the Constitution. Preparations for the implementation of the Act are in process.



Johan Venter

Senior Manager:
Debt Management and Disbursements

Procurement and Asset Management

ACHIEVEMENTS

- The successful centralisation of the Silverton office on Logis
- The conversion of the manual provisioning system to Logis at the Department's Offices in Stellenbosch
- The establishment of the Transito and Asset Management sections. The fact that the Department was consistently nominated as one of the top three Logis sites, according to the interdepartmental balance scorecard, is a direct result of the establishment of the above-mentioned sections.
- Internal controls were strengthened by the drafting and implementation of a procurement, store and asset manual, which was included in Book 1 of the Departmental Financial Instructions.



Roewyn Dunster

Senior Manager:
Procurement and Asset
Management

Budgets

ACHIEVEMENTS

- Compilation of a new budget structure according to the new organisational structure, and the implementation thereof
- The timeous implementation of a new code structure on the Financial Management System

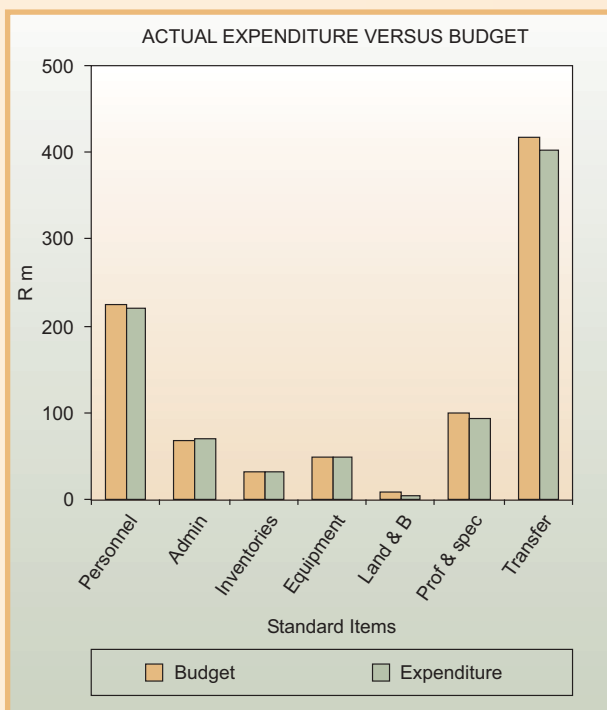


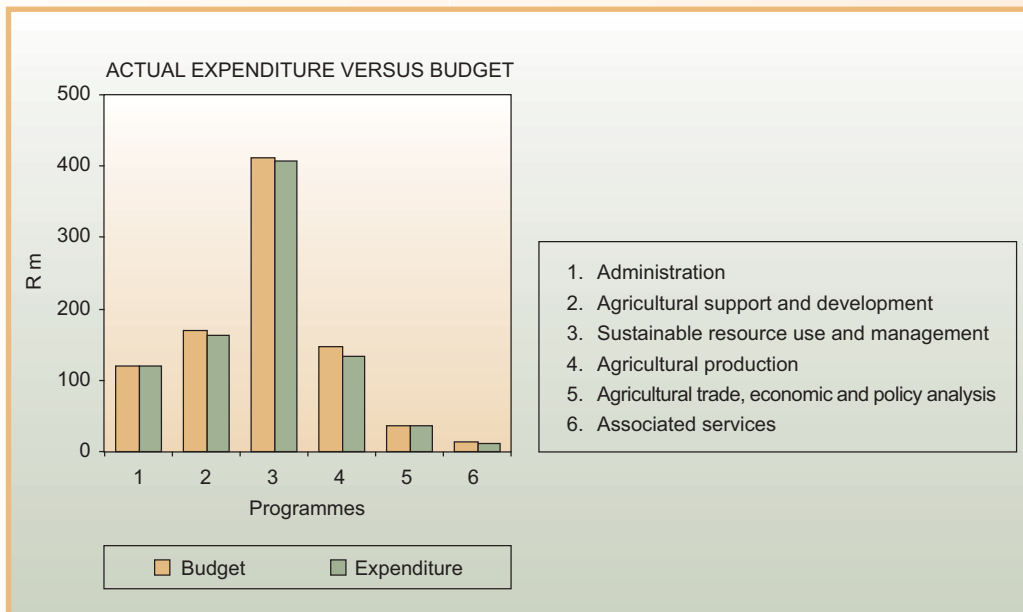
Koos Geldenhuys

Deputy Director:
Budgets

Estimate of expenditure

Per standard item



Per programme

PART 4

Report of the Audit Committee



NATIONAL DEPARTMENT OF AGRICULTURE

Report of the Audit Committee for the year ended 31 March 2002

The Audit Committee is satisfied that the internal audit function is performing as required and has incorporated the results of the risk assessment completed in the previous year.

Furthermore the Audit Committee is satisfied of the adequacy of internal controls which will be verified to ensure that:

- Financial transactions are executed after proper authorisation;
- all transactions are promptly recorded in the appropriate accounts and in the correct accounting period;
- access to assets is properly authorised;
- inventories are regularly compared with physical assets and vice versa and action taken with regard to any difference.


The Audit Committee also reviewed the financial statements of both the Department and the Agricultural Credit Account and discussed these statements with officials of the Department and the Office of the Auditor-General. The Committee is satisfied that the financial statements are fairly presented.

The Sub-directorate: Internal Audit is providing professional services in spite of the limitations placed on capacity. Audits are carried out in terms of the prior approved audit plans and reports are submitted directly to the accounting officer. The Audit Committee also evaluates all reports. All audits undertaken have paid specific attention to address improving internal controls thus reducing potential risks. Management has in all cases responded positively to recommendations on improvements.

The Auditor-General has also commended on the acceptable standard of the internal audit work performed and has stated that the audit work can be relied upon for external purposes.

The Committee consists of:

Ms F N Msimang (external)	:	Chairperson
Mr C Gassiep (external)	:	Member
Mr T Marais (internal)	:	Member



Ms F N Msimang
CHAIRPERSON



PART 5

Annual Financial Statements



Annual Financial Statements

31 March 2002

MANAGEMENT REPORT AND APPROVAL	102
REPORTS OF THE AUDITOR-GENERAL	110
STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS	112
FINANCIAL STATEMENTS	
Departmental	
Income Statement	116
Balance Sheet	117
Statement of changes in Equity	118
Cash Flow Statement	119
Notes to the Annual Financial Statements	120
Appropriation Statement	136
Notes to the Appropriation Statement	137
Summary: Income Statement of Aid Assistance	139
Analysis of Donor funded expenditure paid in cash	140
Statement of Local Aid Assistance received	141
Statement of Foreign Aid Assistance received	142
Agricultural Credit Account	
Balance Sheet	143
Income Statement	144
Notes to the Balance Sheet and Income Statement	145
Cash Flow Statement	147
Notes to the Cash Flow Statement	148

NATIONAL DEPARTMENT OF AGRICULTURE
MANAGEMENT REPORT FOR THE YEAR ENDED 31 MARCH 2002

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

1. General review of the state of financial affairs

	R'000	R'000
1.1 <i>Budget allocation</i>		
Main estimate		775 177
Plus: Adjustments estimate		<u>124 185</u>
Total amount appropriated		899 362
Less: Actual expenditure		<u>871 134</u>
Amount surrendered		28 228
Less: Amount rolled over for capital building projects not finalised		<u>13 000</u>
Appropriated amount not spent		15 228
1.2 <i>Actual expenditure</i>		
• In terms of input cost:		
Personnel expenditure	220 115	
Administrative expenditure	69 117	
Inventories	31 619	
Equipment	47 727	
Land and buildings	5 243	
Professional and special services	93 095	
Transfer payments	402 908	
Miscellaneous	456	
Special functions	<u>854</u>	871 134
• In terms of programmes:		
Programme 1: Administration	119 805	
Programme 2: Agricultural support and development	161 950	
Programme 3: Sustainable resource use and management	406 869	
Programme 4: Agricultural production	134 245	
Programme 5: Agricultural trade and economic and policy analysis	36 764	
Programme 6: Associated services	10 647	
Special functions	<u>854</u>	871 134
• In terms of economic classification:		
Current expenditure	393 903	
Capital expenditure	74 323	
Current transfers	300 908	
Capital transfers	<u>102 000</u>	871 134
1.3 <i>Spending trends</i>		
• In terms of input cost as a percentage of total actual expenditure:	2001/02	2000/01
Personnel expenditure	25,3 %	28,0 %
Administrative expenditure	7,9 %	8,4 %
Inventories	3,6 %	4,3 %
Equipment	5,4 %	5,0 %
Land and buildings	0,6 %	–
Professional and special services	10,7 %	12,0 %
Transfer payments	46,3 %	40,0 %
Miscellaneous	0,1 %	2,2 %
Special functions	0,1 %	0,1 %

- | | 2001/02 | 2000/01 |
|---|---------|---------|
| • In terms of programmes as a percentage of total actual expenditure: | | |
| Programme 1: Administration | 13,8 % | 14,5 % |
| Programme 2: Agricultural support and development | 18,6 % | 8,0 % |
| Programme 3: Sustainable resource use and management | 46,7 % | 56,4 % |
| Programme 4: Agricultural production | 15,4 % | 16,9 % |
| Programme 5: Agricultural trade and economic and policy analysis | 4,2 % | 3,0 % |
| Programme 6: Associated services | 1,2 % | 1,1 % |
| Special functions | 0,1 % | 0,1 % |
| • In terms of total actual spending (including requested roll over) as a percentage of total appropriated amount: | 98,3 % | 96,5 % |
| • If specific services rendered by the Department are analysed in terms of actual spending, the following spending trends came to the fore: | | |

Transfer payments to the Agricultural Research Council, the National Agricultural Marketing Council and Onderstepoort Biological Products Ltd respectively amounted to R271,2 million or 31,1 %, R6,9 million or 0,8 % and R9,9 million or 1,1 %; membership fees to international organisations to R18,4 million or 2,1 %; LandCare projects to R28,4 million or 3,3 %; payment to Stats SA to R16,7 million or 1,9 %; payments to the Land Bank to R85,0 million or 9,8 %; finalisation of foot and mouth combating to R13,8 million or 1,6 %; other veterinary services to R53,4 million or 6,1 %; plant health services to R49,1 million or 5,6 % and land resource management to R45,1 million or 5,2 %.

1.4 Underspending

An amount of R28,228 million of the total appropriation of R899,362 million was not spent by the Department. Of this an amount of R18,750 million was not requisitioned and the balance of R9,478 million paid back to the National Treasury. The underspending can again be attributed to vacancies not filled, personnel turn over, equipment not delivered in time, less land evaluations made and capital projects (R13,0 million) at various border posts that have not been finalised.

2. Services rendered by the Department

2.1 Tariff policy

In terms of section 76(2)(f) of the Public Finance Management Act, 1999, a tariff structure was developed and approved by the National Treasury. In terms of Departmental policy, tariffs were then adjusted to further phase in cost recovery in full for services rendered.

2.2 Free services

The following services were rendered free of charge during the 2001/02 financial year:

2.2.1 Boreholes were drilled and fitted with pumps in the resettlement area of Moretele (R3,469 million) whilst boreholes were drilled in the Sekhunene Cross-boundary area; and

2.2.2 discount was allowed on the actual drilling of boreholes (R215 970).

Had the approved tariff been charged, it would have meant an additional income of R3,685 million.

3. Public entities

In terms of Section 48(1) and Schedule 2 and 3 of the Public Finance Management Act, 1999 (Act 1 of 1999), the public entities which function within the sphere of the national Department, are classified as follows:

- Land and Agricultural Bank of South Africa
(Major public entity and listed in Schedule 2)
- Agricultural Research Council
(National public entity and listed in Schedule 3)
- National Agricultural Marketing Council
(National public entity and listed in Schedule 3)

- Onderstepoort Biological Products Limited
(National Government Business Enterprise and listed in Schedule 3)
- Ncera Farms (Pty) Ltd
(National Government Business Enterprise and listed in Schedule 3)

3.1 *Land and Agricultural Bank of South Africa*

- Purpose

The Bank is an agricultural development institution that provides financial services to a diverse range of clients, including rural entrepreneurs who have traditionally been denied access to credit. As a special financier guided by a new mandate, which requires the promotion of rural development, the Bank focuses on:

Providing finance to all sectors of the agricultural economy; meeting the needs of resource poor farmers and the rural poor; contributing to rural development aimed at promoting stability in the rural areas; and marketing financial sector norms for cost efficiency, effectiveness and customer service.

The Bank is a statutory body governed by the Land Bank Act, 1944 (Act 13 of 1944). The Minister of Agriculture and Land Affairs is the responsible Minister and as such, in terms of the Public Finance Management Act, 1999, the Executive Authority.

- Financial arrangements

No exchequer contributions are made to the Bank to finance its day-to-day activities. However, the Bank is managing the Flood Disaster Relief Scheme on behalf of the national Department and an amount of R85,0 million was transferred to the Bank during the latter half of 2001/02. Two further transfers to the same amount will be made during 2002/03 and 2003/04.

3.2 *Agricultural Research Council*

- Purpose

The Agricultural Research Council is constituted in terms of the Agricultural Research Act, 1990 (Act 86 of 1990), with the specific purpose to deal with agricultural research. The Council is therefore committed to the promotion of agriculture and related sectors through research, technology development and technology transfer directed at the optimisation of the role of agriculture in the growth and development of South Africa.

- Financial arrangements

A government grant is annually appropriated by Parliament on the Vote of the national Department of Agriculture and transferred monthly to the Council. Any additions to the appropriated grant during a financial year are also managed within the Parliamentary process. For the year 2001/02 actual spending by the Agricultural Research Council amounted to R477,6 million of which the government contribution represented an amount of R271,2 million. The difference was made up through income generated from research services rendered. Before any funds are transferred to the Council, that is before the beginning of a financial year, ministerial approval must be granted for the total budget as well as confirmation of adherence to the Public Finance Management Act, 1999, submitted by the Council. This process is applicable in all instances where departmental funds are transferred to a public entity.

3.3 *National Agricultural Marketing Council*

- Purpose

Section 4 of the Marketing of Agricultural Products Act, 1996 (Act 47 of 1996), provides for the appointment of a National Agricultural Marketing Council to advise the Minister of Agriculture on the most effective means of achieving improved market access for all market participants; enhancement of the efficiency of the marketing of agricultural products; optimisation of export earnings for agricultural products; and the strengthening of the viability of the agricultural sector.

- Financial arrangements

A government grant is annually appropriated by Parliament on the Vote of the national Department of Agriculture and transferred to the Council. Any additions to the appropriated grant during a financial year are also managed within the Parliamentary process. For the financial year under discussion the actual spending by the Council amounted to R8,647 million of which an amount of R6,935 million was contributed by the national Department. The difference was made up from own revenue such as interest and surplus funds carried forward.

3.4 *Onderstepoort Biological Products Limited*

- Purpose

The Company is constituted in terms of the Onderstepoort Biological Products Incorporation Act, 1999 (Act 19 of 1999), owned by the State with the national Department of Agriculture as the sole shareholder. The Company manufactures vaccines and related products for the animal health industry.

- Financial arrangements

No standing exchequer contribution is made to the Company which functions independently. During the financial year under discussion, an once-off transfer to the amount of R9,9 million was made to the Company specifically for the upgrading of its infrastructure.

3.5 *Ncera Farms (Pty) Ltd*

- Purpose

Ncera Farms (Pty) Ltd is a state owned Company and the national Department of Agriculture is the sole shareholder. The Company is a development company operative on state land in the Kidds Beach area of the Eastern Cape. The project is managed with the view of establishing small and beginner farmers. Once settlement is finalised, the Company will be closed.

- Financial arrangements

A Government grant is annually appropriated by Parliament on the Vote of the national Department of Agriculture and paid to the Board of Directors on request. For the financial year under discussion the actual spending by the Board amounted to R1,696 million of which R1,5 million was contributed by the national Department. The difference was made up from own revenue derived from farming activities.

4. Activities undertaken by the Department

4.1 *Activities discontinued at the end of 2001/02*

4.1.1 *Onderstepoort Biological Products Ltd*

As was mentioned in paragraph 3.4 an once-off transfer to the amount of R9,9 million was made to the Company specifically for the upgrading of its infrastructure. The funds were made available by the Department of Public Works, appropriated by Parliament in the Adjustments Estimate of 2001/02 on the Vote of the national Department of Agriculture and paid over to the Company. Being an once-off assistance to the Company, the discontinuation thereof will have no effect on the operations of the Department.

4.2 *New activities*

During the 2001/02 financial year the national Department was restructured with resultant changes in its budget structure. Flowing from this the following activities were created and funded through reprioritisation within the national Department's MTEF and are now being phased in:

- 4.2.1 Animal and aqua production systems: Facilitates the development of policies and instruments to enhance the production and management of livestock from veld and forages; semi-intensive livestock production; game farming; and inland fisheries.

- 4.2.2 Plant production systems: Supports a combination of traditional farming practices and agricultural sciences to promote productive and sustainable agricultural practices.
- 4.2.3 Scientific research and development: Identifies research priorities for agriculture and mobilises resources and directs public sector investment accordingly.
- 4.2.4 Planning and evaluation: Plans and co-ordinates identified projects in the national Department.

5. Corporate governance arrangements

The risks identified during the 2000 risk assessment were brought to the attention of all managers. Managers were instructed to manage these risks and to assess all risks applicable to their respective function on a continuous basis. This process continued during the 2001/02 financial year. Fraud prevention policies were revisited and amended where necessary while an Internal Audit Charter was compiled, approved and circulated within the Department to create an awareness of and an understanding for the importance of this function.

The Internal Audit component fulfils its functions effectively in spite of existing capacity limitations. The relationship between the Department and the Audit Committee was sound and the support received from the Committee with the evaluation of internal audit reports was, and still is, outstanding.

A code of conduct, applicable on all employees of the Department, is available while the necessary departmental structures to deal with internal conflict continue to serve the interest of both the employer and employees effectively.

6. Financial management

During the financial year under review, the Department further fine-tuned its financial procedures and internal controls. The following is worth mentioning:

- 6.1 Amendment and extension of the Departmental Financial Instructions. Chapter 14 was added prescribing in detail the management of procurement, stores and assets.
- 6.2 The closing of books at month and year end was streamlined ensuring the timeous submission of financial statements.
- 6.3 The finalisation and implementation of the Risk Management and Fraud Prevention Plans.
- 6.4 Promulgation of the Agricultural Debt Management Act, 2001 (Act 45 of 2001). Also refer to paragraph 7.3.

7. Agricultural debt

7.1 *General*

Farmers and prospective farmers were assisted by the former Agricultural Credit Board (abolished in 1998), in terms of the Agricultural Credit Act, 1966 (Act 28 of 1966), by means of loan assistance for payment of debt, construction of improvements, purchase of farms, tractors, irrigation equipment and production inputs.

7.2 *Agricultural Credit Account*

In terms of the abovementioned Act, loan assistance was granted through the Agricultural Credit Account, established by Section 20A of the Act. With the abolishment of the Agricultural Credit Board in 1998, all direct loan assistance to farmers by the Department was also stopped. The recovery of outstanding debt is currently the Department's mandate and the status of the Account at 31 March 2002 is as follows:

Total debt outstanding	–	R820 037 309
Number of debtors	–	6 200
Number of accounts	–	9 776
Total amount recovered (2001/02)	–	R106 211 263
Balance in account	–	R837 271 216
Amount written off (2001/02)	–	R18 098 235

7.3 *The way forward*

The Agricultural Debt Management Act, 2001 (Act 45 of 2001), was approved by Parliament during 2001. The Act was published in the Government Gazette on 7 December 2001. The Act aims at the rationalisation

and consolidation of the various remnants of legislation that dealt with agricultural debt in its various forms and to align the debt-recovery processes with the Constitution and the Public Finance Management Act, 1999 (Act 1 of 1999). Preparations for the implementation of the Act are in process. A technical amendment to Section 9 of the Act is envisaged to enable officers of the Department to prepare documents referred to in the Act for tendering at any deeds office.

8. Other agricultural debt

Following from previous reports, the status of the Production Loan Scheme for Small and Beginner Farmers and Multiple Debts are again reported on:

8.1 *Production Loan Scheme for Small and Beginner Farmers*

8.1.1 Agribank

The State Attorney was requested on 31 August 1999 to take steps to recover the outstanding debt which amounted to R16 895 532 (capital) and R7 818 563 (interest) on 31 March 2002. As Agribank defaulted on a resultant offer, the State Attorney was requested to institute legal action. Summons has been issued and a ruling by the High Court on an application for default judgment is awaited.

8.1.2 Grovida

The State Attorney was requested on 29 April 1999 to take steps to recover the outstanding debt, which amounted to R1 030 321 (capital) and R93 965 (interest) on 31 March 2002. In terms of a resultant offer, regular payments are made. As on 31 March 2002 total payments of R520 000 were received.

8.1.3 Bakgaga Bakopa

The State Attorney was requested on 7 September 1999 to take steps to recover the outstanding debt, which amounted to R728 584 (capital) and R551 494 (interest) on 31 March 2002. An application was made to the High Court for a ruling that the arbitrator's award, as provided for by the Memorandum of Agreement, be made an order of the Court. On 20 November 2001 this application was successful and the State Attorney is in process of recovering the debt.

8.1.4 Shiela Primary Co-op

The Co-operative is under liquidation. At 31 March 2002 the outstanding debt amounted to R970 547 (capital) and R756 114 (interest). The liquidator is in process of recovering the outstanding debt.

8.1.5 CPAC

The State Attorney was requested on 29 June 1999 to assist with the recovery of the outstanding debt, which amounted to R3 600 000 (capital) and R3 128 307 (interest) on 31 March 2002. In respect of the 1994 production loan debt which was taken over by CPAC, the outstanding debt amounted to R3 079 640 (capital) and R2 422 518 (interest) on 31 March 2002. Following an advocate's opinion obtained by the State Attorney it is considered that the appropriate course of action to be followed in recovering the debt, would be the option of judicial management in terms of section 237 (A) of the Co-operatives Act, 1981 (Act 91 of 1981). In order to pursue this matter the North West Provincial Department of Agriculture, Conservation and Environment undertook to submit a revival plan to assist CPAC. The State Attorney has been requested to follow up on this matter. A reply is awaited.

8.1.6 Saron

The Co-operative is under liquidation. At 31 March 2002 the outstanding debt amounted to R737 600 (capital) and R588 351 (interest). The liquidator is in process of recovering the outstanding debt.

8.2 *Multiple Debts*

8.2.1 Water quota subsidies (Including Albasini State Water Scheme)

The debt originated from overpayment of subsidies. In both remaining two cases the Department is in the process of writing off the debt. The final liquidation and distribution account from the Master of

the High Court has not yet been received. On 31 March 2002 the outstanding debt amounted to R438 793.

8.2.2 Conversion of marginal ploughed lands

This debt originated from the non-compliance by the participants with the conditions of the Subsidy Scheme. In terms of the conditions of the Scheme successful establishment of perennial pastures must be achieved within two seasons and thereafter maintained for at least six years failing which the amount plus interest has to be repaid immediately. Due to severe drought most of the participants were unable to comply with the conditions. It is likely that most of the cases are to be presented for write-off based on *viz major* or insolvency or prescription, whilst other cases are still with the State Attorney for the recovery of the debt. On 31 March 2002 the outstanding debt amounted to R717 755.

8.2.3 Emergency drought relief and interim veld recovery

This debt originated from the non-compliance by the participants with the prescripts of the Subsidy Scheme. In terms of the guidelines of the Scheme participants received benefits in respect of listed farms in identified drought stricken areas by submitting claims on a monthly basis based on stock reduction to two-thirds of the long-term carrying capacity of the area. From time to time overpayments occurred due to the delisting of individual farms and the exceeding of the livestock carrying capacity limit. In most cases the overpayments were rectified when the benefits of remaining listed farms were calculated for the following month or the benefits were immediately terminated after which all benefits received had to be repaid. The State Attorney is in process to recover the outstanding debt. On 31 March 2002 the outstanding debt amounted to R1 099 964.

8.2.4 Farm Labourer Housing Subsidy

This debt originated from the non-adherence to the conditions of the Scheme. In terms of the guidelines of the Scheme, payment of the subsidy was effected upon receipt of a certificate of completion of the houses, issued by the former Department of National Health and Population Development. An investigation into alleged irregularities revealed that a certificate was issued without verification that the relevant houses had been completed. The services of the relevant officials of the Department of Health were terminated. Two cases were referred to the State Attorney to take legal action in order to recover the outstanding debt. On 31 March 2002 the outstanding debt amounted to R185 971.

8.2.5 Flood damage

This debt originated from the non-adherence to the conditions of the Scheme. The debtor is since deceased and the Department proved a claim against the estate. The final liquidation and distribution account from the Master of the High Court is awaited. On 31 March 2002 the outstanding debt amounted to R40 000.

8.2.6 Input Subsidy

This debt originated from the non-adherence to the conditions of the Scheme. The debtor made an offer in full and final settlement, which was turned down. The debtor then made a payment of R8 000 on 10 October 2001 and undertook to pay the balance within 12 months. On 31 March 2002 the outstanding debt amounted to R7 514.

8.2.7 Production loans (administrative costs)

The outstanding amount originated from overpayments in respect of the administration fee payable to agents who participated in the Production Loan Scheme for Small and Beginner Farmers. There were different interpretations as to when the operational costs are payable. The first opinion indicated that operational costs can only be paid on the amounts actually advanced whilst the second opinion indicated that it should be payable on the amount advanced to the agent. The first opinion was applied since the second year and the Department is pursuing the matter in order to recover the overpayments. On 31 March 2002 the outstanding debt amounted to R6 944 429.

Approval

The attached annual financial statements set out on pages 116 to 148 have been approved by the acting Chief Financial Officer on behalf of the Accounting Officer and in terms of delegations granted.

T. Marais
for DIRECTOR-GENERAL
28 May 2002

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS OF
THE DEPARTMENT OF AGRICULTURE—VOTE 24 FOR THE YEAR ENDED 31 MARCH 2002



1. AUDIT ASSIGNMENT

The financial statements as set out on pages 116–142, for the year ended 31 March 2002, have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 3 and 5 of the Auditor-General Act, 1995 (Act No. 12 of 1995). These financial statements, the maintenance of effective control measures and compliance with relevant laws and regulations are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements, based on the audit.

2. NATURE AND SCOPE

The audit was conducted in accordance with Statements of South African Auditing Standards. Those standards require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes:

- examining, on a test basis evidence supporting the amounts and disclosures in the financial statements;
- assessing the accounting principles used and significant estimates made by management.; and
- evaluating the overall financial statement presentation.

Furthermore, an audit includes an examination on a test basis, of evidence supporting compliance in all material respects with the relevant laws and regulations which came to my attention and are applicable to financial matters.

I believe that the audit provides a reasonable basis for my opinion.

3. AUDIT OPINION

In my opinion, the financial statements fairly present, in all material respects, the financial position of the Department of Agriculture at 31 March 2002 and the results of its operations and cash flows for the year then ended in accordance with prescribed accounting practice.

4. EMPHASIS OF MATTER

Without qualifying the audit opinion expressed above, attention is drawn to the following matters:

4.1 Matters not affecting the financial statements

4.1.1 Furniture and equipment

With reference to my previous audit report, the implementation of a proper system of internal control over furniture and equipment is still in the process. Some of the improved control measures are to draw-up inventory lists for all offices and to mark all furniture with unique identification numbers. It is envisaged that the process will be finalised by March 2003.

4.1.2 Computer audit of the general controls surrounding the Financial Management System, Personnel and Salary System and Debtors System.

A computer audit of the application controls surrounding the Financial Management System, Personnel and Salary System and Debtors System at the department revealed that although some controls were in place in the general control environment, significant control weaknesses existed on the whole. These control weaknesses were reported to the department for corrective measures. The appointment of an information security officer was also recommended.

5. APPRECIATION

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

Auditor-General
PRETORIA
31 July 2002

REPORT OF THE AUDITOR GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS OF
THE AGRICULTURAL CREDIT ACCOUNT ADMINISTERED BY THE NATIONAL DEPARTMENT
OF AGRICULTURE FOR THE YEAR ENDED 31 MARCH 2002



1. AUDIT ASSIGNMENT

The financial statements as set out on pages 143–148, for the year ended 31 March 2002 have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 3 and 5 of the Auditor-General Act, 1995 (Act No. 12 of 1995) and section 20A(4) of the Agricultural Credit Act, 1966 (Act No. 28 of 1966). These financial statements, the maintenance of effective control measures and compliance with relevant laws and regulations are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements.

2. NATURE AND SCOPE

The audit was conducted in accordance with Statements of South African Auditing Standards. Those standards require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements;
- assessing the accounting principles used and significant estimates made by management; and
- evaluating the overall financial statement presentation.

Furthermore, an audit includes an examination, on a test basis, of evidence supporting compliance in all material respects with the relevant laws and regulations which came to my attention and are applicable to financial matters.

I believe that the audit provides a reasonable basis for my opinion.

3. QUALIFICATION

Loans to farmers – Securities and provision for bad debts

At year-end, the total loans due by farmers (capital and interest) amount to R819,6 million (2000-01: R875,9 million) and R66 million (2000-01: R76 million) has been provided for bad debts calculated at 20 % of debtor balances which are in arrears for more than three years. Although securities are held for most of the outstanding loans, these were in many instances found to be inadequate to guarantee the recovery of outstanding capital and interest, should debtors not be able to repay their loans.

At year-end R437 202 623 (capital and interest) (2000-01: R 418 385 038) was found to be in arrears for longer than a year. Based on this balance and calculated at 20 %, the bad debts provision should at least amount to R87,4 million.

Furthermore, due to the uncertainties in estimating the ability of farmers to repay their outstanding debt and interest, which also depends to a large extent on favourable weather conditions, the demand and supply situation in respect of farm produce, and the inadequacy of securities as indicated above, it is not possible to reliably assess the adequacy of the Department's provision for bad debts.

4. QUALIFIED AUDIT OPINION

In my opinion, except for the effect on the financial statements of the matters referred to in paragraph 3, the financial statements fairly present, in all material respects, the financial position of the Agricultural Credit Account at 31 March 2002 and the results of its operations and cash flows for the year then ended in accordance with prescribed accounting practice.

5. APPRECIATION

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

Auditor-General
PRETORIA
31 July 2002

NATIONAL DEPARTMENT OF AGRICULTURE

VOTE 24

STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS FOR THE YEAR ENDED 31 MARCH 2002

The financial statements have been, unless otherwise indicated, prepared in accordance with the following policies, which have been applied consistently in all material respects. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (Act 1 of 1999) (as amended by Act 29 of 1999) and the Treasury Regulations for Departments and Constitutional Institutions issued in terms of the Act, as well as the Division of Revenue Act (Act 1 of 2001).

1. Basis of preparation

The financial statements have been prepared on the cash basis of accounting except where stated otherwise. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid. This basis of accounting measures financial results for a period as the difference between cash receipts and cash payments.

2. Revenue

Voted funds are the amounts appropriated to a department in accordance with the final budget known as the adjustments estimate. Interest received is recognised upon receipt of the funds, and no accrual is made for interest receivable from the last receipt date to the end of the reporting period. However, interest in respect of debt administered on Pastel is recognised monthly. Unexpended voted funds are surrendered to the National Revenue Fund.

Dividends received are recognised as revenue in the financial statements of the department, however, it is also recognised as an expense in the same year, as the dividends are paid over to the National Revenue Fund.

3. Expenditure

Capital and current expenditure is recognised in the Income Statement when payment is made. Interest paid is also recognised when paid and no accrual for interest is made between the payment date and the reporting date.

4. Unauthorised, irregular and fruitless and wasteful expenditure

Unauthorised expenditure means:

- The overspending of a vote or main division within a vote, or
- expenditure that was not made in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

Unauthorised expenditure is treated as a current asset in the Balance Sheet until such expenditure is recovered from a third party, authorised by Parliament, or funded from future voted funds.

Irregular expenditure means expenditure, other than unauthorised expenditure, incurred in contravention of or not in accordance with a requirement of any applicable legislation, including:

- The Public Finance Management Act, 1999;
- the State Tender Board Act, or regulations made in terms of this act.

Irregular expenditure is treated as expenditure in the Income Statement until such expenditure is not condoned, by National Treasury or the Tender Board, at which point it is treated as a current asset until it is recovered from a third party.

Fruitless and wasteful expenditure means expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is treated as a current asset in the Balance Sheet until such expenditure is recovered from a third party.

5. Debts written off

Debts are written off when identified as irrecoverable. No provision is made for irrecoverable amounts. Irrecoverable debts are written off according to the following approved write-off criteria:

Departmental debt

- (a) The debtor has neither assets nor income; or
- (b) all reasonable efforts to trace the debtor have failed; or
- (c) the State's claim against an insolvent estate or an estate that is being administered as insolvent, had been proved properly and the dividend of the creditors was insufficient to meet the debt; or
- (d) on account of the weak financial position of an estate, the danger exists that if the debt is proved, a contribution will have to be paid to the estate; or
- (e) there is no possibility now or in the foreseeable future of collection; or
- (f) the debtor is no longer a resident in South Africa, there are no apparent means of collecting the debt and there is no evidence that the debtor has family or business concerns in South Africa that could lead to the debtor returning to South Africa; or
- (g) the debtor is deceased and there is no known estate; or
- (h) the debtor or his dependants would be deprived of the minimum essential means of livelihood; or
- (i) the assets of the debtor or of the estate of the debtor are indispensable to the debtor's dependants or are of relatively little value; or
- (j) the settlement of the claim of the State will be in the best interest of the State; or
- (k) the State Attorney/Head: Legal Services has made a recommendation to that effect and the Department is in agreement therewith; or
- (l) in other circumstances the Assistant Director-General: Financial Management approves; or
- (m) the amount outstanding represents the outstanding balance on the account after payment for the initial service was made and of which further recovery is deemed to be uneconomical.

Agricultural debt

- (a) The debtor has neither assets nor income; or
- (b) all reasonable efforts to trace the debtor have failed; or
- (c) the State's claim against an insolvent estate or an estate that is being administered as insolvent, had been proved properly and the dividend of the creditors was insufficient to meet the debt; or
- (d) there is no possibility now or in the foreseeable future of collection; or
- (e) the debtor is no longer a resident in South Africa, there are no apparent means of collecting the debt and there is no evidence that the debtor has family or business concerns in South Africa that could lead to the debtor returning to South Africa; or
- (f) the debtor is deceased and there is no known estate; or
- (g) the debtor or his dependants would be deprived of the minimum essential means of livelihood; or
- (h) the assets of the debtor or of the estate of the debtor are indispensable to the debtor's dependants or are of relatively little value; or
- (i) the settlement of the claim of the State will be in the best interest of the State; or
- (j) the State Attorney/Head: Legal Services has made a recommendation to that effect and the Department is in agreement therewith; or
- (k) in other circumstances the Assistant Director-General: Financial Management approves.

6. Assets

Physical assets (fixed assets, moveable assets and inventories) are written off in full when they are paid for and are accounted for as expenditure in the Income Statement.

7. Receivables

Receivables are not normally recognised under the cash basis of accounting. However, receivables included in the Balance Sheet arise from cash payments that are recoverable from another party.

8. Payables

Payables are not normally recognised under the cash basis of accounting. However, payables included in the Balance Sheet arise from cash receipts that are due to either the National Revenue Fund or another party.

9. Provisions

Provisions are not normally recognised under the cash basis of accounting.

10. Lease commitments

Lease commitments for the period remaining from the accounting date until the end of the lease contract are disclosed as a note to the financial statements. These commitments are not recognised in the Balance Sheet as a liability or as expenditure in the Income Statements as the financial statements are prepared on the cash basis of accounting.

11. Subsequent payments

Payments made after the accounting date that relates to goods and services received before or on the accounting date are disclosed as a note to the financial statements. These payments are not recognised in the Balance Sheet as a liability or as expenditure in the Income Statement as the financial statements are prepared on the cash basis of accounting.

12. Employee benefits

Short-term employee benefits

The cost of short-term employee benefits is expensed in the Income Statement in the reporting period that the payment is made. Short-term employee benefits, that give rise to a present legal or constructive obligation, are deferred until they can be reliably measured and then expensed. Details of these benefits and the potential liabilities are disclosed as a note to the financial statements and are not recognised in the Income Statement.

Termination benefits

Termination benefits are recognised and expensed only when the payment is made.

Retirement benefits

The Department provides for retirement benefits for its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions. Employer contributions (15 % of the basic salary of an employee) to the fund are expensed when money is paid to the fund. No provision is made for retirement benefits in the financial statements of the Department. Any potential liabilities are disclosed in the financial statements of the National Revenue Fund and not in the financial statements of the employer department.

Contract workers, however, who prefer not to be members of the Government Pension Fund, receives a cash amount equal to 30 % of their basic salary that includes a government contribution for retirement benefits.

Medical benefits

The Department provides medical benefits for all its employees who are members of recognised medical aid schemes through approved benefit plans. These benefits are funded by the employer and employee contributions. The employer funds two thirds of the monthly contribution limited to a maximum amount of R1 014. Employer contribution to the fund is expensed when money is paid to the fund. No provision is made for medical benefits in the financial statements of the Department.

Contract workers, however, who prefer to provide for their own medical contributions, receives a cash amount equal to 30 % of their basic salary that includes a government contribution for medical benefits.

Retirement medical benefits for retired members are expensed when the payment is made to the fund.

13. Capitalisation reserve

The capitalisation reserve represents an amount equal to the value of the investments and/or loans capitalised, or deposits paid on behalf of employees of a foreign mission, for the first time in the previous financial year. On disposal, repayment or recovery, such amounts are transferable to the National Revenue Fund.

14. Recoverable revenue

Recoverable revenue represents payments made and recognised in the Income Statement as an expense in previous years, which have now become recoverable from a debtor due to non-performance in accordance with an agreement. Repayments are transferred to the National Revenue Fund as and when the repayment is received.

15. Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year. The comparative figures shown in these financial statements are limited to the figures shown in the previous year's audited financial statements and such other comparative figures that the Department may reasonably have available for reporting.

VOTE 24: AGRICULTURE

INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2002

	Note	2001/02 R' 000	2000/01 R' 000
REVENUE			
Voted funds		899 362	765 344
Non-voted funds			
– Sales of goods and services	1	21 101	19 707
– Other receipts	2	46 607	54 699
Local and foreign aid assistance	3	500	–
Total revenue		<u>967 570</u>	<u>839 750</u>
EXPENDITURE			
Personnel	4	220 115	202 412
Administrative expenditure		69 117	60 593
Inventories		31 619	31 352
Equipment	5	47 727	36 131
Land and buildings	6	5 243	37
Professional and special services	7	93 095	87 086
Transfer payments	8	402 908	288 971
Miscellaneous	9	456	15 135
Special functions	10	854	1 136
Sub-total		<u>871 134</u>	<u>722 853</u>
Local and foreign aid assistance (RDP)	11	425	–
Total expenditure		<u>871 559</u>	<u>722 853</u>
NET SURPLUS FOR THE YEAR		<u><u>96 011</u></u>	<u><u>116 897</u></u>
ANALYSIS OF NET SURPLUS FOR THE YEAR			
Voted funds to be surrendered to Revenue Fund			
– Gross funds to be surrendered	19	28 228	42 491
Revenue to be surrendered to Revenue Fund	20	67 708	74 406
Local and foreign aid assistance			
– Rolled over to the following year	24	75	–
		<u>96 011</u>	<u>116 897</u>

VOTE 24: AGRICULTURE

BALANCE SHEET AS AT 31 MARCH 2002

	Note	2001/02 R' 000	2000/01 R' 000
ASSETS			
Current assets		55 756	34 416
Unauthorised expenditure in respect of previous years not yet approved	12.3	663	4 403
Cash and cash equivalents	13	115	14 346
Receivables	14	23 396	13 299
Prepayments and advances	15	31 246	2 183
Other financial assets	18	–	23
Investments	17	336	162
Non-current assets		79 623	137 454
Loans	16	59 712	60 251
Investments	17	19 911	77 203
Total assets		<u>135 379</u>	<u>171 870</u>
LIABILITIES			
Current liabilities		54 121	33 338
Voted funds to be surrendered	19	9 478	17 491
Revenue to be surrendered	20	7 278	4 843
Bank overdraft	21	22 887	–
Payables	22	14 478	11 004
Non-current liabilities		19 826	77 126
Payables	23	19 826	77 126
Total liabilities		<u>73 947</u>	<u>110 464</u>
NET ASSETS/EQUITY			
Recoverable revenue		61 357	61 406
Local and foreign aid assistance rolled over	24	75	–
Total net assets/equity		<u>61 432</u>	<u>61 406</u>
Total liabilities		<u>135 379</u>	<u>171 870</u>

VOTE 24: AGRICULTURE

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2002

	Note	2001/02 R'000	2000/01 R'000
RECOVERABLE REVENUE			
Opening balance		61 406	43 697
Transfer to Revenue Fund	20	(9 326)	(30 303)
Debts raised		9 277	48 012
Closing balance		<u>61 357</u>	<u>61 406</u>
LOCAL AND FOREIGN AID ASSISTANCE ROLLED OVER			
Opening balance		-	-
Received in current year		500	-
Transfer from Income Statement		(425)	-
Closing balance	24	<u>75</u>	<u>-</u>

VOTE 24: AGRICULTURE

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2002

	Note	2001/02 R' 000	2000/01 R' 000
CASH FLOW FROM OPERATING ACTIVITIES			
Net cash flow generated by operating activities	26	150 440	129 321
Less:			
– Cash utilised to decrease working capital	27	(32 154)	(6 196)
– Voted funds and Revenue funds surrendered	28	(82 764)	(99 898)
Net cash flow available from operating activities		<u>35 522</u>	<u>23 227</u>
CASH FLOW FROM INVESTING ACTIVITIES			
		(72 640)	(45 652)
Purchase of equipment	26	(47 727)	(36 131)
Erection of Key Soil Conservation Works	26	(22 804)	–
Purchase of investments		539	(8 228)
Capital Expenditure: Erection of border fences/conversion of equipment	7	(3 792)	(1 293)
Proceeds from sale of equipment	26	1 144	–
Net cash flow from operating and investing activities		<u>(37 118)</u>	<u>(22 425)</u>
Net decrease in cash and cash equivalents		(37 118)	(22 425)
Less:			
– Cash and cash equivalents at beginning of period	13	14 346	36 771
– Cash and cash equivalents at end of period	13	(115)	–
Cash and cash equivalents at end of period	21	<u>(22 887)</u>	<u>14 346</u>

VOTE 24: AGRICULTURE

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2002

1	Sales of goods and services	2001/02	2000/01
	Description	R' 000	R' 000
	Incidental sales by non-market establishments	3 039	2 598
	Administrative fees	18 062	17 109
		<u>21 101</u>	<u>19 707</u>
2	Other receipts	2001/02	2000/01
	Descriptions	R' 000	R' 000
	Warrant vouchers written back	250	373
	Proceeds from sale of equipment	1 144	–
	Interest received	11 906	11 292 *
	Recoveries of housing rent	207	205
	Debt recoveries (recoverable revenue)	9 326	30 303
	Services rendered	21 764	8 750 *
	Approved write-offs	124	–
	Incidental receipts	1 273	3 776
	Gifts, donations and sponsorships received	613	–
		<u>46 607</u>	<u>54 699</u>
	* Amounts restated due to revenue of R7,714 million to be surrendered in respect of the 1999/2000 financial year also being included in the revenue items for 2000/01		
2.1	Gifts, donations and sponsorships received in cash	2001/02	2000/01
	Description	R' 000	R' 000
	Hosting of a workshop on crop forecasting techniques and methods	112	–
	Collection of LandCare material for regeneration/multiplication and characterisation	77	–
	Female Farmer Competition	100	–
	Female Farmer Competition	50	–
	Female Farmer Competition	6	–
	Female Farmer Competition	8	–
	Female Farmer Competition	250	–
	Female Farmer Competition	5	–
	Female Farmer Competition	5	–
		<u>613</u>	<u>–</u>
2.2	Gifts, donations and sponsorships received in kind excluding RDP funds by the department (Value not included above)	2001/02	2000/01
	Nature of gift, donation and sponsorship	R' 000	R' 000
	Microsoft SA and the Business Software Alliance: Auditing of software	200	–
	USDA's Cochran Fellowship Program: Crop estimates study tour	114	–
	International Plant Protection Convention: Development of an international standard of phytosanitary measures	14	–
		<u>328</u>	<u>–</u>

VOTE 24: AGRICULTURE

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2002

2.3	Prior year irregular expenditure not condoned in the 2001/02 financial year. (Refer to Note 12.2)	Note	2001/02 R'000	2000/01 R'000
3	Local and foreign aid assistance (including RDP funds)			
	Received in cash			
	RDP (Netherlands Government)		500	-
			<u>500</u>	<u>-</u>
4	Personnel		2001/02 R' 000	2000/01 R' 000
	Basic salary costs		151 585	140 483
	Pension contributions		22 456	20 738
	Medical aid contributions		11 698	10 094
	Other salary related costs		34 376	31 097
			<u>220 115</u>	<u>202 412</u>
	Average number of employees		2 778	2 843
5	Equipment		2001/02 R' 000	2000/01 R' 000
	Capital	5.1	47 727	36 131
			<u>47 727</u>	<u>36 131</u>
5.1	Capital equipment analysed as follows:		2001/02 R' 000	2000/01 R' 000
	Computer equipment		16 815	10 537
	Furniture and office equipment		1 547	722
	Other machinery and equipment		25 623	21 445
	Vehicles		3 737	3 200
	Labour saving devices		5	227
			<u>47 727</u>	<u>36 131</u>
6	Land and buildings		2001/02 R' 000	2000/01 R' 000
	Description			
	Current expenditure		72	37
	Maintenance		29	-
	Rental		43	37
	Capital expenditure	6.1	5 171	-
			<u>5 243</u>	<u>37</u>
6.1	Capital property expenditure analysed as follows:		2001/02 R' 000	2000/01 R'000
	Non-residential buildings		5 171	-
			<u>5 171</u>	<u>-</u>

VOTE 24: AGRICULTURE

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2002

7	Professional and special services	Current expenditure R' 000	Capital expenditure R' 000	2001/02 R' 000	2000/01 R' 000
	Auditors' fees	3 162	–	3 162	2 653
	Contractors	70 243	3 788	* 74 031	25 781
	Consultants and advisory services	1 484	4	1 488	140
	Commissions and committees	2	–	2	23
	Computer services	–	–	–	12
	Other	14 412	–	14 412	58 477
	– Municipal services (Grootfontein Agricultural Development Institute)	605	–	605	–
	– Legal costs	259	–	259	56
	– Other professional services	(183)	–	(183)	39 441
	– Onderstepoort Biological Products Limited	258	–	258	–
	– SABS	47	–	47	11
	– CSIR	1 881	–	1 881	6
	– University research	–	–	–	294
	– Private persons research	–	–	–	3 702
	– Agriculture Research Council	11 472	–	11 472	1 460
	– Private sector	73	–	73	13 507
		<u>89 303</u>	<u>3 792</u>	<u>93 095</u>	<u>87 086</u>

* Includes a double payment identified by the internal control system of the Department amounting to R829 000 to the Agricultural Research Council which was recovered from the Council during the latter half of June 2002

8	Transfer payments Transferee	Current expenditure R' 000	Capital expenditure R' 000	2001/02 R' 000	2000/01 R' 000
	Other transfers	1 500	85 000	86 500	3 424
	Flood relief scheme	–	85 000	85 000	–
	Disaster aid scheme	–	–	–	3 424
	Ncera Farms (Pty) Ltd	1 500	–	1 500	–
	Agricultural Research Council	254 246	17 000	271 246	276 878
	Base line current expenditure	245 746	–	245 746	253 878
	Pension fund	5 500	–	5 500	5 500
	Base line capital expenditure	–	17 000	17 000	14 500
	Leave gratuity	2 000	–	2 000	2 000
	SA Stud Book	1 000	–	1 000	1 000
		45 162	–	45 162	8 669
	LandCare projects (conditional grants)	28 376	–	28 376	–
	Onderstepoort Biological Products Limited	9 851	–	9 851	–
	Abakor Ltd	–	–	–	2 000
	National Agricultural Marketing Council	6 935	–	6 935	6 669
		<u>300 908</u>	<u>102 000</u>	<u>402 908</u>	<u>288 971</u>

VOTE 24: AGRICULTURE

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2002

9	Miscellaneous	Note	2001/02 R' 000	2000/01 R' 000
	Stabilisation fund (terminates after 2001)		–	1 547
	Remissions, refunds and payments made as an act of grace	9.1	49	1
	Gifts, donations and sponsorships made	9.2	361	–
	Other		46	13 587
	Claims against the state		6	–
	Compensation payments		115	13 651
	Other miscellaneous payments		–	33
	Cash discounts		(75)	(97)
			<u>456</u>	<u>15 135</u>
9.1	Remissions, refunds and payments made as an act of grace		2001/02	2000/01
	Nature of remissions, refunds and payments	Current expenditure R' 000	Capital expenditure R' 000	R' 000
	Grant funding: Duthasa Farms	46	–	46
	Transport of furniture	3	–	3
	Actual (2000/01)	–	–	1
		<u>49</u>	<u>–</u>	<u>49</u>
9.2	Gifts, donations and sponsorships paid in cash by the department (items expensed during current year)		2001/02	2000/01
	Nature of gifts, donations and sponsorships	Current expenditure R' 000	Capital expenditure R' 000	R' 000
	Sponsor of the Agriculture Research Week	263	–	263
	Donation to SAPS for purchase of a surveillance camera	20	–	20
	Donation to the National Woman Cooperative Forum	78	–	78
		<u>361</u>	<u>–</u>	<u>361</u>

VOTE 24: AGRICULTURE

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2002

9.3	Gifts, donations and sponsorships made in kind (items expensed in previous periods — Total value not included above) Nature of gifts, donations and sponsorships	Current expenditure R' 000	Capital expenditure R' 000	2001/02 R' 000	2000/01 R' 000
	Gift for the Deputy Secretary of Agriculture, Fisheries and Forestry, Australia	1	—	1	—
		<u>1</u>	<u>—</u>	<u>1</u>	<u>—</u>
10	Special functions: Authorised losses		Note	2001/02 R'000	2000/01 R'000
	Material losses through criminal conduct		10.1	140	196
	Other material losses written off in Income Statement in previous periods		10.2	17	14
	Other material losses written off		10.3	52	49
	Debts written off		10.4	645	877
				<u>854</u>	<u>1 136</u>
10.1	Material losses through criminal conduct Nature of losses	Current expenditure R' 000	Capital expenditure R' 000	2001/02 R' 000	2000/01 R' 000
10.1.1	Inventory items				
10.1.1.1	Livestock	—	11	11	—
10.1.1.2	Tools and bicycles	—	5	5	—
	Actual (2000/01)	<u>—</u>	<u>—</u>	<u>—</u>	<u>12</u>
	Sub-total	<u>—</u>	<u>16</u>	<u>16</u>	<u>12</u>
		Current expenditure R' 000	Capital expenditure R' 000	2001/02 R' 000	2000/01 R' 000
10.1.2	Equipment items				
10.1.2.1	Access software packages	—	5	5	—
10.1.2.2	Brother fax machine MFC-9050	—	4	4	—
10.1.2.3	Other equipment	—	1	1	—
10.1.2.4	IBM laptop computer	—	26	26	—
10.1.2.5	Access software packages	—	2	2	—
10.1.2.6	Theft of firearm	—	3	3	—
10.1.2.7	Tools and equipment	—	16	16	—
10.1.2.8	Laptop computer	—	15	15	—
10.1.2.9	Cellular phone	—	1	1	—
	Actual (2000/01)	<u>—</u>	<u>—</u>	<u>—</u>	<u>166</u>
	Sub-total	<u>—</u>	<u>73</u>	<u>73</u>	<u>166</u>

VOTE 24: AGRICULTURE

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2002

10.1.3	Warrant vouchers fraudulently negotiated	Current expenditure R' 000	Capital expenditure R' 000	2001/02 R' 000	2000/01 R' 000
10.1.3.1	Several warrant vouchers	-	51	51	-
	Actual (2000/01)	-	-	-	18
	Sub-total	-	51	51	18
	Total	-	140	140	196
10.2	Other material losses written off in Income Statement in current period	Current expenditure R' 000	Capital expenditure R' 000	2001/02 R' 000	2000/01 R' 000
10.2.1	Inventories	-	1	1	-
	Sub-total	-	1	1	-
10.2.2	Equipment	-	16	16	-
	Actual (2000/01)	-	-	-	14
	Sub-total	-	16	16	14
	Total	-	17	17	14
10.3	Other material losses written off in Income Statement in previous periods (Total not included above)	Current expenditure R' 000	Capital expenditure R' 000	2001/02 R' 000	2000/01 R' 000
10.3.1	Inventories				
10.3.1.1	Tools	-	15	15	-
	Sub-total	-	15	15	-
10.3.2	Equipment				
10.3.2.1	Scanner and document feeder	-	4	4	-
	Actual (2000/01)	-	-	-	4
	Sub-total	-	4	4	4

VOTE 24: AGRICULTURE

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2002

	Current expenditure R' 000	Capital expenditure R' 000	2001/02 R' 000	2000/01 R' 000
10.3.3 Debts				
10.3.3.1 Various cases	21	12	33	-
Actual (2000/01)	-	-	-	45
Sub-total	<u>21</u>	<u>12</u>	<u>33</u>	<u>45</u>
Total	<u><u>21</u></u>	<u><u>31</u></u>	<u><u>52</u></u>	<u><u>49</u></u>
10.4 Debts written off				
Nature of losses	Current expenditure R' 000	Capital expenditure R' 000	2001/02 R' 000	2000/01 R' 000
10.4.1 Recovery uneconomical	<u>151</u>	<u>122</u>	<u>273</u>	<u>59</u>
Sub-total	151	122	273	59
10.4.2 Recovery would cause undue hardship	<u>1</u>	<u>1</u>	<u>2</u>	<u>-</u>
Sub-total	1	1	2	-
10.4.3 Settle/waive of claims to the advantage of the State	200	170	370	-
Actual (2000/01)	-	-	-	818
Sub-total	<u>200</u>	<u>170</u>	<u>370</u>	<u>818</u>
Total	<u><u>352</u></u>	<u><u>293</u></u>	<u><u>645</u></u>	<u><u>877</u></u>
11 Local and foreign aid assistance (including RDP funds)			2001/02 R' 000	2000/01 R' 000
11.1 Expenditure per organisation Extension service pilot projects (RDP Netherlands Government)			<u>425</u>	<u>-</u>
11.2 Expenditure per standard item			2001/02 R' 000	2000/01 R' 000
Professional and special services			<u>425</u>	<u>-</u>
			<u><u>425</u></u>	<u><u>-</u></u>

VOTE 24: AGRICULTURE

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2002

12	Unauthorised expenditure, irregular expenditure, and fruitless and wasteful expenditure	Note	2001/02 R' 000	2000/01 R' 000
	Irregular expenditure	12.2	–	3 740
	Unauthorised expenditure in respect of previous years not yet approved	12.3	663	663
			<u>663</u>	<u>4 403</u>
12.1	Reconciliation of movement in account balance		2001/02 R' 000	
	Opening balance		4 403	
	Transfer to receivables for recovery	14.4	<u>(3 740)</u>	
	Closing balance		<u>663</u>	
12.2	Irregular expenditure	Disciplinary steps taken/criminal proceedings	2001/02 R' 000	2000/01 R' 000
	Electrification/repair of the Kruger National Park fence	Under consideration	–	3 740
			<u>–</u>	<u>3 740</u>
12.3	Unauthorised expenditure in respect of previous years not yet approved		2001/02 R' 000	2000/01 R' 000
	Year disallowed	Incident		
	1999/2000	Training in English – insufficient authority	136	136
	1999/2000	Additional payment for consultation services rendered during the National Irrigation Policy grassroots consultation process – insufficient authority	527	527
			<u>663</u>	<u>663</u>
12.4	Irregular expenditure not condoned by Treasury/Tender Board		2001/02 R' 000	
	Incident	Disciplinary steps taken/criminal proceedings		
	Electrification/repair of the Kruger National Park fence	Await approval for condonation/non-condonation	<u>3 740</u>	
			<u>3 740</u>	
13	Cash and cash equivalents		2001/02 R' 000	2000/01 R' 000
	Paymaster-General Account	13.1	–	14 298
	Cash on hand		<u>115</u>	<u>48</u>
			<u>115</u>	<u>14 346</u>

VOTE 24: AGRICULTURE

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2002

13.1	Reconciliation of Paymaster-General Account/ Exchequer account (Refer to Note 21.1)	Note		2000/01 R' 000
	Balance as per National Accounting Office			37 121
	Add: Outstanding deposits			6 357
	Sub-total			43 478
	Less:			(29 180)
	Orders payable outstanding			(29 228)
	PMG adjustment account			48
	Balance			<u>14 298</u>
14	Receivables – current		2001/02 R' 000	2000/01 R' 000
	Amounts owing by other departments	25	777	5 771
	Staff debtors	14.3	213	73
	Other loans and debtors	14.4	22 406	7 455
			<u>23 396</u>	<u>13 299</u>
14.1	An amount of R 88 845.00 (2000/01: R 853 794.54) included above may not be recoverable, but has not been written off in the Income Statement			
14.2	Age analysis – receivables		2001/02 R' 000	2000/01 R' 000
	Less than one year		13 857	6 217
	One to two years		759	343
	More than two years		8 780	6 739
			<u>23 396</u>	<u>13 299</u>
14.3	Staff debtors		2001/02 R' 000	2000/01 R' 000
	Debt (Persal)		177	63
	Private telephone debt		–	1
	Employee disallowance account		36	9
			<u>213</u>	<u>73</u>
14.4	Other debtors		2001/02 R' 000	2000/01 R' 000
	Dishonored cheques		104	16
	Claims recoverable (trading entities)		1 270	344
	Salary reversal control		–	14
	Deduction disallowance		–	4
	Tax previous financial year		–	13
	Persal deductions		50	68
	Departmental debt		9 208	–
	Irregular expenditure	12.1	3 740	–
	Contract debts		424	871
	Drilling debts		–	102
	Debt capital account (Pastel)		6 594	–
	Debt interest account (Pastel)		699	–
	Subsidies to farmers		–	5 386
	Dept debts: Non-departmental staff		–	77
	Suppliers disallowance account		217	53
	Warrant vouchers cashed fraudulently		72	127
	Damage to state property		9	331
	Transport and subsistence advances (standing)		19	49
			<u>22 406</u>	<u>7 455</u>

VOTE 24: AGRICULTURE

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2002

15	Prepayments and advances		2001/02	2000/01
	Nature of prepayments/advances		R' 000	R' 000
	Advances to other departments		619	1 624
	Advance to Agriculture Research Council		30 000	–
	Transport and subsistence advances		627	559
			<u>31 246</u>	<u>2 183</u>
16	Loans granted to	Purpose	2001/02	2000/01
			R' 000	R' 000
	Vetsak (Co-operative) Ltd	Government support	24 500	28 000
	Capital account: Loans to small and beginner farmers	Government support	35 212	32 251
			<u>59 712</u>	<u>60 251</u>
	Less: repayable within twelve months included under current assets			
	– Vetsak (Co-operative) Ltd		(3 500)	(3 500)
	– Capital account: Loans to small and beginner farmers		(300)	–
			<u>55 912</u>	<u>56 751</u>
17	Investments/Deposits		2001/02	2000/01
	Deposits	Nature of investment	R' 000	R' 000
	Drilling deposit	Deposits for drilling services to be rendered	336	162
	Sub-total		<u>336</u>	<u>162</u>
	Investments			
	Abattoir Industry Fund	Statutory levies received from producers	19 757	19 236
	Agricultural Development Fund	Agricultural development	–	122
	Investment shareholding	Shares: Ncera Farms (Pty) Ltd/Abakor	1	57 703
	Trust funds	Testimonial grants	68	65
	S.A.A.U. Levy account	Statutory levies received from producers	85	77
	Sub-total		<u>19 911</u>	<u>77 203</u>
	TOTAL		<u>20 247</u>	<u>77 365</u>

VOTE 24: AGRICULTURE

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2002

18	Other financial assets	Note	2001/02	2000/01
	Description		R' 000	R' 000
	Receipt suspense account		-	23
			<u>-</u>	<u>23</u>
19	Voted funds to be surrendered		2001/02	2000/01
			R' 000	R' 000
	Opening balance		17 491	22 621
	Transfer from Income Statement		(28 228)	(42 491)
	Voted funds per Adjustments Estimate		899 362	765 344
	Less amount received		(880 612)	(740 344)
	Paid during the year	28	(17 491)	(22 621)
	Closing balance		<u>(9 478)</u>	<u>(17 491)</u>
20	Revenue funds to be surrendered		2001/02	2000/01
	Funds to be surrendered		R' 000	R' 000
	Opening balance		(4 843)	(7 714)
	Transfer from Income Statement for revenue to be surrendered		(58 382)	(44 103)
	Transfer from recoverable revenue		(9 326)	(30 303)
	Sub-total		<u>(72 551)</u>	<u>(82 120)</u>
	Paid during the year	28	65 273	77 277
	Closing balance		<u>(7 278)</u>	<u>(4 843)</u>
21	Bank Overdraft		2001/02	2000/01
			R' 000	R' 000
	Paymaster-General Account	21.1	<u>(22 887)</u>	<u>-</u>
21.1	Reconciliation of Paymaster-General Account/ Exchequer Account (Refer to Note 13.1)		2001/02	
			R' 000	
	Balance as per National Accounting Office		(5 179)	
	Add: Outstanding deposits		6 893	
	Sub-total		<u>1 714</u>	
	Less:		(24 601)	
	Orders payable outstanding		(21 686)	
	PMG adjustment account		69	
	ACB control account		(2 984)	
	Balance	21.2	<u>(22 887)</u>	
21.2	Calculation of actual Paymaster-General Account			
	Paymaster-General Account		(22 887)	
	Plus: Cash in transit: Agricultural Credit Account		<u>(2 714)</u>	
	Actual Paymaster-General Account balance		<u>(25 601)</u>	

VOTE 24: AGRICULTURE

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2002

22	Payables – current Description	Note	2001/02 R' 000	2000/01 R' 000
	Advances received	22.1	(1 149)	(1 149)
	Other payables	22.2	(13 329)	(9 855)
			<u>(14 478)</u>	<u>(11 004)</u>
22.1	Advances received		2001/02 R' 000	2000/01 R' 000
	Department of Foreign Affairs		(1 149)	(1 149)
			<u>(1 149)</u>	<u>(1 149)</u>
22.2	Other payables		2001/02 R' 000	2000/01 R' 000
	Salaries and deductions			
	Salary and wage account		(34)	(196)
	Regional Council levies		(5)	(1)
	Persal deductions cat. B		–	(297)
	Salary reversal control		(76)	–
	Persal deductions cat. C		(1)	–
	Revenue recoverable (control accounts)			
	Debtors control account	22.3	(7 293)	–
	Current account: Debt management		(60)	(359)
	Claims payable			
	Drilling deposit		(301)	(442)
	Plant breeders rights		(49)	(84)
	S.A.A.U. levy account		(85)	(78)
	Subsidies to farmers		(2 082)	–
	Payments in suspense		(612)	(207)
	Sports fee deposits		(17)	(16)
	Agricultural Credit Account		(2 714)	(8 176)
			<u>(13 329)</u>	<u>(9 856)</u>
22.3	Includes an amount of R699 000 in respect of interest accrued on debt administered on Pastel			
23	Payables (non-current) Description		2001/02 R' 000	2000/01 R' 000
	Trust funds		(68)	(65)
	Shareholding account		(1)	(57 703)
	Abattoir Industry Fund		(19 757)	(19 236)
	Agricultural Development Fund		–	(122)
			<u>(19 826)</u>	<u>(77 126)</u>

VOTE 24: AGRICULTURE

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2002

24	Local and foreign aid assistance (including RDP funds) rolled over			2001/02 R' 000	2000/01 R' 000
	Donor				
	– RDP (Netherlands Government)				
	Amount withdrawn from the RDP fund			500	–
	Actual expenditure			425	–
	Unspent balance to be rolled over			75	–
25	Transactions with other departments Name of department	Receipts balance	Payments made	Owing by other departments R' 000	Owing to other departments R' 000
		R' 000	R' 000		
	Department of Foreign Affairs	–	–	51	–
	Department of Water Affairs and Forestry	–	–	9	–
	South African National Defence Force	–	–	4	–
	Department of Environmental Affairs and Tourism	–	–	8	–
	Department of Trade and Industry	–	–	7	–
	National Parks Board	–	–	25	–
	Department of Social Development	–	–	5	–
	Department of Justice	–	–	3	–
	Provincial Government Mpumalanga	–	–	56	–
	Provincial Government North West	–	–	72	–
	Provincial Government Gauteng	–	–	450	–
	Provincial Government Western Cape	–	–	66	–
	Provincial Government Free State	–	–	19	–
	City of Tshwane Metropolitan Council	–	–	2	–
	Actual 2001/02 (Note 14 has reference)	–	–	777	–
	Actual 2000/01 (Note 14 has reference)	–	–	5 771	–
26	Net cash flow generated by operating activities		Note	2001/02 R' 000	2000/01 R' 000
	Net surplus as per Income Statement			96 011	116 897
	Adjusted for items separately disclosed			73 179	37 424
	– Proceeds from sale of equipment		2	(1 144)	–
	– Purchase of equipment		5.1	47 727	36 131
	– Erection of Key Soil Conservation Works				
	Capital works		6.1	5 171	–
	Other capital expenditure			17 633	–
	– Capital Expenditure: Erection of border fences/conversion of equipment		7	3 792	1 293
	Voted funds not requisitioned			(18 750)	(25 000)
	Net cash flow generated by operating activities			150 440	129 321

VOTE 24: AGRICULTURE

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2002

27	Cash generated (utilised) to (increase)/decrease working capital	Note	2001/02 R' 000	2000/01 R' 000	
	Increase in receivables	30	(10 098)	10 950	
	Increase in prepayments and advances		(29 063)	(1 403)	
	Decrease in other current assets		3 582	(3 354)	
	Increase in payables		3 474	(1 611)	
	Increase in other current liabilities		(49)	(10 778)	
			<u>(32 154)</u>	<u>(6 196)</u>	
28	Voted funds and revenue surrendered		2001/02 R' 000	2000/01 R' 000	
	Voted funds surrendered		17 491	22 621	
	Revenue surrendered		65 273	77 277	
			<u>82 764</u>	<u>99 898</u>	
29	Contingent liabilities		As at 31.3.02 R' 000	As at 31.3.01 R' 000	
	Liable to	Nature			
	Housing loan guarantees	Guarantees	29.1	4 343	
	Land and Agricultural Bank of SA	Guarantees		146 726	
				<u>151 069</u>	
				<u>149 009</u>	
29.1	Housing loan guarantees	Opening balance	Guarantees issued during the financial year	Guarantees released/written off during the financial year	Closing balance
		R' 000	R' 000	R' 000	R' 000
	Standard Bank of South Africa	619	110	10	719
	Cape of Good Hope Bank	38	–	12	26
	Nedbank Ltd	577	166	39	704
	Firststrand Bank FNB	344	32	55	321
	BoE Bank	237	50	–	287
	ABSA	1 293	191	149	1 335
	Old Mutual Bank	33	–	–	33
	Fidelity Bank	116	–	15	101
	Saambou Bank	740	123	64	799
	VBS Mutual Bank	18	–	–	18
		<u>4 015</u>	<u>672</u>	<u>344</u>	<u>4 343</u>

VOTE 24: AGRICULTURE

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2002

30	Subsequent payments not recognised in Income Statement			2001/02 R' 000
30.1	Listed by standard item			
	Personnel expenditure			8
	Administrative expenditure			442
	Inventories			39
	Equipment			504
	Land and buildings			1
	Professional and special services			2 485
				<u>3 479</u>
30.2	Listed by programme			2001/02 R' 000
	Administration			627
	Agricultural Support and Development			174
	Sustainable Resources Use and Management			183
	Agricultural Production			2 481
	Agricultural Trade and Economic and Policy Analysis			14
				<u>3 479</u>
31	Short term employee benefits			2001/02 R' 000
	Thirteenth cheques			–
	Performance bonus			–
	Leave entitlement			* 45 814
				<u>45 814</u>
	* As on 24 May 2002			
32	Commitments Liable to	Current expenditure R' 000	Capital expenditure R' 000	2001/02 R' 000
	Department of Public Works	–	13 000	<u>13 000</u>
33	Leases			
	No lease agreements exist. However, contracts such as the hiring of photocopiers have been entered into.			

VOTE 24: AGRICULTURE

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2002

34	Controlled entities		
	Agricultural Research Council		
	Land and Agricultural Bank of South Africa		
	National Agricultural Marketing Council		
	Ncera Farms (Pty) Ltd		
	Onderstepoort Biological Products Limited		
35	Key management personnel	Note	2001/02 R' 000
35.1	Remuneration		
	Minister		783
	Deputy Minister		562
	Director-General		727
	3 X Deputy Directors-General	35.2	<u>665</u>
			<u><u>2 737</u></u>
35.2	Includes the salary of one Deputy Director-General for 12 months		

VOTE 24: AGRICULTURE

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2002

Programme	Adjustment Estimate 2002	Virement 2002	Amount Voted 2002	Actual Expenditure 2002	Savings (Excess) 2002	%	Amount Voted 2001	Actual Expenditure 2001
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
1. Administration	123 010	(2 487)	120 523	119 805	718	0.6	118 473	105 106
2. Agricultural Support and Development	176 315	(6 640)	169 675	161 950	7 725	4.6	63 848	57 607
3. Sustainable Res. Use and Management	408 276	2 045	410 321	406 869	3 452	0.8	164 913	130 623
4. Agricultural Production	144 893	2 370	147 263	134 245	13 018	8.8	108 008	121 806
5. Agric. Trade and Econ. Policy Analysis	32 754	4 712	37 466	36 764	702	1.9	21 224	22 021
6. Auxiliary and Associated Services	14 114	–	14 114	10 647	3 467	24.6	288 878	284 651
7. Special Functions	–	–	–	854	(854)	–	–	1 039
Total	899 362	–	899 362	871 134	28 228	3.1	765 344	722 853
Economic classification	Adjustment Estimate 2002	Virement 2002	Amount Voted 2002	Actual Expenditure 2002	Savings (Excess) 2002	%	Amount Voted 2001	Actual Expenditure 2001
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Current								
Personnel	239 260	(24 005)	215 255	210 540	4 715	2.2	208 138	193 699
Transfer payments	316 507	–	316 507	300 908	15 599	4.9	279 548	274 471
Other	178 233	8 468	186 701	183 363	3 338	1.8	205 569	185 027
Capital								
Transfer payments	102 000	–	102 000	102 000	–	–	14 500	14 500
Acquisition of capital assets	53 847	15 302	69 149	64 748	4 401	6.4	48 627	46 443
Personnel	9 515	235	9 750	9 575	175	1.8	8 962	8 713
Total	899 362	–	899 362	871 134	28 228	3.1	765 344	722 853
Standard items	Adjustment Estimate 2002	Virement 2002	Amount Voted 2002	Actual Expenditure 2002	Savings (Excess) 2002	%	Amount Voted 2001	Actual Expenditure 2001
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Personnel	248 775	(23 770)	225 005	220 115	4 890	2.2	217 100	202 412
Administrative expenditure	69 460	(1 597)	67 863	69 117	(1 254)	(1.9)	61 633	60 593
Inventories	27 979	3 556	31 535	31 619	(84)	(0.3)	28 308	31 352
Equipment	28 980	19 620	48 600	47 727	873	1.8	38 292	36 131
Land and buildings	14 114	(5 406)	8 708	5 243	3 465	39.8	–	37
Professional and special services	91 547	7 481	99 028	93 095	5 932	6.0	113 347	87 086
Transfer payments	418 507	–	418 507	402 908	15 599	3.7	294 048	288 971
Miscellaneous	–	116	116	456	(339)	(292.2)	12 616	15 232
Special functions	–	–	–	854	(854)	–	–	1 039
Total	899 362	–	899 362	871 134	28 228	3.1	765 344	722 853

VOTE 24: AGRICULTURE

NOTES TO THE APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2002

	Actual R'000	Voted R'000	Variance R'000	%
Programme 1: Administration	119 805	120 523	718	0.6
Sub-programme: Minister	783	1 052	269	
Sub-programme: Deputy Minister	562	562	–	
Sub-programme: Management	12 932	13 310	378	
Sub-programme: Corporate Services	105 528	105 599	71	
Programme 2: Agricultural Support and Development	161 950	169 675	7 725	4.6
Sub-programme: Management	591	870	279	
Sub-programme: Agricultural Communication	12 165	12 212	47	
Sub-programme: International Relations	21 546	21 744	198	
Sub-programme: Business and Institutional Development	100 159	106 249	6 090	
Sub-programme: Human Resource Development	22 280	22 461	181	
Sub-programme: Farmer Settlement and Development	5 209	6 139	930	
Programme 3: Sustainable Resource Use and Management	406 869	410 321	3 452	0.8
Sub-programme: Management	680	851	171	
Sub-programme: Agricultural Land Resource Management	73 475	76 573	3 098	
Sub-programme: Agricultural Water Use Management	47 668	47 851	183	
Sub-programme: Genetic Resources	13 800	13 800	–	
Sub-programme: Agricultural Research Council	271 246	271 246	–	
Programme 4: Agricultural Production	134 245	147 263	13 018	8.8
Sub-programme: Management	760	774	14	
Sub-programme: Veterinary Services	67 182	67 182	–	
Sub-programme: Plant Health and Quality	49 133	49 134	1	
Sub-programme: Agricultural Production Inputs	7 319	7 322	3	
Sub-programme: Onderstepoort Biological Products	9 851	9 851	–	
Sub-programme: National Interdepartmental Structure	–	13 000	13 000	
Programme 5: Agricultural Trade, Economic and Policy Analysis	36 764	37 466	702	1.9
Sub-programme: Management	1 320	1 432	112	
Sub-programme: International Trade	3 583	3 671	88	
Sub-programme: Trade Administration	1 045	1 308	263	
Sub-programme: National Agricultural Marketing Council	6 935	6 935	–	
Sub-programme: Economic and Policy Analysis	3 548	3 668	120	
Sub-programme: Agricultural Statistical Information	20 333	20 452	119	
Programme 6: Auxiliary and Associated Services	10 647	14 114	3 467	24.6
Sub-programme: Capital building projects	5 171	8 636	3 465	
Sub-programme: Border fencing	3 222	3 223	1	
Sub-programme: Upgrading laboratories	2 254	2 255	1	
Programme: Special Functions	(854)	–	(854)	
TOTAL	871 134	899 362	28 228	

1. Explanations of material variances from amount voted (after virement):

Programme 1: Administration

The savings under this programme are mainly the result of vacancies not filled (R528 000) due to restructuring and computer equipment not delivered in time (R 190 000).

VOTE 24: AGRICULTURE

NOTES TO THE APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2002

Programme 2: Agricultural Support and Development

The saving under this programme is mainly due to vacant posts not filled (R 725 000) and subsistence and travel expenditure not utilised (R 279 000). Further savings occurred under equipment in respect of computers/furniture not delivered (R 672 000) and funds allocated to food security projects not spent (R 6,049 million).

Programme 3: Sustainable Resource Use and Management

The saving under this programme is mainly due to vacant posts not filled due to restructuring (R 853 000) and LandCare funds not spent (R 2,599 million).

Programme 4: Agricultural Production

The saving under this programme is due to the transfer payment to the National Interdepartmental Structure that could not be made (R 13,0 million).

Programme 5: Agricultural Trade, Economic and Policy Analysis

Due to vacant posts not filled a total saving of R 319 000 were realised, R 181 000 under personnel expenditure and R 138 000 on operational costs (administrative expenditure). A further saving of R 383 000 was realised under equipment.

Programme 6: Auxiliary and Associated Services

The saving under this programme is due to capital building funds not spent (R 3,467 million).

2. Reconciliation of appropriation statement to income statement:

	2002 R'000	2001 R'000
Total revenue per income statement	967 570	839 750
Less: Other receipts	(67 708)	(74 406)
Less: Local and foreign aid assistance (including RDP funds)	(500)	-
Amount voted per appropriation statement	<u>899 362</u>	<u>765 344</u>
Total expenditure per income statement	871 559	722 853
Less: Amount spent on local and foreign aid assistance (including RDP funds)	(425)	-
Actual expenditure per appropriation statement	<u>871 134</u>	<u>722 853</u>

VOTE 24: AGRICULTURE

SUMMARY INCOME STATEMENT OF AID ASSISTANCE RECEIVED FOR THE YEAR ENDED 31 MARCH 2002

	Note	2002 R'000	2001 R'000
Received in kind			
Total local aid assistance (including RDP)	2.2	200	-
Microsoft SA and the Business Software Alliance		200	-
Total foreign aid assistance	2.2	128	-
USDA's Cochran Fellowship Program		114	-
International Plant Protection Convention		14	-
Aid assistance received in kind		<u>328</u>	<u>-</u>
Received in cash			
Total local aid assistance (including RDP)			
RDP (Netherlands Government)	3	500	-
Less:			
Donor funded expenditure			
Total local aid assistance (including RDP)			
RDP (Netherlands Government)	11.1	425	-
Net surplus / deficit		<u>75</u>	<u>-</u>
Analysis:			
Rolled over			
RDP (Netherlands Government)	24	75	-
		<u>75</u>	<u>-</u>

VOTE 24: AGRICULTURE

ANALYSIS OF DONOR FUNDED EXPENDITURE PAID IN CASH

	2001/02 R' 000
Total local aid assistance (including RDP)	
RDP (Netherlands Government)	<u>425</u>
Expenditure per programme	
Programme 2: Agricultural support and development	<u>425</u>
Expenditure per standard item	
Professional and special services	<u>425</u>

VOTE 24: AGRICULTURE

STATEMENT OF LOCAL AID ASSISTANCE RECEIVED (INCLUDING RDP) AS AT 31 MARCH 2002

Source of funds	Intended use	Amount rolled over 01 Apr 01	Amount received for the year	Amount spent for the year	Balance un/overspent as at 31 March 02
		R'000	R'000	R'000	R'000
RDP (Netherlands Government)	Project evaluation	-	500	425	75

Value received in kind

Source of aid	Intended use	2002 R'000	2001 R'000
Microsoft SA and the Business Software Alliance	Auditing for pirate of software	200	-
		200	-

Performance information on use of assistance:

All LandCare projects were evaluated in respect of their impact on the community
Empowerment of female farmers
All software utilised in the Department audited and cleared of pirate copies

VOTE 24: AGRICULTURE

STATEMENT OF FOREIGN AID ASSISTANCE RECEIVED AS AT 31 MARCH 2002

Value received in kind		2002	2001
Source of foreign aid	Intended use	R'000	R'000
USDA's Cochran Fellowship Program	Crop estimate study tour	114	–
International Plant Protection Convention	Development of an international standard for phytosanitary measures	14	–
		128	–

Performance information on use of assistance

Introduction and implementation of new crop forecasting techniques

Further fine tuning of crop forecasting techniques

Development/implementation of international standards

AGRICULTURAL CREDIT ACCOUNT

BALANCE SHEET AS AT 31 MARCH 2002

2000 – 01 R		Note	2001 – 02 R
	ASSETS		
1 129 989 922	Non-current assets		1 180 830 242
789 027 746	Investment	2	899 987 746
340 962 176	Long - term loans to farmers	3.1	280 842 496
468 228 231	Current assets		476 478 284
192 515 430	Short - term portion of long - term loans	3.2	192 757 114
266 960 805	Accounts receivable	4	280 437 699
8 751 996	Cash and cash equivalents	5	3 283 471
<u>1 598 218 153</u>			<u>1 657 308 526</u>
	EQUITY AND LIABILITIES		
1 598 218 153	Capital and reserves		1 657 308 526
1 598 218 153	Accumulated reserves		1 657 308 526
<u>1 598 218 153</u>			<u>1 657 308 526</u>

AGRICULTURAL CREDIT ACCOUNT

INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2002

2000 – 01 R		Note	2001 – 02 R
	INCOME		
(153 815)	Rental income	6	33 286
74 687 342	Interest income		67 794 260
–	Provision for bad debts	7	10 000 000
281 512	Bad debt recovered		423 328
8 389	Sundry income		2 557
<u>74 823 428</u>	Total income		<u>78 253 431</u>
	EXPENDITURE		
5 479 716	Irrecoverable amounts written off		18 098 235
69 110 490	Provision for bad debts		–
2 762 513	Bond protection		1 064 823
<u>77 352 719</u>	Total expenditure		<u>19 163 058</u>
(2 529 291)	Net income for the year		59 090 373
1 600 747 444	Accumulated funds – beginning of the year		1 598 218 153
<u>1 598 218 153</u>	Accumulated funds – end of the year		<u>1 657 308 526</u>

AGRICULTURAL CREDIT ACCOUNT

NOTES TO THE BALANCE SHEET AND INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2002

1 Accounting policies

The financial statements are prepared, unless otherwise indicated, on the historical cost basis in accordance with the under mentioned policies, which are consistently applied in all material respects. The financial statements are prepared in accordance with generally accepted accounting practice.

1.1 Income recognition

Income is recognised on the accrual basis.

1.2 Provision for bad debts

The provision for bad debts is calculated as 20 % of the total number of debtors in arrears for more than 36 months.

1.3 Investments

Surplus funds are invested at the Corporation for Public Deposits as stipulated in the Agricultural Credit Act, 1966 (Act 28 of 1966).

1.4 Loans

Repayments and interest on loans are made and levied as per individual contractual agreement. Various interest rates are applicable.

	2001 – 02 R	2000 – 01 R
2 Investment		
Corporation for Public Deposits	<u>899 987 746</u>	<u>789 027 746</u>
On 24 January 1996 Cabinet approved that the payment of interest on the investments of the Agricultural Credit Account be suspended.		
3 Loans to farmers		
3.1 Long - term loans to farmers	<u>280 842 496</u>	<u>340 962 176</u>
3.2 Short - term loans		
Short - term portion of long - term loans	35 546 499	40 535 641
Capital payable	223 210 615	227 979 789
<i>Less: Provision for bad debts</i>	(66 000 000)	(76 000 000)
– Capital portion	(36 000 000)	(43 000 000)
– Interest portion	(30 000 000)	(33 000 000)
	<u>192 757 114</u>	<u>192 515 430</u>
4 Accounts receivable		
Interest	279 992 008	266 405 249
Rent	445 691	555 556
	<u>280 437 699</u>	<u>266 960 805</u>
5 Cash and cash equivalents		
Cash in transit		
Cash in transit from the Paymaster-General account	2 714 236	8 174 648
Receipts deposited	569 235	577 348
	<u>3 283 471</u>	<u>8 751 996</u>

AGRICULTURAL CREDIT ACCOUNT

NOTES TO THE BALANCE SHEET AND INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2002

	2001 – 02	2000 – 01
	R	R
6		
Rental income		
Rent raised	33 286	(153 815)
	<u>33 286</u>	<u>(153 815)</u>
7		
Provision for bad debts		
Provision	76 000 000	6 889 510
Adjustment	(10 000 000)	69 110 490
New provision	<u>66 000 000</u>	<u>76 000 000</u>

AGRICULTURAL CREDIT ACCOUNT

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2002

2000 – 01 R		Note	2001 – 02 R
	CASH FLOWS FROM OPERATING ACTIVITIES		
72 060 915	Net cash flows	1	67 188 608
130 500 000	CASH FLOWS FROM INVESTING ACTIVITIES		110 960 000
130 500 000	Increase in investment	2	110 960 000
56 117 882	CASH FLOW FROM FINANCING ACTIVITIES		38 302 867
56 117 882	Movement on receivables	3	38 302 867
(2 321 203)	Net increase in cash and cash equivalents		(5 468 525)
11 073 199	Cash and cash equivalents at beginning of period		8 751 996
8 751 996	Cash and cash equivalents at end of period	4	3 283 471

AGRICULTURAL CREDIT ACCOUNT

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2002

	2001 – 02	2000 – 01
	R	R
1 Net income for the year	67 188 608	72 060 915
Total income	78 253 431	74 823 428
Total expenditure	(19 163 058)	(77 352 719)
Provision for bad debt	(10 000 000)	69 110 490
Irrecoverable amounts written off	18 098 235	5 479 716
2 Increase in investment at the Corporation for Public Deposits	110 960 000	130 500 000
Investment at beginning of period	789 027 746	658 527 746
Investment at end of period	899 987 746	789 027 746
3 Movement on receivables, prepayments, payables and provisions	38 302 867	56 117 882
Decrease in amounts	28 302 867	125 228 372
Provision for bad debt	10 000 000	(69 110 490)
4 Cash and cash equivalents at end of period	3 283 471	8 751 996
Paymaster-General Account	2 714 236	8 174 648
Unallocated receipts	569 235	577 348