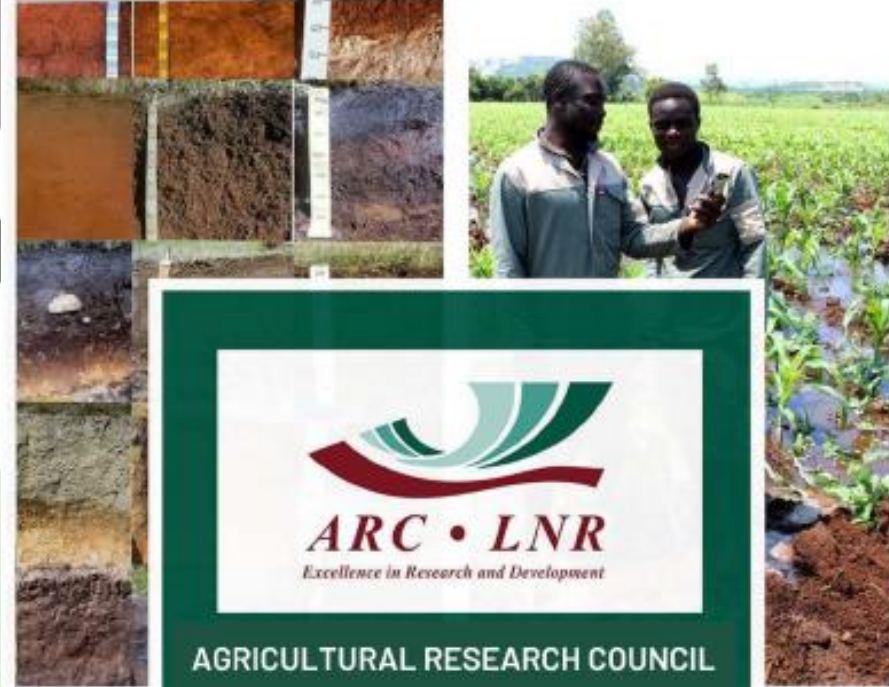




**AGRICULTURAL RESEARCH  
COUNCIL  
ANNUAL PERFORMANCE  
PLAN 2023/24**



# ARC TEAM

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1. Ms Joyene Isaacs: Chairperson
2. Dr Mono Mashaba: Deputy Chairperson
3. Dr Litha Magingxa: CEO
4. Dr Nthabiseng Motete: GE-Crop Sciences
5. Dr Andrew Magadlela: GE-Animal Sciences
6. Dr Petronella Chaminuka: Acting GE-Impact and Partnerships
7. Dr Hilton Vergotine: Acting GE-Human Capital Management
8. Dr Tebogo Sethibe: GE-ICT, Security & Infrastructure
9. Mr Abdul Carim: Chief Financial Officer

# MEDIUM TERM STRATEGIC FOCUS PRIORITIES FOR 2019 – 2024

## **MTSF PRIORITIES FOR ARC:**

- a) Priority 1: A Capable, Ethical and Developmental State
- b) Priority 2: Economic Transformation and Job Creation
- c) Priority 3: Education, Skills and Health
- d) Priority 5: Spatial Integration, Human Settlements and Local Government
- e) Priority 7: A better Africa and World

## ***Cross Cutting Focus Areas:***

- Women
- Youth
- People with Disabilities
- Climate Change

## LEGISLATIVE MANDATES

## POLICY MANDATES

### OUR MANDATE

To conduct agricultural research and development and drive technology development and dissemination in order to:

- Promote sustainability and equitable economic participation in the agricultural sector;
- Promote agriculture development and growth in related industries;
- Facilitate sector skills development and knowledge management;
- Facilitate and ensure natural resource conservation;
- Promote national food and nutrition security, and
- Contribute to improved health and better quality of life.

### OUR VISION

Excellence in research and innovation for sustainable agricultural systems and socio-economic development

### OUR MISSION

To conduct research, develop partnerships and human capital and foster innovation for a sustainable agricultural sector

### OUR IMPACT

Sustainable agricultural systems for agrarian transformation, food and nutrition security

### OUR VALUES

#### I CAIRE

**I - INTEGRITY**

We conduct our activities in a transparent, honest, ethical, and professional manner and ensure the highest level of integrity, ethics, and accountability.

**C - COMMITMENT**

We are committed to the highest standards of service and to the success of our clients.

**A - ACCOUNTABILITY**

We are accountable to our stakeholders for the quality of our services and the results of our activities.

**I - INNOVATION**

We embrace change and innovation to ensure the highest level of service and to meet the needs of our clients.

**R - RESPECT**

We respect the rights and dignity of all individuals and ensure the highest level of service and to meet the needs of our clients.

**E - EXCELLENCE**

We strive for excellence in all our activities and ensure the highest level of service and to meet the needs of our clients.



### OUR VISION

1. Increase agricultural production and productivity	2. Sustainable ecosystem and natural resources	3. Improved nutritional value, quality and safety of agricultural products	4. A skilled and capable agriculture sector	5. Enhanced resilience of agriculture	6. A high performing and sustainable organisation
<ul style="list-style-type: none"> <li>⇒ Crops with improved characteristics</li> <li>⇒ Animal Improvement services</li> <li>⇒ Diagnostic and analytical services</li> </ul>	<ul style="list-style-type: none"> <li>⇒ Biodiversity management</li> <li>⇒ Soil health assessment</li> <li>⇒ Weed biocontrol</li> <li>⇒ Low carbon technologies</li> </ul>	<ul style="list-style-type: none"> <li>⇒ Product development</li> <li>⇒ Broadening the foodbase</li> <li>⇒ Processing, preservation and storage methods</li> </ul>	<ul style="list-style-type: none"> <li>⇒ Skills development</li> <li>⇒ Technology development and dissemination</li> <li>⇒ Smallholder farmer supported</li> <li>⇒ Farmer support</li> <li>⇒ Knowledge generated</li> </ul>	<ul style="list-style-type: none"> <li>⇒ Climate resilient solutions</li> <li>⇒ Vaccine production</li> <li>⇒ Diagnostic and analytical services</li> </ul>	<ul style="list-style-type: none"> <li>⇒ Governance, financial management and internal controls</li> <li>⇒ Revenue generation and financial sustainability</li> <li>⇒ Asset utilisation</li> <li>⇒ ICT Strategy Implementation</li> <li>⇒ Effective human capital planning</li> </ul>

# EXTERNAL ENVIRONMENT ANALYSIS

## Global & Local Economies

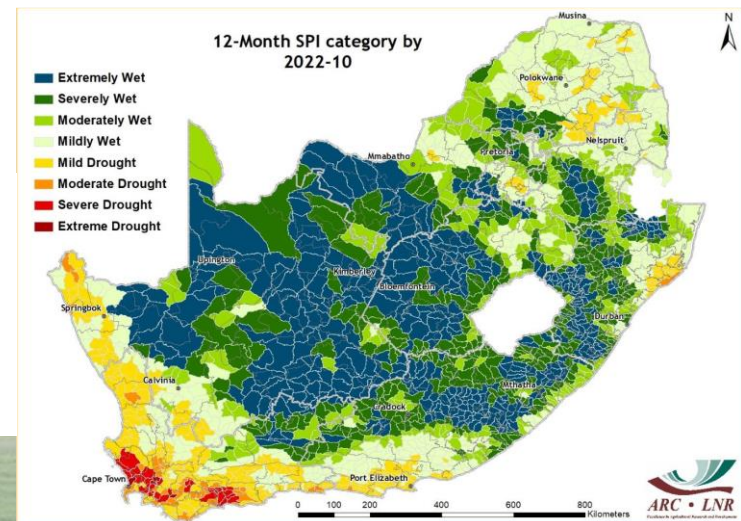
For 2023, global growth is projected to slow even further than 2022, to 2.7%, with global GDP anticipated to be at least USD2.8 trillion lower in 2023.<sup>6</sup> This again reflected significant slowdowns for the largest economies, the significant disruption of activities and trade due to the invasion of Russia of Ukraine, withdrawn policy support, and fading pent-up demand amidst high inflation. With predictions of more pandemics on the way, the aim is not to end them but to learn how to manage them better in terms of response time about relevant actions, financial controls, and education.

## Agriculture Outlook (Global & Local)

According to BFAP (2022),<sup>20</sup> South Africa's seasonally adjusted GDP increased by 1.6% in the Q3 of 2022, with agriculture being one of the main drivers of its growth, along with banking, transportation, manufacturing, and mining. Seasonally adjusted, the agriculture industry expanded by 19.2% between the Q2 and Q3 of 2022. However, the sector exhibits a rise of 22.3% compared to the third quarter of 2021. Accordingly, the disaggregated Gross Value of Production (GVP) per industry compiled by the

## Climate Emergency

Above-normal rainfall occurred over the summer rainfall region since mid-October 2022, similar to the previous summer (2021/22), which was characterised by above-normal rainfall over large parts of the country. The above-normal rainfall over the central to eastern interior is reflected by the Standardised Precipitation Index (SPI) map below for the 12-month period from November 2021 to October 2022, based on data from the ARC and South African Weather Service (SAWS) weather station networks. Above-normal rainfall continued through November into early December, and the outlook for the remainder of the summer remains favourable for rainfall, given the current La Niña in progress.



# AGRICULTURE SECTOR ADVISORIES

The article below was written by ARC researchers for the Mail and Guardian (14 December 2022):

## Are we in a particularly bad rainy season?<sup>26</sup>

It is not easy to say whether we are having a good or bad rainy season. Compared to previous years, the current rainy season has been characterised by above-normal rainfall totals over some areas (as per the figure below), and according to forecasts from the South African Weather Service, we will probably continue experiencing above-normal rainfall until April 2023.



**Mail & Guardian** NEWS • THOUGHT LEADER ENVIRONMENT FRIDAY PARTNERS

ENVIRONMENT / 14 DEC 2022

## What's behind the wet weather in Gauteng?

By Sarah Roffe and Ozayr Patel

✉ 📧 🐦 📘

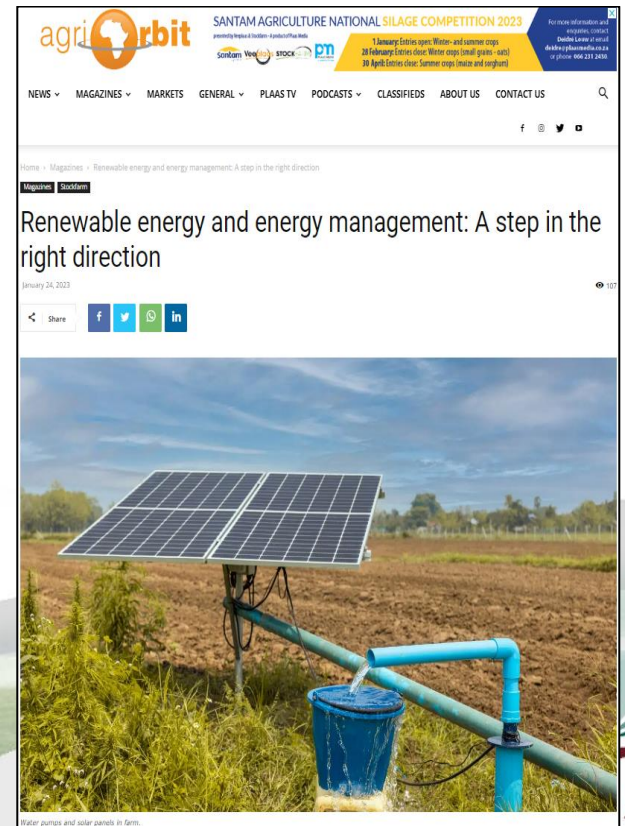


A resident paddles in a fishing boat in Lenasia, on December 10, 2022 as he tries to access the flooded area following heavy rains. (Photo by MARCO LONGARI / AFP)

The article below was written by ARC researchers for Stockfarm Magazine (October 2022) and published online (January 2023):

## Renewable energy and energy management, a step in the right direction to minimise farming risks associated with energy insecurity<sup>27</sup>

Energy has become an integral part of modern-day intensive farming. Almost every step of the food value chain requires energy as an input, from land preparation right up to the point of consumer consumption. On the farm, energy is consumed directly as fuel or electricity, (e.g. for field machinery, irrigation, heating, cooling, and transportation), and indirectly as fertilizers, chemicals, and animal feed produced off the farm. A major share of energy intake is spent on intensive livestock production with direct energy inputs the feed processing powering of delivery machinery, electricity is used for automated milking, milk storage, water heating and pumping, lighting, ventilation, space heating, and electrical fencing. In South Africa, the two major sources of on-farm energy are electricity and diesel, both of which are primarily obtained from fossil fuels. The production and use of fossil fuels is one of the major contributors to climate change, which negatively affects agriculture.



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Magazines Stockfarm

## Renewable energy and energy management: A step in the right direction

January 24, 2023

Share f 🐦 📧 in



Water pumps and solar panels in farm.

LNR Excellence in Research and Development

# ARC INVOLVEMENT AND PARTICIPATION IN THE AGRICULTURE AND AGRO-PROCESSING MASTER PLAN (AAMP)

- The ARC has been involved since 2020 in the development of the AAMP and continues to play an active role in the process, together with other state-owned entities in the sector..

## **Pillar 1: Resolving policy ambiguities and creating investment friendly climate**

The ARC support Pillar 1 by:

- Transfer PLAS farms and newly acquired state land to deserving beneficiaries

## **Pillar 3: Providing Comprehensive farmer support, developmental finance, R&D and extension services**

The ARC support Pillar 3 by:

- Information dissemination services in the form of training on all aspects of livestock value chain, farmer's days and popular publications
- Animal recording and improvement services through the National Improvement Schemes for commercial farmers and Kaonafatso ya Dikgomo Scheme for smallholder farmers.
- Diagnostic and Analytical services such as feed and food and animal health tests
- Various Research and Development and support services to enhance competitiveness and resilience of the livestock sector in view of climate change and other emerging agricultural threats such as provision of vaccines and models to help farmers make decisions to help them cope with climate change effects
- Various animal health research and development and service delivery tools such as vaccines and diagnostic kits
- Improve market access and trade facilitation
- 

## **Pillar 4: Food security, expanded production, and employment creation**

The ARC support Pillar 4 by:

- Providing scientific services to livestock farmers and conducting research and development on new and improved livestock production practices to enhance production to ensure food and nutrition security.
- Revitalise PLAS for suitable production of various commodities.

## **Pillar 5: Enabling markets expansion, improve market access and trade facilitation**

The ARC Animal Sciences support Pillar 5 by:

- Organising village livestock auctions to facilitate market access to communal farmers in partnership with the PDA, Community Livestock Associations and Commercial Auction Houses.
- Improve market access and trade facilitation

## **Pillar 6: Developing localised food, import replacement and expanded agro-processing exports**

The ARC support Pillar 6 by:

- Conducting research and development on new and improved livestock production practices to enhance production and production to ensure food and nutrition security



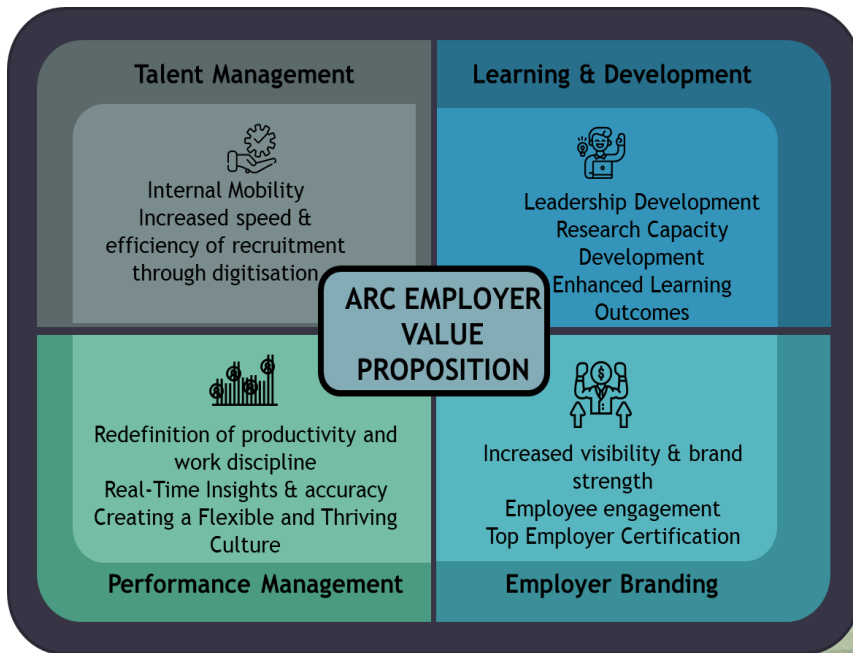


# INTERNAL ENVIRONMENT ANALYSIS

## INSTITUTIONAL REVIEW AND IMPLICATIONS

Clearly articulate a strategy and activity portfolio in line with the ARC mandate
Addressing the challenges of inclusivity and transformation
Leverage the uniqueness, niche and competitive advantage of the ARC
The ARC output and research agenda to be redefined along client-oriented and strategically important megatrends
Embedding gender, intersectionality and Equity Diversity and Inclusivity (EDI)
Pursuing a 'centres of excellence' (CoE) model that highlights relevance and quality needs
Urgently focus on revitalisation and improvement of systems and processes
Undertaking a detailed assessment on the adequacy of resources
Leveraging partnerships in line with the ARC mandate for purposes of resourcing, knowledge sharing and impact
Communication, branding and marketing
Improving the ARC's contribution to human capabilities (specific focus on Professional Development Programme -PDP)

## HUMAN CAPITAL MANAGEMENT



## DRIVERS FOR RESEARCH AND INNOVATION

### CROP SCIENCES

Innovations and agricultural technologies in crop sciences aims to improve competitiveness and productivity of crop production through the development of crops/ crop varieties and cropping/production systems that will result in the availability of affordable, safe, and healthy food while ensuring environmental and economic sustainability. Increased focus on sustainable food systems for increased resilience and increased focus on scaling of technologies for impact.

### ANIMAL SCIENCES

Research and service delivery efforts are directed at the social and economic development of the entire livestock chain. Advancing productivity, production, competitiveness, and sustainability of the livestock industry through the implementation of new and improved technologies for animal production, veterinary science, and animal products. Vaccine development is a key focus, which is centred around the construction of an FMD vaccine facility that would restore the country's capabilities of both producing and supplying much need FMD vaccines to the sector. Both the design and process development phases of the project has produced remarkable outputs, with doses of vaccine having already being made available to the DALRRD for use in the field.

### IMPACT & PARTNERSHIPS

Fostering internal ARC collaborations and external partnerships (national and international) in order to scale up the ARC R&D outputs, for visible, measurable impact across the agricultural sector.

### REFLECTION ON 4IR: ARC IN CONTEXT

There has been pilot implementation of the 4IR technologies in projects such as the CSIR-ARC-DSI Precision Farming wherein AI/ML, big data analytics, satellite imagery and Internet of Things are incorporated. One of our mobile applications is deploying the AI's computer vision capabilities which will allow the App users to capture pictures into the App for animal diseases diagnosis through the App with limited human intervention. The ARC has more than 40 applications to enhance the smallholder farmers' productivity through apps such as Maize Information Guide, Rain 4 Africa, and Fall Army Worm. There is an expressed interest to deploy blockchain technology for traceability in conjunction with DALRRD

### REFLECTION ON SOLAR: ARC IN CONTEXT

The ARC started implementing a few pilot Solar projects in 2019 at Cape Town and later at Nelspruit campus; however due to the relatively small-scale installations and only being implemented on portions of the infrastructure at the sites it had a negligible impact on the total power usage. Benefits on the projects are cost reduction and stability on the power mini grid. In 2022 approval was granted for Capex investment over the next 7 years to rollout Solar Technology in the ARC. The project started late 2022, prioritising and aligning to higher electrical consumption sites, as per ARC established carbon footprint, commencing with highest and most costly power and carbon sites. The project to be concluded in 2029.

# AREAS OF SERVICE DELIVERY

OUTPUT	INDICATOR	SPATIAL TRANSFORMATION	
<b>OUTCOME 1: INCREASED AGRICULTURAL PRODUCTION AND PRODUCTIVITY</b>			
Crop technologies developed and information dissemination	Number of field trials	Western Cape	West Coast District, Bergrivier Local Municipality, Overberg District, Cape Agulhas Local Municipality, Cape Winelands District, Drakenstein Local Municipality, West Coast District, Swartland Local Municipality, Overberg District, Swellendam Local Municipality, Overberg District, Theewaterskloof Local Municipality, West Cost District, West Coast District Municipality, West Coast District, Swartland Municipality, West Coast District, Saldanha Bay Municipality, Garden Route District, Garden Route District Municipality
		Northern Cape	Upington, Keimoes, Kakamas, Blouputs, Augrabies, Groblershoop, Francis Baard, Pixley ka Seme District, Siyancuma Local Municipality, Frances Baard District, Phokwane Local Municipality, Pixley ka Seme District, Renosterberg Local Municipality, Frances Baard District, Dikgatlong Local Municipality, Pixley ka Seme District, Thembelihle Local Municipality
		Limpopo	Mookghopong, Modimole Sekhukhune, Waterberg, Elias Motsoaledi Local Municipality, Gert Sibande District, Gert Sibande District Municipality
		North-West	Brits, JB Marks, Ngaka Modiri Molema District, Ramotshere Moiloa Local Municipality
		Free State	Thabo Mofutsanyana District, Dihlabeng Local Municipality, Lejweleputswa District, Masilonyana Local Municipality, Lejweleputswa District, Matjhabeng Local Municipality, Lejweleputswa District, Tswelopele Local Municipality
		KwaZulu-Natal	uMgungundlovu, Umkhanyakude, uThukela District, Okhahlamba Local Municipality
		Mpumalanga	Nkangala, Ehlanzeni District, Thaba Chweu Local Municipality, Sekhukhune District, Sekhukhune District Municipality
		Gauteng	City of Tshwane
Animal Improvement services	Number of farmers participating in each of the animal improvement schemes	Nationally	All Districts (Depending on the request from the farmer)
<b>OUTCOME 2: SUSTAINABLE ECOSYSTEMS AND NATURAL RESOURCES</b>			
Natural Resource Management	Number of field trials	Western Cape	Stellenbosch, Porterville, Paarl, Franschhoek, Robertson, Grabouw
		North West	JB Marks
		Gauteng	City of Tshwane
<b>OUTCOME 3: IMPROVED NUTRITIONAL VALUE, QUALITY AND SAFETY OF AGRICULTURAL PRODUCTS</b>			
Broadening the food base	Number of field trials	Nationally	Depend on trial requirements

OUTPUT	INDICATOR	SPATIAL TRANSFORMATION		
<b>OUTCOME 4: A SKILLED AND CAPABLE AGRICULTURE SECTOR</b>				
Skills development Smallholder farmer supported	Number of people trained	International	Global (Depending on the request)	
		SADC	Southern Africa (Depending on the request)	
		National	All Districts (Depending on the request)	
	Number of Postgraduate students supported by ARC	Western Cape	University of Cape Town, University of Western Cape, Stellenbosch University Cape Peninsula University of Technology	
		Free State	University of the Free State	
		Gauteng	University of South Africa, University of Johannesburg, University of the Witwatersrand, University of Pretoria, Tshwane University of Technology, Vaal university of Technology	
		Limpopo	University of Limpopo, University of Venda	
		KwaZulu-Natal	University of Kwazulu-Natal, University of Zululand, Mangosuthu University of Technology	
		North West	North West University	
		Western Cape	Stellenbosch, Paarl, Harkerville ( <i>furthermore it depends on requests from Industry</i> )	
	Number of farmers trained	Northern Cape	Eksteenskuil	
		Limpopo	Gyani, Polokwane, Tzaneen Capricorn District, Mopani District, Sekhukhune District, Vhembe District, Waterberg District	
		Mpumalanga	Nkomazi, Gert Sibande	
		KwaZulu-Natal	Mtubatuba, Ehlanzeni District, Gert Sibande District Nkangala District	
		North-West	Bojanala Platinum District, Dr Kenneth Kaunda District, Dr Ruth Segomotsi Mompoti District, Ngaka Modiri Molema District	
		Gauteng	Sedibeng District, Tshwane Metropolitan, City of Johannesburg, City of Ekurhuleni	
		Number of technical assessments for commercial readiness	Gauteng	Sedibeng West Rand
	KwaZulu-Natal		uMkhanyakude District, uMzinyathi District	
	Western Cape, Northern Cape, Limpopo, North-West, Free State, Eastern Cape		All Districts (Depending on the request from the farmer)	
	Number of smallholder farmers participating in KyD	KwaZulu-Natal	Amajuba District, Harry Gwala District, iLembe District, King Cetshwayo District, uMkhanyakude District, uMzinyathi District, uThukela District, Zululand District	
		Mpumalanga	Ehlanzeni District, Gert Sibande District, Bohlabela District, Nkangala District	
Gauteng		Ekurhuleni District, Tshwane District, City of Johannesburg District, Sedibeng District, West Rand District		
Number of farmer field days		North West	Ngaka Modiri Molema	
	Limpopo	Vhembe, Mopane		
	Mpumalanga	Gert Sibande, Ehlanzeni		
Farmer support	Number of farm assessments	Nationwide	Depending on request	
	Number of farmers supported	Northern Cape	Eksteenskuil	
		Gauteng	Rand West City Local Municipality	
	Number of farmer field days	Free State	Thabo Mofutsanyana District	
		North-West	Bojanala Platinum District, Dr Kenneth Kaunda	
		KwaZulu-Natal	uMkhanyakude District, uMzinyathi District	
		Gauteng	Sedibeng District, West Rand District, Tshwane District, Ekurhuleni District	
<b>OUTCOME 5: ENHANCED RESILIENCE OF AGRICULTURE</b>				
Climate resilient solutions	Number of field trials	North West	Dr Kenneth Kaunda, Bojanala, Ngaka Modiri Molema, Dr Ruth Segomoesi Mompoti,	
		Free State	Thabo Mofutsanyane, Lejweleputswa, Fezile Dabi, Motheo,	
		KwaZulu-Natal	uMgungundlovu, Umkhanyakude, uThukela, Okhahlamba, Umvoti uMzinyathi,	
		Limpopo	Waterberg, Sekhukhune, Mopani, Vhembe, Capricorn,	
		Mpumalanga	Nkangala, Gert Sibande, Ehlanzeni, Amatole, Bushbuckridge,	
		Eastern Cape	OR Tambo	
		Gauteng	Ekurhuleni, City of Tshwane	

# CRITICAL ISSUES INFORMING THE 2023/24 ANNUAL PERFORMANCE PLAN

The following key critical success factors will significantly contribute to the sustainability of the ARC, both at the level of enhancing the ARC strategic positioning within the sector; locally, regionally and internationally; while also enhancing the ARC operational environment with respect to efficiencies and effectiveness across all service level offerings:

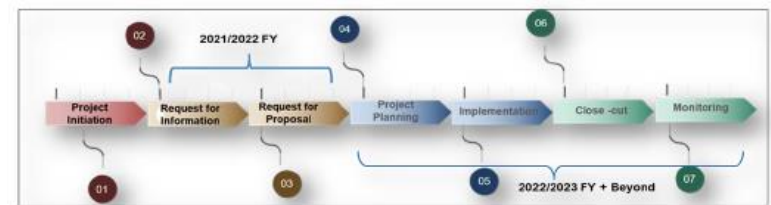
- Undertake and finalise a comprehensive review of the ARC current (dated 2019) Sustainability and Turnaround Plan;
- Outcomes from the above review will set the foundation towards the formal institutionalisation and implementation of enhanced strategies/pillars of focus, against which periodic performance and reporting can be initiated and tracked;
- Having completed an Institutional Review process during the previous financial year, the focus for the new financial year would be on the implementation of the review recommendations through an aligned and focused management action/response plan;
- Alignment, support and implementation of key initiatives as contained/outlined under the six key pillars of the approved Agriculture and Agro-Processing Master Plan;
- Adopting a more aggressive approach that is geared towards the tangible realisation of the ARC Commercialisation Strategy;
- An enhanced focus on the development, repackaging and dissemination of sector solutions that are aimed at enhancing the resilience of the sector to plant and animal pests and diseases, climate change and energy constraints;
- The adoption of an accelerated approach towards the achievement of committed strategic outcome areas that are aligned to the ARC 2020/2021 -2024/2025 Strategic Plan, which are informed by the Longer-Range Development Priorities (NDP 2030, SDGs, Agenda 2063, etc.) and National Priorities for the next five years (SONAs, MTSF 2019-2024, Sector Department Priorities, etc.); and
- Enhancing the ARC value proposition towards a strategic partner of choice across the broader agriculture sector for the short to longer term (ARC Vision 2050) time horizon.

## FOOT-AND-MOUTH DISEASE (FMD) VACCINE PRODUCTION FACILITY

Due to a variety of reasons, South Africa's only Foot-and-Mouth Disease (FMD) vaccine production facility at the ARC Onderstepoort Veterinary Research Campus ceased functioning in December 2005. Lack of FMD vaccine production at this strategic national facility has increased the risk for the effective management of potential disease outbreaks. In the interim, South Africa has relied on procurement of vaccine from the Botswana Vaccine Institute (BVI). FMD is listed as a controlled disease in South Africa in terms of the Animal Disease Act 35 of 1984<sup>29</sup>. FMD is a highly contagious and acute viral affliction of domestic and wild cloven-hoofed animals. The cost of FMD is based on the stringent control measures needed to contain this highly infectious disease and the impact on production the disease has. The direct losses incurred due to an outbreak of the disease include the capital value of herds should culling processes be implemented as part of the control programme, loss of production and associated income and an increase in production costs because of additional on-farm quarantine restrictions. However, by far the greatest costs associated with FMD are the trade restrictions placed on an area with a confirmed outbreak, where the impact can go far beyond the livestock industry traditionally linked with FMD. Most recent estimates of the total loss in export revenue, including losses incurred by upstream and downstream sectors linked to livestock production, exceed R6.4 billion measured against the 2016 red meat export value.

## ICT-RELATED PROJECTS

### ENTERPRISE RESOURCE PLANNING (ERP) SOLUTION



### Current Solar Project Status

For FY22/23, the following solar projects are in progress.

SOLAR TYPE	CAPACITY	LOCATION	ESTIMATED COST
Roof-top PV Solar	75kw	Infruitec	R 3 000 000.00
Integrated LED lights & PV Solar	60kw	Infruitec	R 2 000 000.00
3 x PC Solar System	30kw	TSC - Pathology building	R 1 047 118.75
Roof-top PV Solar	75kw	TSC - Pathology building	R 2 600 000.00
Roof-top PV Solar	30kw	TSC - Biotech building (upgrade)	R 800 000.00
Roof-top PV Solar	60kw	TSC - Water purification plant	R 2 062 881.25
<b>Total</b>			<b>R11 510 000.00</b>

# FINANCIAL OVERVIEW

- No significant increase expected on the Parliamentary Grant over the MTEF
- Aggressive marketing and support from DALRRD will see an increase in the External Income generation
- The entity remains under pressure with regards to the cost of personnel under continued rising inflation and interest rates
- Increasing progress on the FMD project will see an increase in expenditure as well as PPE (items capitalized as components)
- This will result in a decrease in the cash the entity has as a significant portion of the cash and cash equivalents is attributable to the FMD cash

AGRICULTURAL RESEARCH COUNCIL - THREE YEAR REVIEW					
Statement of Financial Performance					
	Audited	Forecast	Budget	Budget	Budget
	2022	2023	2024	2025	2026
	R'm	R'm	R'm	R'm	R'm
<b>Total Income</b>	<b>1 394</b>	<b>1 392</b>	<b>1 672</b>	<b>1 628</b>	<b>1 702</b>
<b>Parliamentary Grant</b>	<b>1 029</b>	<b>1 060</b>	<b>1 150</b>	<b>1 083</b>	<b>1 131</b>
Baseline - Operational	923	950	1040	968	1011
Baseline - Capital	106	110	110	115	120
External Income	317	249	457	478	499
Other Income	48	83	65	68	71
<b>Total expenditure</b>	<b>1 225</b>	<b>1 283</b>	<b>1 556</b>	<b>1 513</b>	<b>1 544</b>
Personnel Costs	755	837	837	837	837
Operating Expenditure	392	370	647	601	628
Depreciation	78	76	72	76	79
Interest Paid	0	0	0	0	0
<b>Net Surplus/(Deficit)</b>	<b>168</b>	<b>110</b>	<b>116</b>	<b>115</b>	<b>158</b>
Capital Expenditure	(106)	(110)	(110)	(115)	(120)
<b>Net Operational Surplus/(Deficit)</b>	<b>62</b>	<b>(0)</b>	<b>6</b>	<b>0</b>	<b>38</b>

## THE GOAL FOR THE AGRICULTURAL RESEARCH COUNCIL IS TO ACHIEVE A BETTER AUDIT OUTCOME

The ARC continues to improve its control environment and governance; strengthen the internal financial controls, to ensure an UNQUALIFIED AUDIT OUTCOME is achieved. AIP is in place and monitored by Internal audit on a monthly basis:

### Update on outstanding issue:

- ❑ Processing final adjustments on PPE, based on the findings of external service provider.

# OUTCOME 1: INCREASED AGRICULTURAL PRODUCTION AND PRODUCTIVITY

RESPONSIBLE BUSINESS DIVISION	OUTPUT	OUTPUT INDICATORS	MEDIUM-TERM TARGETS		
			2023/24	2024/25	2025/26
Crop Sciences	Crop technologies developed and information dissemination	Number of cultivars registered	7	7	7
		Number of field trials	182	179	169
		Number of technical reports	163	152	149
		Number of cultivar evaluations	35	35	36
Animal Sciences	Animal improvement services	Number of farmers participating in each of the animal improvement schemes	150	160	170
		Number of technical reports	540	600	610

# OUTCOME 2: SUSTAINABLE ECOSYSTEMS AND NATURAL RESOURCES

RESPONSIBLE BUSINESS DIVISION	OUTPUT	OUTPUT INDICATORS	MEDIUM-TERM TARGETS		
			2023/24	2024/25	2025/26
Crop Sciences	Natural Resource Management	Number of technical reports	88	88	79
		Number of field trials	52	52	48
		Number of services rendered	571	583	591
Crop Sciences	Soil and Water Science	Number of samples analysed for soil health and water quality	220	215	228
		Number of technical reports	28	29	32
Animal Sciences	Weed Science	Number of services rendered	410	420	430
		Number of technical reports	13	13	13
Animal Sciences	Ecosystem services	Number of services rendered*	0	0	0
		Number of technical reports	4	5	6
Animal Sciences	Ecosystem services	Number of services rendered*	0	0	0
		Number of technical reports	4	5	6

## OUTCOME 3: IMPROVED NUTRITIONAL VALUE, QUALITY AND SAFETY

RESPONSIBLE BUSINESS DIVISION	OUTPUT	OUTPUT INDICATORS	MEDIUM-TERM TARGETS		
			2023/24	2024/25	2025/26
Crop Sciences	Broadening the food base	Number of cultivars registered	0	0	0
		Number of field trials	7	7	8
		Number of technical reports	63	58	55
		Number of cultivar evaluations	32	32	33
		Number of new products developed	3	3	4
		Number of services rendered	24	24	27
Animal Sciences	Post-harvest handling and agro-processing	Number of cultivars developed with improved shelf life	0	0	0
		Number of new post-harvest solutions developed	2	2	2
		Number of solutions for controlled atmosphere	2	2	2
		Number of services rendered	28	26	27

# OUTCOME 4: A SKILLED & CAPABLE AGRICULTURE SECTOR THROUGH INNOVATION, KNOWLEDGE MANAGEMENT & TECHNOLOGIES

RESPONSIBLE BUSINESS DIVISION	OUTPUT	OUTPUT INDICATORS	MEDIUM-TERM TARGETS			
			2023/24	2024/25	2025/26	
Crop Sciences	Skills development	Number of people trained	542	459	491	
		Number of Postgraduate students supported by ARC	53	48	46	
	Technology Transfer	Number of technologies/IP registered/developed	8	7	10	
		Number of enterprises supported	25	30	30	
		Number of technologies transferred under license	20	30	30	
	Animal Sciences	Smallholder farmer supported	Number of farmers trained	1 251	1 076	1 096
			Number of technical assessments for commercial readiness	50	60	60
			Number of smallholder farmers participating in KyD	5 000	5 500	6 000
	Impact and Partnerships		Number of services rendered	104	104	104
			Number of farmer field days	11	11	13
Farmer support		Number of farm assessments	6	11	13	
		Number of farmers supported	281	286	301	
	Knowledge generated and dissemination	Number of farmer field days	21	22	23	
		Number of services rendered	99	103	109	
		Number of scientific publications	288	257	268	
		Number of popular publications	204	209	223	
		Number of public awareness events	160	162	171	



# OUTCOME 5: ENHANCED RESILIENCE OF AGRICULTURE

RESPONSIBLE BUSINESS DIVISION	OUTPUT	OUTPUT INDICATORS	MEDIUM-TERM TARGETS		
			2023/24	2024/25	2025/26
Crop Sciences  Animal Sciences	Climate resilient solutions	Number of climate resilient solutions adopted	0	0	0
		Number of drought tolerant cultivars	0	0	0
		Number of services rendered	12	14	18
		Number of technical reports	6	8	10
		Number of field trials	12	13	14
		Number of tools for measuring climate change	320	320	320
	Vaccine production	Number of blood vaccine doses produced	70 000	70 000	65 000
		Number of different types of vaccines developed	1	0	0
		Number of FMD vaccine doses produced	0	50 000	100 000
		Number of vaccine clinical trials	1	1	0
Laboratory services	Number of tests reports issued for animal health	16 565	17 395	17 718	
	Number of tests performed for food and feed	2 410	2 510	2 612	
	Number of services rendered	200	220	240	
	Number of technical reports	18	10	8	

# OUTCOME 6: A HIGH-PERFORMING AND SUSTAINABLE ORGANISATION

RESPONSIBLE BUSINESS DIVISION	OUTPUT	OUTPUT INDICATORS	MEDIUM-TERM TARGETS		
			2023/24	2024/25	2025/26
ICT & Infrastructure	Infrastructure Management	Number of business cases implemented for assets management	2	3	3
		Increase in Rand value of rental income	2%	5%	5%
	ICT Strategy Implementation	Number of digital transformation projects implemented	3	3	3
		Number of stabilisation projects implemented	2	1	1
		Number of optimisation projects implemented	3	3	3
Impact and Partnerships	Commercialisation of ARC solutions	Establishment of an ARC commercialisation entity	Registration of the entity, establishment of 2 spin-offs		
	Exhibitions and sponsorships	Number of exhibitions, sponsorships	8	5	5
	International partnerships	Number of new international partnerships	2	2	2

# OUTCOME 6: A HIGH-PERFORMING AND SUSTAINABLE ORGANISATION

RESPONSIBLE BUSINESS DIVISION	OUTPUT	OUTPUT INDICATORS	MEDIUM-TERM TARGETS		
			2023/24	2024/25	2025/26
Human Capital Management	Human resources Management	Vacancy rate	5%	5%	5%
		Support employees as percentage of total staff	20%	20%	20%
		Percentage increase of employment equity ratio in the designated groups in core business, in respect of: -Women at Senior Management level	46%	46%	46%
		- People with Disabilities employed	1%	1%	1%
	Performance management	Improve the leadership dimensions of 360 degree results of Management, Senior and Executive Management	4	4	4
		Alignment of organisational values	90%	90%	90%
		Percentage implementation of change management strategies linked to culture survey and 360 degree leadership processes	100%	100%	100%
	Human resource development	Number of employees appointed with Masters degrees	20	20	20
		Number of employees appointed with Doctoral degrees	10	10	10
		Number of employees with Masters degrees	200	200	200
		Number of employees with Doctoral degrees	240	230	230
		Percentage staff turnover	4%	4%	4%
		Total spend on PDP stipend and registration	R 10 mil	R 20 mil	R 10 mil
		Training spend as a % of salary bill	1%	2%	2%

# OUTCOME 6: A HIGH-PERFORMING AND SUSTAINABLE ORGANISATION

RESPONSIBLE BUSINESS DIVISION	OUTPUT	OUTPUT INDICATORS	MEDIUM-TERM TARGETS		
			2023/24	2024/25	2025/26
Finance	Governance	Audit opinion	Unqualified audit	Unqualified audit	Unqualified audit
	Funding and revenue generation	Zero Deficit	Zero deficit	Zero deficit	Zero deficit
		BBBEE rating	Level 1	Level 1	Level 1
		External income as % of total revenue	28%	28%	27%
		Rand value of royalty income	R 40 mil	R 42 mil	R 42 mil
	Cost efficiencies	Reduction in fixed cost	5%	5%	5%
		Personnel costs as % of Operational PG	57%	56%	56%

# COMMENTS/ QUESTIONS

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Re a Leboha!

Siyabonga!

Ria Livhuwa!

Ha Khensa!

Siyathokoza!

Re a leboga

Siyabulela!

Baie Dankie!

Thank You