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BUDGET ANALYSIS: VOTE 24: THE DEPARTMENT OF AGRICULTURE, FORESTRY AND FISHERIES

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1. INTRODUCTION

The Parliament of the Republic South Africa has a constitutional mandate (Section 55:2 [(a), (b)]) to oversee service delivery and spending of public resources by the Executive. Thus, Parliament has to provide for mechanisms to ensure that public funds allocated to the Executive are utilised effectively, efficiently, equitably and economically. This is one of the oversight exercises that enables committees of Parliament to hold the Executive accountable for their plans, strategies, and budget expenditure.

The overarching policy framework that guides the budget priorities of the Department are the National Development Plan (NDP), the New Growth Path (NGP), the Presidential Infrastructure Coordinating Commission (PICC) and the Industrial Policy Action Plan (IPAP) such that the Department can develop and implement its policies, programmes, and strategies for the agriculture sector. Some of the main policy thrusts that drive the Department's plans (e.g. NDP) indicate that the Department should improve efforts towards 'realising a food trade surplus, with one-third produced by small-scale farmers or households' and to 'ensure household food and nutrition security'. The 2014-2019 Medium Term Strategic Framework (MTSF) indicates that the Department is directly linked to the following three national outcomes:

- Decent employment through inclusive growth (Outcome 4),
- Vibrant, equitable, sustainable rural communities contributing towards food security for all (Outcome 7),and
- Protect and enhance our environmental assets and natural resources (Outcome 10).

The contribution that is expected from Department in terms of its contribution to the above mentioned outcomes are indicated in Annexure A (2014-2019 Medium Term Strategic Framework (MTSF) outcome and impact indicators in relation to DAFF) that accompanies the budget analysis.

The purpose of this briefing paper is to provide an overview and analysis of Budget Vote 24: Department of Agriculture, Forestry and Fisheries (hereinafter referred to as the Department), as tabled by the Minister of Finance for the 2015/16 financial year. The strategic and annual performance plans of the Department for the 2016/17 financial year are incorporated, as these documents give direction to the national and sector-specific policy priorities to be addressed by the Department. The 2016/17 budget analysis is intended for the Portfolio Committee on Agriculture, Forestry and Fisheries and seeks to engage the linkages between policy priorities, performance outcomes of the previous financial year (2015/16), budget allocations and expenditure trends of the Department over the Medium Term Expenditure Framework (MTEF) period.

2. OVERVIEW OF THE 2015/16 FINANCIAL YEAR

Based on the quarterly reports of the department presented before the Portfolio Committee (PC)[1], it was noted that the performance report of the Department did not clearly indicate any progress made towards the implementation of the State of the Nation Address (SONA) outlined AgriParks as well as any direct contribution to the objectives of the NDP (i.e. jobs created, contribution to food supply, and value addition in agro-processing).Furthermore, the Department has not provided an adequate progress report on the implementation of APAP sector and crosscutting interventions, which are inextricably linked to the revitalisation of agriculture and agro-processing value chains (RAAVC).

Under programme 1: the following was reported by the Department for the mid-year report.

- In terms of the performance indicator on the implementation of the Integrated Development Finance Framework, the Department did not provide the quarterly report as planned and stated that the said report included the progress on the implementation of the Integrated Development Finance Framework but though it had not been approved. The PC should note that this target has not been met in the first quarter of 2015/16 as well and carries implications for the 2016/17 financial year.
- In terms of the implementation of the Intergovernmental Strategy, the Department has not set IGR forums in all provincial department of agriculture as planned but only managed to draw up the relevant term of reference. The PC should note that the issues of IGR were emphasized by the PC previously to the Department as there was lack of coordination in many areas of work that negatively impacted on the Department and the sector broadly. Further, it appears that there has been no concrete implementation of the IGR strategy, if indeed it has been developed, consulted and adopted.
- In terms of the institutionalisation of the Integrated Planning Framework, the Department had indicated an elaborate process through which the target was achieved (2015/16 first quarter report – though it is indicated as 2014/15). The PC should note that this is not in line with the recommendations of Auditor General of South Africa (AGSA), as the report must first go through to Internal Audit, the through the Audit Committee before coming to the PC. This should have been done prior to the report being submitted to the PC already. These processes serve to give assurance in terms of the reliability, validity, correctness, and completeness of the information provided by DAFF to the PC.

Under programme 2: the following was reported by the Department for the mid-year report.

- In terms of the implementation of the animal disease management plan, the Department had not consulted the stakeholders on the draft strategy as it had not been approved yet. The PC should note that a single national disease management

[1] DAFF (2016 a)

plan is of outmost importance to the livestock sector as it seeks address some of the challenges and gaps identified the World Animal Health Organisation (OIE) in 2012/13. The PC should further note that the information reported in the second quarter is similar to that which was reported in the first quarter which indicates that the draft strategy has been complied but not approved for consultation and as such appears to be shelved for over six months (if not longer).

- In terms of the number of animal improvement schemes for prioritised value chain commodities monitored, the Department reported no activities for the second quarter. The PC should note that the mobilisation of farmer participation planned for the first quarter had not been achieved. It is also important to note that the animal improvement schemes were implemented by the ARC on behalf of the Department, which ARC had previously indicated to the PC that it is not adequately funded and would soon reconsider its role. DAFF must indicate if KyD has been funded adequately in the 2015/16 financial year, and what progress has been since the first quarter targets were not met.
- The Department further reported that 15 950 (11 per cent of 145 000) smallholder producers were supported in the form of advisory services, marketing and access to financial support services under Programme 3 (Food Security and Agrarian Reform). The reasons for deviation reported were that the Department expects to meet its annual target as this would cover the period of the planting season (Quarter 3 of 2015/16).

The PC should note that the drought impact has been devastating for many smallholder farmers. 'The drought has already affected growth, with quarter 3 of 2015/16 showing contraction of 12.3 per cent and this will require a downward review of growth targets for the sector'[2]. Further, how does the Department plan to revitalise (radically and strategically so) the sector, particularly in light in the loss of government investments made (CASP, AgriParks, Fetsa Tlala, APAP etc.) during the drought period instead of a downward revision of targets?

The National Treasury mid-year report of the adjusted estimates of national expenditure indicated that there was 100 per cent achievement in the first three targets for monitoring and surveillance as the department had to conduct more surveillance and monitoring in the first six months of 2015/16 than planned under Programme 2 (Agricultural Production, Health and Food Safety).[3] This was in order to detect early signs of disease to mitigate and prevent the spread of specific priority plant and animal diseases.

The Department should indicate what surveillance work was carried out in the Eastern Cape and Western Cape in respect of Brucellosis and Johnes Disease outbreaks. The PC should further note that it has been previously cautioned by South African Veterinary Council (SAVC) on the unreported and underreported cases of brucellosis outbreaks (which is a controlled disease that requires control measures stipulated in the act with regard to certain classes of animals affected to be implemented should these diseases occur and must be

[2] DAFF (2016b)
[3] National Treasury (2015)

carried out by a state veterinarian).

Under Programme 3: Food Security and Agrarian Reform, the following was reported by the Department for the mid-year report.
In terms of the performance indicator on the number of hectares of underutilised land in communal areas cultivated for production, the Department had not met its target as the quarterly report that indicated that 1190 hectares had been cultivated (which is 0.991 of the annual target of 120 000 hectares). In the first quarter of 2015/16, the Department reported that the production plan had been developed which was submitted to the PC on March 15th, 2016.

Under the Programme 4: Food Trade Promotion and Market Access, the following was reported by the Department for the mid-year report:

- The Annual report on status of transformation in the agricultural sector has been outstanding since 2014/15, and the Department had indicated that work is ongoing and would be finalised as soon as possible.

Under the Programme 5: Forestry and Natural Resource Management, the following was reported by the Department for the mid-year report:

- In terms of the performance indictor on the Number of ha in irrigation schemes revitalised, the Department had achieved to revitalise 40.5 hectares (which represents 16.2 per cent of the annual target of 250 hectares).
- The Department indicated that the planting in underutilised areas on hectares to be cultivated for production will start in the rainy season, in the third and fourth quarters of 2015/16. Furthermore; the National Treasury mid-year report reflected that the department would not meet its annual targets set for the number of hectares planted in the forestry programme, due to the reprioritisation of the budget towards the hosting of the XIV World Forestry Congress, held in South Africa in September 2015. In terms of the number of hectares of woodlands forest and hectares of agricultural land rehabilitated, 134 ha and 1 165 ha respectively were achieved through the reforestation and land rehabilitation project. **The annual target had been revised downwards due to the freezing of some posts, the reprioritisation of funds towards the forestry congress, and reduction in the budget due to anticipated underspending.**

In terms of financial management, the following was reported by the Department for the mid-year report:

1. The Department declared unspent funds to the tune of R16.633 million in unspent funds due to the historical under-expenditure performance in the following areas:

- Programme 2: Agricultural Production, Health and Food Safety: R4.055 million on the Ilima/Letsema conditional grant
- Programme 3: Food Security and Agrarian Reform: R11.226 million on the comprehensive agricultural support programme conditional grant

- Programme 5: Forestry and Natural Resources Management: R1.352 million on the land care programme conditional grant

2. In terms of other adjustments due to significant and unforeseeable economic and financial events, an additional R42.376 million was allocated to cover costs related to increases in compensation of employees that were higher than provided for in the main Budget, as follows:

- Programme 2: Agricultural Production, Health and Food Safety - R19 million
- Programme 5: Forestry and Natural Resources Management - R1.376 million
- Programme 6: Fisheries - R22 million

3. The Department also made a donation of R200 000 to the Agricultural Research Council for the annual national beef cattle improvement schemes awards the budget allocated to Programme 2: Agricultural Production, Health and Food Safety.

3. POLICY PRIORITIES FOR 2016/17

The 2016 SONA[4] was centred on reporting back to the Nation what has been achieved since the 2015 SONA[5] pronouncements. In 2015, the President emphasised the economic significance and transformation of the agriculture sector. This was in relation to the revitalisation of the agriculture sector, the agro-processing value chain, as well as the implementation of the Agricultural Policy Action Plan (APAP). The SONA announced the establishment of agri-parks or cooperatives and clusters in each of the 27 poorest district municipalities to transform rural economies. The Department responded to the 2015 SONA in stating that it is collaborating with the Department of Rural Development and Land reform on the development of the agri-parks as well as making its contributions through the APAP interventions.

The imperatives of the NDP around the issues of increased production (among others) are the following: (i) increasing land under irrigation, (ii) bringing underutilised land in communal areas into commercial production, (iii) supporting commercial production areas with relative comparative advantage for higher growth and employment. The NDP expects that by 2030, a third of food surplus in the country should be produced by small scale farmers or households and about one million jobs created from primary production and secondary agro-food sectors. The NGP further identifies agriculture as one of the key job creating sectors, with the potential to create job opportunities for 300 000 households in agriculture smallholder schemes and 145 000 jobs in agro-processing by 2020.[6]

[4] Parliament (2016)
[5] Parliament (2015)
6 The Presidency (2012)

Over the medium term, the Department of Agriculture, Forestry and Fisheries will prioritise improving food security, creating jobs, and increasing the contribution of the agriculture sector to GDP. Subsistence and smallholder farmers are a focus within all of these priorities, which are informed by the national development plan's broad vision of eliminating poverty and reducing inequality by 2030. The department's work supports this broad vision by contributing directly to outcome 4 (decent employment through inclusive economic growth), outcome 7 (comprehensive rural development and land reform), and outcome 10 (protect and enhance our environmental assets and natural resources) of the 2014-2019 medium term strategic framework. In addition, the president's 2015 9-point plan to ignite growth and create jobs includes the revitalisation of agriculture and agro-processing value chains.

It is important that the Department's strategic goals and associated objectives are aligned with the above mentioned outcomes. These should include providing an enabling environment for food security and sustainable agrarian transformation; increase production and productivity levels in order to enhance employment and economic growth; ensuring the sustainable use of natural resources through the conservation, protection, rehabilitation and recovery of natural resources within ecosystems. The main programmes that are reflective of the NDP objectives are Programme 2: Agricultural Production, Health, Food Safety; Programme 3: Food Security and Agrarian Reform; and Programme 5: Forestry.

4. BUDGET ANALYSIS

4.1 Overall budget allocation, expenditure, and impact trends

The departmental total budget allocation for the 2016/17 financial year is R6.332 billion, nominally[7] down by R 65.8 million from 2015/16. The three flagship programmes of the Department (i.e. Programme 2: Agricultural Production, Health and Food Safety; Programme 3: Food Security and Agrarian Reform; Programme 5: Forestry) have been allocated 75.6 per cent of the total 2016/17 budget. The largest share is allocated to Programme 2: Agricultural Production, Health and Food Safety, with 30.8 per cent (down from 33.5 per cent in 2015/16) of the total allocation. The second largest share is allocated to Programme 3: Food Security and Agrarian Reform; which is 29.8 per cent (down from 30.24 per cent in 2015/16) of the total allocation. This is followed by Programme 5: Forestry, with 14.9 per cent (marginally up from 14.3 per cent in 2015/16) of the total allocation. The remaining three programmes (i.e. Programme 1: Administration; Programme 4: Trade Promotion and Market Access; Programme 6: Fisheries) constitute 24.38 per cent of the budget vote. Noting the proportional shifts within programme allocation (Change in percent allocation (per cent)); only Programme 4: Trade Promotion and Market Access received significant positive growth on its nominal and real share of the budget (27.2 per cent and 19.3 per cent respectively). Noting the nominal and real budget cuts, these are most notable on Programme 2: Agricultural

[7] Not taking into account the inflation rate

Production, Health and Food Safety (8.9 per cent and 14.5 per cent respectively); followed by Programme 3: Food Security and Agrarian Reform (1.5 per cent and 7.6 per cent respectively); and lastly Programme 5: Forestry (1.4 per cent and 7.5 per cent respectively).

Table 1: DAFF Budget Allocation 2015/16 to 2018/19 (Nominal and Real changes)

Programme	Medium-term expenditure estimate				Nominal Rand change	Real Rand change	Nominal % change	Real % change
R million	**2015/16**	**2016/17**	**2017/18**	**2018/19**	**2015/16-2016/17**		**2015/16-2016/17**	
Programme1: Administration	729.418	788.053	803.178	839.857	58.635	9.843726	8.038601	1.349532
Programme2: Agricultural Production, Health and Food Safety	2144.541	1953.418	2183.193	2292.62	-191.123	-312.066	-8.91207	-14.5517
Programme 3: Food Security and Agrarian Reform	1919.401	1889.738	2018.011	2090.631	-29.663	-146.664	-1.54543	-7.64112
Programme 4: Trade Promotion and Market Access	233.907	297.596	264.772	275.405	63.689	45.26373	27.22834	19.35117
Programme 5: Forestry and Natural Resources Management	906.216	945.562	961.362	1002.536	39.346	-19.1972	4.34179	-2.1184
Programme 6: Fisheries	465.267	458.598	475.744	497.977	-6.669	-35.0625	-1.43337	-7.53599
TOTAL	**6398.75**	**6332.965**	**6706.26**	**6999.026**	**-65.785**	**-457.882**	**-1.02809**	**-7.15581**

Source: National Treasury (2016)

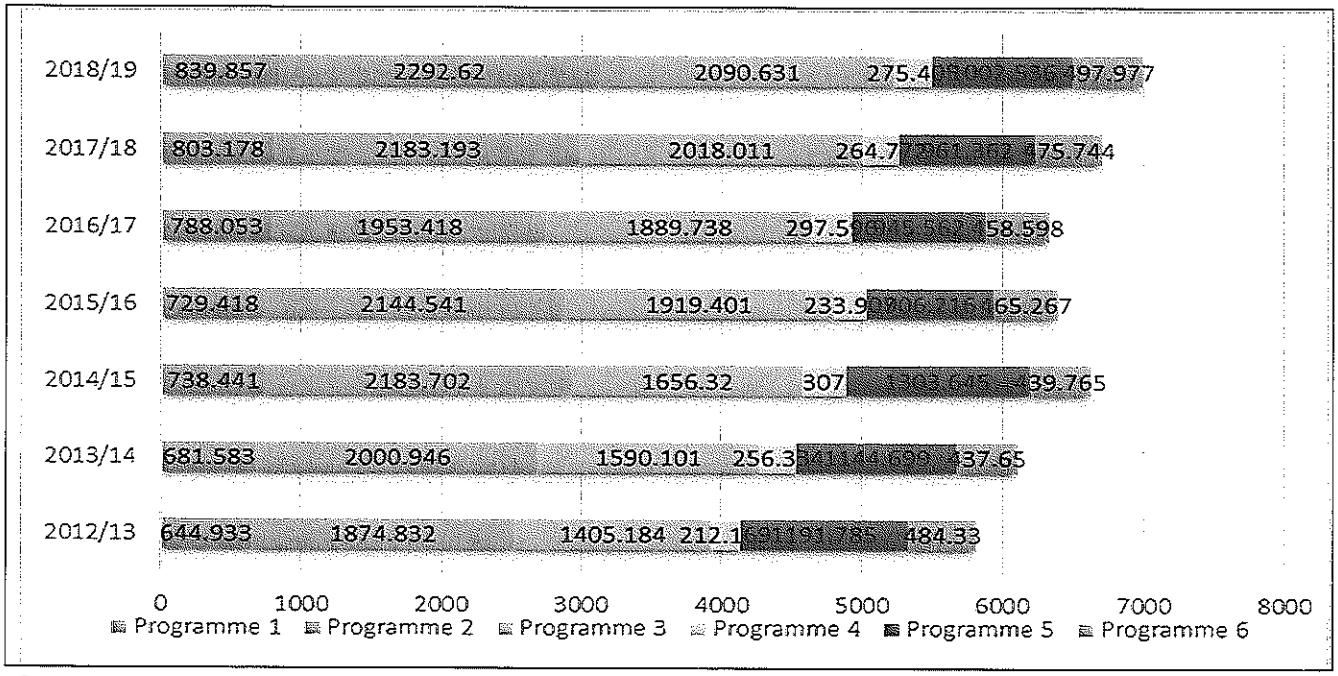

Figure 1: Illustration 2012 -13 to 2018/19 Budget Allocation per Programme

Source: National Treasury (2016)

The performance of the Department over the medium term is reflected in Table 2 below and should be linked to the contributions of the Department in terms of the outcomes indicators 4, 7, and 10 of the 2014-2019 MTSF as well as the impact indicators (as reflected in Annexure A).

Table 2: DAFF Budget Allocation 2014/15 to 2018/19

Programme	Audited outcome	Revised estimate	Medium-term expenditure estimate			Average growth rate (%)	Expenditur /Total: Average (%
R million	**2014/15**	**2015/16**	**2016/17**	**2017/18**	**2018/19**	**2015/16 - 2018/19**	
Programme1: Administration	738.441	729.418	788.053	803.178	839.857	4.811666	11.95486
Programme2: Agricultural Production, Health and Food Safety	2183.702	2144.541	1953.418	2183.193	2292.62	2.25061	32.43096
Programme 3: Food Security and Agrarian Reform	1656.32	1919.401	1889.738	2018.011	2090.631	2.889381	29.94962
Programme 4: Trade Promotion and Market Access	307	233.907	297.596	264.772	275.405	5.594882	4.053712
Programme 5: Forestry and Natural Resources Management	1303.645	906.216	945.562	961.362	1002.536	3.424338	14.43309
Programme 6: Fisheries	439.765	465.267	458.598	475.744	497.977	2.290589	7.177766
Total	**6628.873**	**6398.75**	**6332.965**	**6706.26**	**6999.026**	**3.034062**	**100**

Source: National Treasury (2016)

In terms of employment creation (Outcome 4), the programmes and budgets of the Department should contribute to the creation of 1 million jobs (by 2030, as indicated in the NDP). It is reasonable to expect that by during the current MTSF period (2014-2019), approximately 62 500 jobs should be created annually in the sector. However, the Quarterly Labour Force Survey (QLFS):4th Quarter 2015[8] reveal that the sector has shed jobs between 2008 and 2011 (Table 3). There has been some sluggish recovery between 2012- 2015, however, the impact of the drought as well as the stagnant overall economic growth in South Africa could have a negative impact on job creation. Lastly, it must be noted that the sector is characterised by seasonal labour with exponential shifts towards casualisation of labour coupled with intensive mechanisation.

The Department has continued to report in a contradicting manner in terms of how the sector has contributed to job creation or job losses (consistent with the 2015/16 annual plans) as reflected on page 2 and 4 of the situational analysis. Lastly, the number of jobs created through DAFF projects such as the refurbishment of category B and C plantations through the expanded public works programme should be 2400 per year. The Department should indicate if this is in line with its contribution to the MTSF targets and the NDP. Further are these numbers cumulative, and what is the nature of CASP and Ilima/Letsema jobs? Lastly, given that DAFF will not actively monitor all CASP projects, how do they plan to verify the actual number of jobs created (not simply what is outlined in the respective project business

[8] StatsSA (2016)

plans)?

'By 2018/19, the department will introduce a strategy for replacing imports with locally produced products, guided by the 2015 agriculture policy action plan. As local agricultural production increases, jobs will be created and agriculture's contribution to GDP will increase.'[9] Further it remains unclear how the department plans to raise agriculture's contribution to the GDP significantly from a production only perspective, without the value addition aspects or even export oriented niche industries. It is critical for the PC to note that in terms of economic development it remains the norm for primary sectors' contribution to the GDP to be reduced in line with the structural transformation of the economy into secondary and tertiary sectors.

Table 3: QLFS – employment in agriculture

Year	2008	2009	2010	2011	2012	2013	2014	2015
Thousands								
Agriculture	818.615	714.6481	665.2921	644.1343	696.2424	739.956	701.5057	879.5617
Year-on-Year Change	-	-103.967	-49.356	-21.1577	52.1081	43.71358	-38.4503	178.0559
Year-on-Year % Change	-	-14.55	-7.42	-3.28	7.48	5.90	-5.48	20.24

Source: StatsSA (2015)

In terms of food security (Outcome 7), one of the impact indicators that the Department is responsible for is reflected as the 'reduction in the % of households vulnerable to hunger'. The 2014 General Household Survey (GHS)[10] indicates that 'the percentage of households that were vulnerable to hunger declined from 23,8 per cent in 2002 to 11,4 per cent in 2014, including a spell during which the percentage increased to 16per cent in 2008 before continuing its decline'. It must be noted that the target for 2019 is below 9.5 per cent, of which 10.5 per cent of households was achieved in 2007. Despite large declines in the vulnerability to hunger of South African households over the past decade, a large percentage of households (22.5 per cent) continue to experience difficulty to access food. The survey also showed that food access problems were the most common in North West where 39,6 per cent of households had inadequate or severely inadequate food access. Inadequate or severely inadequate access to food were also observed in Eastern Cape (29,7 per cent), Northern Cape (29,3 per cent), Mpumalanga (27,4 per cent), and Free State (21,8per cent).

Another impact indicator reflected under Outcome 7, the Department contributes to the 'Reduction in the number of ha of transferred land to previously disadvantaged individuals which is underutilised'[11]. However, the 2014 GHS indicates that that 'almost one-fifth of South African households (18,3 per cent) were involved in agricultural production during the reference period (2002 – 2014). Only 13, per cent of the households involved in agriculture

[9] National Treasury (2016)
[10] StatsSA (2015)
[11] The Presidency (2014)

reported getting agricultural-related support from the government during the year preceding the survey. The only provinces where significant support was provided for farming households were KwaZulu-Natal (21,8 per cent), Eastern Cape (27,8 per cent) and Northern Cape (15,4 per cent). Nationally, slightly more than three per cent (2,3 per cent) of the households reported receiving training and 7,3 per cent received dipping services. The most frequently used services in Eastern Cape were dipping services, whilst visits by the agricultural extension officer were the most commonly mentioned services in Eastern Cape and Gauteng. Though the survey only asked participants to reflect on support received from government in general, the cited responses reflected on areas of competence of the Department (i.e. dipping and extension services), which is to some extent a reflection of the performance of the Department and most importantly the demand levels of the Departments services that inadvertently contribute to the MTSF outcomes and impact indicators.

4.2 Transfers, Grants, and subsidies Trends

Within the three flagship programmes of the Department (Programme 2, Programme 3, and Programme 5); there are three of the Department's activities that are executed through provincial departments and are funded through conditional grants. These are Ilima/Letsema, which is aimed at supporting sustainable agriculture and promoting rural development for smallholder producers; the LandCare programme, which is aimed at addressing land degradation problems and encouraging the sustainable use of natural resources; and the Comprehensive Agricultural Support Programme (CASP), which is aimed at providing post-settlement support to the targeted beneficiaries of land reform and to other producers who have acquired land through private means and are, for example, engaged in value-adding enterprises domestically or involved in export.

'The comprehensive agricultural support programme grant has been decreased by R150 million over the medium term to meet government's immediate national priorities. The grant will fund less infrastructure as a result of the decrease. **R60 million of the grant that would usually go to provinces will be retained in the national department for the monitoring and evaluation of provinces' use of the grant over the medium term, including project plans and grant indicators, and project reports.** The department is committed to ensuring that subsistence and smallholder farmers are enabled to enter the mainstream agricultural economy. The Ilima/Letsema projects grant has a budget of R1.6 billion over the medium term to support 145 000 subsistence and smallholder farmers per year.'[12]

On transfers and subsidies for the 2016/17 financial year, almost R3.5 billion (55.2 per cent of the Department's allocation) is transferred to provinces and municipalities, departmental agencies, public corporations and private enterprises, and non-profit institutions.

- Under Programme 3: Food Security and Agrarian Reform, 84.5 per cent of its allocation (the second largest programme allocation – 29 per cent) is transferred to

[12] National Treasury (2016)

provinces for CASP (R1.58 billion), which has nominally increased by almost 241.2 million from the 2015/16 allocation of R1.339 billion. This is inclusive of the allocations for Infrastructure, Extension recovery plan, as well as the Upgrading of provincial agricultural colleges. A further R2 million has been allocated for Agricultural colleges.

- Under Programme2: Agricultural Production, Health and Food Safety, 67.4 per cent of its allocation (the largest programme allocation) is transferred as grants, subsides, and payments for current and capital expenditure. The Agricultural Research Council has been allocated R804 million for both current (R691.4 million) and capital expenditure (R112.6 million). An allocation of R10 million has been made to the Deciduous Fruit Producers' Trust. The Onderstepoort Biological Product Company has been allocated R268.4 million for capital expenditure. Lastly, the Ilima/Letsema projects grant has been allocated R466.7 million for the year under review.
- Under Programme 4: Trade Promotion and Market Access, 55.06 per cent of its allocation it transferred to the following entities: National Agricultural Marketing Council (R34.6 million), Land and Agricultural Development Bank of South Africa (R36.7 million), Forest Sector Charter Council (R3.93 million).
- Under Programme 5: Forestry and Natural Resources Management, only 16.7 per cent of its allocation (third largest programme allocation) is transferred to entities. The LandCare programme grant: Poverty relief and infrastructure development is allocated R65 million, and the Comprehensive agricultural support programme grant: Disasters: Flood damaged infrastructure is allocated R58 million. The following non-profit organisations have also been allocated funds for the 2016/17 financial year: Forestry South Africa (R4.4 million), Food and Trees for Africa (R0.4 million), and Lima Rural Development Foundation (R 8 million).

The National Treasury ENE indicates that 'Access to financial resources for these farmers will also be expanded through an allocation of R50 million in 2016/17 to the Land and Agricultural Bank of South Africa's retail emerging markets programme, which aims to support 10 000 black emerging farmers with low interest loans. This nonfinancial and financial support will boost agricultural production.' The PC should note that the Department has allocated R36.7 million, which leaves a shortfall of R13.3 million from the the NT estimates.

Table 4: Summary of conditional allocations to provinces and municipalities (2017/18 – 2018/19)

R million	2016/17				2017/18	2018/19
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
Programme1: Administration	788.053	731.812	18.402 **(2.3 %)**	37.839	803.178	839.857
Programme2: Agricultural Production, Health and Food Safety	1953.418	634.585	1316.779 **(67.4%)**	2.054	2183.193	2292.62
Programme 3: Food Security and Agrarian Reform	1889.738	255.021	1597.397 **(84.5%)**	37.32	2018.011	2090.631
Programme 4: Trade Promotion and Market Access	297.596	133.166	163.863 **(55.06%)**	0.567	264.772	275.405

Programme 5: Forestry and Natural Resources Management	945.562	744.628	157.887 **(16.7%)**	43.047	961.362	1002.536
Programme 6: Fisheries	458.598	216.839	241.759 **(52.7%)**	0	475.744	497.977
Total expenditure estimates	**6332.965**	**2716.051**	**3496.087 (55.2%)**	**120.827**	**6706.26**	**6999.026**

Source: National Treasury (2016)

4.3 Programme 1: Administration

The purpose of the programme is to provide strategic leadership, a sound policy environment and support services to the Department. The programme comprises the Ministry, Office of the Director-General, Financial Administration, Internal Audit, Risk Management, Corporate Services, Stakeholder Relations, Communications and Legal Services, and Policy, Planning and Monitoring and Evaluation.

The Department plans to submit 3 Bills to the Minister during the 2016/17 financial year. The PC should note that one of the Bills that the Department is working planning to develop is the Preservation and Development of Agricultural Land Framework (PDALF) Bill which is aimed at addressing the loss of prime agricultural land to other sectors. The Department indicates that the development of the Bill is at advanced staged and 'during 2016, consultation will get underway with all stakeholders, followed by the parliamentary consultation process on the draft of the Bill.'[13]

The PC should note that there has been extensive loss of prime agricultural land particularly to mining and fuel exploration in several provinces that contribute significantly to the food basket of south Africa. Moreover, the PC should note the various pieces of legislation that govern land use such as mining and fuel exploration (Mineral and Petroleum Resources Development Act (Act 28 of 2002), as well as residential and commercial use (Spatial Planning And Land Use Management Act No. 16 of 2013, assented to on 2 August, 2013; date of commencement on 1 July, 2015) which makes provisions in section 7(b) ii and states that in relation to development principles, the following:

'7.The following principles apply to spatial planning, land development and land use management:

(b) the principle of spatial sustainability, whereby spatial planning and land use management systems must—

(ii) ensure that special consideration is given to the protection of prime and unique agricultural land;'

The Department has tasked the National Agricultural Marketing Council to develop the Norms and Standards on comprehensive producer support during the 2015/16 financial. The Department plans in the 2016/17 financial year to convert these into develop the Comprehensive Producer Support Policy which will eventually be converted into a Bill. The Department should indicate to the PC how this lengthy processing could affect service

[13] DAFF (2016) b

delivery as there is currently a gap in terms of the varied nature of support that farmers receive from the government broadly.

The Department plans to implement the Integrated Development Finance Framework, which was planned to be introduced in 2014/15 for implementation in over the MTSF period. This framework was expected to address the challenges by farmers in terms of access to finance as well as address the identified gaps in terms of Departmental programmes such as Mafisa, AgriBee etc.

The PC should note that during the 2014/15 deliberations on the strategic and annual plans of the Department, the following issues were raised regarding this matter:
'The Department plans to implement the Integrated Development Finance Framework (that includes MAFISA, AgriBEE, Ilima Letsema, and LandCare). The Department had planned to develop and implement its policy on the Integrated Development Funding Framework, which appears to not have happened. Instead, the Department has reported to the PC that, in collaboration with DRDLR and the Land Bank, the draft Agricultural Funding Model has jointly been developed. The Department must also clarify the following issues:

- Will DAFF no longer deal (directly) with financial support for smallholder farmers?
- In the past, DAFF has cited on numerous occasions the difficult working relationship they have had working with officials from the Land Bank, what has changed?
- The department must indicate what the outcomes of the work of the Task Team, which the Minister of Finance advised would be established, are in relation to the consolidation of agricultural development and support funds. The Department must clarify if this framework has been developed (as planned for 2014/15) and if the implementation will be done in 2015/16.'[14]

The Department plans to compile the annual report on the implementation of APAP, which is comprised of the quarterly reports on the RAAVC Delivery Plan.

The PC should note that the Department has failed to adequately report on the 2015/16 mid-year report on APAP. Further, the PC has not been briefed on the RAAVC Delivery Plan, and as such is not in a good footing in terms of exercising oversight over the activities of the Department in this regard.

The Department has identified risks that could impede its implementation of the plan outlined. One of the risks identified is 'limited useful and reliable non-financial information negatively affecting critical business decisions'[15]. The Department plans o mitigate against this by introducing a knowledge system and the holding performance quarterly review meetings. Another risk identified by the Department, is related to negative media reports over issues in the agriculture sector. The Department plans to mitigate against this with a communication strategy, however the annual (including the quarterly targets) do not speak to the development of a communication strategy (or review of the existing one) but rather

[14] Research Unit (2015)
[15] DAFF (2016 b)

details on the routine activities undertaken in implementing media plans. The table below (Table 5) indicates the budget allocations as per Programme 1.

Table 5: Programme 1: Administration budget allocation 2012/13 to 2018/19

Sub-programme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate			Average growth rate (%)	Expenditure /Total: Average (%)
R thousand	**2012/13**	**2013/14**	**2014/15**	**2015/16**	**2016/17**	**2017/18**	**2018/19**	**2015/16 - 2018/19**	
Ministry	28 432	28 611	38 029	35 398	39 610	37 688	39 235	3.5	4.8
Department Management	24 621	18 862	22 860	23 613	29 912	28 942	30 044	8.4	3.5
Financial Administration	122 581	133 112	158 624	170 165	196 384	197 440	207 579	6.8	24.3
Internal Audit	6 075	4 963	4 015	7 011	9 413	9 632	10 000	12.6	1.1
Corporate Services	148 445	170 285	169 990	163 341	171 216	177 913	184 424	4.1	22
Stakeholder Relations, Communication and Legal Services	76 139	92 777	90 410	76 555	74 704	77 139	80 191	1.6	9.7
Policy, Planning, Monitoring and Evaluation	72 568	65 897	72 079	83 663	81 699	83 802	87 269	1.4	10.6
Office Accommodation	166 072	167 076	182 434	179 672	185 115	190 622	201 115	3.8	23.9
Total	**644933**	**681583**	**738441**	**739418**	**788053**	**803178**	**839857**	**4.3**	**100**

Source: National Treasury (2016)

4.4 Programme 2: Agricultural Production, Health and Food Safety

The purpose of the programme is to promote agricultural production through the management of risks associated with animal diseases, plant pests, genetically modified organisms and registration of products used in agriculture, promote food safety and create an enabling environment for increased and sustainable production. The programme comprises three sub-programmes, viz. Plant Production and Health, Animal Production and Health, and Inspection and Quarantine Services. Amongst the varied sub-programmes, the branch seeks to achieve in the main the following objectives:[16]

- Promote productivity in prioritised agriculture value chains through:
  - the implementation of 6 animal improvement schemes, such as Kaonafatso ya Dikgomo, a programme that assists resource poor farmers; and the poultry scheme, which assists resource poor poultry farmers to identify and manage risks associated poultry diseases, by 2018
  - the implementation of 6 plant improvement schemes and 3 seed schemes, which encourage smallholder farmers to work together in the conservation of heat

[16] National Treasury (2016)

resistant cultivars and in managing and eradicating plant pests such as fruit flies by 2018.

- Enforce an agricultural animal disease regulatory framework to reduce the level of disease outbreaks and reduce interception at export channels in production areas to a minimum level by:
    - conducting 2 planned animal risk surveillance exercises on peste des petits ruminants (goat plague), African horse sickness and avian influenza per year over the medium term
    - conducting 3 planned disease risk surveillances on the exotic fruit fly by 2019
    - implementing regulatory compliance and monitoring to prevent plant and animal pest and disease outbreaks, including quarantine inspections, surveillance and testing by 2018.
- Ensure access to primary animal health care services through the implementation of the animal diseases and management plan and compulsory community services by:
    - deploying 440 veterinary graduates to rural areas by 2018
    - delivering 10 primary animal health care clinics to rural areas in 2016/17.
- Promote animal and plant conservation by implementing national plans to conserve the diversity of the genetic resources of plants and animals for food and agricultural production through the conservation of 2 on-site genetic resources in the natural populations of plant and animal species (1 animal, 1 plant) per year over the medium term.

The Department has indicated the ramifications of the now concluded AGOA negotiations in terms of the expected increase of fruit and meat imports from other trading partners that had been previously rejected at ports of entry due to sanitary and phytosanitary reasons, which will no longer be possible as these partners will demand to be treated equally as with the imports from the United States of America (page 4). The Department has also indicated the–financial implications due to the need to employ more meat inspectors (at a cost of R637 million) and fruit inspectors (at a cost of R248 million) over the MTEF period. It however, does not appear that such has been planned nor budgeted for (Table 6). The Department should indicate to the PC what can be done to address this shortfall, meanwhile safeguarding adequate food safety standards for South Africa.

The budget allocations reflected in Table 6 below indicate that the sub-programme on animal production and health will reduce by 18.3 per cent over the medium term. This is contrary to the need for increased surveillance and management of animal disease in the country. This is evident in the media reported outbreak of FMD in the Limpopo Province as well as Brucellosis and Johne disease is the Eastern Cape Province during the past financial year (2015/16).

In respect of animal diseases, the Department had planned to develop a Veterinary Strategy in 2015/16, which at the mid-year reporting of the Department was still awaiting approval before being consulted with stakeholders. The Department should indicate to the PC if this has been achieved. Further, the Department should indicted in detail what it seeks to achieve during the 2016/17 financial year in terms of developing a legal framework in terms of the

veterinary strategy.

The Department has indicated that one of the risks they face is the 'limited implementation of the animal improvement schemes'. The mitigating factors that address this risk is stated as the arrangement that exists wherein the ARC helps in implementing these schemes. The PC should note that during the 2015/16 APP deliberations with ARC, the entity indicated that the Kaonafatso ya Dikgomo beef cattle improvement scheme could not be sustained any longer as it remained an underfunded mandate from DAFF. The Department should clearly indicate to the PC the sustainability of the scheme, under the arranagements they currently have with the ARC.

Table 6: Programme 2: Agricultural Production, Health and Food Safety budget allocation 2012/13 to 2018/19

Sub-programme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate			Average growth rate (%)	Expendit / To Average
R thousand	**2012/13**	**2013/14**	**2014/15**	**2015/16**	**2016/17**	**2017/18**	**2018/19**	**2015/16 - 2018/19**	
Management	983	2 409	1 607	2 756	2 810	2 545	2 635	-1.5	0.1
Inspection and Laboratory Services	272 608	296 590	317 457	325 566	335 322	348 158	360 503	3.5	16
Plant Production and Health	488 946	507 009	536 377	545 523	575 849	610 835	643 735	5.7	27.7
Animal Production and Health	169 269	244 684	299 110	466 763	226 448	247 072	254 638	-18.3	13.9
Agriculture Research	943 026	950 254	102 9151	803 933	812 989	974 583	1 031 109	8.6	42.3
Total	**1874832**	**2000946**	**2183702**	**2144541**	**1953418**	**2183193**	**2292620**	**2.3**	**100**

Source: National Treasury (2016)

4.5 Programme 3: Food Security and Agrarian Reform

The purpose of the programme is to facilitate and promote household food security and agrarian reform programmes and initiatives through the implementation of the national policy on food and nutrition security, targeting subsistence, small holder, and commercial producers. The programme comprises three sub-programmes, viz. Food Security, Sector Capacity Development, and National Extension Support Services. Amongst the varied sub-programmes, the branch seeks to achieve in the main the following objectives:[17]

- Institutionalise the national policy on food and nutrition security by 2019/20 through:
  - the coordination of food and nutrition security initiatives such as the Fetsa Tlala programme and country livelihood zone maps
  - the provision of production inputs such as seeds and fertilisers to increase the number of households benefiting from food and nutrition security by 200 000

[17] National Treasury (2016)

- the establishment of and provision of support to 80 000 smallholder producers
- the cultivation of 600 000 hectares of underutilised land in communal areas for food production.

- Provide strategic leadership and support, such as research, training and extension services, to targeted subsistence and smallholder producers in the agriculture, forestry and fisheries sectors by transforming all agricultural colleges into agricultural training institutions by 2019/20.
- Provide strategic leadership in the agriculture sector to ensure the effective and efficient utilisation of all support given to food producers through the development and implementation of a comprehensive producer support policy by 2019/20.

'Government's 2012-2017 food security initiative, Fetsa Tlala, is aimed at the production of staple foods on fallow land that has the potential for agricultural production. R2.8 billion over the medium term has been reprioritised to Fetsa Tlala from the infrastructure allocation of the comprehensive agricultural support programme grant. The reprioritisation is a response to the shift in farmers' needs, from infrastructure to production inputs such as fertilisers, seeds, and small production equipment, as food security becomes a major priority. The department will support subsistence and smallholder farmers with these inputs and advice, aiming to get 1 million hectares of land in rural areas producing food for subsistence consumption by 2030. The department aims to get approximately 120 000 hectares under productive use in each year of the medium term to benefit 145 000 subsistence and smallholder producers. This joint spending through the Ilima/Letsema projects grant and Fetsa Tlala of R4.4 billion over the medium term represents 21.5 per cent of the department's total budget. Success of the extension recovery programme as reflected in the CASP evaluation report (page 5), what has been the associated impact of improving access to extension officers from 65 per cent to 84 per cent. Moreover, the department indicates that smallholder farmers do live below the poverty line, given that the CASP has been running since 2008 (use the total figures of monies spent) – how many of the smallholder farmers have been lifted out of poverty in order to better position them for market oriented production (and not subsistence only).'[18]

Given the fact that the Fetsa Tlala Food Production Initiative was launched in 2013, the Department should furnish the PC with the annual reports of the past three years (2013 – 2015) in order for the PC to gain a better understanding of the performance of the programme so far, as well as workable plan for the remainder of the MTSF period (which the Department indicates that 600 000 ha should be brought under production). The Department should indicate how it plans to ensure that land brought under production in previous financial years remains in production in subsequent years as this contributes to the 1 million hectares outlined in the NDP.

The Department has reported in its situational analysis only 2.5 per cent of the 2014/15 figures could be verified (3 262 out of the reported 128 523). This has been a persistent problem for Department in previous financial years, particularly for CASP funded projects. It is worrying to note that the progress on the Audit Matrix (reported to the PC on 15th March

[18] National Treasury (2016)

2016), the Department indicated that the National Treasury Guidelines only require them to monitor the financial disbursement and expenditure reports of provincial governments in relation to CASP, and not necessarily verify all the reported project information. This seems to be another challenge of a similar nature, where provinces implement projects, but DAFF cannot verify the said information.

The PC should note lastly, that though the Department is responsible to report on the food security related outcome and impact indicators; there was no indications by the department how its planned programmes directly contributes to reducing the number of households vulnerable to hunger to below 9.5 per cent as indicated in the MTSF.

The table below (Table 7) indicates the budget allocations as per Programme 3. The Department indicates that one of the risks it faces is that of 'inadequate human capacity' and it is not clear what mitigating factors are in place to address this risk.

The PC should note the consistent under performance in this branch, as well as the consistency of information that cannot be verified for several financial years. The Department should indicate how it plans to address the risk identified above, keeping in mind the tight fiscal conditions prevailing over the MTEF period.

Table 7: Programme 3: Food Security and Agrarian Reform budget allocation 2012/13 to 2018/19

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate			Average growth rate (%)	Expenditur / Tota Average (%
R thousand	**2012/13**	**2013/14**	**2014/15**	**2015/16**	**2016/17**	**2017/18**	**2018/19**	**2015/16 - 2018/19**	
Management	2165	4802	2492	3781	2871	2919	3023	-7.2	0.2
Food Security	868136	1025427	1037487	1282982	1273447	1382563	1466979	4.6	68.3
Sector Capacity Development	185864	191049	232811	261998	244122	244993	217917	-6	12.2
National Extension Support Services	349019	368823	383530	370640	369298	387536	402712	2.8	19.3
Total	**1405184**	**1590101**	**1656320**	**1919401**	**1889738**	**2018011**	**2090631**	**2.9**	**100**

Source: National Treasury (2016)

4.6 Programme 4: Trade Promotion and Market Access

The purpose of the programme is to promote economic development, trade and market access for agriculture, forestry and fisheries products and to foster international relations in the sector. The programme comprises three sub-programmes, viz. International relations and Trade; Agro-processing and Marketing, and Cooperatives and Rural Enterprise Development. Amongst the varied sub-programmes, the branch seeks to achieve in the main the following objectives:[19]

[19] National Treasury (2016)

- Increase market access to the processing of agriculture, forestry and fishery products by:
    - improving the agricultural, forestry and fisheries production certification programme and value chain round table networks by 2019/20
    - establishing 78 new cooperatives and providing training to 595 existing cooperatives by 2019/20
    - monitoring the implementation of and compliance with the AgriBEE Sector Charter and Forestry Sector Charter by 2019/20
    - implementing marketing and agro-processing strategies aimed at increasing access to markets and agro-processing opportunities to small and medium agro-processing entrepreneurs through providing pack houses and washing and grading facilities by 2018.
- Provide technical sector leadership in trade negotiations and implement trade agreements to improve market access by linking farmers to high value markets by 2018.
- Implement the building of national skills capabilities in international market research by providing marketing skills transfer to small and medium agro-processing entrepreneurs by 2018.

The Department indicates that it plans to support 12 agro-processing entrepreneurs that will be trained on processing norms and standards during the 2016/17 financial year. It must be noted that this is part of the implementation of the agro-processing strategy.

The Department should indicate if the strategy has been developed (as planned for in the 2015/16 financial year), and if so, the PC should be briefed so it is fully abreast with what is entailed in the strategy and if the implementations thereof is consistent with the strategy.

The table below (Table 8) indicates the budget allocations as per Programme 4. The PC should note that in terms of sector transformation, the Department has only budgeted to transfer funds to the Forest Sector Charter. There are no funds allocated to the AgriBee Charter (which implements the AgriBee Sector Code), which the Department has failed to report on the status of transformation in the agricultural sector (as planned for in the 2014/15 and 2015/16 financial years).

Table 8: Programme 4: Trade Promotion and Market Access budget allocation 2012/13 to 2018/19

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate			Average growth rate (%)	Expenditure / Total: Average (%)
R thousand	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	
Management	1 829	1 373	2 641	3 232	2 799	2 866	2 970	-2.8	1.1
International Relations and Trade	103 589	134 472	133 812	106 147	118 542	125 362	130 893	7.2	44.9
Cooperatives and Rural Enterprise Development	61 498	60 486	112 613	68 240	120 334	73 119	74 880	3.1	31.4
Agro-processing and Marketing	45 253	60 003	57 934	56 288	55 921	63 425	66 662	5.8	22.6

Total	**212 169**	**256 334**	**307 000**	**233 907**	**297 596**	**264 772**	**275 405**	**5.6**	**100**

Source: National Treasury (2016)

4.7 Programme 5: Forestry and Natural Resources Management

The purpose of the programme is to provide strategic direction and leadership to the Department with regard to the promotion of the sustainable management, use, and protection of forests and natural resources to achieve social and economic benefits and to promote development. The programme comprises three sub-programmes, viz. Forestry Operations, Forestry Oversight and Regulation, and Natural Resources Management. Amongst the varied sub-programmes, the branch seeks to achieve in the main the following objectives:[20]

- Ensure the conservation, protection, rehabilitation and sustainable management of forests by:
  - replanting 8 625 hectares in temporary unplanted areas by 2018/2019
  - obtaining certifications for 3 plantations from the Forestry Stewardship Council, which is responsible for monitoring and evaluating the standard of state plantations, by 2018/2019
  - conducting environmental impact assessments to enable small, medium and micro forestry enterprises to obtain afforestation licences by 2018/19
  - restoring and rehabilitating 48 900 hectares of agricultural land, and 1 500 hectares of state indigenous forests and woodlands by 2018/19.
- Ensure adaptation to climate change by implementing an effective climate change mitigation plan to improve the adaptability and productivity of livestock and plant species by 2019/20.

The Department has revised down its target relating to the number of hectares of land rehabilitated to promote sustainable use and management of natural resources by 2019/20 to 16 300 hectares in 2016/17 (from 30 500 ha in 2015/16 and 2014/15, 40 941 ha in 2013/14, and 46 779 in 2012/13). **The only reasons provided by the National Treasury in this regard state that it is done so since most of the work has been done on land rehabilitation, and the funds have been prioritised to fund shortfalls in the compensation of employees. The 'number of full-time-equivalent LandCare jobs created has also been reduced downwards due to the reprioritisation of funds.**

The PC is referred to page 6 of this brief, as the reasons for the downward revision seem to vary greatly from what was reported in the 2015/16 mid-year report.

Furthermore; the National Treasury mid-year report it is reflected that the department would not meet its annual targets set for the number of hectares planted in the forestry programme, due to the reprioritisation of the budget towards the hosting of the XIV World Forestry Congress, held in South Africa in September 2015. In terms of the number of hectares of woodlands forest and hectares of agricultural land rehabilitated,

[20] National Treasury (2016)

134 and 1 165 respectively were achieved through the reforestation and land rehabilitation project. The annual target had been revised downwards due to the freezing of some posts, the reprioritisation of funds towards the forestry congress, and reduction in the budget due to anticipated underspending.

The PC is also reminded of the consistent under-performance of the Branch in previous financial years (2013/14, 2014/15, and possibly 2015/16). The Department should clearly outlie what the challenges are in this regard.

The Department has changed its target on the number of hectares of land brought under irrigation to the number of projects supported, and only 1 is planned for the 2016/17 financial year. The Department should indicate how it seeks to reconcile the national policy mandate (the NDP, as reflected on page 16) with its own situational analysis (on page 2). Further how does this relate to the 2019 MTSF target; an additional 1250 hectares under irrigation by March 2019).

The PC should note that the climate change forecasts a drier inland conditions, which will have a bearing on the productions patterns of south Africa. These could also be mitigated through irrigation agriculture, though the sustainability of water sources should be carefully balanced.

The table below (Table 9) indicates the budget allocations as per Programme 5.

Table 9: Programme 5: Forestry budget allocation 2012/13 to 2018/19

Sub-programme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate			Average growth rate (%)	Expenditur / Total Average (%
R thousand	**2012/13**	**2013/14**	**2014/15**	**2015/16**	**2016/17**	**2017/18**	**2018/19**	**2015/16 - 2018/19**	
Management	1 953	4 296	5 979	41 762	3 535	3 642	3 784	-55.1	1.4
Forestry Operations	429 423	468 206	454 781	450 709	477 060	493 187	512 750	4.4	50.7
Forestry Oversight and Regulation	46 221	48 358	49 336	56 592	57 273	59 185	61 743	2.9	6.2
Natural Resources Management	714 188	623 839	793 549	35 7153	407 694	405 348	424 259	5.9	41.8
Total	**1191785**	**1144699**	**1303645**	**906216**	**945562**	**961362**	**1002536**	**3.4**	**100**

Source: National Treasury (2016)

5. KEY ISSUES FOR CONSIDERATION BY PARLIAMENT

In terms of the organisational environment, the post establishment indicates that 6336 posts have been approved – but as of end of January 2016 only 5604 post were filled. This represents a vacancy rate of 11.55 per cent. The PC must the trends from previous financial years, auditor general findings on such matters, as well as the budget cuts of 2015/16 going forward and the decision took by DAFF to not fill all posts but rather only critical ones. The PC should note that the Minister of Finance indicated in his budget speech that the filling of vacancies will be prioritised only instances where the said posts is at the service delivery

interface. Further DAFF indicated that they had to approach NT with no success for the 2015/16 financial year for additional allocation in terms of compensation for employees. 'The department's compensation of employees budget has been decreased by R149.3 million for 2017/18 and R233.9 million for 2018/19 as part of the Cabinet approved budget reductions to lower the national aggregate expenditure ceiling. After consultation with the Department of Public Service and Administration and National Treasury, the department will develop and implement a plan to manage its personnel expenditure within its reduced personnel budget.'[21]

The Department has continued to maintain that conservation agriculture (CA) versus conventional agriculture is a viable oprion that should be adopted and promoted to farmers. The PC should note that in South Africa, the extent of CA adoption is quite limited and is restricted to a small number of summer grain producers in the Free State, winter grain farmers in the Western Cape and grain and sugar cane farmers in KwaZulu-Natal.. The majority of crop production in South Africa is subjected to intense and frequent ploughing practices, referred to as conventional tillage. Moreover, because of the heterogeneous nature of South Africa's production regions, in terms of precipitation, temperature and soils, technology-inference from one region to the next might not be realistic. The Department should indicate to the PC how entrenched in CA as an alternative cropping practice as well as its associated productivity and efficiency increases. The approach should seek to be more comprehensive and include production strategies such as livestock precision farming, as well as intensive tunnel crop farming as alternative production practices to South African framers.

The Annual Performance Plan of the Department of Agriculture, Forestry and Fisheries (DAFF) (as tabled) does not comply with Chapter 5 of the Treasury Regulations for departments, trading entities, constitutional institutions and public entities issued in terms of the Public Finance Management Act, 1999. This states, inter alia, that "5.2.3 The strategic plan must — (a) cover a period of at least three years and <u>be consistent with the institution's published medium term expenditure estimates</u>;...."[22]. The 2016/17 Annual Performance Plan is not consistent with the budget figures published in the 2016 Estimates of National Expenditure (ENE) for Vote 24.

[21] National Treasury (2016)
[22] National Treasury (2007).

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