

Vote 11

Department of Agriculture and Rural Development

Adjusted budget summary

2019/20					
R thousand	Main appropriation	Special appropriation	Adjusted appropriation	Decrease	Increase
Total amount to be appropriated	821 354		851 604	(69 698)	99 948
of which economic classification:					
Current payments	636 390		601 472	(34 918)	
Transfers and subsidies	105 239		205 187		99 948
Payments for capital assets	79 725		44 945	(34 780)	
Payments for financial assets					
of which source of funding:					
Equitable Share	431 253		462 604	(24 447)	55 798
Conditional Grants	249 613		280 012	(3 482)	33 881
Earmarked funds	108 306		76 806	(41 769)	10 269
Provincial Receipts	32 182		32 182		
Direct charge against the Provincial Revenue Fund	821 354		851 604	(69 698)	99 948
Executive Authority	MEC for Agriculture and Rural Development				
Accounting Officer	Head of Department: Agriculture and Rural Development				
Website address	www.ard.fs.gov.za				

Vote Purpose

The vision of the Free State Department of Agriculture and Rural Development is a prosperous agriculture and farming our future.

Changes to programme purposes, objectives and measures

There were no changes to programme purposes, objectives and measures of any Programme of budget during the course of the current financial year to date

Adjusted Estimates of Provincial Revenue & Expenditure 2019

Table 11.1(a): Adjusted Estimates per programme

2019/20									
Programme	Main appropriation	Special appropriation	Adjustment appropriation					Total adjustment appropriation	Adjusted appropriation
			Roll-overs	Unforeseeable /unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R'thousand									
1. Administration	176 873		1 005		26 375	(2 000)		25 380	202 253
2. Sustainable Resource Management	45 943		515		2 931			3 446	49 389
3. Farmer Support & Development	404 577		36 825		(22 073)		(3 482)	11 270	415 847
4. Veterinary Services	71 869		181		(4 655)			(4 474)	67 395
5. Research & Technology Development Ser.	73 405		739		(6 041)	(4 144)		(9 446)	63 959
6. Agricultural Economics Services	12 158				1 000			1 000	13 158
7. Structured Agricultural Education & Trainin	27 166		598		463			1 061	28 227
8. Rural Development	9 363		13		2 000			2 013	11 376
Total	821 354		39 876			(6 144)	(3 482)	30 250	851 604

Economic classification

Table 11.1(b): Adjusted Estimates by economic classification

Economic classification	Main appropriation	Special appropriation	Adjustments Appropriation					Total adjustment appropriation	Adjusted appropriation
			Roll-overs	Unforeseeable/ unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R'thousand									
Current payments	636 390		18 038		(50 956)	(2 000)		(34 918)	601 472
Compensation of employees	419 970				16 400			16 400	436 370
Goods and Services	216 420		18 038		(67 359)	(2 000)		(51 321)	165 099
Interest and rent on land	-				3			3	3
Transfers and subsidies to	105 239		21 314		82 116		(3 482)	99 948	205 187
Provinces and municipalities	74								74
Departmental agencies and accounts	334								334
Universities and technikons									
Public corporations and private enterprises									
Foreign governments and international organisations									
Non-profit institutions									
Households	104 831		21 314		82 116		(3 482)	99 948	204 779
Payments for capital assets	79 725		524		(31 160)	(4 144)		(34 780)	44 945
Buildings and other fixed structures	59 573				(24 881)	(2 144)		(27 025)	32 548
Machinery and equipment	20 152		524		(8 779)	(2 000)		(10 255)	9 897
Cultivated assets									
Software and other intangible assets									
Biological assets					2 500			2 500	2 500
Heritage assets									
Payments for financial assets									
Total	821 354		39 876			-6 144	-3 482	30 250	851 604

Programme 1: Administration

Table 11.1.1: Adjusted Estimates

2019/20									
Subprogramme	Main appropriation	Special appropriation	Adjustment appropriation					Total adjustment appropriation	Adjusted appropriation
			Roll-overs	Unforeseeable /unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R'thousand									
1. Office of the MEC	6 904		320		(80)		240	7 144	
2. Senior Management	34 298				(5 927)		(5 927)	28 371	
3. Corporate Services	85 892		254		21 155		21 409	107 301	
4. Financial Management	42 773		344		9 505	(2 000)	7 849	50 622	
5. Communication	7 006		87		1 722		1 809	8 815	
Total	176 873		1 005		26 375	(2 000)	25 380	202 253	
Economic classification									
Current payments	171 089		1 005		11 160	(2 000)	10 165	181 254	
Compensation of employees	129 855				5 604		5 604	135 459	
Goods and Services	41 234		1 005		5 553	(2 000)	4 558	45 792	
Interest and rent on land					3		3	3	
Transfers and subsidies to	3 365				15 000		15 000	18 365	
Provinces and municipalities	74							74	
Departmental agencies and accounts	334							334	
Universities and technikons									
Public corporations and private enterprises									
Foreign governments and international organisations									
Non-profit institutions									
Households	2 957				15 000		15 000	17 957	
Payments for capital assets	2 419				215		215	2 634	
Buildings and other fixed structures									
Machinery and equipment	2 419				215		215	2 634	
Cultivated assets									
Software and other intangible assets									
Biological assets									
Heritage assets									
Payments for financial assets									
Total	176 873		1 005		26 375	(2 000)	25 380	202 253	

Programme 2: Sustainable Resource Management

Table 11.1.2: Adjusted Estimates

2019/20									
Subprogramme	Main appropriation	Special appropriation	Adjustment appropriation					Total adjustment appropriation	Adjusted appropriation
			Roll-overs	Unforeseeable /unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R'thousand									
1. Engineering Services	12 450		30		5 049			5 079	17 529
2. LandCare	24 034		16		(2 784)			(2 768)	21 266
3. Land Use Management	786		6		(14)			(8)	778
4. Disaster Risk Management	8 673		463		680			1 143	9 816
Total	45 943		515		2 931			3 446	49 389
Economic classification									
Current payments	45 943		515		1 823			2 338	48 281
Compensation of employees	28 819				2 987			2 987	31 806
Goods and Services	17 124		515		(1 164)			(649)	16 475
Interest and rent on land									
Transfers and subsidies to									
Provinces and municipalities									
Departmental agencies and accounts									
Universities and technikons									
Public corporations and private enterprises									
Foreign governments and international organisations									
Non-profit institutions									
Households									
Payments for capital assets									
					1 108			1 108	1 108
Buildings and other fixed structures									
Machinery and equipment					1 108			1 108	1 108
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Heritage assets									
Payments for financial assets									
Total	45 943		515		2 931			3 446	49 389

Programme 3: Farmer Support and Development

Table 11.1.3: Adjusted Estimates

2019/20								
Subprogramme	Main appropriation	Special appropriation	Adjustment appropriation				Total adjustment appropriation	Adjusted appropriation
			Roll-overs	Unforeseeable /unavoidable	Virements and shifts	Declared unspent funds		
1. Farmer Settlement and Development	168 373		25 878				25 878	194 251
2. Extension and Advisory Services	234 650		10 947		(22 453)	(3 482)	(14 988)	219 662
3. Food Security	1 554				380		380	1 934
Total	404 577		36 825		(22 073)	(3 482)	11 270	415 847
Economic classification								
Current payments	257 703		15 511		(64 283)		(48 772)	208 931
Compensation of employees	113 657				12 327		12 327	125 984
Goods and Services	144 046		15 511		(76 610)		(61 099)	82 947
Interest and rent on land								
Transfers and subsidies to	101 874		21 314		67 116	(3 482)	84 948	186 822
Provinces and municipalities								
Departmental agencies and accounts								
Universities and technikons								
Public corporations and private enterprises								
Foreign governments and international organisations								
Non-profit institutions								
Households	101 874		21 314		67 116	(3 482)	84 948	186 822
Payments for capital assets	45 000				(24 906)		(24 906)	20 094
Buildings and other fixed structures	30 000				(16 881)		(16 881)	13 119
Machinery and equipment	15 000				(10 525)		(10 525)	4 475
Cultivated assets								
Software and other intangible assets								
Biological assets					2 500		2 500	2 500
Heritage assets								
Payments for financial assets								
Total	404 577		36 825		(22 073)	(3 482)	11 270	415 847

Programme 4: Veterinary Services

Table 11.1.4: Adjusted Estimates

2019/20								
Subprogramme	Main appropriation	Special appropriation	Adjustment appropriation				Total adjustment appropriation	Adjusted appropriation
			Roll-overs	Unforeseeable /unavoidable	Virements and shifts	Declared unspent funds		
R'thousand								
1. Animal Health	51 362				(4 054)		(4 054)	47 308
2. Veterinary Public Health	6 755				(1 601)		(1 601)	5 154
3. Veterinary Laboratory Services	12 308		181		1 660		1 841	14 149
4. Export Control	1 444				(660)		(660)	784
Total	71 869		181		(4 655)		(4 474)	67 395
Economic classification								
Current payments	71 869		156		(4 903)		(4 747)	67 122
Compensation of employees	67 916				(6 655)		(6 655)	61 261
Goods and Services	3 953		156		1 752		1 908	5 861
Interest and rent on land								
Transfers and subsidies to								
Provinces and municipalities								
Departmental agencies and accounts								
Universities and technikons								
Public corporations and private enterprises								
Foreign governments and international organisations								
Non-profit institutions								
Households								
Payments for capital assets								
			25		248		273	273
Buildings and other fixed structures								
Machinery and equipment			25		248		273	273
Cultivated assets								
Software and other intangible assets								
Land and subsoil assets								
Heritage assets								
Payments for financial assets								
Total	71 869		181		(4 655)		(4 474)	67 395

Programme 5: Technology, Research and Development Services

Table 11.1.5: Adjusted Estimates

2019/20									
Subprogramme	Main appropriation	Special appropriation	Adjustment appropriation					Total adjustment appropriation	Adjusted appropriation
			Roll-overs	Unforeseeable /unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R'thousand									
1. Research	40 450		355		1 543	(4 144)		(2 246)	38 204
2. Technology Transfer Services									
3. Infrastructure Support Services	32 955		384		(7 584)			(7 200)	25 755
Total	73 405		739		(6 041)	(4 144)		(9 446)	63 959
Economic classification									
Current payments	41 099		739		1 959			2 698	43 797
Compensation of employees	37 265				1 000			1 000	38 265
Goods and Services	3 834		739		959			1 698	5 532
Interest and rent on land									
Transfers and subsidies to									
Provinces and municipalities									
Departmental agencies and accounts									
Universities and technikons									
Public corporations and private enterprises									
Foreign governments and international organisations									
Non-profit institutions									
Households									
Payments for capital assets	32 306				(8 000)	(4 144)		(12 144)	20 162
Buildings and other fixed structures	29 573				(8 000)	(2 144)		(10 144)	19 429
Machinery and equipment	2 733					(2 000)		(2 000)	733
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Heritage assets									
Payments for financial assets									
Total	73 405		739		(6 041)	(4 144)		(9 446)	63 959

Programme 6: Agricultural Economics Services

Table 11.1.6: Adjusted Estimates

							2019/20		
Subprogramme	Main appropriation	Special appropriation	Adjustment appropriation				Total adjustment appropriation	Adjusted appropriation	
			Roll-overs	Unforeseeable /unavoidable	Virements and shifts	Declared unspent funds			Other adjustments
R'thousand									
1. Agri-Business Support and Development	11 431				1 000		1 000	12 431	
2. Macro Economics Support	727							727	
Total	12 158				1 000		1 000	13 158	
Economic classification									
Current payments	12 158				905		905	13 063	
Compensation of employees	11 273				1 000		1 000	12 273	
Goods and Services	885				(95)		(95)	790	
Interest and rent on land									
Transfers and subsidies to									
Provinces and municipalities									
Departmental agencies and accounts									
Universities and technikons									
Public corporations and private enterprises									
Foreign governments and international organisations									
Non-profit institutions									
Households									
Payments for capital assets									
Buildings and other fixed structures					95		95	95	
Machinery and equipment					95		95	95	
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Heritage assets									
Payments for financial assets									
Total	12 158				1 000		1 000	13 158	

Programme 7: Structured Agricultural

Table 11.1.7: Adjusted Estimates

		2019/20						
Subprogramme	Main appropriation	Special appropriation	Adjustment appropriation				Total adjustment appropriation	Adjusted appropriation
			Roll-overs	Unforeseeable /unavoidable	Virements and shifts	Declared unspent funds		
R'thousand								
1. Higher Education and Training	19 722		598		3 598		4 196	23 918
2. Further Education and Training (FET)	7 444				(3 135)		(3 135)	4 309
Total	27 166		598		463		1 061	28 227
Economic classification								
Current payments	27 166		99		463		562	27 728
Compensation of employees	22 354				(1 863)		(1 863)	20 491
Goods and Services	4 812		99		2 326		2 425	7 237
Interest and rent on land								
Transfers and subsidies to								
Provinces and municipalities								
Departmental agencies and accounts								
Universities and technikons								
Public corporations and private enterprises								
Foreign governments and international organisations								
Non-profit institutions								
Households								
Payments for capital assets								
			499				499	499
Buildings and other fixed structures								
Machinery and equipment			499				499	499
Cultivated assets								
Software and other intangible assets								
Land and subsoil assets								
Heritage assets								
Payments for financial assets								
Total	27 166		598		463		1 061	28 227

Programme 8: Rural Development

Table 11.1.8: Adjusted Estimates

		2019/20						
Subprogramme	Main appropriation	Special appropriation	Adjustment appropriation				Total adjustment appropriation	Adjusted appropriation
			Roll-overs	Unforeseeable /unavoidable	Virements and shifts	Declared unspent funds		
R'thousand								
1. Rural Development Coordination	4 243				1 979		1 979	6 222
2. Social Facilitation	5 120		13		21		34	5 154
Total	9 363		13		2 000		2 013	11 376
Economic classification								
Current payments	9 363		13		1 920		1 933	11 296
Compensation of employees	8 831				2 000		2 000	10 831
Goods and Services	532		13		(80)		(67)	465
Interest and rent on land								
Transfers and subsidies to								
Provinces and municipalities								
Departmental agencies and accounts								
Universities and technikons								
Public corporations and private enterprises								
Foreign governments and international organisations								
Non-profit institutions								
Households								
Payments for capital assets								
					80		80	80
Buildings and other fixed structures								
Machinery and equipment					80		80	80
Cultivated assets								
Software and other intangible assets								
Land and subsoil assets								
Heritage assets								
Payments for financial assets								
Total	9 363		13		2 000		2 013	11 376

Details of adjustments to Estimates of Provincial Revenue & Expenditure 2019

Roll-over received in 2019/20 financial year: R39.876 million

Conditional Grants: R33.881 million

-Comprehensive Agricultural Support Programme grant: R25.878 million

-Ilima/Letsema grant: R8.003 million

Equitable Share: R5.995 million

-Infrastructure Enhancement Allocation (IEA): R2.185 million

-Earmarked Funding R0.459 million

-Equitable share R3.351 million

Unforeseeable and unavoidable expenditure

No unforeseeable and unavoidable funds received in 2019/20 adjustments to Estimates of Provincial Revenue & Expenditure.

Virements and shifts

There are numerous of virements and shifts of funds between main divisions of the vote during the adjustment budget that are effected. The virements are as follows:

Programme 1: Administration

An amount of **R26.375 million** was effected as a virements from different programmes to augment compensation of employee and transfers and subsidies (International Students Bursaries) from Infrastructure Enhancement Allocation (IEA).

Programme 2: Sustainable Resources Management

Sustainable Resource Management effected an amount of **R2.931 million** as a virements to avoid excess over expenditure on compensation of employees, under the different sub-programmes within the programme.

Programme 3: Farmer Support and Development

Farmer Support and Development reprioritised an amount of **R22.073 million** from Infrastructure Enhancement Allocation to augments international students bursaries and vet laboratories.

Programme 4: Veterinary Services

Veterinary Services released an amount of **R4.655 million** on compensation of employees to other programme to avoid over expenditure. The programme also received an amount of **R2.000 million** from IEA in order to obtain South African National Accreditation System.

Programme 5: Research & Technology Development Service

Programme 5 effected an amount of **R6.041 million** from goods and services to other programmes.

Programme 6: Agricultural Economics Services

The programme received **R1.000 million** to augment compensation of employees.

Programme 7: Structured Agricultural Education and Training

The programme effected an amount of **R1.863 million** from compensation of employees to other programmes to avoid over expenditure on compensation of employees. The programme also received an amount of **R2.000 million** that was reprioritized from IEA to augment students' groceries.

Programme 8: Rural Development

The programme received an amount of **R2.000 million** to augment pressure on compensation of employees. The amount was reprioritized from Infrastructure Enhancement Allocation (IEA).

Table 11.2: Details on virements and shifts

Programmes					
1. Administration		(543)	1. Administration		26 918
2. Sustainable Resource Management		(1 164)	2. Sustainable Resource Management		4 095
3. Farmer Support & Development		(110 284)	3. Farmer Support & Development		88 211
4. Veterinary Services		(6 903)	4. Veterinary Services		2 248
5. Research & Technology Development Serv		(8 041)	5. Research & Technology Development Serv		2 000
6. Agricultural Economics Services		(95)	6. Agricultural Economics Services		1 095
7. Structured Agricultural Education & Training		(1 863)	7. Structured Agricultural Education & Training		2 326
8. Rural Development		(80)	8. Rural Development		2 080
Total		(128 973)			128 973

FROM:			TO:		
Programme by Economic classification	Motivation	R' thousand	Programme by Economic classification	Motivation	R' thousand
Programme 1		(543)	Programme 1		26 918
Compensation of employees			Compensation of employees	Compensation moved from various programmes to augment pressure on programme 1	5 604
Goods and services	Funds shifted to from goods and service to machinery and equipment	(447)	Goods and services	To make provision for interest and rent	6 003
Transfers and subsidies	To make provision for bursaries	(96)	Transfers and subsidies	To make provision for bursaries	15 096
Machinery and equipment			Goods and services Machinery and equipment	Funds moved from goods and services to relieve pressure	215
Percentage of programme budget		17%			
Programme 2		(1 164)	Programme 2		4 095
Compensation of employees			Compensation of employees	Funds shifted within the programme to avoid over-expenditure on other sub-programme	2 987
Goods and services	Funds shifted to from goods and service to machinery and equipment	(1 164)	Goods and services	Goods and services shifted within the programme to other sub-programmes	
Transfers and subsidies			Transfers and subsidies		
Machinery and equipment			Machinery and equipment	Funds made available from goods and services to procure computer equipment	1 108
Percentage of programme budget		6%			
Programme 3		(110 284)	Programme 2		88 211
Compensation of employees			Compensation of employees	Funds shifted within the programme to avoid over-expenditure on other sub-programme	12 327
Goods and services	Correction of allocation on condition grants between transfers and goods and services	(78 774)	Goods and services	Correction of allocation on condition grants between transfers and goods and services	1 804
Transfers and subsidies	Correction of allocation on condition grants between transfers and goods and services	(3 264)	Transfers and subsidies	Correction of allocation on condition grants between transfers and goods and services	70 380
Machinery and equipment	Correction of allocation on condition grants between transfers and machinery and equipment	(28 246)	Machinery and equipment	Correction of allocation on condition grants between transfers and machinery and equipment	3 700
Percentage of programme budget		5%			

Table 11.2: Details on virements and shifts cont...

FROM:			TO:	
Programme 4		(6 903)	Programme 2	
Compensation of employees	Saving on Compensation moved to sub-programmes and programme 1	(6 655)	Compensation of employees	2 248
Goods and services	Shifting of funds between sub-programmes	(248)	Goods and services	Funds reprinted from IEA to augment VET Laboratories
Transfers and subsidies			Transfers and subsidies	2 000
Machinery and equipment			Machinery and equipment	
Percentage of programme budget		7%		
Programme 5		(8 041)	Programme 2	
Compensation of employees			Compensation of employees	To augment CoE
Goods and services	Saving on goods and services moved to programme 7	(41)	Goods and services	Funds reprinted from IEA to augment goods and services
Transfers and subsidies	Reprioritisation from IEA to CoE	(8 000)	Transfers and subsidies	1 000
Machinery and equipment			Machinery and equipment	
Percentage of programme budget		9%		
Programme 6		(95)	Programme 2	
Compensation of employees			Compensation of employees	Funds shifted within the programme to avoid over-expenditure on other sub-programme
Goods and services	Funds moved to machinery and equipment	(95)	Goods and services	1 095
Transfers and subsidies			Transfers and subsidies	
Machinery and equipment			Machinery and equipment	
Percentage of programme budget		8%		
Programme 7		(1 863)	Programme 2	
Compensation of employees	Saving moved to other programmes to avoid expenditure	(1 863)	Compensation of employees	2 326
Goods and services			Goods and services	Saving on goods and services from other programmes to avoid over-expenditure on student food
Transfers and subsidies			Transfers and subsidies	2 326
Machinery and equipment			Machinery and equipment	
Percentage of programme budget		2%		
Programme 8		(80)	Programme 2	
Compensation of employees			Compensation of employees	Funds shifted within the programme to avoid over-expenditure on other sub-programme
Goods and services	Funds moved to machinery and equipment	(80)	Goods and services	2 080
Transfers and subsidies			Transfers and subsidies	
Machinery and equipment			Machinery and equipment	
Percentage of programme budget		16%		
Total		(128 973)	128 973	

Other adjustment budget in 2019/20 financial year

Reduction of National Conditional Grants Funds: (R3.482 million)

-Ilima/ Letsema Projects Grant (R3.482 million)

Adjustments due to significant and unforeseeable economic and financial events

No amount allocated due to significant and unforeseeable economic and financial events.

Use of funds in emergency situations in terms of section 16 of the PFMA

No funds are allocated in emergency situations in terms of section 16 of the PFMA.

Self-financing expenditure

Funds shifted between votes following a transfer of function

No shift of funds between votes following a transfer of function

Funds shifted within a vote to follow a functions shift within the same vote

The funds were shifted within Financial Management sub-programmes to follow a function shift. The funds were shifted from SM: Financial Management to the new created Responsibility: SM: Asset, Disposal & Transport Management.

Gifts, donations and sponsorships

The department have awarded an amount of **R0.100 million** cash for outstanding effort to the Female Entrepreneur Awards in 2019/20 financial year.

Declared savings –

An amount of **R6.144 million** has been declared as a saving and allocated to Provincial Treasury.

Expenditure 2018/19 and preliminary expenditure 2019/20

Table 11.3: Expenditure trends

R thousand	2018/19					2019/20			
	Audited outcome					Actual expenditure			
	Adjusted appropriation	Apr 2018 - Sep 2018	Apr 2018 - Sep 2018 (% of adjusted appropriation)	Apr 2018 - Mar 2019	Apr 2018 - Mar 2019 (% of adjusted appropriation)	Adjusted appropriation	Adjusted appropriation /Total (%)	Apr 2019 - Sep 2019	Apr 2019 - Sep 2019 (% of adjusted appropriation)
Programmes									
1. Administration	202 810	89 847	44.3%	204 118	100.6%	202 253	23.7%	91 380	45.2%
2. Sustainable Resource Management	49 303	23 611	47.9%	47 215	95.8%	49 389	5.8%	21 144	42.8%
3. Farmer Support & Development	395 937	67 926	17.2%	327 025	82.6%	415 847	48.8%	110 416	26.6%
4. Veterinary Services	66 694	31 719	47.6%	63 680	95.5%	67 395	7.9%	32 637	48.4%
5. Research & Technology Development Serv	54 448	20 836	38.3%	49 686	91.3%	63 959	7.5%	24 044	37.6%
6. Agricultural Economics Services	11 335	5 153	45.5%	10 903	96.2%	13 158	1.5%	6 670	50.7%
7. Structured Agricultural Education & Training	26 489	11 759	44.4%	24 300	91.7%	28 227	3.3%	13 895	49.2%
8. Rural Development	9 277	4 482	48.3%	9 381	101.1%	11 376	1.3%	5 849	51.4%
Subtotal	816 293	255 333	31.3%	736 308	90.2%	851 604	100.0%	306 035	35.9%
Direct charge against the Provincial Revenue Fund									
Total	816 293	255 333	31.3%	736 308	90.2%	851 604	100%	306 035	35.9%
Economic Classification									
Current payments	575 411	242 219	42.1%	540 685	94.0%	601 472	70.6%	273 705	45.5%
Compensation of employees	421 952	204 114	48.4%	412 806	97.8%	436 370	51.2%	218 636	50.1%
Goods and services	153 459	38 105	24.8%	127 879	83.3%	165 099	19.4%	55 067	33.4%
Interest and rent on land						3	0.0%	2	66.7%
Transfers and subsidies	223 351	11 513	5.2%	165 760	74.2%	205 187	24.1%	13 025	6.3%
Provinces and municipalities	70			31	44.3%	74			
Departmental agencies and accounts	316			0	0.0%	334			
Universities and technikons									
Public corporations and private enterprises									
Foreign governments and international organisations									
Non-profit institutions									
Households	222 965	11 513	5.2%	165 729	74.3%	204 779	24.0%	13 025	6.4%
Payments for capital assets	17 531	1 594	9.1%	29 781	169.9%	44 945	5.3%	19 305	43.0%
Buildings and other fixed structures	3 727	1 035	27.8%	13 396	359.4%	32 548	3.8%	16 381	50.3%
Machinery and equipment	13 804	559	4.0%	7 409	53.7%	9 897	1.2%	2 924	29.5%
Cultivated assets									
Software and other intangible assets									
Biological assets			0.0%	8 976	0.0%	2 500	0.3%		
Heritage assets									
Payments for financial assets		7	0.0%	82	0.0%				
Total	816 293	255 333	31.3%	736 308	90.2%	851 604	100.0%	306 035	35.9%

Main expenditure trends for the first half of the 2019/20 financial year

Expenditure in the first six months of 2019/20 financial year amounted to **R306.035 million** or **36 percent** of the Adjusted Budget as compared to **31 percent** for 2019/20 in the same period. The main reasons for the spending trends are as follows:

Programme 1: Administration

Expenditure from this programme is at **45 percent** at the end of the second quarter. The programme spent more or less in line with the required benchmark of 50 percent for the second quarter. The expenditure is expected to rise during the third and fourth quarter of the financial year. However, it is expected that the programme will break-even at the end of the financial year.

Programme 2: Sustainable Resource Management

The programme spent **43 percent** at the end of the second quarter. The programme will implement its projects effectively in the third quarter. The slow spending was realised on the earmarked funds and conditional grant. No over or under expenditure is foreseen on this programme at the end of the financial year.

Programme 3: Farmer Support and Development

The programme is spending slowly from the beginning of the financial year. The programme spent **27 percent** at the end of the second quarter. The slow spending is due to late implementation on CASP and Ilima/Letsema Conditional Grants projects. It is expected that the expenditure will increase in the third quarter of the financial year.

Programme 4: Veterinary Services

The programme spent **48 percent** at the end of the second quarter. The expenditure is in line with the required bench-mark. It is anticipated that the programme will break-even at the end of financial year.

Programme 5: Technology, Research and Development Services

The programme spent **38 percent** of the allocated budget. The slow spending is due to the implementation of the Infrastructure Enhancement Allocation projects. The expenditure will increase in this programme in the third quarter as the projects will be fully implemented.

Programme 6: Agricultural Economics

Programme 6 indicate slightly **51 percent** over the required bench-mark. Control measures has been put in place to avoid excess over expenditure on this programme as it emanate from compensation of employees.

Programme 7: Structure Agricultural Training

The programme spent **49 percent** at the end of the first six months, the expenditure is expected to be in line with the required bench- mark in the third quarter.

Programme 8: Rural Development

Programme 8 spent **51 percent** at the end of first six months and the expenditure is expected to decrease in the third quarter of the financial year.

Current Payments

Current expenditure spent **R273.705 million** or **45 percent** of the adjusted budget at the end of the first six months. The spending on compensation of employees is on par with the required benchmark. It is estimated that goods and services spending will expedite in the third and fourth quarter. The under spending on goods and services is due to late conditional grant projects, implementation.

Transfers and subsidies

Transfer payments spent **R13.025 million** or **6 percent** during the first six months of the financial year. The conditional grant projects, will be implemented in the third quarter of the financial year.

Payments for capital assets

The spending on payments for capital assets is at **43 percent** at the end of second quarter. The expenditure is anticipated to increase in the third quarter as the appointment of the service providers has been concluded and the conditional grants will start spending.

Departmental receipts

Table 11.4: Departmental receipts

	2018/19				2019/20			
	Audited outcome				Actual receipts			
R thousand	Adjusted estimate	Apr 2018 - Sep 2018 (% of adjusted appropriation)	Apr 2018 - Mar 2019 (% of adjusted appropriation)	Apr 2018 - Mar 2019 (% of adjusted appropriation)	Budget estimate	Adjusted estimate	Adjusted receipts estimate / Total (%)	Apr 2019 - Sep 2019 (% of adjusted appropriation)
Departmental receipts	3 385	1 840 54.4%	4 365 129.0%	4 365 129.0%	3 618	2 765	100.0%	3 824 138.3%
Tax receipts								
Sales of goods and services other than capital receipts	2 367	1 291 54.5%	3 602 152.2%	3 602 152.2%	2 826	2 067	74.8%	3 030 146.6%
Transfers received								
Fines, penalties and forfeits								
Interest, dividends and rent on land	2				2			
Sales of capital assets	378				116	629	22.7%	136 21.6%
Financial transactions in assets and liabilities	638	549 86.1%	763 119.6%	763 119.6%	674	69	2.5%	658 953.6%
Total departmental receipts	3 385	1 840 54.4%	4 365 129.0%	4 365 129.0%	3 618	2 765	100.0%	3 824 138.3%

Main departmental revenue trends for the first half of 2019/20

The departmental revenue trends at the end of second quarter is at **60 percent**. The collection on sales of goods and services other than capital assets are in line with the projected collection at the end of the second quarter. The more collection was realised on the sale of goods and services other than capital assets. After the review of the first six months trends on revenue collection, the department and Provincial Treasury have decided to increase revenue budget by **R2.765 million**.

Changes to transfers and subsidies, including conditional grants

Table 11.5: Summary of changes to transfers and subsidies per programme

2019/20									
R thousand	Main appropriation	Special appropriation	Adjustment appropriation					Total adjustments appropriation	Adjusted appropriation
			Roll-overs	Unforeseeable /unavoidable	Virement and shifts	Declared unspent funds	Other adjustments		
1. Administration	2 957				15 000			15 000	17 957
Economic sphere									
Current/Capital									
Province and municipalities									
Departmental agencies and accounts									
Households	2 957				15 000			15 000	17 957
2. Sustainable Resource Management									
Economic sphere									
Current/Capital									
Economic classification item									
Goods and Services									
Households									
3. Farmer Support and Development	238 959		33 881				(3 482)	30 399	269 358
Economic sphere									
Current/Capital									
Economic classification item									
Compensation of employees	14 394				10 400			10 400	24 794
Goods and Services	122 691		12 567		(84 235)			(71 668)	51 023
Households	101 874		21 314		67 116		(3 482)	84 948	186 822
Building & other fixed structures					3 919			3 919	3 919
Machinery and Equipment					2 800			2 800	2 800
4. Veterinary Services									
Economic sphere									
Current/Capital									
Economic classification item									
Goods and Services									
Households									
Building & other fixed structures									
8. Rural Development									
Economic sphere									
Current/Capital									
Economic classification item									
Households									
Total transfers and subsidies	241 916		33 881		15 000		(3 482)	45 399	287 315

Table 11.6(a): Summary of changes to conditional grants

		2019/20						
		Adjustment appropriation						
R thousand	Main appropriation	Special appropriation	Unforeseeable /unavoidable	Virement and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	Adjusted appropriation
1. Programme 2: Sustainable Resource Management	247 374		33 881			(3 482)	30 399	277 773
Current/Capital LandCare								
Economic classification item								
Compensation of employees								
Goods and Services	8 415			(1 108)			(1 108)	7 307
Households								
Building & other fixed structures								
Machinery and Equipment				1 108			1 108	1 108
2. Programme 3: Farmer Support and Development								
Current/Capital CASP								
Economic classification item								
Compensation of employees	14 394			10 400			10 400	24 794
Goods and Services	66 387		7 728	(33 503)			(25 775)	40 612
Households	87 592		18 150	18 036			36 186	123 778
Building & other fixed structures				3 919			3 919	3 919
Machinery and Equipment				1 148			1 148	1 148
Current/Capital ILIMA/LETSEMA								
Economic classification item								
Goods and Services	56 304		4 839	(50 732)			(45 893)	10 411
Households	14 282		3 164	49 080		(3 482)	48 762	63 044
Machinery and Equipment				1 652			1 652	1 652
Total conditional grants	247 374		33 881			(3 482)	30 399	277 773

Table 11.6(b): Summary of changes to provincial earmarked funds

		2019/20							
		Adjustment appropriation							
R thousand	Main appropriation	Special appropriation	Unforeseeable /unavoidable	Virement and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	Adjusted appropriation	
			Roll-overs						
1. Programme 1: Administration	13 000		484				484	13 484	
Economic sphere									
Current									
Office Maintenance	7 000		25				25	7 025	
2. Programme 2: Sustainable Resource Management									
Economic sphere									
Current									
Disaster Risk Management	6 000		459				459	6 459	
3. Programme 3: Farmer Support and Development	60 000		1 517	(24 000)			(22 483)	37 517	
Economic sphere									
Current/Capital									
Broiler Processing (Mohoma Mobung)	15 000			(7 000)			(7 000)	8 000	
Aquaculture (Mohoma Mobung)	10 000			(9 625)			(9 625)	375	
Vrede Dairy (Mohoma Mobung)	20 000		1 517	7 625			9 142	29 142	
Mechanization (Mohoma Mobung)	15 000			(15 000)			(15 000)		
4. Programme 4: Veterinary Services				2 000			2 000	2 000	
Economic sphere									
Current									
Vet Lab Upgrading				2 000			2 000	2 000	
4. Programme 5: Research and Technology Development Services	34 306		643	(8 000)	(4 144)		(11 501)	22 805	
Economic sphere									
Current/Capital									
Glen Farm	5 400			(1 000)			(1 000)	4 400	
Glen Upgrade	19 906			(6 000)			(6 000)	13 906	
Office Maintenance	2 000		384				384	2 384	
Karee Nursery	7 000		259	(1 000)	(4 144)		(4 885)	2 115	
5. Programme 7: Structured Agricultural Education and Training	1 000							1 000	
Economic sphere									
Current									
Office Maintenance	1 000							1 000	
Total earmarked funds	108 306		2 644	(30 000)	(4 144)		(31 500)	76 806	

Revised Infrastructure project list

The table below should cater for amendments on infrastructure projects (including those on retention) for the current financial year as well as projects which were not included/ were omitted in the Estimate of Provincial Revenue and Expenditure for 2018/19 Revised Infrastructure project list.

Table 11.7: Revised infrastructure project list

No.	Project name	Type of infrastructure	District municipality	Local Municipality	Town	Source of funding	Delivery Mechanism (Individual project or package programe)	Project duration		Programme	Total project cost	Expenditure (from start of project until 31 March 2020)	Main budget 2019/20	Adjustments 2017/18		Adjusted Appropriation 2019/20	Expenditure as at 30 September 2019
								Date: Start	Date: Finish					Total budget 2019/20 (TO)	Total budget 2019/20 (FROM)		
3. Upgrades and additions (R thousand)																	
1	Office Maintenance Vet Lab Upgrading (1920/006)	Office Maintenance Upgrade of Veterinary Laboratories	All Mangaung Metro	All Magaung Metro	All Bloemfontein	IEA IEA	Individual Individual	01/04/2014 01/04/2014	Continuous 31/03/2020	Programme 1 Programme 4			10 000 2 000	409 2 000		10 409 2 000	
2	Glen Upgrading (089/219)	Upgrading of the Glen Agricultural Institute, shelving, Abattoir	Lejweleputswa - Glen	Masilonyana	Glen	IEA	Individual	01/04/2014	31/03/2020	Programme 5		19 906	(6 000)		13 906		
3	Karee Nursery (1718/001)	Upgrading of offices	Mangaung Metro	Mangaung Metro	Bloemfontein	IEA	Individual	01/04/2017	31/03/2020	Programme 5		7 000	259	(5 144)	2 115	932	
4	Vrede Dairy (Mohoma M 1819/002)	All Disticts	All	All	All	IEA	Packaged			Programme 3		20 000	9 142		29 142	4 154	
5	Glen Farm Infrastructure	Farm infrastructure	Lejweleputswa - Glen	Masilonyana	Glen	IEA	Individual	01/04/2014	31/03/2020	Programme 5		5 400	(1 000)		4 400		
Total upgrades and additions												62 306	11 810	(12 144)	61 972	5 086	
4. Infrastructure transfer capital (R thousand)																	
1	Broiler Proc (Mohoma 1923/005)	All Disticts	All	All	All	IEA	Packaged	01/04/2016	31/03/2025	Programme 3		15 000	(7 000)		8 000	11 387	
2	Aquaculture (Mohoma Mobung)	All Disticts	All	All	All	IEA	Packaged	01/04/2016	31/03/2025	Programme 3		10 000	(9 625)		375		
4	Mechanization Mohoma 1819/003)	All Disticts	All	All	All	IEA	Packaged	01/04/2016	31/03/2025	Programme 3		15 000	(15 000)			283	
Total infrastructure transfer capital												40 000	(31 625)		8 375	11 670	
TOTAL INFRASTRUCTURE												102 306	11 810	(43 769)	70 347	16 756	
5. Non Infrastructure Projects (R thousand)																	
ILIMA/LETSEMA																	
1	SAVAC	All Disticts	All Disticts	All	All	Ilima/Letsema	Individuals	01/04/2019	01/03/2020	Programme 3		3 482	3 164	(3 482)	3 164		
2	Memel & Vrede- Vrede Dairy 120HA	Thabo Mofutsanyana	Thabo Mofutsanyana	Phumelela	Vrede	Ilima/Letsema	Individuals	01/04/2019	01/03/2020	Programme 3		2 489		(2 489)			
3	Melkkrail (Maize)	Lejweleputswa	Lejweleputswa	Matjhabeng	Odendaalsrus	Ilima/Letsema	Individuals	01/04/2019	01/03/2020	Programme 3			1 586		1 586		
4	Spitskop (Lawley/ Beans Beef)	Xhariep	Xhariep	Kopongong	Edenburg	Ilima/Letsema	Individuals	01/04/2019	01/03/2020	Programme 3		2 221		(1 292)	929		
5	Mme Vent (Beef)	Xhariep	Xhariep	Kopongong	Reddersburg	Ilima/Letsema	Individuals	01/04/2019	01/03/2020	Programme 3		508	1 292		1 800		
6	Mohapi Feeltot	Mangaung	Mangaung	Mangaung Metro	Bloemfontein	Ilima/Letsema	Individuals	01/04/2019	01/03/2020	Programme 3			903	(7 263)	(6 360)		
Total Ilima/Letsema												8 700	6 945	(14 526)	1 119		
CASP																	
1	Dee-Y Dairy	Lejweleputswa	Lejweleputswa	Matjhabeng	Odendaalsrus	CASP	Individuals	01/04/2019	01/03/2020	Programme 3		4 700	200		4 900		
2	Peacanuts	Mangaung	Mangaung	Motheo	Soutpan	CASP	Individuals	01/04/2019	01/03/2020	Programme 3		1 500		(1 500)			
3	Gotswametsing	Xhariep	Xhariep	Letsemeng	Koffiefontein	CASP	Individuals	01/04/2019	01/03/2020	Programme 3		1 000		(1 000)			
4	Springfontein Comm Game/ Goats	Xhariep	Xhariep	Letsemeng	Springfontein	CASP	Individuals	01/04/2019	01/03/2020	Programme 3		3 000		(3 000)			
5	Mayekiso	Lejweleputswa	Lejweleputswa	Matjhabeng	Edenville	CASP	Individuals	01/04/2019	01/03/2020	Programme 3		1 500		(1 500)			
6	Wilhemina	Thabo Mofutsanyana	Thabo Mofutsanyana	Maloti a Phofung	Ficksburg	CASP	Individuals	01/04/2019	01/03/2020	Programme 3		900		(900)			
7	Riversdale	Fezile Dabi	Fezile Dabi	Ngwathe	Kroonsdad	CASP	Individuals	01/04/2019	01/03/2020	Programme 3		300		(300)			
8	Edenville Commonage	Fezile Dabi	Fezile Dabi	Ngwathe	Edenville	CASP	Individuals	01/04/2019	01/03/2020	Programme 3		1 600		(600)	1 000		
9	Edenville & Parys	Fezile Dabi	Fezile Dabi	Ngwathe	Edenville & Parys	CASP	Individuals	01/04/2019	01/03/2020	Programme 3			1 700		1 700		
10	Itsekeng Project (Deneysville)	Fezile Dabi	Fezile Dabi	Ngwathe	Edenville	CASP	Individuals	01/04/2019	01/03/2020	Programme 3		3 000		(2 000)	1 000		
11	One Vision	Xhariep	Xhariep	Letsemeng	Foursmith	CASP	Individuals	01/04/2019	01/03/2020	Programme 3			1 000		1 000		
12	Zandfontein	Fezile Dabi	Fezile Dabi	Moqhaka	Kroonsdad	CASP	Individuals	01/04/2019	01/03/2020	Programme 3			300		300		
13	Brandfort Piggery	Lejweleputswa	Lejweleputswa	Masilonyana	Brandfort	CASP	Individuals	01/04/2019	01/03/2020	Programme 3		600	200		800		
14	Peo Food (Mayekiso)	Lejweleputswa	Lejweleputswa	Tokologo	Boshof	CASP	Individuals	01/04/2019	01/03/2020	Programme 3			1 500		1 500		
15	Mimi Jacobs	Mangaung	Mangaung	Motheo	Soutpan	CASP	Individuals	01/04/2019	01/03/2020	Programme 3			2 000		2 000		
16	Hanburyranga PTY LTD	Thabo Mofutsanyana	Thabo Mofutsanyana	Setseto	Ficksburg	CASP	Individuals	01/04/2019	01/03/2020	Programme 3			300		300		
17	Konafatso ya Dikhomomo	All Disticts	All Disticts	All	All	CASP	Individuals	01/04/2019	01/03/2020	Programme 3			3 600		3 600		
Total CASP												18 100	10 800	(10 800)	18 100		
TOTAL non-infrastructure projects																	
TOTAL INFRASTRUCTURE AND NON-INFRASTRUCTURE.												129 106	29 555	(69 095)	89 566	16 756	

The table below illustrates the summary of infrastructure adjustment according to infrastructure categories.

Table 11.8: Summary of adjusted infrastructure appropriation

2019/20			
Infrastructure	Main Appropriation	Increase/ Decrease	Adjusted Appropriation
Existing infrastructure assets	42 306	23 810	66 116
Maintenance and repair	10 000	2 025	12 025
Upgrades and additions	32 306	21 785	54 091
Refurbishment and rehabilitation			
New infrastructure assets			
Infrastructure transfers	60 000	(55 769)	4 231
Current	15 000	(15 000)	
Capital	45 000	(40 769)	4 231
Infrastructure: Payments for financial assets			
Infrastructure: Leases			
Total Infrastructure	102 306	(31 959)	70 347
<i>Capital infrastructure</i>			
<i>Current infrastructure</i>			
Economic classification			
Current payments	25 000	11 450	36 450
Compensation of employees			
Goods and Services	25 000	11 450	36 450
Interest and rent on land			
Transfers and subsidies to			
Provinces and municipalities			
Departmental agencies and accounts			
Universities and technikons			
Public corporations and private enterprises			
Foreign governments and international organisations			
Non-profit institutions			
Households			
Payments for capital assets	77 306	(43 409)	33 897
Buildings and other fixed structures	59 573	(32 944)	26 629
Machinery and equipment	17 733	(12 965)	4 768
Cultivated assets			
Software and other intangible assets			
Biological assets		2 500	2 500
Heritage assets			
Payments for financial assets			
Total	102 306	(31 959)	70 347