

**2018/19
ANNUAL
REPORT AND
MTSF
PERFORMANCE
FINANCE**



EXPENDITURE ANALYSIS PER PROGRAMME – 2014 - 2019

Programme	2014/15			2015/16			2016/17			2017/18			2018/19		
	Annual budget	Actual Expenditure	Variance (Ove/under)	Annual budget	Actual Expenditure	Variance (Ove/under)	Annual budget	Actual Expenditure	Variance (Ove/under)	Annual budget	Actual Expenditure	Variance (Ove/under)	Annual budget	Actual Expenditure	Variance (Ove/under)
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Administration	758 973	738 441	20 532	788 853	785 802	3 051	843 571	828 485	15 086	920 487	827 999	92 488	1 038 789	1 030 070	8 719
Agricultural Production, Health & Food Safety	2 192 977	2 183 702	9 275	2 143 284	2 143 017	267	1 927 266	1 927 031	235	2 249 520	2 230 660	18 860	2 408 966	2 377 705	31 261
Food Security & Agrarian Reform	1 689 344	1 656 320	33 024	1 910 535	1 906 795	3 740	1 881 198	1 879 016	2 182	1 928 604	1 925 580	3 024	2 001 763	1 992 067	9 696
Trade Promotion & Market Access	307 319	307 000	319	237 327	236 758	569	310 700	310 464	236	279 920	278 667	1 253	270 649	266 106	4 543
Forestry & Natural Resources Management	1 303 983	1 303 645	338	862 844	862 280	564	1 084 122	1 077 741	6 381	963 758	960 504	3 254	1 522 280	1 417 884	104 396
Fisheries	439 787	439 765	22	465 907	465 890	17	468 108	468 090	18	504 745	504 722	23	490 356	490 257	99
TOTAL	6 692 383	6 628 873	63 510	6 408 750	6 400 542	8 208	6 514 965	6 490 827	24 138	6 847 034	6 728 132	118 902	7 732 803	7 574 089	158 714



agriculture,
forestry & fisheries

Department:
Agriculture, Forestry and Fisheries
REPUBLIC OF SOUTH AFRICA

EXPENDITURE ANALYSIS PER ECONOMIC CLASSIFICATIONS

ECONOMIC CLASSIFICATIONS	2014/15			2015/16			2016/17			2017/18			2018/19		
	Annual budget	Actual Expenditure	Variance (Ove/under)	Annual budget	Actual Expenditure	Variance (Ove/under)	Annual budget	Actual Expenditure	Variance (Ove/under)	Annual budget	Actual Expenditure	Variance (Ove/under)	Annual budget	Actual Expenditure	Variance (Ove/under)
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Compensation of Employees	1 661 857	1 661 596	261	1 745 188	1 761 116	(15 928)	1 984 332	1 938 317	46 015	2 093 248	2 072 842	20 406	2 165 600	2 133 312	32 288
Goods and Services	732 733	732 095	638	2 143 284	2 143 017	18 473	831 265	878 803	(47 538)	768 430	677 488	90 942	876 233	813 964	62 269
Interest and rent on land	288	287	1	0	0	0	318	315	3	960	957	3	370	367	3
Payments for Financial Assets	261	247	14	1 392	1 376	16	940	927	13	610	599	11	460	452	8
Transfers and subsidies	4 062 234	4 028 678	33 556	3 705 768	3 704 829	939	3 519 093	3 518 631	462	3 830 167	3 828 299	1 868	4 464 553	4 457 914	6 639
Payments for capital assets	235 010	205 970	29 040	223 174	218 466	4 708	179 017	153 834	25 183	153 619	147 947	5 672	225 587	168 080	57 507
TOTAL	6 692 383	6 628 873	63 510	6 408 750	6 400 542	8 208	6 514 965	6 490 827	24 138	6 847 034	6 728 132	118 902	7 732 803	7 574 089	158 714



REASONS FOR THE VARIANCES Continued....

2014/15 Financial year per programme

Administration

Expenditure to the amount of R19,914 million in respect of the Stellenbosch- Plant Quarantine Station was not incurred due to the cumbersome processes of the Department of Public Works;

Agricultural Production, Health and Food Safety

Expenditure to the amount of R8,991 million in respect of the Primary Animal Health Care Programme was not incurred due to the fact that the equipment that was imported from overseas could not be delivered before the end of the financial year;

Food Security and Agrarian Reform

Quarter 4 transfer of DORA funds to the amount R25,899 million were withheld owing to underspending by the Mpumalanga department of Agriculture. Furthermore the amount of R4,033 million was not incurred due to the Memorandum of Understanding with the University of Fort Hare not finalised before the end of the financial year.



REASONS FOR THE VARIANCES Continued....

2015/16 Financial year per programme

Administration

Expenditure to the amount of R2,812 million in respect of the Stellenbosch- Plant Quarantine Station was not completed due to the cumbersome process of the Department of Public Works;

Food Security and Agrarian Reform

Expenditure to the amount of R3,408 million in respect of Economic Competiveness Support Package for colleges of Agriculture was not incurred due to procurement processes in provinces not completed.



REASONS FOR THE VARIANCES Continued....

2016/17 Financial year per programme

Administration

The expenditure for the amount of R23,104 million for Capital works in respect of the Stellenbosch Plant Quarantine Station: Upgrading and maintenance of building and laboratories and other Capital Works Projects was not incurred due to delays in the Department of Public Works processes. However, the overspending in Goods and Services due to Operation Phakisa, Ministerial Stakeholder Engagements and Property Management resulted in variance of R15,086 million.

Food Security and Agrarian Reform

Expenditure to the amount of R1,145 million in respect of Economic Competiveness Support Package for provincial and rural Agricultural colleges and Capital Projects was not incurred due to procurement processes in provinces not completed;

Forestry and Natural Resources Management

Expenditure to the amount of R5,936 million in respect of CASP Indirect Grant: Fodder for animal feed was not incurred due to delays in distributing fodder to Northern Cape farmers following the late implementation of Supply Chain Management procedures by Northern Cape Province.



REASONS FOR THE VARIANCES

2017/18 Financial year per programme

Administration

Expenditure to the amount of R90,0 million was not incurred due to the Memorandum of Agreement with Statistics SA only signed on 11 April 2018;

Agricultural Production, Health and Food Safety

Expenditure to the amount of R17,717 million in respect of Primary Animal Health Care Programme was not incurred as less veterinarians were absorbed in the Compulsory Community Services Programme.



REASONS FOR THE VARIANCES

2018/19 Financial year per programme

Administration

Expenditure to the amount of R7,384 million earmarked for the Farmer Register was not incurred due to a delay in procuring smart pens for data collection by Extension Officers.

Expenditure to the amount of R1,061 million for Capital Works was not incurred due to the delays in the Department of Public Works procurement processes.

Agricultural Production Health and Food Safety

The underspending is due to the unspent amount of R19,548m on Compensation of Employees (CoE) in respect of Compulsory Community Service of the Primary Animal Health Care Programme. The estimation for the 2018/2019 financial year was 150 veterinarians would graduate, however only 125 graduated.



REASONS FOR THE VARIANCES

2018/19 Financial year per programme Cont...

Agricultural Production Health and Food Safety Cont...

Furthermore the underspending is due to the earmarked unspent amounts of R2,424m in respect of Inspection Services: Import-Export Systems due to delay with signing the agreements; R4,132m on CoE in respect of strengthening of inspection services due to SCM processes finalised in March 2019 and R4,924m in respect of Food Safety and Quality Assurance for upgrade of laboratories and equipment due to SCM processes being finalised in March 2019.



REASONS FOR THE VARIANCES

2018/19 Financial year per programme Cont...

Programme 3: Food Security & Agrarian Reform

The underspending on CoE for CASP Monitoring and Evaluation of R6,155 million and on capitalised CoE under Infrastructure Support of R3,263 million were due to delays in filling of vacancies. National Treasury (NT) imposed a CoE ceiling on DAFF budget with cuts over the medium term which affected the CoE budget in the outer years.

Programme 4: Trade Promotion and Market Access

The underspending of R1,098 million is due to the 5 attachés posts that became vacant during the 2018/19 financial year and the underspending of R3,081 million was due to savings as a result of exchange rate fluctuations earmarked to pay international membership fees.



REASONS FOR THE VARIANCES

Forestry and Natural Resources Management

The underspending is on the earmarked amounts of R100 million for Land Use and Soil Management (LUSM) projects for drought relief which was not incurred due to that SCM processes were only finalised in March 2019 but delivery and payment were done in April 2019.

Further underspending is due to the amount of R2,969m in respect of Land Care conditional grant which was withheld due to non compliance with the Division of Revenue Act.



TARGET VS BUDGET VS ACTUAL EXPENDITURE

	Annual Target	2018/19	Q1	Q2	Q3	Q4	Total
		Adjusted Budget	Actual	Actual	Actual	Actual	Actual
		R' 000	R' 000	R' 000	R' 000	R' 000	R' 000
1	Risk Management implementation plan implemented	2 948	520	610	597	578	2 305
2	Annual risk-based Internal Audit implemented	10 500	2 006	2 277	2 201	2 094	8 578
3	Core Directorates Business Continuity Plan approved by EXCO (EXCO) Crisis Management Plan approved by EXCO	1 400	350	350	350	350	1 400
4	DAFF ICT DR site implementation in Stellenbosch	5 100	500	100	50	4 450	5 100
5	Reviewed MSP approved by the DG	400	-	-	-	-	-
6	2018/19 Workplace Skills Plan approved by the DG and implemented	8 612	-	-	-	-	-
7	100% adherence to the Performance Management and Development System by all staff	144	-	-	-	-	-
8	3 Bills submitted to Minister	8 026	1 477	1 372	944	1 745	5 538
9	20 Inter-governmental Relations Forum coordinated	5 025	1 221	1 588	1 498	718	5 025
10	23 functional institutional structures coordinated	4 840	1 169			3 671	4 840
11	Media plans implemented	27 586	5 832	6 713	6 313	7 604	26 462
12	Updated economical and statistics information for the sector	27 164	6 274	6 698	7 511	6 412	26 895
13	Sector research agenda monitored	1 002	-	107		895	1 002
14	Sector research agenda implemented through the RTF programme	18 647	-	-	-		-
15	4 quarterly project verification reports submitted to EXCO for approval	5 785	1 591	1 754	-	-	3 345
							-
	Total for targets	127 179	20 940	21 569	19 464	28 517	90 490
							-
	Total budget/actual per programme	1 038 789	370 833	177 895	201 441	279 901	1 030 070
							-
	% of targets budget/actual per programme	12%	6%	12%	10%	10%	9%



TARGET VS BUDGET VS ACTUAL EXPENDITURE cont...

Programme 2: Agricultural Production, Health and Food Safety							
	Annual Target	2018/19	Q1	Q2	Q3	Q4	Total
		Adjusted Budget	Actual	Actual	Actual	Actual	Actual
		R' 000	R' 000	R' 000	R' 000	R' 000	R' 000
1	120 000 ha of underutilised land in communal areas cultivated for production - prg 3 not 2	411 386	65 821	123 415	152 212	69 938	411 386
2	2 animal improvement schemes (Kaonafatso ya Dikgomo and poultry) implemented	80	-	-	-	-	-
3	2 plant improvement schemes (seed crops and seed potato) implemented	410	92	105	90	125	412
4	2 animal disease Risk surveillance conducted (Foot and Mouth disease protection zone and PPR)	100	270	212	419	637	1 538
5	1 plant disease and pest risk surveillance conducted (exotic fruit fly)	7 800	2 100	1 679	1 812	1 616	7 207
6	4 regulatory interventions implemented	302 261	69 193	63 618	72 786	133 012	338 609
8	130 veterinary graduates deployed to rural communities	123 041	22 945	23 442	25 126	31 898	103 411
9	2 targeted taxa conserved ex-situ	3 508	1 252	1 375	1 271	5 131	9 029
10	Promote conservation and sustainable use of indigenous breeds	1 960	552	591	522	2 148	3 813
							-
	Total for targets	850 546	162 225	214 437	254 238	244 505	875 405
							-
	Total budget/actual per programme	2 408 966	607 603	684 860	615 553	469 688	2 377 704
							-
	% of targets budget per programme	35%	27%	31%	41%	52%	37%



TARGET VS BUDGET VS ACTUAL EXPENDITURE cont...

Programme 3: Food Security and Agrarian Reform							
	Annual Target	2018/19	Q1	Q2	Q3	Q4	Total
		Adjusted Budget	Actual	Actual	Actual	Actual	Actual
		R' 000	R' 000	R' 000	R' 000	R' 000	R' 000
1	120690 ha of underutilised land in communal areas cultivated for production	496 976	74 546	124 244	173 941	124 245	496 976
2	52480 households supported with food production initiatives	53 194	8 511	15 958	19 681	9 044	53 194
3	23559 smallholder producers supported	871 726	130 758	217 931	305 104	217 933	871 726
4	Implementing the NETSAFF through placement of 30 graduates in APAP commodities	125	20	55	5	45	125
5	Implement the National Policy on Extension and Advisory Service	355 648	53 347	88 912	124 476	88 913	355 648
6	20 extension support practitioners deployed to commodity organisations	50	6	24	-	-	30
7	Policy on comprehensive producer development support recommended by the intergovernmental structures	100	-	114	6	-	120
8	255 graduates placed in agriculture, forestry and fisheries sectors for capacity development	19 682	5 146		3 056	4 345	12 547
							-
	Total for targets	1 797 501	197 788	322 994	452 328	320 280	1 293 390
							-
	Total budget/actual per programme	2 001 763	271 519	619 542	473 614	627 392	1 992 067
							-
	% of targets budget per programme	90%	73%	52%	96%	51%	65%



TARGET VS BUDGET VS ACTUAL EXPENDITURE cont...

Programme 4: Trade Promotion and Market Access

	Annual Target	2018/19	Q1	Q2	Q3	Q4	Total
		Adjusted Budget	Actual	Actual	Actual	Actual	Actual
		R' 000	R' 000	R' 000	R' 000	R' 000	R' 000
1	Annual report on the implementation of the SA-GAP certification programme	647	0	0	0	0	-
2	45 agro-processing entrepreneurs trained on processing norms and standards	700	-	200	500	-	700
3	14 commodity -based cooperatives established	5 030	1 202	1 137	1 132	1 149	4 620
4	126 cooperatives supported with training	11 407	1 923	2 715	2 641	2 512	9 791
5	AgriBEE Enforcement Regulations published in Government Gazette	776	243	231	220	209	903
6	Annual report on the implementation of AgriBEE fund	47 448	1 166	1 156	1 156	43 664	47 142
7	Report on the implementation of Forest Sector Code government undertakings	5 455	210	4 913	237	218	5 578
8	Implement trade agreements and participate in trade negotiations	12 180	1 769	3 284	2 461	4 666	12 180
9	Report on the implementation of Agri-bee Sector Code government undertakings	1 211	272	565	329	310	1 476
10	Market opportunity profile plan	1 983	120	980	668	215	1 983
11	Report on strategic engagement of partners within South - South, north south and multilateral agencies/forums	91 824	37 285	13 662	11 553	25 118	87 618
12	Report on strategic engagement of partners within Africa and African Agencies	13 285	3 022	3 940	3 571	2 743	13 276
13	Status report on compliance to AU and SADC obligations	450	-	-	-	-	-
14	Report on participation in trade negotiations	2 353	359	280	-	1 714	2 353
Total for targets		144 948	46 046	31 627	23 312	37 140	138 125
Total budget/actual per programme		270 649	95 787	45 237	34 508	90 574	266 106
% of targets budget per programme		54%	48%	70%	68%	41%	52%



TARGET VS BUDGET VS ACTUAL EXPENDITURE cont...

Programme 5: Forestry and Natural Resources Management

	Annual Target	2018/19	Q1	Q2	Q3	Q4	Total
		Budget	Actual	Actual	Actual	Actual	Actual
		R' 000	R' 000	R' 000	R' 000	R' 000	R' 000
1	1 725 ha planted in TUPs	8 802	-	-	149	1 458	1 607
2	Draft Memorandum of Understanding for 2 pilot sites developed	500	30	50	78	67	225
3	Establishment of 3 legal entities	100	-	23	38	35	96
4	3 projects to support revitalisation of irrigation schemes	44 854	7 177	13 456	16 595	7 626	44 854
5	Pre-Certification of the draft bill by office of the State law advisor	1 000	-	393	345	299	1 037
6	300 ha woodlands and indigenous forests rehabilitated	9 000	-	4 852	3 135	3 974	11 961
7	16 000 ha of agricultural land rehabilitated	77 873	7 787	25 366	25 366	19 354	77 873
8	Climate Change Adaptation and Mitigation Plan for agriculture, forestry and fisheries approved by EXCO	80	-	37	23	20	80
9	Draft Climate Smart Agriculture Strategic Framework developed	220	75	40	30	75	220
			-				-
	Total for targets	142 429	15 069	44 217	45 610	31 450	136 346
							-
	Total budget/actual per programme	1 522 280	252 325	294 256	79 435	791 868	1 417 884
							-
	% of targets budget per programme	9%	6%	15%	57%	4%	10%



TARGET VS BUDGET VS ACTUAL EXPENDITURE cont...

Programme 6: Fisheries							
	Annual Target	2018/19	Q1	Q2	Q3	Q4	Total
		Budget	Actual	Actual	Actual	Actual	Actual
		R' 000	R' 000	R' 000	R' 000	R' 000	R' 000
1	4 operation Phakisa projects for phase 3 supported	14 600	555	1 862	3 790	7 229	13 436
4	1 new research on new candidate species for aquaculture conducted	5 300	790	1 820	3 393	4 828	10 831
	Allocate Rights in the Abalone and West Coast Rock Lobster Sector	19 990	2 155	7 715	9 463	11 693	31 026
7	Recovery plans for the 2 sectors: Abalone and West Coast Rock Lobster	92 406	911	21 803	49 512	83 436	155 662
10	3200 compliance and enforcement measures in the 4 prioritised fisheries sectors: hake; abalone, rock lobster and line fish implemented	111 089	5 322	25 631	55 547	95 785	182 285
	Rights allocated to registered small-scale fisheries cooperatives	19 992	6 126	8 470	11 479	15 214	41 289
	Total for targets	263 377	15 859	67 301	133 184	218 185	434 529
	Total budget/actual per programme	490 356	225 409	108 783	74 000	82 066	490 258
	% of targets budget per programme	54%	7%	62%	180%	266%	89%



TARGET VS BUDGET VS ACTUAL EXPENDITURE cont...

DAFF							
Annual Target	2018/19	Q1	Q2	Q3	Q4	Total	
	Budget	Actual	Actual	Actual	Actual	Actual	
	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000	
Total for targets	3 325 980	457 927	702 145	928 136	880 077	2 968 285	
						-	
Total budget per programme	7 732 803	1 823 476	1 930 573	1 478 551	2 341 489	7 574 089	
% of targets budget per programme	43%	25%	36%	63%	38%	39%	

