

Province of the
EASTERN CAPE

RURAL DEVELOPMENT AND
AGRARIAN REFORM



Annual Performance Plan
2017/18

DEPARTMENT OF RURAL DEVELOPMENT AND AGRARIAN REFORM
ANNUAL PERFORMANCE PLAN
2017/18



Province of the
EASTERN CAPE
RURAL DEVELOPMENT AND
AGRARIAN REFORM

LIST OF ACRONYMS

APP	Annual Performance Plan	MEC	Member of the Executive Council
BRICS	Brazil, Russia, India, China and South Africa	MINMEC	Minister Member of Executive Council
CASP	Comprehensive Agricultural Support Programme	MOU	Memorandum of Understanding
CRDP	Comprehensive Rural Development Programme	MTEF	Medium Term Expenditure Framework
DRDAR	Department of Rural Development and Agrarian Reform	MTSF	Medium Term Strategic Framework
ECRDA	Eastern Cape Rural Development Agency	MPL	Member of the Provincial Legislature
EC	Eastern Cape	MPAT	Management Performance Assessment Tool
EPWP	Expanded Public Works Programme	NAMC	National Marketing Council
ERP	Extension Recovery Plan	NDP	National Development Plan
EXCO	Executive Council	NQF	National Qualifications Framework
FET	Further Education and Training	PAHC	Primary Animal Health Care
FMCM	Financial Management Capability Maturity Model	PERSAL	Personnel and Salaries System
GDP	Gross Domestic Product	PFMA	Public Finance Management Act
GPS	Global Positioning Systems	RDS	Rural Development Strategy
GITO	Government Information Technology Office	RED-Hubs	Rural Enterprise Development Hubs
GIS	Geographic Information System	SA	South Africa
Ha	Hectares	SDG	Sustainable Development Goals
HET	Higher Education and Training	SERO	Socio Economic Review and Outlook
HIPPS	High Impact Priority Projects	SIPs	Strategic Integrated Projects
IFSS	Integrated Food Security Strategy of South Africa	SONA	State of the Nation Address
IGR	Intergovernmental Relations	SOPA	State of the Province Address
ISO	International Standards Organization	TB	Tuberculosis
IMF	International Monetary Fund	Q	Quarter
LSU	Live Stock Unit	WHO	World Health Organization
M&E	Monitoring and Evaluation		

FOREWORD

The Annual Performance Plan (APP) is guided by the National priorities namely, National Development Plan, Provincial Development Plan, Medium Term Strategic Framework priorities as reflected in the strategic plan that contains all the government priorities. The Annual Performance Plan is the guiding document outlining the vision, the mission, strategic goals, strategic objectives, performance indicators and annual targets the department plans to achieve.

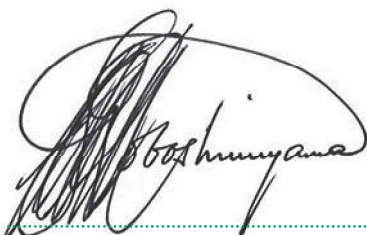
The Department is committed to implement the Rural Development Strategy pillars through effective coordination of the various sectors of the economy as well as to make a meaningful contribution to specific pillars such as land reform, agrarian reform & food security, and non-farm rural economy thus enhancing the quality of life of the rural communities. The Province is endowed with diverse climate and natural resources coupled with willing stakeholders give hope that the economic growth of the Province shall change for the better. The mega project approach enshrined in the Agriculture Policy Action Plan (APAP) provides a critical consideration for agro-processing and value addition which shall influence the marketing of agricultural products. An effective agriculture production system triggers sustainable livelihoods and sustained rural development.

The department is taking a new trajectory to embrace commercialization of agriculture in rural communities by targeting smallholder and communal farmers derive optimal economic value out of their agricultural activity through customized partnerships with organized commercial partners. This approach will provide investment, technology capabilities, training and mentoring and capital to promote transformation in the sector.

In the past financial year, the agricultural sector has been severely affected by drought. Food prices are increasing and this threatens food security. Poor communities and those residing in rural areas are under pressure to spend the higher proportions of their income on food. The effect of the drought on the economy is exacerbated by the weak rand and high interest rates. The department will continue to conduct surveillances throughout the province in order to ensure readiness when weather conditions change.

The Department is confident that the plan will meet the aspirations of the stakeholders and beneficiaries in the rural areas. I hereby submit the Annual Performance Plan which serves as the Department's business plan for the financial year 2017/18, which is derived from the Five Year Strategic Plan.

Together we move South Africa forward.

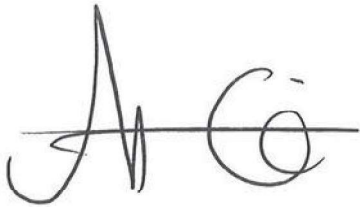


MR M. QOBOSHIYANE (MPL)

MEMBER OF THE EXECUTIVE COUNCIL:
RURAL DEVELOPMENT AND AGRARIAN REFORM

OFFICIAL SIGN-OFF

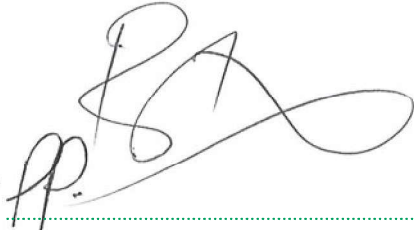
It is, hereby, certified that, this Annual Performance Plan 2017/18 has been developed by the management of the Department of Rural Development and Agrarian Reform (DRDAR) under the guidance of Hon MEC Qoboshiyane. It was prepared in line with the Strategic Plan 2014-2019 and accurately reflects the performance targets which will be achieved over the period within the available resource allocation.



Mrs N. Tungata
Chief Financial Officer
2nd March 2017

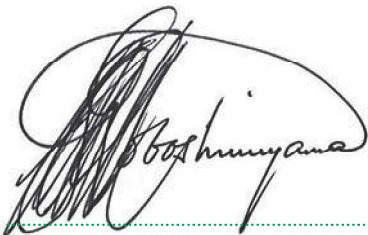


Mr B.B. Magwentshu
Chief Director: Strategic Management
2nd March 2017



Mr L.L. Ngada
Accounting Officer
2nd March 2017

APPROVED BY:



Mr M Qoboshiyane (MPL)
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2nd March 2017

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PART A: STRATEGIC OVERVIEW

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PART A: STRATEGIC OVERVIEW

1. Updated situational analysis

1.1. Situational Analysis

In 2015, the United Nations (UN) developed 17 Sustainable Development Goals whose objectives is to broaden the scope of development away from the former eight (8) Millennium Development Goals and embrace a much focused development trajectory. The second goal aims at ending hunger, achieve food security and improved nutrition and promote sustainable agriculture. The UN maintains that agriculture is the single largest employer in the world, providing livelihoods for 40 per cent of today's global population. It is the largest source of income and jobs for poor rural households. This sector requires a new thinking and approach in the context of global economic conditions and in particular, the sluggish growth of the South African economic growth.

Global economic growth remained unchanged at 3.4 per cent in 2014 as rising economic output in advanced economies was negated by moderating growth in emerging and developing economies. Growth remained under pressure in 2015, rising by only 1.9 per cent in the first quarter of 2015, from 2.6 per cent in the fourth quarter of 2014. The outlook suggests that growth will likely remain restrained for the remainder of 2015, albeit more so in emerging and developing countries than in advanced economies. In the past few months the global economy has struggled to get back on its feet from a rough ride at the beginning of the year. The outlook for global economic growth remains modest at 2.4 percent in 2016 and at 2.7 percent in 2017. While growth rates between mature and emerging markets have rapidly converged, significant variation between regions remains.

The Sub-Saharan region in Africa is experiencing prolonged decline in commodity prices, as well as weak growth in Nigeria and South Africa, will cause overall growth for the region in 2016 to come in at 2.6 percent, the region's slowest growth performance in two decades. The region still has a lot of potential for economic expansion in the medium to long run, mainly due to its large demographic dividend and ample room for catch-up. However, several political and institutional constraints offer significant uncertainty (Global Economic Outlook, May 2016).

The South African economy grew by 0,2%1 quarter-on-quarter (compared with 3,5% in the second quarter), according to estimates of real gross domestic product. Mining was the main positive contributor to growth in the third quarter. After shrinking by 17,5% in the first quarter, the mining industry recovered strongly in the second quarter, growing by 16,1%. The growth rate of 5,1% in the third quarter was mainly a result of increased production in mining of 'other' metal ores, in particular iron ore. The agriculture industry posted its seventh consecutive quarter of economic decline, on the back of one of the worst droughts in recent history. The third quarter decline of 0,3% was mainly a result of a decrease in the production of horticulture products (StatsSA, GDP Jan 2017).

South African agribusinesses' confidence around general agricultural conditions improved by 33 index points to 55 from the previous quarter. This is largely supported by the expected weak La-Niña occurrence, which could potentially lead to normal or above normal rainfall that might replenish soil moisture and benefit the agricultural and agribusiness sector. Moreover, winter crops are in good condition throughout the country, and this has contributed to the improved sentiment regarding agricultural conditions (Source: Agbiz Research- 2016).

In South Africa, sharp contraction in mining tipped economic growth into negative territory in the first quarter of 2016. South Africa's economy shrank by 1,2% quarter-on-quarter (seasonally adjusted and annualised), according to the latest gross domestic product (GDP) figures published by Stats SA. Year-on-year growth for the same quarter was -0,2% (Household Survey, June 2016: STATSSA).

Although household access to food has improved since 2002, it has but remained static since 2011. Inadequate or severely inadequate access to food were also observed in Mpumalanga (31,7%), Northern Cape (31,3%) and Eastern Cape (28,4%). The Household Food Insecurity Access Scale which is aimed at determining households' access to food showed that the percentage of South African households with inadequate or severely inadequate access to food decreased from 23,9% in 2010 to 22,6% in 2015. During this time, the percentage of individuals that were at risk decreased from 28,6% to 26,4%. Between 2002 and 2015, the percentage of households that experienced hunger decreased from 23,8% to 11,3% while the percentage of individuals who experienced hunger decreased from 29,3% to 13,1%.

Slightly more Less than a fifth of South African households (16,9%) were involved in agricultural production. Most crop production took place in backyard gardens, and households involved in agricultural activities were mostly engaged in the production of food. Food production consisted of grains (51,6%), fruit and vegetables (50,8%), livestock farming (34,3%) and poultry (33,7%). Only 12,1% of the households involved in agriculture reported getting agricultural-related support from the government.

Considerable provincial variations are notable. Western Cape (70,4%) and Gauteng (70,0%) were the only two provinces in which more than two thirds of households reported salaries as their main sources of income. By comparison, a large dependence on social grants was noticed in Eastern Cape (37,6%), Limpopo (33,2%), Northern Cape (32,1%) and KwaZulu-Natal (28,0%) (Household Survey, June 2016: STATSSA). This means that the Eastern Cape has the highest dependency on social grants as the main sources of income. Therefore the state and in particular, the government entities mandated to drive economic cluster activities are encouraged to apply innovative ways to move away from dependency on social grants as the main sources of household income.

The agricultural sector in the Eastern Cape has consistent growth of 1.7% of the Provincial Gross Domestic Product. The sector expanded to an annualized positive rate of 0.7% QoQ in 2016 Q2, after contracting for five consecutive quarters. The sector last experienced growth in the last quarter of 2014. The EC's agricultural GVA growth has shown slight recovery in 2016 Q2 with significant growth expected in the remaining quarters of 2016 (Eastern Cape Economic Review 2016).

Primary agriculture remains a significant provider of employment, especially in the rural areas of the province. Year-on-year changes on employment (Table 1) reflect gains in four industries, with larger gains realized in Agriculture (23 000). During this period, job losses were observed in the Finance, Manufacturing, Construction and utility industries (17 000, 12 000, 8 000 and 1 100, respectively). It is primary sector (agriculture and mining) that mainly supported employment in the province between January 2015 and January 2016 (Quarterly Labour Force Survey - Quarter 1, 2016)

Table 1: Employment by Sector in the EC province

Sector	Jan-Mar 2015	Jan-Mar 2016	Year-on-year change	Year-on-year change %
	<i>Thousand</i>	<i>Thousand</i>	<i>Thousand</i>	<i>Percent</i>
Agriculture EC	72	95	23	31,5
Mining	0	4	4	1390,4
Manufacturing	133	121	12	-9,0
Construction	150	142	-8	-5,1
Trade	292	292	-	-
Transport	69	70	1	1,4
Finance	128	111	-17	-13,5
Social services	386	403	17	4,5
Utilities	8	7	-1	-1,8

Source: Quarterly Labour Force Survey – Quarter 1, 2016

Despite the high agricultural potential in the province, the predominantly rural province faces severe socio-economic developmental challenges. Approximately 54.8% of its population live in poverty and the rural areas continue to be economically marginalized. Agriculture therefore provides an opportunity for the province to provide employment for its largely unskilled population while also increasing food security and contributing to other sectors through the agricultural value chain.

Improvements in access to health services and medication have seen life expectancies in the province increase from 49 years for men and 55.3 years for women in 2007 to 52.6 years for men and 59.4 years for women in 2013. This is still below the target set by the UN Millennium Development goals at an average life expectancy of 70 years (SERO, 2014).

SOCIO-ECONOMIC OUTLOOK OF THE EASTERN CAPE DISTRICT MUNICIPALITIES

The narrative hereunder is the Eastern Cape Socio-Economic Review Outlook, 2016 socio-economic status data of each district municipality with specific focus on assessing the levels of inequality (measured by the Gini Coefficient) and poverty.

OR Tambo

The district has an estimated Gini Coefficient of 0.710, which is below the provincial Gini-coefficient of 0.720. The number of households estimated to be below the poverty line⁴ of R520 a month is 104 218. Approximately 34.9% of households in O.R. Tambo are therefore, below the poverty line. This is higher than the provincial average of 29.6% of households falling into poverty. In this District, extensive grain production linked to Mqanduli RED Hub, investment in wool infrastructure and subtropical irrigation system at Port St John will be a game changer.

Alfred Nzo

There is an estimated Gini Coefficient of 0.703, the second lowest in the province. The number of households estimated to be below the poverty line⁴ of R520 a month from 2011 Census is 58 9025. This equates to approximately 34.8% of households in Alfred Nzo living below this poverty line, which is higher than the provincial average of 29.6% of households. The average weighted household income for Alfred Nzo is R3 833,

the lowest in the province, and below the provincial average figure of R6 773.166. In this District, extensive grain production linked to the Mbizana RED Hub and projects linked to the Nkantolo will be provided as a game changer.

Nelson Mandela Metro

The Nelson Mandela Bay Metro's Gini Coefficient in 2014 was estimated at 0.744. This was above the Eastern Cape figure of 0.720. There are approximately 82 716 households in the Nelson Mandela Bay Metro that live below the poverty line (defined as those households earning less than R520 per month), accounting for 25.5% of total households in the metro⁵. This figure is lower the provincial average of 29.6%. The average weighted household income for the metro is R11 122, the highest in the Eastern Cape. Support to urban farming operations will be provided.

Buffalo City Metro

The estimated Gini Coefficient for the Buffalo City Metro in 2014 was estimated at 0.742, the second highest provincially. This is above the Eastern Cape figure of 0.720. There are approximately 62 329 households in the Buffalo City Metro that live below the poverty line (defined as those households earning less than R520 per month), accounting for 27.9% of total households in the metro. This figure is lower the provincial average of 29.6%⁶. The average weighted household income for the metro is R10 171, the second highest in the Eastern Cape after the NMBM. Support to urban farming operations will be provided.

Joe Gqabi

Joe Gqabi has an estimated Gini Coefficient of 0.712, the fourth lowest in the province. The number of households estimated to be below the poverty line⁴ of R520 a month is 30 416. Approximately 31.1% of households in Joe Gqabi are therefore below the poverty line. Strategic projects on animal and grain production will be provided to smallholder farmers.

Chris Hani

The Gini Coefficient for Chris Hani in 2014 was estimated at 0.717, below the provincial figure of 0.720. It is estimated that approximately 29.2%, or 61 630, households in Chris Hani to live below the poverty line⁴; defined as those households earning less than R520 per month. This figure is slightly lower the provincial average of 29.6% households living below the poverty line. Irrigation system infrastructure support and production of vegetables will be provided together with the deciduous fruit infrastructure provision for 13 famers at Gibengxa Valley.

Amathole

Amathole has an estimated Gini Coefficient of 0.700, the lowest in the province but very high by international standards. The number of households estimated to be below the poverty line⁵ of R520 a month is 72 309, with 30.4% of Amathole households below the poverty line. The expansion of grain production in partnership with Whiphold in Centane will be supported as well as the completion of the pack-shed at Ripplemead in Ngqushwa, pineapples and chicory support to smallholder farmers.

Sarah Baartman

The Gini Coefficient for Sarah Baartman in 2014 was estimated at 0.733, which was the third highest in the province and above the provincial figure of 0.720. Approximately 21.7% or 27 236 households in Sarah

Baartman are estimated to live below the poverty line, defined as those households earning less than R520 per month. The dairy parlour at Veterkleinbos will be completed as a strategic project as well as the strategic support to the six deciduous fruit farmers.

1.2 Performance Delivery Environment

The response to poverty, underdevelopment and unemployment lies in the proper integrated planning and coordination of government service delivery programmes across all sectors in all spheres of government in respect to basic and economic infrastructure linked to employment based skills development and enterprise development. It is incumbent upon the province to systematically coordinate strategic government flagship programmes and leverage resources through meaningful partnerships with sector departments in a view of reviving rural economies where skills development programmes are intensified for employment opportunities and enterprise development as a mechanism to boost local business and attract investment.

The province is known for its high endowment in agricultural resources. The coastal area has high potential for crop production due to high rainfalls and deep soils. The inland parts of the Province are more arid with hot summer temperatures which make it more suitable for small stock production. These resources are under-utilised due to the state of underdevelopment of agricultural infrastructure and input supply systems.

Approximately 90 % of the provincial land surface is suitable for use as natural veld for extensive livestock production. This is demonstrated by the large numbers of livestock compared to other provinces, i.e 24 % cattle, 29 % sheep and 38 % goats of the national herd. The livestock is a competitive advantage that the Province should exploit for economic benefits.

The agricultural sector has been subjected to a severe drought, especially in the Joe Gqabi, Chris Hani, parts of Amathole, Alfred Nzo and OR Tambo Districts. Grazing has been decimated in many parts of the province. Food prices is increasing as a result of drought and this threatens food security. The effect of drought on the economy is exacerbated by the weak rand and high interest rates. In mitigating the effects of drought, assistance has been provided since the 2015/16 financial year. A total of 3 598 tons of feed was provided; 1 692 blocks of licks; 1 135 water tanks provided; 4 154 500 litres of water delivered

Farmers have to implement their contingency plans in stages as the drought becomes more critical:

- sell older animals that will struggle during a drought and may not make it through the winter in a poorer condition;
- wean calves, lambs or kids as far as possible even if lighter than normal and assist small weanlings that are not immediately marketable; and
- keep core livestock that will be needed to rebuild the herd later and remove all non-breeding livestock, and stores from the grazing.

However, despite the challenges of drought, by end of September in the current year under review, the department has managed to plant maize with Whiphold (strategic partner) in Mnquma local municipality where 1696 tons of yellow maize, 916 tons of white maize, 36 tons of soya beans were harvested and marketed through FARMWISE. In Lambasi, a partnership with Anglo American resulted in 4 tons per ha realised out of the 700 ha planted. The maize has been marketed through FARMWISE & MASMAR. Treatments were administered to control sheep scab, external parasites and rabies were administered.

A total of 41 agricultural infrastructure projects such as 110,3km fencing, 3 new dipping tanks, 9 stock water dams, 5 livestock handling facilities and 5 stock water systems were completed that contribute to increased agricultural production levels.

In Mqanduli RED Hub, the Samp polisher and sealing equipment have been installed. The expansion of the existing mill has been completed. The Ncora mill plant started its commercial sales in August 2016

The Department will have its performance measures along the performance indicators reflected in table 3 below:

Table 3: HIGH LEVEL INDICATORS

Policy Area	NDP/ PDP/APAP	MTSF / SONA/ SOPA	Indicator	2017/18 Target
P-MTSF: Stimulating rural development, land reform and food security				
Expand Food Security	Chapter 6: An inclusive and integrated rural economy	Out of 300 000 ha land 298 000 ha is under cultivation/production.	Hectares of land under Cultivation for food production in communal areas and land reform projects	47 800 ha @ 5 tons per ha
			Households benefiting from agricultural food security initiatives	24 000 households
		Livestock production	No of improved livestock introduced for animal genetic improvement of the herd to ensure sustainable food security	Improved wool clip
		Animal Health	No of animals vaccinated against controlled animal diseases	1,6 million animals
P-MTSF: Better health care for all				
		Promote animal health and production towards the provision of safe food.	Number of abattoirs registered in terms of the Meat Safety Act (Act 40 of 2000)	109 abattoirs registered
P-MTSF: Transforming the economy to create jobs and sustainable livelihoods.				
Agricultural Infrastructure " investment in agriculture infrastructure " for both primary and agro-processing		Farmer development and value production	Increased tonnage agro-processed products via the 4 RED Hubs	Tonnage of value production through the 4 RED Hubs
P-MTSF: Promoting quality education and skills.				
Strengthen Agricultural Colleges Education		"Tsolo Agricultural Rural and Development Institute (TARDI) is currently focusing on the training of animal health technicians"	No of Animal Health Technicians upgrading and Animal Health Diploma	In 2017 academic year, 62 Animal Health Diploma students to be enrolled.

The national agricultural sector has outlined the Sector Priorities and High Level Deliverables for 2017/18 financial year. These priorities have a positive impact on the ability of the sector to deliver on the government priorities which are aligned to the National Development plan, vision 2030.

Priority 1. 2019 Target in 9 point plan: Number of smallholders 471, 670 (2019) (additional 300 000)				
Challenges	Interventions	2016/17 High Level Deliverables	2017/18 High Level Deliverables	DRDAR role
Inadequate support for Agriculture producers No funding for Small scale Fisheries and Forestry small growers	Institutionalize funding model for all sectors Cost the support intervention vs number of producers to be supported Leverage other source of funding (Stock take and consolidate)	Implement forestry funding support	<ul style="list-style-type: none"> Alignment on the development of project plan Well costed plan 	For the medium and long term expansion, social facilitation is required and securing of land. A funding model must be in place for farmers and alternative projects while the trees are growing.
Inability to account adequately for smallholder participation	Registration to become a requirement (Data base) including of smallholder into Crop Estimates Committee Land allocation and user register (DRDLR) Cannot measure the impact on small holder farmers because there is no baseline or way to measure	National Farmer register Agricultural Information Management System (AIMS) National Agricultural Census	<ul style="list-style-type: none"> Operationalize farmer register Inclusion of Smallholder into Crop Estimate Committee 	Eastern Cape will participate in farmer registration. Encourage farmers to register with relevant organizations and commodity groups to get assistance from them, financially and technically. DRDAR can facilitate the capturing and confirmation of the integrity of the data in line with achieving accurate and reliable data for AIMS. Facilitate partnerships with the commodity groups and marketing organizations which will create an environment to measure impact.
Inadequate decision support to land reform process in land acquisition	Strategic land acquisition & distribution	Institutionalise DAFF's contribution in supporting the land acquisition process	<ul style="list-style-type: none"> Institutionalise DAFF's contribution in supporting the land acquisition process, Norms and standard to guide land acquisition process Suitability maps Strengthen Technical capacity 	Proper agricultural assessments must be done prior to acquisition and redistribution of farms. Integrating planning with DAFF and DRDLR and a delegation of authority from National to Provincial level. Leverage with external partners for financial support from start to end of operations.

Priority 1. 2019 Target in 9 point plan: Number of smallholders 471, 670 (2019) (additional 300 000)				
Challenges	Interventions	2016/17 High Level Deliverables	2017/18 High Level Deliverables	DRDAR role
Fragmented support to smallholders producers	Comprehensive and integrated support to smallholder producers,	Comprehensive producer development support policy Align support with Agri Parks	<ul style="list-style-type: none"> Sector wide coordination of support, Implement commodity strategies Align support with Agri Parks 	A comprehensive commercial approach based on commodities will be used to upscale smallholder farmers productions, enhance their capabilities, and access to markets.
Lack of technical skills of smallholder producers	Implement relevant and appropriate Training program 20% of levy used for training Use extension officers to train producers	R & D agenda setting for smallholder producers	<ul style="list-style-type: none"> Monitor and report on 20% levy 	Identify other successful farmers for continuous coaching and mentoring. Include inter-departmental task teams (DEDEAT, DEDEA, ETC.) for training on all spheres of farming operations which include, amongst other, entrepreneurial and financial skills.
Rising input costs	Assess progress on Stimulation local production of viable agricultural inputs and remedies, Conduct comparison analyses Smart farming (Best farming practices)	Investigation of the feasibility of becoming self-reliant on production of agricultural inputs and remedies	<ul style="list-style-type: none"> Subsidizes inputs costs within World Trade Organization framework Assess progress with Agricultural Business chamber Encourage the use of high yield varieties 	Partnership with large scale commercial farming sector and commodity groups to benefit from economies of scale.

Priority 2. 2019 Target in 9 point plan Job increase of 500 000 (100 000 p.a.) by 2019 and 1 million by 2030				
Challenges	Interventions	2016/17 High Level Deliverables	2017/18 High Level Deliverables	DRDAR role
<p>Low level of compliance to sector transformation charters results in a majority of black entrepreneurs not integrated into mainstream economy</p> <p>Consolidation of the commercial sector across the value chain</p>	<p>Ensuring compliance to sector charters by all stakeholders in the sector</p> <p>Targeted support for the commercial sector on prioritized APAP commodities</p>	<p>Increase levels of new commercial farmers and agro processing entrepreneurs within the sector</p> <p>Improve incentive schemes to commercial sector through reducing regulatory burden like fast-tracking of EIA's, water licences, permits, etc</p> <p>Improve research and development on prioritized APAP commodities</p> <p>Improve infrastructure development like roads, irrigation, soya crushing facilities, etc.</p>	<ul style="list-style-type: none"> Continue increasing the levels of new commercial farmers and agro processing entrepreneurs within the sector Continue improving incentive schemes to commercial sector through reducing regulatory burden, like fast-tracking of EIA's, water licences, permits, etc. Continue with improvements on research and development Continue Improvements infrastructure development like roads, irrigation, soya crushing facilities etc. 	<p>Support sector in terms of policy issues to identify possible job opportunities in the value chain.</p> <p>Shorten turn-around time for Environmental Impact Assessments and streamlining processes.</p> <p>Research projects focusing on product development (conversion of published information from various sources to products), (Product- manufacturing, market). Source funding from Dept of Science & Technology through TIA; other research funders that funds the whole chain, Entrepreneurs etc)</p> <p>Prioritise roads that have economic value e.g. roads to red hubs etc.</p>
<p>Limited growth in the sector due to capital investment/ infrastructure</p> <p>Institutional and regulatory blockages for commercial producers</p> <p>Expansion of capital intensive production systems</p>	<p>Invest in prioritized high growth and labour intensive commodity value chains including the support of Agri-parks and SIP 11</p>	<p>Document the list and overview of schemes</p> <p>Design incentive schemes to stimulate the creation of jobs by the industry i.e. revitalize and expand irrigation schemes and prioritise labour intensive value chain</p>	<ul style="list-style-type: none"> Implement incentive schemes to stimulate the creation of jobs by the industry i.e. revitalize and expand irrigation schemes and prioritise labour intensive value chain 	<p>Facilitate the involvement of Investment/ development banks in partnering with farmers.</p>

Priority 3. 2019 target: Increase the contribution of processed products to manufacturing annually by 2% (total of 10% by 2019)				
Challenges	Interventions	2016/17 High Level Deliverables	2017/18 High Level Deliverables	DRDAR role
Raw material supply challenges (Post-harvest loss and waste)	Implementation of comprehensive and integrated farmers support program to boost market driven production	An intensive primary production program to support the expansion of the downstream agro-processing sector	<ul style="list-style-type: none"> An intensive primary production program to support the expansion of the downstream agro-processing sector. (Output = Primary production program and Expansion plan) Primary Production Analysis (Location based) 	<p>Expanded Irrigated Agriculture Expansion and full utilization of the existing irrigation schemes:</p> <p>There is consensus to focus attention to improving the productivity of the existing irrigation schemes and then attend to the expansion of the operations. To improve return on investment, it is emphasized that the irrigation schemes must concentrate on high value cash crops.</p> <p>Ncora irrigation scheme must be expanded from the current 1600 ha production to its maximum capacity of 5000 hectares:</p> <p><u>Enabler:</u> Recently opened and operational bulk water scheme.</p> <p>Completion of Medupi Power station availing 3000 ha of land for irrigation.</p> <p>Sundays River</p> <p><u>Enabler:</u> Available water resource</p> <p>2800 hectares of land available of commercial land but water rights available used to leverage partnership between the current land owners and new entrants.</p> <p>Fish river irrigation</p> <p>Land reform farms that were earmarked for sugar beet project. Ownership is an issue which must be resolved.</p> <p>Qamata irrigation</p> <p>Increase the current production capacity to the maximum capacity (present allocation of small plots needs to be consolidated into commercial units).</p>

Priority 3. 2019 target: Increase the contribution of processed products to manufacturing annually by 2% (total of 10% by 2019)				
Challenges	Interventions	2016/17 High Level Deliverables	2017/18 High Level Deliverables	DRDAR role
Limited access and investment to agro processing support (Processing infrastructure, finance, skills, market linkages, incubation etc.)	Expansion and relaxation of MCEP criterion to cater for small and medium size agro processing enterprises	Comprehensive Agro-processing enterprise support package	<ul style="list-style-type: none"> Agro-processing Incentive Scheme implemented (stand-alone) Revised Agri-BEE fund criteria 	<p>Ncora irrigation scheme</p> <p>Community based irrigation scheme.</p> <p>Expansion of irrigation scheme will be possible when Medupi power station is completed, because water released for power generation will become available for irrigation expansion.</p> <p>Umqimvubu dam: development of plans in anticipation of estimated water availability (dam completion expected in Feb 2018).</p> <p>Agro- Processing And Marketing</p> <p>Primary production at the irrigation schemes and other focus on the high value crop for export quality.</p> <p>Certification of export products to meet the Euro gap standard.</p> <p>Increased production resulting in agro processing activity taking place at the Agri-parks.</p> <p>Marketing at the Agri-parks and supply markets such as Mithatha market.</p> <p>Farmer Support Units provide holistic services to the farmer including training.</p>
R&D	Increase market research, product development, opportunities, technology and innovation	N/A	<ul style="list-style-type: none"> Report on Market Research , product development, opportunities, technology and innovation 	Dohne to investigate possibilities of product development

Priority 4. 2019 Target : Reduce households vulnerable to food insecurity by 9.5 % by 2019				
Challenges	Interventions	2016/17 High Level Deliverables	2017/18 High Level Deliverables	DRDAR role
Only 13, 0% of the households involved in agriculture (2.9m HH) reported getting agricultural-related support during 2013 (Stats SA 2014)	Implement Food and Nutrition Security Implementation Plan	Strengthen Food Security Coordinating structures.	<ul style="list-style-type: none"> Intensify food security interventions 	<p>Expand irrigated agriculture</p> <p>Allotment of land to beneficiaries varies from scheme to scheme with a beneficiary owning from 0.2ha (Qamata) to 1.2ha Ncora.</p> <p>These sizes are not enough to make valuable contribution to the household.</p> <p>Proposal: Encourage partnerships where communities group their land to encourage increase production (Cooperative approach).</p> <p>Partnerships need to be scrutinized if they benefit the beneficiaries</p> <p>Package from partnerships should cover training, skills transfer and a minimum period of 5years</p> <p>Promote production of high value crops.</p> <p>Market access: Local and forward contracts.</p> <p>Many stakeholders are interested in contributing towards development of irrigation schemes, joint planning is then proposed.</p>
Increased incidences and frequency of natural disasters like drought, floods, fires, cold spells, heat waves, outbreaks of pests and diseases, etc.	Promote sustainable production and harvesting practices Minimize the entry, spread and incidence of quarantine pests and diseases	Programmes on climate smart agriculture Surveillance of quarantine pest and diseases	<ul style="list-style-type: none"> Programmes on climate smart agriculture at household level Awareness and surveillance measures at household level 	Implement climate smart agriculture programmes

Priority 6. 2019 Target: Reduced vulnerability and risks associated with climate change impacts (climate change response for key sectors (AFF) implemented				
Challenges	Interventions	2016/17 High Level Deliverables	2017/18 High Level Deliverables	DRDAR role
Increase in climate variability with increasing vulnerability of AFF to disasters	Promote the uptake of climate smart practices.	Review legislation on Natural Resources Management to enhance agricultural productivity	<ul style="list-style-type: none"> Climate Smart AFF Strategic Framework 	Improving appropriate technology and increasing irrigation schemes to increase production potential. Conservation agriculture, Suitable tillage systems, Dam and reservoir construction. Rain water harvesting systems. Indigenous land races. Identify and contract small holder farmers to produce suitable hay for establishment of fodder banks which can be used for feeding relive during drought.
	Research and profiling of AFF climate suitability production practices	Implement climate adaptation and climate smart agriculture practices.	<ul style="list-style-type: none"> Implement climate adaptation and climate smart AFF related practice 	Dohne research to participate in climate smart agriculture initiatives
	Minimize the entry, spread and incidence of quarantine pests and diseases	Surveillance of quarantine pest and diseases	<ul style="list-style-type: none"> Surveillance and awareness on quarantine pest and diseases 	Surveillance and awareness conducted
	Develop Measures to minimize the impact of natural disasters to producers (in AFF)	N/A	<ul style="list-style-type: none"> Develop rapid response guidelines to assist producers to cope with disasters 	Implement response guidelines to assist producers to cope with disasters.

RURAL DEVELOPMENT & AGRARIAN REFORM MEDIUM TERM TARGETS

The country has set the following medium and long term development targets:

- 1) By 2030 agriculture should create close to 1 million new jobs, contributing significantly to reducing overall unemployment.
- 2) Reduction in the percentage of households' vulnerable hunger from 11.5% in 2011 to less than 9.5% by March 2019.
- 3) To contribute to 1 million hectares of under-utilised land in communal areas.
- 4) To contribute to 2% annual growth in Gross Value Add in Agriculture
- 5) The percentage of people living on less than \$2 (US) per day reduced from the current 2.7% to less than 1%.
- 6) Rural unemployment reduced from the current 49% to less than 40%.
- 7) Support 300 000 smallholder farmers by March 2019 (New Growth Path).

The Eastern Cape Provincial Targets are outlined as follows:

- 1) Ensure that 300 000 hectares of land are under production by March 2019.
- 2) Support 500 000 farmers by March 2019.
- 3) Support 20 000 smallholder farmers by March 2019.
- 4) Increasing agriculture GDP from 2% to 3 % by 2019; creating 50 000 direct jobs and 50 000 indirect job opportunities by 2019.

The department is consciously working on the following policy priorities:

- Implementing national agricultural sector priorities and high level deliverables.
- Strengthening planning, coordination and implementation of rural development strategic initiatives across all spheres of government.
 - o Improved land administration and spatial planning
 - o Sustainable land reform (Agrarian Transformation)
- Expand food security to ensure access to food, safety and nutrition.
 - o Improved food security
 - o Small holders development and support (technical, financial and infrastructure) for agrarian transformation
 - o Increased access to quality infrastructure
 - o Strengthen Agricultural Colleges of Education.
- Revitalization of the agriculture and agro-processing value chain (RAAVC).
 - o Growth of sustainable rural agricultural enterprise and industries.

Key outputs derived from the policy priorities:

- Increased crop production by expansion of the number of cultivated hectares.
- Implementation of business rescue plan to revitalise Magwa and Majola.
- Development of aquaculture Development Zones (implementation of the operation Phakisa Aquaculture initiatives).

- Provide support to smallholder producers in order to ensure production efficiencies.
- Expansion of land under irrigation infrastructure.
- Expansion of existing and potential agro- processors/farmers participating in the agricultural value chain.
- Revitalisation of Fort Cox and Tsolo (Agricultural Colleges).
- Development of and access to improved production technologies.
- Conduct agricultural skills development programmes.
- Coordination of implementation of Rural Development outcome 7 across all spheres of government.
- Provision of support to non- farm rural enterprise development with emphasis on rural tourism and rural mining.
- Provision of renewable energy sources in areas where there is no electricity.
- Provision rural financing.
- Achieving an efficient and effective Public Service.
- Departmental audits improved.
- Improved Labour -Management relations.

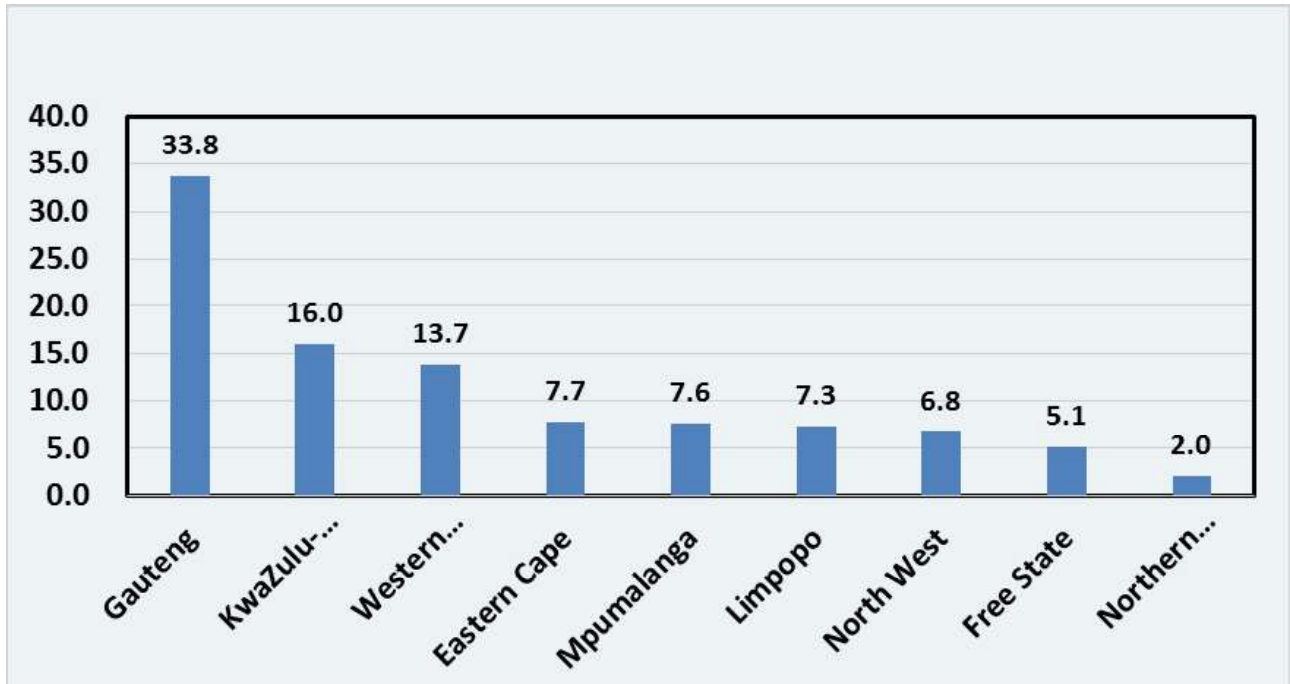
Source: Provincial Medium Strategic Framework -2014-19

COMMERCIALISATION OF AGRICULTURE: A GAME CHANGER

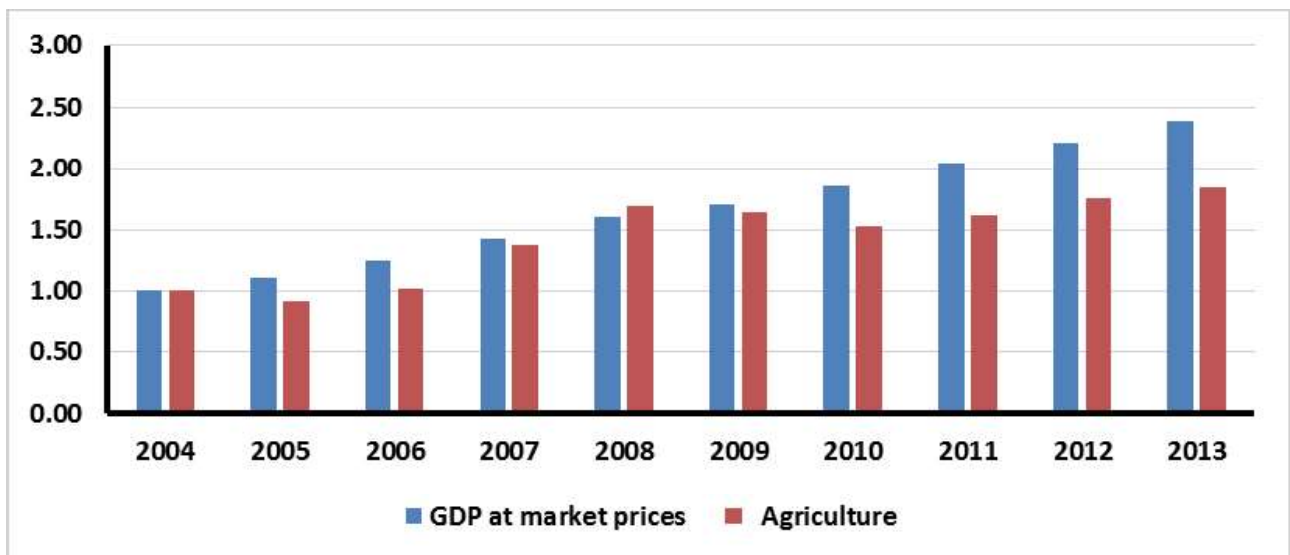
The department is taking a new trajectory to embrace commercialization of agriculture in rural communities by targeting smallholder and communal farmers derive optimal economic value out of their agricultural activity through customized partnerships with organized commercial partners. This approach will provide investment, technology capabilities, training and mentoring and capital to promote transformation in the sector.

The recent trend of declining National and Provincial economies relative to the growth rates required to service the development agenda to address the scourge of socio –economic inequality, poverty and underdevelopment in the country is an increasing threat to stability in the country. A brief overview of the economic status and trends in associated factors that have direct bearing in the socio-economic trends are set out below.

The Eastern Cape economy contributes 7.7% to the South African economy, the fourth highest provincial contribution after Gauteng, KwaZulu-Natal and the Western Cape as shown in the figure below

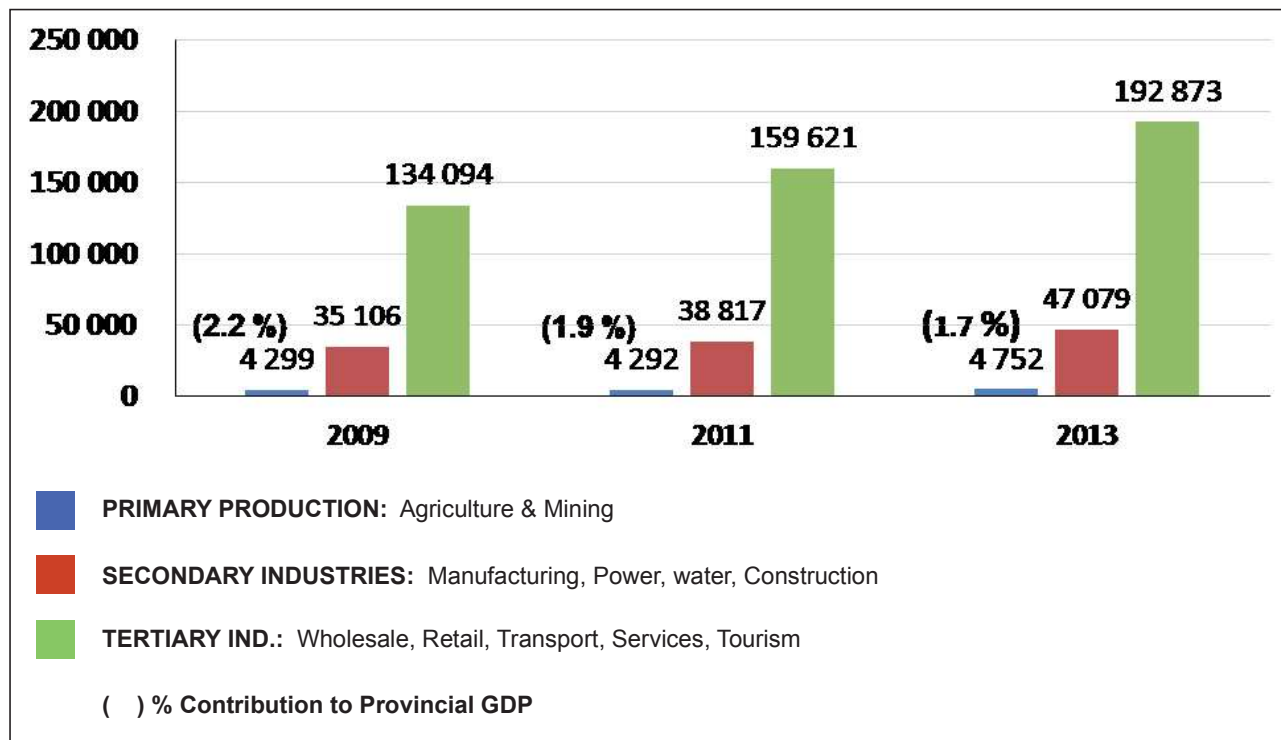
Figure: Provincial % contribution to South African GDP (2013)

However, within the province the relative contribution of the agricultural sector has been in decline from 2009 onwards. The figure below shows that, relative to the economic levels at 2004, the size of the provincial economy has up to 2013 increased 2.8 times while the agriculture sector has increased by only 1.8 times. This trend is similar to that recorded in other provinces.

Figure: Economic growth multiple of the Eastern Cape economy and the agricultural sector from 2004 as base year to 2013.

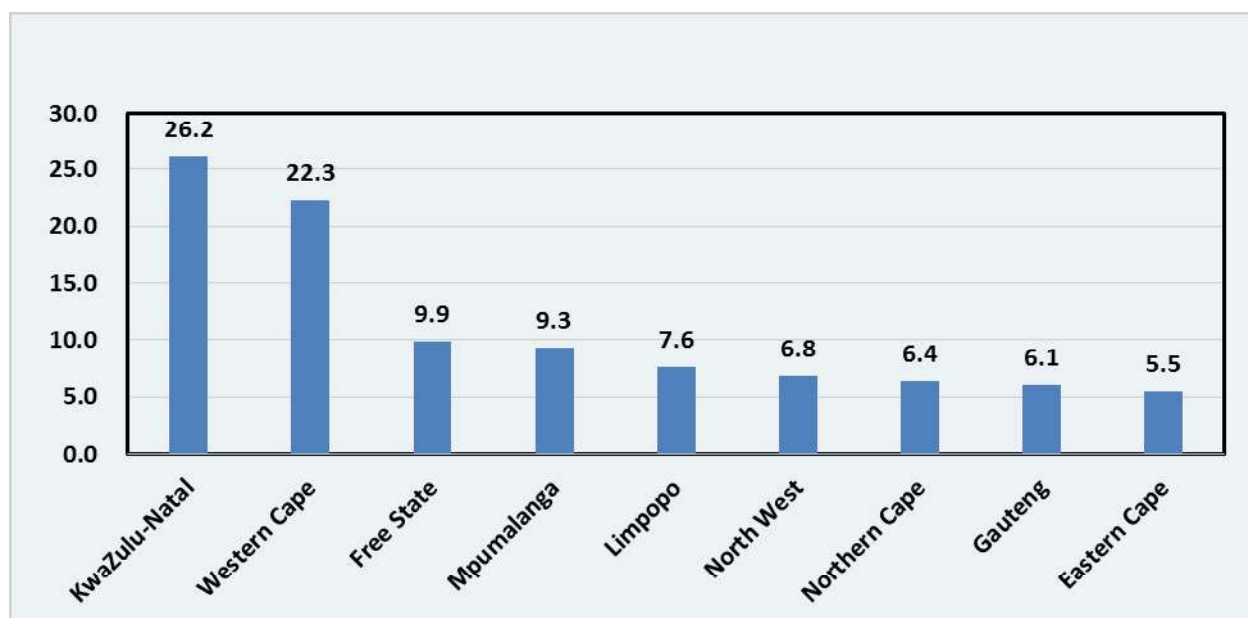
The growth in the provincial economy stems from growth in the secondary and tertiary sectors, with the contribution from the primary sector being in decline. The figure below shows the contribution from the primary sector to have declined from 2.2% in 2009 to 1.7% in 2013.

Figure: Agriculture forestry & fisheries: value add contribution by sector (excluding taxes) within the Eastern Cape Province: 2009 - 2013 (R 000's)



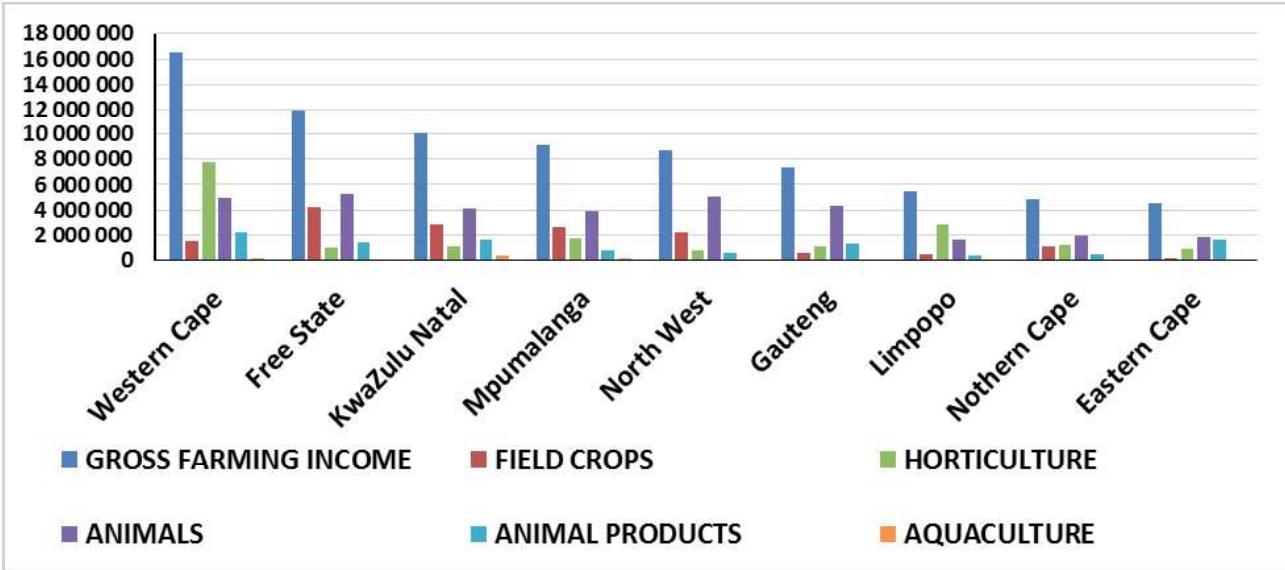
The performance of the value addition contribution of the Eastern Cape agricultural sector to that of the country in 2013 (Figure below) shows that the province makes the lowest contribution (5.5%) of all the nine province in the country. This is inconsistent with the relatively high natural agricultural resource potential of the province.

Figure: Agriculture Forestry & Fisheries: value add % contribution by province: 2013



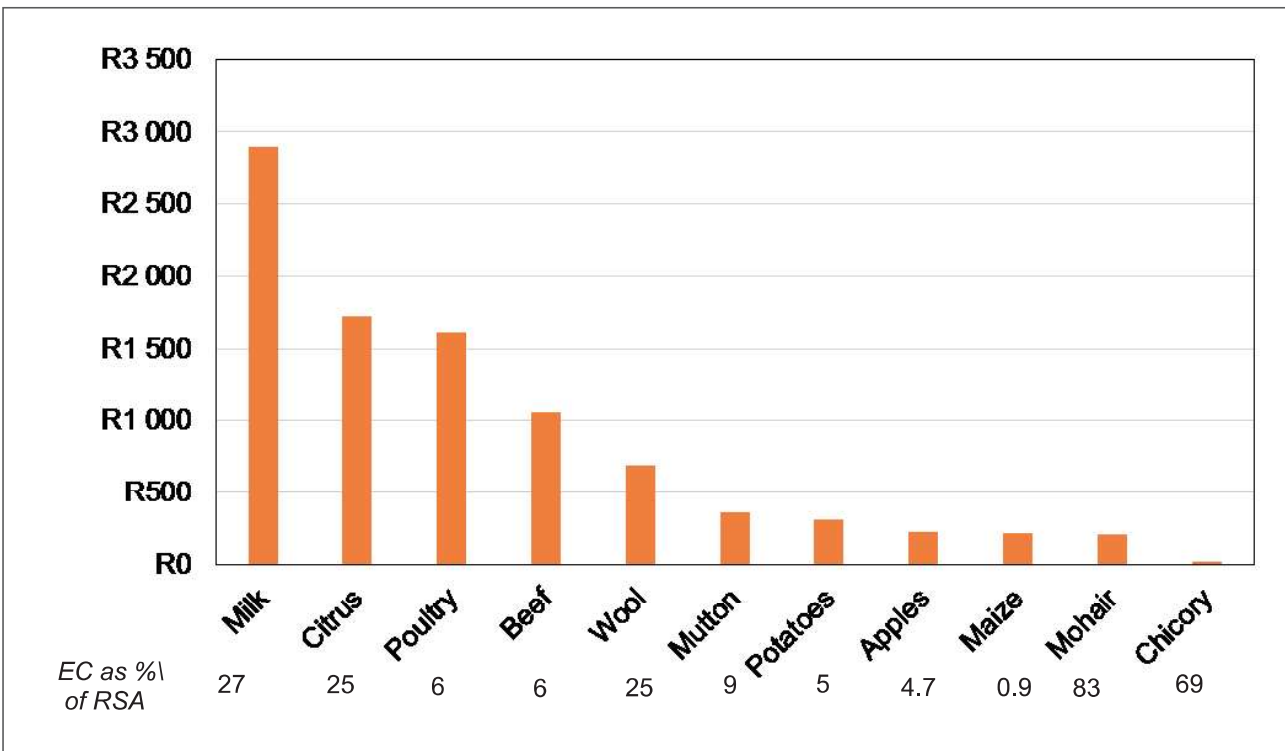
A closer scrutiny of the make-up of the contribution of the agricultural sector (Figure below) shows that the largest contribution to the provincial agricultural economy comes from the animal production sector followed by the horticultural component. The insignificant contribution from the field crop sector is inconsistent with the natural resource potential of the province when the contribution from the field crop sector is meaningful in all other eight provinces.

Figure: Agriculture forestry & fisheries: gross farm income (R) per enterprise category per province: 2013.



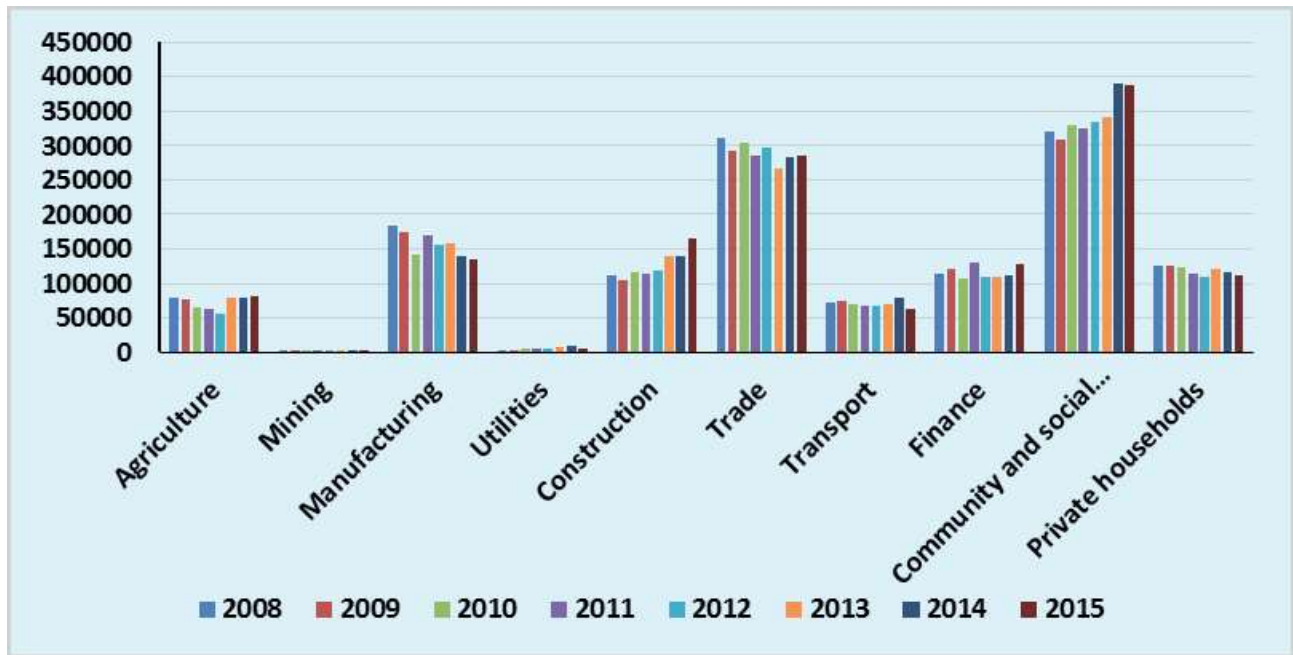
The dominance of the animal production component in the economy of the agricultural sector of the province is clearly evident in the figure below that ranks the contribution per component from highest to lowest.

Figure: Gross Annual Income for Principal Commodities (2013) (R 000's)



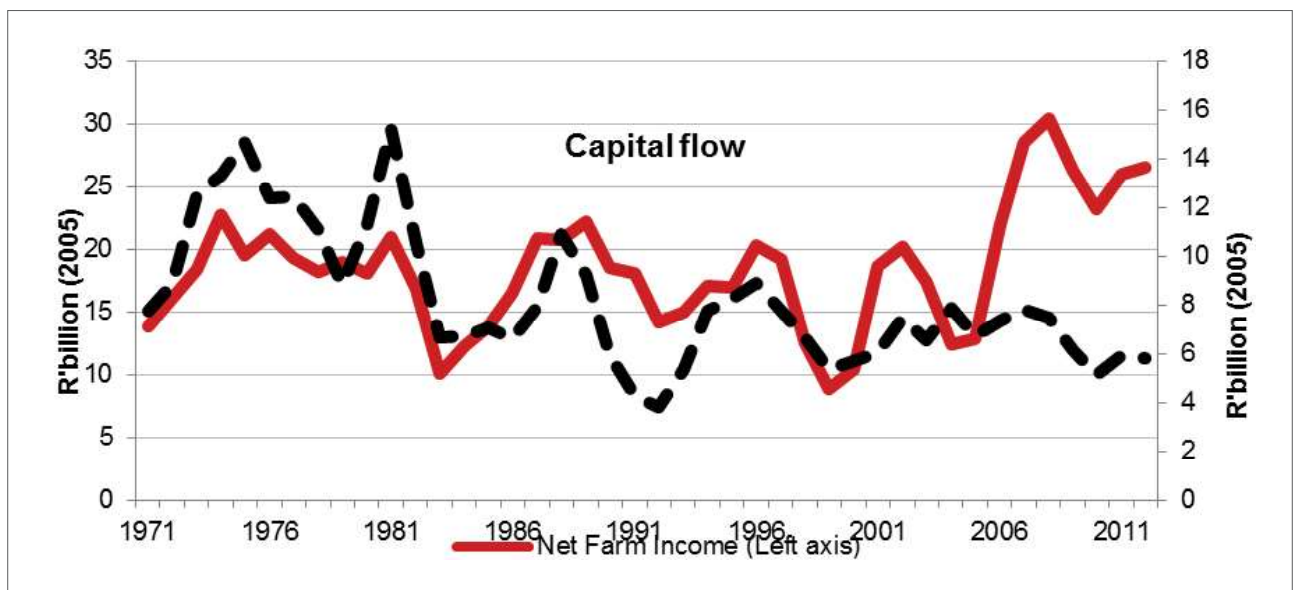
In addition to the relative economic underperformance of the agricultural sector in the province the employment trend within the agricultural sector is also poorer than that in the other sectors of the economy. The figure below that shows the relative trends in employment lend credence to the fact that, consistently, in the order of 6% of workers in the province are employed in the agricultural sector. Over the period 2008 – 2015 provincial employment increased by 3% while within agriculture the increase was only 2 %.

Figure: Trends in the number of persons employed per sector of the Eastern Cape Economy (2008 – 2015)



Assessing the performance of the agricultural sector in the Eastern Cape relative to other provinces and the country as a whole this must be done with the knowledge that five million ha of the higher agricultural potential areas of the province, the area of the former homelands has a small contribution to the commercial agricultural production of the province. The net farm income from the commercial component of the agricultural economy in the province tracks the trajectory of increasing returns that is shown in the figure below. In contrast the Figure below shows further that despite growth in net farm income, farmers have not re-invested in the form of capital investment. Reasons include: competitiveness; policy uncertainty, increasing production costs

Figure: Net Farm Income vs Gross Capital Formation (1971 -2011)



The potential returns from investment into agriculture in terms of output, employment, export earnings and fiscal revenue shown in the Table below show that appropriate investment into the sector would result in the game changer that is the revised strategy set out below.

The Table shows that every R1 investment in Agriculture (irrespective of its source) the output of the Sector would increase by R1,79, South Africa's export earnings will growth by R0,22 and R0,56 would end up back in government's coffers. At the same time 10.5 jobs would be created for every R1 million investment.

Table: Multipliers of sectors of the South African economy.

SECTOR	OUTPUT	EMPLOYMENT	EXPORT EARNINGS	FISCAL REVENUE
Agriculture	R 1,79	10,5	R 0,22	R 0,56
Manufacturing	R 1,13	3,0	R 0,13	R 0,35
Construction	R 0,81	2,5	R 0,11	R 0,26
Wholesale & Retail	R 0,72	3,3	R 0,09	R 0,23
Mining	R 0,60	0,5	R 0,07	R 0,19
Finance	R 0,49	1,0	R 0,07	R 0,16
Transport & Comm.	R 0,03	0,1	R 0,15	R 0,01
Electricity	R 0,03	0,1	R 0,01	R 0,01

Source: PAIRS (2011)

Note : Multiplier of R1 investment with the exception of employment which denotes R1 million investment in the Sector.

AGRICULTURAL ECONOMIC TRANSFORMATION STRATEGY

The Eastern Cape Agricultural Transformation strategy is characterized by commercialization that seeks to ensure that rural communities i.e. targeted smallholder and communal farmers derive optimal economic value out of their agricultural activity through customized partnerships with organised commercial partners that will provide investment, technology capabilities, training and mentoring and capital to promote transformation in the sector. The commercialization strategy starts from the baseline of the 2016/17 year.

Background

Momentarily the country faces a gloomy economic trajectory with the economic growth rate outlook recently reduced to 0.1 % by the IMF and still lower by the Monetary Policy Committee. The agricultural GDP contribution to the provincial agricultural economy declined from 2.2% in 2009 to 1.7 % in recent years. To enable the agricultural sector to contribute to reversing this trend the following statements summarize the challenges to effective development:

- Inadequate investment levels for meaningful Agricultural Economic Growth. There has been a declining trend in capital investment into Agriculture across the country (BFAP) access to operating finance by the HDI farmers is severely constrained by inability to use land as collateral rendering them dependent on Government fiancé that is de-lining.
- 95-99 % of Gross Agricultural value in RSA is generated from established commercial farmers & c. 1-5% from smallholder farmers from which it is inferred that despite a focus of agricultural support from Government into the HDI sector it has been largely unsuccessful in achieving significant transformation
- HDI farmers, in general, not commercially operational and remain sidelined in the commercial space.

- Government models for support to HDI farmers are more socially than economically oriented and create dependency with little economic impact.
- Government support services for agriculture remain largely fragmented and un-coordinated leading to significant levels of inefficiencies and duplication.
- Government officials, are generally, in-experienced and poorly skilled in commercial agriculture and are , therefore, not effective in driving successful commercialization processes amongst HDI farmers
- There remains a high risk profile for economic returns on investment into HDI farming

Principles of the agricultural economic transformation strategy

The strategy to address the growth, employment and transformation in the sector is underpinned by the following principles:

Government is to institute actions that mitigate the risks to return on investment in the commercialization of HDI farming entities to a point where such investment is adequately incentivized. Such mitigation includes the creation and maintenance of an enabling environment that reduces the cost of doing business so that the scale and sustainability of socio- transformation of the sector is achieved.

The interests of the commercial sector of the agricultural industry is represented by respective agricultural commodity associations, a number of which have dedicated transformation development and farmer support bodies. The strategy of commercialization requires a common development and transformation agenda to be forged between government and the respective commodity associations. The commercial oriented associations are best positioned to implement sustainable socio-economic transformation grounded on commercial principals, while government is best positioned to address the development and maintenance of an enabling environment for agricultural business to thrive. The term for such an engagement to bear fruit is over a period of at least 5 to 15 years.

The main economic outputs that the strategic industry partners will be contracted to drive in cooperation with the Government are:

- The expansion of the commodity production,
- Ensuring market access through secure off-take agreements,
- Increasing number of productive and viable smallholders,
- Training of farmers,
- Value addition of product,
- Increased employment in the respective industry,
- Increase farm Net Income,
- Make space for employing unemployed graduates,
- Increase opportunity and business for SMME's & local beneficiation,
- Increase total investment into industry
 - leverage additional funding support (e.g Jobs fund, Value chain leaders, agro-processors, Landbank, DFI's, etc.) and
- Increase transformation within the industry.

Pillars of the agricultural economic strategic pillars

To achieve the targets for the listed agricultural economic outputs agreed upon for each agricultural commodity sub-sector, the province will implement a strategic framework driven through the following pillars:

- A Commodity based commercial partnership model
- A Cluster based community partnership model (Cluster of individually non-economic land parcels) through the establishment and nurturing commercial farming practices in communal areas.
- Integrated government support that enhance commercial farming systems through partnerships
- Sector based institutional system (Advisory Council) to drive, oversee and lead the agricultural transformation agenda in the Province.

Implementation framework

The implementation framework consist of the following :

- Commodity based commercial development partnership programme.
- Cluster based Commercialisation programme
- Integrated Government Support Programme
- Eastern Cape Agricultural Institutional mechanism for growth and investment

Commodity based commercial development partnership programme

The development modus operandi for the well- organized agricultural sub-sectors that are characterized by high value crops, mostly export oriented is for government to enter into an agreement with the industry association. Such an agreement will require the association to identify development/investor partners to champion and implement the sub-sector transformation agenda over the medium term, executing the implementation in the best interest of the sub-sector and government's socio-economic transformation agenda. The work progress of the development/investor partners will be monitored and assessed against clear output and outcome targets agreed upon between government and the association and the respective implementing agent. Implementation of this strategy is to progress from what the Department is currently implementing in the 2016/17 year to the development partner to take over the implementation role from April 2017 in terms of agreements concluded for this purpose.

In terms of the Agricultural Policy Action Plan (APAP) the following priority commodities and value chains are outlined as follows;

- **The Red Meat Chain** is mandated to improve food security through commercializing the communal livestock systems by means of improving the herd health status and husbandry.
- **Horticultural value chain** requires increased investments into the horticultural crops production can help reduce rural unemployment and contribute to GDP growth.
- **Poultry/Soybeans/Maize Integrated Value Chain should** promote smallholder soybean and yellow maize production through more targeted technical and input assistance, and encouraging stronger linkages between farmers and feed companies via efficient market intermediaries such as co-ops.

Revitalization of the Agriculture and Agro-Processing Value Chain (RAAVC) and Operation Phakisa is guiding the sector in terms of speeding up land reform, increase market access, provide technical support to producers, research and innovation adopted a priorities to increase growth and employment

The targets and performance matrix for the commodity based partnerships are set out in Table 1 below.

Commodity	2017/18 Performance Target Matrix (1 yr.)										INFRA-STRUCTURE NEEDS	COMMERCIAL SECTOR ASSOCIATION PARTNER CONTRIBUTION
	Budget 16/17 R000's	Provisional Budget 17/18 R000's	Extent of support		Total investment value	Employment	Farmers	Yield capacity				
			Amount	Unit				R 000's	New Jobs	No.		
Citrus	4000	9 000	1 070	ha	74,951	283	30	16 980	tons	Ado -- Ngqura Port service road, Municipal services infrastructure . Ngqushwa- Alice service road maintenance/upgrade, on-farm infrastructure	Citrus Growers Assoc.- Grower Development Company provides business mentorship, commodity technical support and training access to industry investment for citrus development.	
Deciduous Fruit	2000	7 400	171	ha	59,706	519	19	12110	tons	Infrastructure & orchard establishment	R 6.9 million invested from the Jobs Fund. Deciduous Fruit Development company. & Hortgro: business mentorship, commodity technical support and training access to industry investment for deciduous fruit development.	
Chicory	1000	1 000	36	ha	2,979	185	12	1655	tons	Ndlambe district service roads maintenance, on-farm infrastructure	Chicory South Africa: business mentorship, commodity technical support and training access to industry investment for chicory development.	
Pineapples	2000	1000	18	ha	3,560	188	2 entities	1289	tons	Port Alfred - East London road upgrade: on-farm infrastructure	Summerpride & Pineapple growers Association: business mentorship, commodity technical support and training access to industry investment for pineapple production development.	

Cluster based Commercialisation programme

The cluster based commercialization programme is formulated to forge clustering of small production units and land parcels to gain economies of scale, reduce costs of doing business, enable collective marketing and improve and bargaining power that will make farming commercially viable.

Agreements will be entered into with the industry associations/business chambers to support the private sector investment in such collective or communal farming clusters

Modus operandi is to invite expression of interest from organized community entities that are willing to make their land and/or agricultural assets available to engage with commercial operators/investors for commercial operations that will lead to mutual benefits.

DRDAR will assess expressions of interest and commercial viability and approach the industry association to recruit investors/partners. The duration of partnership will be determined by the agreement between the community and the commercial partner. The development interventions in the current year, 2016/17 that are aligned for uptake into structured cluster based commercialization are set out in the Table below: Table: Performance targets for 2017/18 year for Cluster based development support.

The targets and performance matrix for the commodity based partnerships are set out in Table 2 below.

Commodity	Budget 16/17	Provisional Budget 17/18	2017/18 Performance Target Matrix (1 yr.)						INFRASTRUCTURE NEEDS	COMMERCIAL SECTOR ASSOCIATION PARTNERS		
			Extent of support		Total investment value	Employment		Farmers			Yield capacity	
			Amount	Unit		R 000's	New Jobs	No.				Amount
Dairy	17 000 (Infrastructure)	13 800	2000	hds	15,821	29	56 members	6,000,000	litres/yr	upgrade of district serviced roads to cater for effective feed & milk transportation.	Milk Producers Organisation, Du plessis Bros (wittekleibos business management support, marketing linkages, mentorship, Human Capacity development.	
Red Meat	30 000 (Rams & bulls)	30 000	56,720	hds	399,958	514	200 emerging farmers + 2 520 communal farmers	9,500,000	kg (liveWt)	Livestock & grazing management infrastructure	Red Meat Producers organisation & NERPO, Berlin Beef, cradock abattoir: business management support, marketing linkages, mentorship, , Human Capacity development	

Marketing.

Secure market off-take demand exceeds the increased production levels. The product for 2016/17 has direct access to these markets. These include the ability of the RED hubs to procure all grains that are traded commercially. The mills at the RED HUBS have contracted retail outlets such as Spar, Boxer stores and local businesses and fall far short of meeting the demand for processed grain. Other wholesale off-take agents include local commercial traders in East London (Umtiza, Komga Packers, Epol etc). Livestock fibres (wool, mohair) are traded through brokers for public auction and some to rural traders. Livestock meat off-take is to the feedlot and slaughter value chain that is growing exponentially through development programmes and supply from beyond the Province. The private markets are contracting the uptake of increasing local production but access to the large public sector uptake for basic commodities remain in accessible due to administrative constraints. These can be instrumental in growing local value chains

Integrated Government Support Programme

Integrated government support programmes involve targeted interventions to address the cost of doing business in the provincial agricultural sector

Lead Department, DRDAR, will use integration of government programmes through IGR processes and forges communication to outside stakeholders, especially the private sector. Furthermore, the sector commercial approach serves as a vehicle to integrate all farmer support programmes across all spheres of government to ensure black smallholder farmers play a meaningful role in the commercial value chain.

The re-orientation of state capacity to be biased towards commercial agricultural practices through partnerships will receive focused attention.

Eastern Cape Agricultural Institutional mechanism for growth and investment

Eastern Cape Agricultural Institutional mechanism for growth and investment will take the form of the Eastern Agricultural Advisory council (be established within six months) to develop consensus on the growth path that the sector must follow.

Eastern Cape Agricultural Advisory Council (“Advisory Council”) is to be constituted by the Economic Cluster MEC. Representation in the council will include:

Representation from economic cluster Departments, and

- District & Metro Mayors
- Relevant Provincial and National Public entities
- Chairpersons & CEO’s of all Agricultural Industry Associations
- CEO’s of relevant Agricultural Development Companies
- DAFF
- DRDLR
- COGTA
- Academic Institutions

The council is planned to meet twice per year. The principal roles for the Council are to include:

- Lobby for support for commercialization for growth and employment
- Lobby and facilitate funding access from DFI's and private sector
- Monitor sector socio –economic performance & all aspects of transformation
- Prioritise focus of agricultural growth paths
- Consider challenges to development and facilitate attention to overcome challenges.

Use/ utilization of fallow land in communal areas and land reform projects for commercial production.

A model is proposed where ploughing fields are made available for commercial primary production of produce which will be processed and marketed through mainstream marketing systems. The proposal is that large tracts or fallow arable land are leased for a long period from the community or the “owners” of such plots or arable land. This rented areas will then be used for commercial production of produce to be processed in terms of off-take agreements. (Lease agreements could also be with “rightful owners” and rent paid directly to these owners.)

Expand irrigated agriculture

In 2017/18 the Department has set aside R22. 4 million to revitalise the Ncorha, Qamata, Zanyokwe and Kieskamma irrigation schemes. The engagement of industry and commercial partners, including, Chris Hani Development Agency, Amadlelo, Almond Holdings (McCain), Isibaya and ARC. This expansion contributes to creating 550 jobs.

Commodity performance

Horticulture

A continued expansion in these exports is crucial for the retention of the positive agricultural trade balance given the expectation of increased primary food imports. The outlook for the sector is positive given the expectation of a continued decline in the exchange rate and increase in volumes. Producers will however have to adapt to changing market destinations (Africa, the EU and Asia being the main export and destinations and drivers of export growth). Among South Africa's leading net exported products citrus fruit (+25%), grapes (+26%), juices (+36%) and nuts (+50%) performed well during 2014, with only maize (-15%) exports declining significantly in value.

The industry will expand production by 4 584 ha collectively in the Citrus (849 ha), Deciduous (1675 ha), vegetable (1 740 ha) and Macadamia (320 ha), pineapples (1 300 ha) sub sectors. There will be a full use of secure off-take agreements prior to planting. The department and the industry will support the commercialization and training of 700 farmers as well as creation of 18 498 jobs. The value addition is projected at 60% of all production (processing and packaging for secure markets. In order to improve the gross and net farm income of 700 participating farmers, 60% and 30% are projected respectively. The projected Increase in collective investment into the sub sectors is R 1.027 billion over the MTEF

Field Crops

Grain (maize and soya beans)

The area planted to yellow maize is expected to exceed that of white maize by 2021 given current consumption patterns that due to high and volatile feed grain prices, the commodity cycle became favourable for livestock

production globally in 2014. By contrast, South African producers faced higher feed grain prices due to the effects of the drought in early 2015. Furthermore, South Africa remains a net importer of meat products and over the course of the baseline projection, continuous depreciation in the exchange rate will support import parity based prices, aiding competitiveness in the global context. The flat demand for white maize in the food consumption market, compared to the continued growth in demand for animal feed and constant yield increases. The area under sunflower is projected to be stable and the same can be said for wheat production in the summer production area following a protracted decline in recent years. 2015 saw a substantial increase in the area planted to soybeans, surpassing 600 thousand hectares. This trend is expected to continue, with total area planted levelling off at a million hectares, or roughly a third of total maize production.

Animal production

The wool industry has export market opportunities (international demand at 4%) as well as an additional 5 million kg extra wool entering the market over 5 years. There is a need to increase production per sheep by 1 kg. Moreover, the sector should make effective use of LRAD farms that are currently underutilized. One of the performance indicators is to ensure market access through secure off-take agreements. This will be attained through transparency in the industry, pilot identification and traceability of livestock, improving wool harvesting practices by convincing communal farmers on the value of their stock, promote grass fed market as a niche market, and skilling of farmers on the marketing of livestock (timing of sales, types of animals to sell etc.). Furthermore, custom feeding and other market infrastructure will be provided of the MTEF period.

The RSA beef industry took a knock over the past few months, due to the persistent drought conditions. Moreover, the drought led to higher slaughtering rate, which were seen at 16 886 cattle in the second week of September 2016. Looking ahead, a recovery of the beef industry will be dependent on weather conditions. Currently, the Australian Bureau of Meteorology indicates that there is 50% chance of La Niña occurrence towards late spring to summer season. If this materializes, there could be some improvement of grazing fields across the country. Against this background, we maintain our view that livestock farmers could soon start to rebuild their herds and that might lead to a decline in slaughtering rate, which in turn, could support beef prices (Agricultural Business Chamber-Research 2016).

To accelerate value adding, there is a need to address the challenges of vertical integration through transformation. Also, the Industrial Development Corporation (IC) should play a prominent role in supporting the livestock industry. In order to increase opportunity and businesses for SMMEs and local beneficiaries, primary and secondary cooperatives should be established. In addition, government must lead in procuring from the primary producers.

In light of continuous growth in income levels and the associated class mobility of South African consumers, the demand for meat products has expanded rapidly over the past decade. As the cheapest and most accessible source of protein, chicken has dominated this growth. While the rate of consumption growth over the next decade is projected to slow, it is still significant over the next 10 years. Veterinary Services programme contributes to local economic development in the rural areas by supporting food security initiatives. It also promotes food exports of animal origin by certification for export. Cattle are vaccinated against controlled animal diseases and trade-sensitive diseases, in support of the beef commodity; and in collaboration with the wool industry, the Department will continue to support the efforts to improve the quality and quantity of the provincial wool clip, through the sheep scab eradication efforts. Livestock census is currently being conducted, and will augment our planning efforts.

The following pillar output indicators will measure the performance of each commodity outlined here under.

Commodity		Output Indicator
1.	Vegetables	Volumes of vegetables marketed
		Return on capital invested
		Number of jobs created
2.	Horticulture	Pack-out profile (percentage)
		Return on capital invested
		Number of jobs created
3.	Aquaculture	Number of fresh water aquaculture farms established
		Number of marine aquaculture farms established
4.	Poultry	Number of Franchises established.
		Production Efficiency Factor
		Production Levels (Broilers and layers).
5.	Grain (field crops)	Average tons per hectare
		Off-take agreements (linking to markets/value chain)

Youth agricultural entrepreneur development

The establishment of a Rural Wealth Centre at Fort Cox in 2017/18 will promote, train and establish 200 self-employed youth entrepreneurs for a period of 1 year. Furthermore, the Youth Household Food Security Programme will be implemented targeting the training of 60 un-employed youth in agricultural production and marketing to support 300 households. These youth will be paid a stipend linked to performance. Youth learnership programme, targeting 200 out-of-school youth within current land reform and CASP beneficiaries. Annual enrolment of 560 students into Tsolo Agricultural and Rural Development Institute (TARDI) and Fort Cox College. Lastly, To provide customised support to 30 youth agricultural entrepreneurs to progress to sustainable commercial farming across all Districts.

Land Reform and Agri-Parks

The Eastern Cape has abundance of diverse land resources with diverse climatic conditions which make the province suitable for a variety of agricultural products. Despite the abundance of land available for productivity, there still challenges of land tenure which limit maximum utilization of the land resources.

There is a need to address the challenges of over pricing of land reform farms, inadequate skills of beneficiaries, inadequate on-farm infrastructure and the tendency to buy unproductive farms. Eastern Cape land reform data-base between 1994-2012 showed 714 farms were transferred to designated groups and other applications are still in process. In order to improve land reform, an integrated approach for identification of land reform farms, suitable beneficiaries and a consultative land pricing model need to be harnessed.

Throughout the province, Land Reform Farms are earmarked as farms production hubs to support agri-parks. The province in partnership with the Department of Rural Development and Land Reform is currently establishing 6 Agri-parks across the districts. The agri-parks are located in OR Tambo (Lambasi), Chris Hani (Ncora), Amathole (Butterworth), Alfred Nzo (Matatiele), Joe Gqabi (Sterkspruit, and Sarah Baartman (Addo).

The government is committed to ensure that the agro-processing enterprises create growth and employment in the sector. Agri-park is defined as a networked innovation system of agro-production, processing, logistics, marketing, and training and extension services located in District Municipalities.

Linked to the agri-parks and land reform farms, the ECRDA focusses on strategic interventions as a catalyst organization mandated to implement high impact priority rural development programmes. The agency is expanding and maintaining work in the agro-processing sector especially at the Lady Frere, Mbizana, Mqanduli and Ncora RED Hubs. Furthermore, support will be provided to the forestry projects which are funded through the Jobs Fund.

A policy instrument to support integrated rural spatial development planning is the implementation of SPLUMA. The Provincial targets includes establishment of District Spatial Rural Development Frameworks, Local Municipality Planning Tribunals, Land Use Schemes which will be achieved over the 2015-2019 MTEF period. The Spatial Information System is designed to enhance geo-spatial planning and information management for rural development.

Infrastructure

The rural infrastructure of is characterized by poor social and economic infrastructure due to historical neglect and poor spatial planning. The challenges of infrastructure are aggravated by poor coordination, integration and implementation of government infrastructure plan. Infrastructure backlog remains prevalent in the areas of social, economic and basic infrastructure.

DRDAR will actively champion the 10 Year Infrastructure Plan with OTP/ECSECC. The Department will develop an Infrastructure Portal System and Future Infrastructure Investment Map to inform decision making by management and working together with the GIS unit.

Focus on Rural Industrial infrastructure

Other recommendations relevant for the Rural Industrial infrastructure development include, paying adequate attention to tourism, industrial facilities (IDZ, SEZ, Industrial parks, Agri-parks), ocean economy and SIP 11 / Agriculture and agro-logistics. The department will continue to lobby for rural and agricultural roads linked to Agri-parks and strategic catalytic projects.

Focus on Transport and Logistics Infrastructure

The Department will liaise with relevant role-players regarding provision of the transport facilities in relation to corridors linked to economic opportunities. Infrastructure will be constructed together with improved logistics to ports, harbours and airports.

Rural Energy

Nuclear energy and wind farms are considered as possible sources of energy in the province. The Department will give priority to renewable energy and bio-energy sources. The Department is entering into partnership with Fort Hare University for expansion of renewable energy in the rural areas. The electrification of certain rural areas in the Eastern Cape is a challenge due to the fact that these settlements are located far from the utility grid making it expensive to get them electrified. The project will therefore provide solar lightning systems for home lights and cooking.

Municipal SIPs / urban space / human settlements

Priority will be given to municipal infrastructure, rural areas and transport, water and sanitation. DRDAR is working with the Department of Human Settlements to design rural settlement projects and integrate these with agriculture livelihoods options. Rural housing linked to Agri-hubs is considered. In addition, DRDAR is interacting with the Department of Human Settlements in the development of a Master Spatial Plan for Human Settlements, directing future investment in human entitlements infrastructure.

Rural ICT is one of the initiatives supported by DRDAR and is implemented through partnerships to provide Rural ICT infrastructure for promoting access to ICT in the rural areas. The Department set aside an amount of **R1.5m**. Two partnership with Non-government Sector – SchoolNet SA and SEBATA Municipal Solution. Rural Schools ICT Project and partnership with SEBATA Municipal Solutions, Maletswai LM and KSD LM benefiting 289 youth in OR Tambo (50) and Joe Gqabi (239) municipalities.

The supply of water infrastructure, depending on the nature and scale of technology is still a challenge. In reducing the water backlogs in the province, the department has allocated and **R2 million** to make use of appropriate technologies for **supply water care Project and Spring Protection** to 400 households at KSD, Mqanduli, Mhashe, Mzimvubu, Senqu, and Ikhwezi LM.

The essential basic service roll out programme for sanitation to ensure that there is universal access for all rural households, (including farm dwellers), schools and health facilities has not achieved its target hence the department is augmenting by implementing **10 improved ventilated latrine toilets to 8 schools and 2 villages** and a total budget of **R1 million** has been set aside for 2017/18 Financial year.

Non- Farm Rural Economy

The provincial spatial and investment frameworks for Agri parks/hubs linked to DRDLR district rural development plans were developed and will be implemented with strategic partners.

In partnership with DEDEAT and COGTA, the focus will be on sectors that have potential for growth and job creation especially for unskilled and semi-skilled people in the rural areas namely: Forestry; Mining; Construction, Renewable energy; Tourism; Clothing and Textile and Agro processing.

On forestry development, ECRDA and SAPPI have signed a partnership agreement to promote forestry in the coastal areas where R400m would be invested from plethora of funders. Currently six forestry projects are implemented in the Province in Lusikisiki in Nqquza Hill Local Municipality.

The Department of Mineral Resources have offices in Port Elizabeth and in Umthatha, they are guided by Mineral and Petroleum Resources Development Act (Act No. 28 of 2002) as amended by Act No. 49 of 2008, NEMA National Environmental Management Act (107 of 1998) and the Mining Charter.

The Eastern Cape is not endowed with significant mineral resources but there is potential for coal, titanium, uranium, kaolin and there are prospects for shale gas in the Karoo area. Above these minerals there is sand, sabhunge and crush stone which are high in demand. The department will facilitate engagements and dialogue of DMR with prospecting miners in rural areas. Rural miners will be given information of how to enter the main stream of mining and become legal miners through workshops done in collaboration with the Department of Mineral Resources. These rural miners would be assisted with filling of applications.

The National Department of Tourism has developed a National Rural Tourism Strategy to enable the Provinces to drive their rural tourism programmes. The strategy ensures that development approach for rural tourism products and opportunities are explored. The strategy promotes product development, tourism marketing, tourism skills, tourism infrastructure and research and information. DRDAR Rural Strategy is promoting three key focus areas; Heritage tourism, Eco-tourism and Agri-tourism. Eastern Cape has a diverse cultural, natural resources and tourism attraction areas with great potential.

DRDAR plans to contribute towards the establishment of the heritage sites by providing fencing of heritage sites. The Department support for rural tourism development includes support of Art Centres, provisioning of basic infrastructure, youth participation, promotion of traditional house racing and rural participation in cultural festivals and events.

There are 23 SETAs in the country and the Department is planning to promote skills development in clothing and textile sector through partnership initiatives with relevant SETAs. Partnerships with relevant SETAs in construction, food and beverages and home industry are targeted for rural youth development.

Renewable Energy

The Department will continue the partnership with University of Fort Hare through provision of 200 solar systems and 30 Bio-digesters in 3 villages (Krwakrwa, Nomlengane and Dangers Hoek) benefiting 200 households. To realise this a total of R2m has been set aside.

To improve on Rural Skills Program, the department has signed an MoU with SEBATA and BCM for education and training of unemployed Youth. A total of 150 out-of-school youth will be recruited and trained in Project Management. for a period of 12 months.

Social and Human Development

The pillar is focusing of improving access to quality education, effective teaching, provincial health profile, strengthening the health systems, and access to National Health Insurance readiness. Furthermore, the pillar strives to prevent crime and improve the quality life of households through the provision of integrated sustainable human settlement. This pillar is largely not implemented by DRDAR, but our department will report on selected indicators to demonstrate progress.

A total of 11 projects will be done to transfer skills on appropriate technology in all the districts. Furthermore on clothing and textile a total of 100 projects in rural areas will supported in all six districts. This will benefit 565 (Amathole -136, Alfred Nzo - 97, Chris Hani - 64, Joe Gqabi - 61, O.R. Tambo 126 and Sara Baartman - 81) youth and women with complete sets of sewing equipment, sewing material and capacity building. To realize this, the department have set aside a total budget of R4 million to upgrade electricity, protective clothing, fencing and marketing outlet.

Masiphathisane

DRDAR is committed to participate in the Masiphathisane as a people centred development and single entry point for service delivery. Working together in partnership with communities, citizen empowerment, effectiveness and efficiency in the delivery of services. Therefore, the rural development support and advice provided by the department will be informed by the development needs as outcomes of the War Rooms.

1.3 Organizational environment

The annual performance plan is the product of extensive consultation by departmental officials at Ward level to obtain the needs of the rural communities (including the farmers). Each district consolidates data which is submitted to the Provincial Office for quality assurance and alignment with government priorities. DRDAR presents the final draft plans at the Integrated Development Plans (IDPs) sessions with the local and District Municipalities.

The Department will continue to strive for a corrupt free organization through anti-corruption and security systems, effective risk management and sound internal control systems to give reasonable assurance in achieving the department's objectives. In addition, a Risk Appetite Framework will be developed and implemented which would give guidance on acceptable risks tolerance level.

The Department has implemented its service delivery model. Out of this process, an appropriate new Organizational Structure has been developed to ensure effective response to rural development and agrarian reform needs and will be utilised as a management tool that will help organise functions in the workplace. This will have a positive impact in HR Planning, by assisting in correctly placing employees and appropriately utilising them according to their skills and competencies. In response to the Agricultural Transformation Strategy, the HRD Plan will be implemented attending to varying capacity needs and requirements of the department for realisation of its mandate. The Department will continue prioritising the filling of critical posts that will add value in the implementation of the strategy and continue maintaining the acceptable vacancy rate of 5%.

In order to realise the reduction of unemployment and accelerate economic growth, the department will appoint unemployed graduates and place them on an internship programme to equip them with required appropriate skills. The Department will continue to monitor the academic progress of the current bursary holders and implement learnership programmes in order to bridge the existing skills gap.

The Department will continue to maintain and support automated business processes to improve efficiencies and will further implement a leave management system that will improve human resource controls and effectiveness. To provide a conducive ICT environment, the department will upgrade the Head Office server infrastructure as phase 1 of the ICT infrastructure maintenance plan. Further monitoring and reporting on the utilisation of the ICT technology in improving service delivery.

Effective use of communication will be strengthened through the provision of a comprehensive communication support including media coverage, branding and newsletters by proactively communicating departmental plans and showcasing delivery successes. As departmental programmes are a product of extensive consultation, communication serves as a glue that sustains the sense of inclusion and ownership by stakeholders.

The department will also improve fiscal discipline to ensure prudent management of financial resources. The effective and efficient management of financial management processes will be given special attention to prevent fruitless, irregular and unauthorised expenditure through the compliance of financial management process. The Department will continue to maintain payment of creditors within the stipulated timeframes as provided by the PFMA by implementing an invoice tracking tool and ensuring that all accruals are cleared monthly.

In ensuring sound labour relations within the working environment, consistent engagements will be held with employees and labour unions.

The Medium Term Policy Statement (2016) states that public procurement must be fair, equitable, transparent and cost-effective. Shifting the composition of spending towards capital investment would benefit the economy. Doing so, however, requires greater restraint in compensation spending. The department is committed to these constraints mechanisms aimed at doing more with less available resources.

DRDAR has put in place processes to ensure that the Agricultural Economic Transformation Strategy. A Technical Team was established with a clear mandate to develop business plan and implementation plans for the three programmes i.e. Livestock, Grain (specifically maize) and Horticultural crops (including vegetables). These business and implementation plans were submitted to Provincial Treasury for consideration. The plans include the contribution of the strategic partners with clear targets. Another sub-committee is also working on identifying and training a cadre of existing Extension Officers to specialise in commodities and clusters in the value chain; to reorganise the functional architecture and ensure that the business reporting is understood through the value chain.

2. Revisions to legislative and other mandates

There were no significant changes to the Department's legislative and other mandates but internally the Department has reviewed a number of policies to guide its operations. Fort Cox decree of 1991, was repealed and replaced with the interim Bill which will be implemented with effect from 01 April 2016.

3. Overview of 2017/18 budget and MTEF estimates

3.1. Expenditure Estimates

SUMMARY	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Revised Baseline	Revised Baseline	Revised Baseline
Administration	388 698	417 898	434 360	452 596	451 646	452 033	450 697	475 030	509 402
Sustainable Resource Management	142 127	127 538	124 663	119 566	119 447	119 533	123 960	130 789	139 612
Farmer Support And Development	553 660	564 366	654 964	800 165	810 176	809 684	788 862	808 716	861 480
Veterinary Services	245 408	254 696	271 347	296 053	292 992	294 079	313 125	332 572	354 766
Research And Technology Development	119 009	107 770	142 316	175 707	176 022	166 427	128 647	138 154	148 503
Agricultural Economics Services	41 824	45 073	45 456	34 943	34 562	34 070	50 687	38 088	40 565
Structured Agricultural Education and Training	107 414	117 179	132 743	151 757	148 224	148 199	152 825	168 716	179 494
Rural Development Coordination	133 063	218 248	161 735	178 532	182 053	181 856	196 629	240 251	220 369
Total	1 731 203	1 852 768	1 967 584	2 209 319	2 215 122	2 205 881	2 205 432	2 332 317	2 454 191
Current payments	1 357 802	1 456 179	1 564 549	1 768 417	1 710 744	1 704 707	1 664 477	1 748 497	1 886 477
Compensation of employees	959 588	1 000 458	1 055 388	1 132 092	1 132 092	1 126 640	1 207 317	1 277 070	1 370 119
Salaries and wages	829 253	867 862	909 563	981 762	981 762	976 575	1 047 461	1 106 470	1 187 617
Social contributions	130 335	132 596	145 825	150 330	150 330	150 065	159 856	170 600	182 502
Goods and services	398 214	455 721	509 161	636 325	578 652	578 067	457 161	471 427	516 358
Administrative fees	1 975	2 304	1 834	3 185	1 992	1 921	1 989	2 063	2 178
Advertising	4 192	5 184	7 005	7 626	8 255	8 233	7 965	8 432	8 905
Minor assets	5 267	3 449	2 212	5 854	3 573	3 393	3 584	3 818	4 031
Audit costs: External	5 598	5 863	6 282	5 451	5 451	5 438	5 770	6 110	6 452
Bursaries: Employees	954	1 580	190	667	599	599	635	673	711
Catering: Departmental activities	8 142	5 422	5 072	6 108	6 701	7 349	4 842	5 235	5 528
Communication (G&S)	20 587	15 537	20 449	20 439	19 299	17 925	19 571	21 513	22 716
Computer services	13 596	17 197	15 507	16 125	20 252	20 093	21 553	23 195	24 494
Consultants: Business and advisory services	2 063	2 673	1 286	1 903	2 629	2 643	2 296	2 425	2 560
Infrastructure and planning services	12 013	10 057	9 567	10 220	7 249	7 350	9 367	12 326	10 905
Laboratory services	25	25	0	8	2	1	-	0	0
Scientific and technological services	0	0	0	0	0	0	-	0	0
Legal services	1 779	3 990	1 874	2 083	2 083	2 108	2 234	2 366	2 499
Contractors	23 509	26 569	22 355	72 435	59 806	56 362	44 429	28 270	38 624
Agency and support / outsourced services	12	30	0	44	0	0	12	13	14
Entertainment	463	150	196	217	276	267	236	239	252
Fleet services (including government motor transport)	32 597	27 471	16 921	18 585	17 723	17 719	20 080	22 882	24 162
Housing	0	0	0	0	0	0	-	0	0
Inventory: Clothing material and accessories	643	277	353	341	0	0	-	0	0
Inventory: Farming supplies	85 239	142 551	196 412	221 629	215 887	216 040	113 676	122 652	130 210
Inventory: Food and food supplies	1 589	1 640	1 394	1 257	540	540	565	599	633

SUMMARY	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Revised Baseline	Revised Baseline	Revised Baseline
Inventory: Fuel, oil and gas	419	1 892	1 238	1 718	998	839	660	700	739
Inventory: Learner and teacher support material	290	0	5	81	41	41	43	46	49
Inventory: Materials and supplies	392	1 241	10 344	2 974	3 453	3 183	3 419	3 621	3 822
Inventory: Medical supplies	354	611	195	480	1 128	1 097	1 123	1 202	1 269
Inventory: Medicine	17 566	20 380	26 937	32 745	30 531	31 731	34 118	36 119	38 142
Medsas inventory interface	0	0	0	0	0	0	-	0	0
Inventory: Other supplies	723	0	1 089	1 437	2 865	2 255	4 218	2 571	8 716
Consumable supplies	6 565	7 576	7 622	37 280	21 689	21 058	9 450	10 444	14 216
Consumable: Stationery, printing and office supplies	5 391	5 887	7 589	6 832	7 275	7 287	6 891	7 232	9 639
Operating leases	10 004	10 774	8 212	14 231	12 206	12 360	13 249	14 047	14 833
Property payments	13 529	15 818	16 848	17 705	13 723	13 844	15 294	16 833	17 775
Transport provided: Departmental activity	34	0	0	0	0	0	-	0	0
Travel and subsistence	90 158	89 369	87 300	80 853	71 932	76 353	75 454	78 914	83 330
Training and development	11 063	13 139	13 182	27 277	24 325	23 772	17 128	18 557	19 596
Operating payments	13 080	10 831	12 088	13 520	10 355	10 140	10 771	11 403	12 042
Venues and facilities	4 714	3 211	3 137	2 547	3 802	4 167	4 427	4 689	4 951
Rental and hiring	3 689	3 023	3 876	2 468	2 012	1 959	2 114	2 239	2 365
Interest paid	-	-	590	-	-	-	-	-	-
Transfers and subsidies	249 515	274 072	221 232	250 798	271 241	271 949	368 265	375 440	351 395
Departmental agencies and accounts	194 196	210 779	153 573	185 707	197 793	197 772	302 370	301 077	271 867
Non-profit institutions	31 282	39 520	43 875	48 464	54 071	54 071	52 395	55 435	59 540
Households	24 037	23 773	23 784	16 627	19 377	20 106	18 000	18 928	19 988
Payments for capital assets	123 886	102 517	154 342	170 104	213 137	209 225	172 689	208 379	216 319
Buildings and other fixed structures	50 745	36 480	79 006	82 322	119 081	122 164	113 203	144 528	148 894
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	50 745	36 480	79 006	82 322	119 081	122 164	113 203	144 528	148 894
Machinery and equipment	69 005	59 942	57 098	56 497	63 356	65 207	59 486	63 851	67 425
Transport equipment	27 903	19 969	19 818	22 511	26 316	27 002	26 152	29 399	31 049
Other machinery and equipment	41 102	39 973	37 280	33 986	37 040	38 205	33 333	34 453	36 376
Intangible Assets	-	-	3 000	-	-	-	-	-	-
Biological assets	4 136	6 095	15 238	31 285	30 700	21 854	-	-	-
Payment for financial assets	-	20 000	27 461	20 000	20 000	20 000	-	-	-
TOTAL	1 731 203	1 852 768	1 967 584	2 209 319	2 215 122	2 205 881	2 205 432	2 332 317	2 454 191

Source: Budget Statement 2; 2017/18

3.2. Relating expenditure trends to strategic outcome oriented goals

Performance trends

The Provincial MTSF priority number three “stimulating rural development, land reform and food security” find its expression in the EC Rural Development Plan which seeks to:

- Strengthen planning and coordination of the implementation of rural development priorities as outline above across all spheres of government
- Revitalize of agricultural sector to expand and create employment opportunities
- Initiate of catalytic rural programs through districts development and investment plans
- Facilitate and coordinate the Rural Development IGR and Stakeholder Engagement to support rural development programmes.

Total expenditure increased from R1.731 billion in 2013/14 to a revised estimate of R2.206 billion in 2016/17 due to an increase in equitable share for an increase in agricultural productivity and increase in conditional grants. In 2017/18, the budget decreased to R2.205 billion reflecting a growth of 0 per cent. Due to decrease in Conditional Grant allocation and cut in drought allocation that was allocated for one year.

Compensation of Employees increased from R959,588 million in 2013/14 to a revised estimate of R1.127 billion in 2016/17. The increase was mainly due to annual Improvement of Conditions of Service (ICS). In 2017/18, Compensation of Employees is estimated to grow by 7 per cent and continues to grow moderately over the 2 outer years.

Goods and Services increased from R398.214 million in 2013/14 to a revised estimate of R578.067 million in 2016/17. In 2017/18, the budget decreases by 21 per cent to R457.161 million mainly due to reduction of additional funding received for drought and policy shift.

Transfers and Subsidies increases from R249.515 million in 2013/14 to a revised estimate of R271.949 million 2016/17, mainly due to the increase of fund for the establishment of milling hubs by ECRDA. In 2017/18, it increases by 35 per cent to R368.265 million due to reprioritization of goods and serves and capital allocation due to policy shift . Also the additional funding allocated to Tshabo Red Hub. It grows the moderately over the 2 outer years..

Payments for Capital Assets increased from R123.886 million in 2013/14 to a revised estimate of R209.225 million in 2016/17. The increase was attributed to some conditional grant funding being reprioritised from Goods and Services to this line item. In 2017/18, the budget decreases by 17 per cent to R172.689 million due to policy shift , reprioritized from capital allocation to transfers..

PART B:

PROGRAMME AND SUB- PROGRAMME PLANS



PART B: PROGRAMME AND SUB-PROGRAMME PLANS

STRATEGIC GOALS AND OBJECTIVES

STRATEGIC GOALS		STRATEGIC OBJECTIVES	
SG1	Coherent and co-ordinated rural development for improved quality of life.	SO 1.1	Rural development initiatives facilitated and coordinated.
		SO 1.2	Improved livestock production.
		SO 1.3	Increased crop production.
SG 2	Good governance and clean administration.	SO 2.1	Political leadership and strategic direction provided
		SO 2.2	Overall accountability, integration and implementation of strategy provided.
		SO 2.3	Overall financial, human and technological management support provided.

THE DEPARTMENT'S PROGRAMME STRUCTURE

PROGRAMMES		SUB-PROGRAMMES	
1.	Administration	1.1	Office of the MEC
		1.2	Senior Management
		1.3	Corporate Services
		1.4	Financial Management
		1.5	Communication Services
2.	Sustainable Resource Management	2.1	Engineering Services
		2.2	Land Care
		2.3	Land Use Management
		2.4	Disaster Risk Management
3.	Farmer Support and Development	3.1	Farmer Settlement and Development
		3.2	Extension and Advisory Services
		3.3	Food Security
4.	Veterinary Services	4.1	Animal Health
		4.2	Export Control
		4.3	Veterinary Public Health
		4.4	Veterinary Laboratory Services
5.	Research and Technology Development Services	5.1	Research
		5.2	Technology Transfer Services
		5.3	Infrastructure Support Services
6.	Agricultural Economics Services	6.1	Agri-Business Support and Development
		6.2	Macroeconomics Support
7.	Structured Agricultural Education and Training	7.1	Higher Education and Training
		7.2	Agricultural Skills Development
8.	Rural Development Coordination	8.1	Development Planning and Monitoring
		8.2	Social Facilitation

4. PROGRAMME 1: ADMINISTRATION

Objective: To manage and formulate policy directives and priorities and, to ensure there is appropriate support service to all other programmes with regard to finance, human capital, communication and supply chain management.

NB: Common indicators which appear in Part B are crafted by the national Department of Agriculture, Forestry & Fisheries as a result, the Department has no control over the crafting of the indicators according to the SMART principle.

Strategic Goal 2	Good governance and clean administration
Goal Statement	To improve the management of human and financial resources, ensure effective internal control systems and accessible public service, risk management and corporate governance resulting in better performance of the department.
Justification	To achieve clean administration and better service delivery to customers.
Links	Public Service Legislation/Policies and the Medium Term Strategic Framework.
Outcome	Accelerated service delivery through streamlined processes and effective systems (operational efficacy).
Impact	Better public service and value for money for customers.

Strategic Objective Annual Targets		Audited/Actual performance			Estimated performance 2016/ 2017	Medium-term targets		
		2013/ 2014	2014/ 2015	2015/ 2016		2017/ 2018	2018/ 2019	2019/ 2020
1	Political leadership and guidance to the department, stakeholders, developmental agencies, sector/strategic partners and donors provided through holding retreats and stakeholder engagement sessions in order to ensure that they contribute towards the fulfillment of the mandate by improving people's lives by 2019.	Qualified Audit Opinion	Qualified Audit Opinion	Qualified Audit Opinion	Unqualified Audit Opinion	Unqualified Audit Opinion	Unqualified Audit Opinion	Clean Audit

Sub-Programme 1.1: Office of the MEC

Objective: To set priorities and political directives in order to meet the needs of clients.

Strategic Objective 2.1	Political leadership and strategic direction provided
Objective Statement	Political leadership and guidance to the department, stakeholders, developmental agencies, sector/strategic partners and donors provided through holding retreats and stakeholder engagement sessions in order to ensure that they contribute towards the fulfillment of the mandate by improving people's lives by 2019.
Measure (s)	Formal relationship established with the agricultural sector industry Commodity Groups.
Baseline	Political Mandate as contained in the Manifesto of the ruling party. Priorities are set in terms of the State of the Nations Address (SONA), State of the Province Address (SOPA), Policy Speech, Strategic Plan; EXCO reports and outcomes reported in the Annual reports; MoUs; implemented. Provincial and Departmental Communication Strategy.
Justification	The need to provide political leadership and strategic direction will ensure that people's needs and aspirations are met.
Links	Strategic Goal 1: Ruling party's Manifesto and National Outcome 4, 7 and 10.

Performance indicators and annual targets for 2017/18								
PERFORMANCE INDICATOR		Audited/Actual performance			Estimated performance 2016/ 2017	Medium-term targets		
		2013/ 2014	2014/ 2015	2015/ 2016		2017/ 2018	2018/ 2019	2019/ 2020
1.1	Number of MEC's engagements with Public Stakeholders (IGR /MinMec / MuniMec) and Private Enterprise conducted to ensure optimal alignment of the Department	16	15	32	32	32	32	32
1.2	Number of statutory documents tabled at the legislature.	3	4	5	7	7	7	7
1.3	Number of MEC's special programmes' interventions implemented to cater for rural development priorities.	12	8	8	8	8	8	8

Quarterly targets for 2017/18							
PERFORMANCE INDICATOR		Reporting period	Annual target 2017/ 2018	Quarterly targets			
				1 st	2 nd	3 rd	4 th
1.1	Number of MEC's engagements with Public Stakeholders (IGR /MinMec /MuniMec) and Private Enterprise conducted to ensure optimal alignment of the Department	Quarterly	32	8	9	6	9
1.2	Number of statutory documents tabled at the legislature.	Annually	7	1	1	1	4
1.3	Number of MEC's special programmes' interventions implemented to cater for rural development priorities	Quarterly	8	1	2	3	2

Sub-Programme 1.2: Senior Management

Objective: To translate policies and priorities into strategies and programmes for effective service delivery and to manage, monitor and control performance.

Strategic Objective 2.2	Overall accountability, integration and implementation of strategy provided.
Objective Statement	Improved strategic management services through effective policy development and implementation, strategic planning, the management of transformation services (including culture change program), communication of the strategy and monitoring and evaluation of the impact of programmes / integrated projects implemented by the department in response to the needs of rural communities and customers by 2019..
Measure (s)	Strategic plan which is aligned the MTSF priorities; at least one major programme evaluated over the term; a total of 2 500 employees covered by the Culture Change Programme over the term.
Baseline	Legal prescripts, Policy Speech, Departmental Policies in place, Strategic Plan, Annual Performance Plan, Annual Report, Outcome 7 Report and Cluster reports and Annual Financial Statements, MPAT, FMCMM, Audit Opinion.
Justification	To ensure that there is total integration of strategy management and accountability in the Department.
Links	Strategic Goal 1

Performance indicators and annual targets for 2017/18

PERFORMANCE INDICATOR		Audited/Actual performance			Estimated performance 2016/ 2017	Medium-term targets		
		2013/ 2014	2014/ 2015	2015/ 2016		2017/ 2018	2018/ 2019	2019/ 2020
2.1	Number of strategic leadership and management sessions held to enhance efficiency in the Department.	-	16	12	12	12	12	12
2.2	Number of organizational performance review sessions concluded	-	4	4	4	4	4	4
2.3	Number of governance sessions concluded	-	9	13	8	12	14	14

Quarterly targets for 2017/18

PERFORMANCE INDICATOR		Reporting period	Annual target 2017/ 2018	Quarterly targets			
				1 st	2 nd	3 rd	4 th
2.1	Number of strategic leadership and management sessions held to enhance efficiency in the Department.	Quarterly	12	3	3	3	3
2.2	Number of organizational performance review sessions concluded	Quarterly	4	1	1	1	1
2.3	Number of governance sessions concluded	Quarterly	12	2	4	2	4

Sub-Programme 1.3: Corporate Services

Objective: To provide support service to the other programmes with regard to human resources management and development and Information Communication Technology service.

Strategic Objective 2.2	Overall accountability, integration and implementation strategy provided.
Objective Statement	Improved strategic management services through effective policy development and implementation, strategic planning, the management of transformation services (including culture change program), communication of the strategy and monitoring and evaluation of the impact of programmes / integrated projects implemented by the department in response to the needs of rural communities and customers by 2019.
Measure (s)	Strategic plan which is aligned the MTSF priorities; at least one major programme evaluated over the term; a total of 2 500 employees covered by the Culture Change Programme over the term.
Baseline	Legal prescripts, Policy Speech, Departmental Policies in place, Strategic Plan, Annual Performance Plan, Annual Report, Outcome 7 Report and Cluster reports and Annual Financial Statements, MPAT, FMCMM, Audit Opinion.
Justification	To ensure that there is total integration of strategy management and accountability in the Department.
Links	Strategic Goal 1

Strategic Objective 2.3	Overall financial, human and technological management support provided
Objective Statement	Improved financial, human and technological management through needs based budget planning, supply chain management, auxiliary services; In-Year monitoring reporting, and monitoring of internal controls; implementation of the human resource plan, performance management, skills development and effective implementation of the ICT strategy by 2019.
Measure (s)	Unqualified audit opinion by 2019
Baseline	Legal prescripts, Performance Management and Development System, Human Resource Plan, Work Place Skills Plan, and Employment Equity Plans, Wellness Programme, Budget Plan, Audit Intervention Plan, Annual Financial Statements and Provincial ICT Strategy, MPAT, FMCMM, Audit Opinion.
Justification	To ensure effective information communication technology, financial and human resource management are aligned with regulatory framework resulting in improved audit outcomes.
Links	Strategic Goal 1 and 2

Performance indicators and annual targets for 2017/18								
PERFORMANCE INDICATOR		Audited/Actual performance			Estimated performance 2016/ 2017	Medium-term targets		
		2013/ 2014	2014/ 2015	2015/ 2016		2017/ 2018	2018/ 2019	2019/ 2020
3.1	Number of Human Resource Management and Development practices implemented to improve overall performance of the department as per compliance accountability framework.	-	3*	3*	3*	4	4	4
3.2	Number of interventions implemented on auxiliary services as per legislative framework to ensure conducive working environment.	-	4	4	4	4	4	4
3.3	Number of ICT interventions implemented in accordance with the ICT Governance Framework to enhance technological efficiencies.	-	4	4	4	4	4	4
3.4	Number of transformation interventions implemented in accordance with the Provincial Transformation Strategy.	-	4	4	4	4	4	4
3.5	Number of evidence based Policies developed/reviewed.	-	4	8	5	5	5	5

Quarterly targets for 2017/18							
PERFORMANCE INDICATOR		Reporting period	Annual target 2017/ 2018	Quarterly targets			
				1 st	2 nd	3 rd	4 th
3.1	Number of Human Resource Management and Development practices implemented to improve overall performance of the department as per compliance accountability framework.	Quarterly	4	1	1	1	1
3.2	Number of interventions implemented on auxiliary services as per legislative framework to ensure conducive working environment.	Quarterly	4	1	1	1	1
3.3	Number of ICT interventions implemented in accordance with the ICT Governance Framework to enhance technological efficiencies.	Quarterly	4	1	1	1	1
3.4	Number of transformation interventions implemented in accordance with the Provincial Transformation Strategy.	Quarterly	4	1	1	1	1
3.5	Number of evidence based Policies developed/reviewed.	Quarterly	5	-	2	2	1

Sub- Programme 1.4: Financial Management

Objective: To provide effective support services with regard to financial planning and control and supply chain management.

Strategic Objective 2.3	Overall financial, human and technological management support provided
Objective Statement	Improved financial, human and technological management through needs based budget planning, supply chain management, auxiliary services; In-Year monitoring reporting, and monitoring of internal controls; implementation of the human resource plan, performance management, skills development and effective implementation of the ICT strategy by 2019.
Measure (s)	Unqualified audit opinion by 2019
Baseline	Legal prescripts, Performance Management and Development System, Human Resource Plan, Work Place Skills Plan, and Employment Equity Plans, Wellness Programme, Budget Plan, Audit Intervention Plan, Annual Financial Statements and Provincial ICT Strategy, MPAT, FMCMM, Audit Opinion.
Justification	To ensure effective information communication technology, financial and human resource management are aligned with regulatory framework resulting in improved audit outcomes.
Links	Strategic Goal 1 & 2

Performance indicators and annual targets for 2017/18								
PERFORMANCE INDICATOR		Audited/Actual performance			Estimated performance 2016/ 2017	Medium-term targets		
		2013/ 2014	2014/ 2015	2015/ 2016		2017/ 2018	2018/ 2019	2019/ 2020
4.1	Number of days taken to pay suppliers in terms of the PFMA	-	-	22	30	30	30	30
4.2	Number of credible Interim and Annual Financial Statements submitted on due date in accordance with the modified cash accounting guidelines	-	-	5	4	4	4	4
4.3	Number of MTEF budget documents, In year Monitoring reports submitted to Provincial Treasury by the due date	-	-	15	14	14	14	14
4.4	Number of reports compiled on management of contracts to assess supplier performance.	-	-	12	12	12	12	12

Quarterly targets for 2017/18							
PERFORMANCE INDICATOR		Reporting period	Annual target 2017 /2018	Quarterly targets			
				1 st	2 nd	3 rd	4 th
4.1	Number of days taken to pay suppliers in terms of the PFMA	Quarterly	30days	30	30	30	30
4.2	Number of credible Interim and Annual Financial Statements submitted on due date in accordance with the modified cash accounting guidelines	Quarterly	4	1	1	1	1
4.3	Number of MTEF budget documents, In year Monitoring reports submitted to Provincial Treasury by the due date	Quarterly	14	3	3	4	4
4.4	Number of reports compiled on management of contracts to assess supplier performance.	Quarterly	12	3	3	3	3

Sub-Programme 1.5: Communication Services

Objective: To improve internal and external communications of the Department through written, verbal, visual and electronic media as well as marketing and advertising of the Departmental services.

Strategic Objective 2.2	Overall accountability, integration and implementation of strategy provided.
Objective Statement	Improved strategic management services through effective policy development and implementation, strategic planning, the management of transformation services (including culture change program), communication of the strategy and monitoring and evaluation of the impact of programmes / integrated projects implemented by the department in response to the needs of rural communities and customers by 2019.
Measure (s)	Strategic plan which is aligned the MTSF priorities; at least one major programme evaluated over the term; a total of 2 500 employees covered by the Culture Change Programme over the term.
Baseline	Legal prescripts, Policy Speech, Departmental Policies in place, Strategic Plan, Annual Performance Plan, Annual Report, Outcome 7 Report and Cluster reports and Annual Financial Statements, MPAT, FMCMM, Audit Opinion.
Justification	To ensure that there is total integration of strategy management and accountability in the Department.
Links	Strategic Goal 1

Performance indicators and annual targets for 2017/18								
PERFORMANCE INDICATOR		Audited/Actual performance			Estimated performance 2016/ 2017	Medium-term targets		
		2013/ 2014	2014/ 2015	2015/ 2016		2017/ 2018	2018/ 2019	2019/ 2020
5.1	Number of projects implemented in support of departmental priorities in accordance with the Communication plan	1	4	4	4	4	4	4
5.2	Number of projects implemented in accordance with the Customer Care Plan.	-	2	4	4	4	4	4

Quarterly targets for 2017/18							
PERFORMANCE INDICATOR		Reporting period	Annual target 2017/ 2018	Quarterly targets			
				1 st	2 nd	3 rd	4 th
5.1	Number of projects implemented in support of departmental priorities in accordance with the Communication plan	Quarterly	4	1	1	1	1
5.2	Number of projects implemented in accordance with the Customer Care Plan.	Quarterly	4	1	1	1	1

Reconciling performance targets with the budget and MTEF estimates

Administration	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
		Audited Outcome		Main Appropriation	Adjusted Appropriation	Revised Estimate	Revised Baseline	Revised Baseline	Revised Baseline
Office of the MEC	12 458	12 681	11 629	14 100	14 100	14 338	12 625	13 491	14 352
Senior Management	28 308	62 069	69 435	65 875	64 875	64 063	43 131	46 893	48 923
Corporate Services	184 768	187 895	196 892	206 690	207 740	207 862	221 459	230 546	248 430
Financial Management	156 605	148 416	148 130	155 492	155 492	156 491	163 704	173 671	186 587
Communication Services	6 559	6 837	8 325	10 439	9 439	9 279	9 778	10 429	11 110
Total	388 698	417 898	434 411	452 596	451 646	452 033	450 697	475 030	509 402
Current payments	347 022	363 672	364 936	398 027	395 090	395 140	416 556	437 466	469 736
Compensation of employees	236 663	256 719	267 500	289 990	288 990	287 812	309 522	323 721	349 627
Goods and services	110 359	106 953	97 436	108 037	106 100	107 328	107 034	113 745	120 109
Transfers and subsidies	24 037	23 773	23 784	16 627	19 377	20 106	18 000	18 928	19 988
Payments for capital assets	17 639	10 453	18 230	17 942	17 179	16 787	16 141	18 636	19 678
Payments for financial assets		20 000	27 461	20 000	20 000	20 000			
Total	388 698	417 898	434 411	452 596	451 646	452 033	450 697	475 030	509 402

This support Programme will play a critical role in the implementation of the Agriculture Economic and Transformation Strategy by facilitating skills audit, training extension officials in specialised commodity areas, training on social mobilisation and business reporting on commodity based projects and cluster based projects. The organisation functionality, architecture, culture and systems will be engineered to fit the Strategic intent.

Expenditure for the programme increased from R388.698 million in 2013/14 to a revised estimate of R452 033 million in 2016/17, this was due to unauthorised expenditure that was incurred in the previous years. In 2017/18, the allocation decreases by 0.3 per cent to R450.697 million, due to baseline cut.

5. PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT

Objective: To provide agricultural support services to farmers in order to ensure sustainable development and management of agricultural resources

Strategic Goal 1	Coherent and co-ordinated rural development for improved quality of life
Goal Statement	To improve rural development through integrated planning, facilitation and co-ordination of provisioning of rural infrastructure, access to social services, non-farm rural economy, social and human, and implementing farmers with appropriate cropping, livestock production technologies by support at least 500 000 and economic growth for sustainable livelihoods, and poverty reduction working with strategic partners, thus contributing to the sector's contribution to GDP by 2019.
Justification	To develop rural areas in a systematic approach in coordination of rural development pillars and to improve agrarian transformation and food with a view to improve people's lives and restore their dignity, and to improve equitable access to food production and income earned by farmers, with special focus on rural women, youth and people.
Links	Rural Development Strategy, National Outcome 4,7&10, CRDP, , SDG's, NDP Chapters 3,4,6&9, MTSF and Strategic Integrated Projects (SIPs)
Outcome	Increased economic, social and financial investments in infrastructure, improved access to basic social services, creation of a sustainable manufacturing rural industry and food security.
Impact	Reduction of poverty, underdeveloped, unemployment and inequality

Strategic Objective 1.1	Rural development initiatives facilitated and co-ordinated
Objective Statement	Facilitate and co-ordinate the implementation of 20 rural development initiatives based on the land reform, agrarian transformation & food security, non-farm rural economy, infrastructure, social & human development (such as enterprise/ entrepreneurship development, use of appropriate technology, and access to credit of R 18 million) through developmental agencies, private sector, government and NGOs by 2019.
Baseline	Co-ordination has mainly been driven at the level of the Inter-governmental Relations Forums (IGR). The Eastern Cape, as one of the poorest provinces, has a huge backlog in respect of infrastructure in all spheres etc. mud schools, clinics, roads networks, water and sanitation and electricity.
Justification	Due to insufficient integration and co-ordination in rural service delivery; and low levels of institutional and technical capacity, especially in the rural areas of the former Transkei and Ciskei. This requires engagement and coordination of Inter-sphere, Inter-Departmental, Rural Development Agencies to achieve rural development
Links	Provincial Anti- Poverty Strategy, Eastern Cape Rural Development Strategy, Provincial MTSF and Eastern Cape Provincial Planning Commission.

Strategic Objective 1.2	Improved livestock production
Objective Statement	Supported 2.3 million animals with veterinary services and animal feed in order to improve access to affordable animal product and fibre production by using the latest research technology outputs, provisioning of 466 agricultural infrastructure projects (livestock water supply units, animal handling facilities, and renovation of dip tanks), implementation of the Livestock Improvement Scheme, conducted training and development of 16 000 farmers in livestock management and crop production, increasing the supply of livestock fodder, marketing of livestock and its by-products supporting 1500 agri-businesses over the five year period, with focus on livestock owners.
Baseline	2.3 million LSUs belonging to 500 000 farmers are grossly underutilized and have a latent potential to make the Eastern Cape the food basket of South Africa
Justification	Livestock productivity of the resource-poor farmers is currently low and uneven in the Eastern Cape, hence a need to improve food production and income earned by farmers.
Links	SDGs; NDP, Agriculture Sector Plan, Outcomes 4, 7& 10; Rural Development Strategy, and Provincial Strategy Framework

Strategic Objective 1.3	Increased crop production
Objective Statement	Increased area for food production from 33,801 ha of arable land, to 300 000 ha with an estimated yield of 1,2 million tons (includes maize, other high value field crops and horticultural crops) by 2019, supporting 14 268 household gardens, taken into consideration crop research, infrastructural support, mechanisation support, sustainable resource management, conducted training and development of 16 000 farmers in livestock management, crop production and extension advisory services with a village focus on smallholder and subsistence farmers, marketing of livestock and its by-products supporting 1500 agri-business with the ultimate goal to establish them as commercial farmers by 2019.
Measure (s)	Yield per hectare
Baseline	A total of 33,801 ha belonging to farmers have been planted, the potential of arable land to be unlocked is 300 000 ha.
Justification	To increase food production resulting in a food secure province.
Links	Provincial Medium Term Strategic Framework, Eastern Cape Rural Development Strategy, Provincial Growth and Development Plan (), Integrated Food Security Strategy of South Africa (IFSS).

PERFORMANCE INDICATOR		Audited/Actual performance			Estimated performance 2016/ 2017	Medium-term targets		
		2013/ 2014	2014/ 2015	2015/ 2016		2017/ 2018	2018/ 2019	2019/ 2020
1.	Provisioning of 466 agricultural infrastructure over the five year period, with focus on livestock owners.	60	78	110	93	89	184	134

Sub-Programme 2.1: Engineering Services

Objective: To provide engineering support (planning, development, monitoring and evaluation) with regard to irrigation technology, on-farm mechanization, value adding, farm structures, resource conservation management, operation and maintenance of farm equipment, machinery, tools and implements solutions.

Performance indicators and annual targets for 2017/18								
PERFORMANCE INDICATOR		Audited/Actual performance			Estimated performance 2016/ 2017	Medium-term targets		
		2013/ 2014	2014/ 2015	2015/ 2016		2017/ 2018	2018/ 2019	2019/ 2020
1.1	Number of agricultural infrastructure established	60	78	110	104	62	93	100
1.2	Number of clients provided with engineering advice during official visits to enable clients to operate and maintain infrastructure machinery or equipment.	1205	1 123	1 201	855	833	877	897

Quarterly targets for 2017/18							
PERFORMANCE INDICATOR		Reporting period	Annual target 2017/ 2018	Quarterly targets			
				1 st	2 nd	3 rd	4 th
1.1	Number of agricultural infrastructure established	Quarterly	62	3	15	39	5
1.2	Number of clients provided with engineering advice during official visits to enable clients to operate and maintain infrastructure machinery or equipment.	Quarterly	833	174	196	260	203

Sub-programme 2.2: Land Care

Objective: To promote the sustainable use and management of natural agricultural resources.

Performance indicators and annual targets for 2017/18								
PERFORMANCE INDICATOR		Audited/Actual performance			Estimated performance 2016/ 2017	Medium-term targets		
		2013/ 2014	2014/ 2015	2015/ 2016		2017/ 2018	2018/ 2019	2019/ 2020
2.1	Number of awareness campaigns conducted on Land Care to promote conservation of natural resources.	19	17	17	17	18	17	17
2.2	Number of capacity building exercises conducted within approved Land Care projects to empower beneficiaries/ organised structures to implement conservation measures for natural resources.	27	21	10	17	19	14	15
2.3	Number of hectares protected / rehabilitated to improve agricultural production	6 529	3 616	6 433	3 978	2 223	1 807	1 843
2.4	Number of beneficiaries adopting / practicing sustainable production technologies and practices for improved livelihoods	1 175	872	912	572	890	917	934
2.5	Number of green jobs created through Land Care	4 208	1 933	1 203	452	236	249	256

Quarterly targets for 2017/18							
PERFORMANCE INDICATOR		Reporting period	Annual target 2017/ 2018	Quarterly targets			
				1 st	2 nd	3 rd	4 th
2.1	Number of awareness campaigns conducted on Land Care to promote conservation of natural resources.	Quarterly	18	2	9	6	1
2.2	Number of capacity building exercises conducted within approved Land Care projects to empower beneficiaries/ organised structures to implement conservation measures for natural resources.	Quarterly	19	3	11	3	2
2.3	Number of hectares protected / rehabilitated to improve agricultural production	Quarterly	2 223	112	924	843	344
2.4	Number of beneficiaries adopting/ practicing sustainable production technologies and practices for improved livelihoods	Quarterly	890	-	350	642	890
2.5	Number of green jobs created through Land Care	Quarterly	236	20	236	236	98

Sub-programme 2.3: Land Use Management.

Objective: To promote the implementation of sustainable use and management of natural agricultural resources through regulated Land Use (Act 43 of 1983 and Act 70 of 1970, and related legislation).

Performance indicators and annual targets for 2017/18								
PERFORMANCE INDICATOR		Audited/Actual performance			Estimated performance 2016/ 2017	Medium-term targets		
		2013/2014	2014/2015	2015/2016		2017/2018	2018/2019	2019/2020
3.1	Number of agricultural land management use plans developed at municipal level	300 247	302 167	419 578	223 430	6	6	6
3.2	Number of complaints attended to for agricultural land and boundary disputes in communal areas	94	72	92	94	85	92	96
3.3	Number of sites demarcated for development purposes in rural / communal areas.	-	1435	5 346	3 434	3 135	3 327	3 456
3.4	Number of hectares of agricultural land protected through guiding subdivision/ rezoning/ change of agricultural land use	-	9	3 274	5 390	2 580	3 735	3 841
3.5	Number of farm plans and management plans developed	75	95	129	99	186	179	175
3.6	Number of natural/agricultural resources maps produced for planning and decision making purposes.	-	-	315	169	312	207	211

Quarterly targets for 2017/18							
PERFORMANCE INDICATOR		Reporting period	Annual target 2017/ 2018	Quarterly targets			
				1 st	2 nd	3 rd	4 th
3.1	Number of agricultural land management use plans developed at municipal level	Annually	6	-	-	-	6
3.2	Number of complaints attended to for agricultural land and boundary disputes in communal areas	Quarterly	85	17	27	24	17
3.3	Number of sites demarcated for development purposes in rural / communal areas.	Quarterly	3 135	628	948	811	748
3.4	Number of hectares of agricultural land protected through guiding subdivision/ rezoning/ change of agricultural land use	Quarterly	2 580	-	850	1 230	500
3.5	Number of farm plans and management plans developed	Quarterly	186	37	51	55	43
3.6	Number of natural/agricultural resources maps produced for planning and decision making purposes.	Quarterly	312	89	75	86	62

Sub-programme 2.4: Disaster Risk Management

Objective: To provide agricultural disaster risk management support services to clients / farmers.

Performance indicators and annual targets for 2017/18								
PERFORMANCE INDICATOR		Audited/Actual performance			Estimated performance 2016/ 2017	Medium-term targets		
		2013/ 2014	2014/ 2015	2015/ 2016		2017/ 2018	2018/ 2019	2019/ 2020
4.1	Number of disaster relief schemes managed	4	1	2	1	1	1	1
4.2	Number of disaster risk reduction programmes managed	-	-	1	1	1	1	1

Quarterly targets for 2017/18							
PERFORMANCE INDICATOR		Reporting period	Annual target 2017/ 2018	Quarterly targets			
				1 st	2 nd	3 rd	4 th
4.1	Number of disaster relief schemes managed	Annually	1	-	-	-	1
4.2	Number of disaster risk reduction programmes managed	Annually	1	-	-	-	1

Reconciling performance targets with the budget and MTEF estimates

Sustainable Resource	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Revised Baseline	Revised Baseline	Revised Baseline
Engineering Services	62 244	63 980	66 904	60 328	60 288	60 696	60 859	65 066	69 356
Land Care	15 177	10 992	12 118	11 632	11 632	12 154	12 812	12 016	13 018
Land Use Management	61 770	49 629	45 641	47 606	47 527	46 683	50 289	53 708	57 238
Disaster Risk Management	2 936	2 937	-	-	-	-	-	-	-
Total	142 127	127 538	124 663	119 566	119 447	119 533	123 960	130 789	139 612
Current payments	131 817	116 329	113 038	113 043	113 697	113 274	117 816	124 261	132 719
Compensation of employees	85 996	79 744	81 110	86 817	86 817	85 898	90 939	97 215	103 825
Goods and services	45 821	36 585	31 928	26 226	26 880	27 376	26 877	27 047	28 894
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	10 310	11 209	11 625	6 523	5 750	6 259	6 144	6 528	6 893
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	142 127	127 538	124 663	119 566	119 447	119 533	123 960	130 789	139 612

The Programme supports the strategy with technical support in the agricultural infrastructure designs, project supervision, soil conservation measures, rehabilitation of land. Regular disaster risk surveillances are conducted to support the farmers in times of eminent disasters such as the current drought

Expenditure of the programme decreased from R142.127 million in 2013/14 to a revised estimate of R119.533 million in 2016/17 due to the reprioritisation of the CASP budget to crop production under Farmer Support and Development as well the reduction in the Land Care conditional grant. In 2017/18, the budget increases by 3.7 per cent to R123.960 million

6. PROGRAMME 3: FARMER SUPPORT AND DEVELOPMENT

Objective: To provide support to farmers through agricultural development programmes.

Strategic Objective 1.2	Improved livestock production
Objective Statement	Supported 2.3 million animals with veterinary services and animal feed in order to improve access to affordable animal product and fibre production by using the latest research technology outputs, provisioning of 466 agricultural infrastructure projects (livestock water supply units, animal handling facilities, and renovation of dip tanks), implementation of the Livestock Improvement Scheme, conducted training and development of 16 000 farmers in livestock management and crop production, increasing the supply of livestock fodder, marketing of livestock and its by-products supporting 1500 agri-businesses over the five year period, with focus on livestock owners.
Baseline	2.3 million LSUs belonging to 500 000 farmers are grossly underutilized and have a latent potential to make the Eastern Cape the food basket of South Africa
Justification	Livestock productivity of the resource-poor farmers is currently low and uneven in the Eastern Cape, hence a need to improve food production and income earned by farmers.
Links	SDGs; NDP, Agriculture Sector Plan, Outcomes 4, 7& 10; Rural Development Strategy, and Provincial Strategy Framework

Strategic Objective 1.3	Increased crop production
Objective Statement	Increased area for food production from 33,801 ha of arable land, to 300 000 ha with an estimated yield of 1,2 million tons (includes maize, other high value field crops and horticultural crops) by 2019, supporting 14 268 household gardens, taken into consideration crop research, infrastructural support, mechanisation support, sustainable resource management, conducted training and development of 16 000 farmers in livestock management, crop production and extension advisory services with a village focus on smallholder and subsistence farmers, marketing of livestock and its by-products supporting 1500 agri-business with the ultimate goal to establish them as commercial farmers by 2019.
Baseline	A total of 33,801 ha belonging to farmers have been planted, the potential of arable land to be unlocked is 300 000 ha.
Justification	To increase food production resulting in a food secure province.
Links	Provincial Medium Term Strategic Framework, Eastern Cape Rural Development Strategy, Provincial Growth and Development Plan (), Integrated Food Security Strategy of South Africa (IFSS).

Strategic Objective Annual Targets for 2017/18								
Strategic Objective		Audited/Actual performance			Estimated performance 2016/ 2017	Medium-term targets		
		2013/ 2014	2014/ 2015	2015/ 2016		2017/ 2018	2018/ 2019	2019/ 2020
1.	Increased area for food production from 33,801 ha of arable land, to 300 000 ha with an estimated yield of 1,2 million tons (includes maize, other high value field crops and horticultural crops) by 2019.	12 888	18 069		43 800	32 138	39 188	39 288
2	Supporting 14 268 household gardens, taken into consideration crop research, infrastructural support, mechanisation support, sustainable resource management, marketing, farmer training and extension advisory services with a village focus on smallholder and subsistence farmers with the ultimate goal to establish them as commercial farmers by 2019.	11 532	13 634		10 000	6 673	6 330	6 630

Sub-Programme 3.1: Farmer Settlement and Development

Objective: To provide support to smallholder and commercial producers for sustainable agricultural development

Performance indicators and annual targets for 2017/18								
PERFORMANCE INDICATOR		Audited/Actual performance			Estimated performance 2016/ 2017	Medium-term targets		
		2013/ 2014	2014/ 2015	2015/ 2016		2017/ 2018	2018/ 2019	2019/ 2020
1.1	Number of smallholder producers receiving support	972	915	2 357	2 447	3 409	2 216	3 097
1.2	Number of agricultural infrastructure development initiatives completed that contribute to increased agricultural production levels and /or efficiencies for food security and economic development.	50	54	182	164	89	184	134
1.3	Number of jobs created in support of rural development in previously disadvantaged farming areas	512	456	1 018	457	1 081	596	517

Quarterly targets for 2017/18							
PERFORMANCE INDICATOR		Reporting period	Annual target 2017/ 2018	Quarterly targets			
				1 st	2 nd	3 rd	4 th
1.1	Number of smallholder producers receiving support	Quarterly	3 409	-	1 871	911	627
1.2	Number of agricultural infrastructure development initiatives completed that contribute to increased agricultural production levels and /or efficiencies for food security and economic development.	Quarterly	89	1	39	38	11
1.3	Number of jobs created in support of rural development in previously disadvantaged farming areas	Quarterly	1 081	-	272	436	373

Sub-Programme 3.2: Extension and Advisory Services

Objective: To provide extension and advisory services to farmers.

Performance indicators and annual targets for 2017/18								
PERFORMANCE INDICATOR		Audited/Actual performance			Estimated performance 2016/ 2017	Medium-term targets		
		2013/ 2014	2014/ 2015	2015/ 2016		2017/ 2018	2018/ 2019	2019/ 2020
2.1	Number of smallholder producers supported with agricultural advice	1169	1193	1 709	1 520	1 540	1 677	1 716
2.2	Number of Commodities supported with technical or generic business advice to enhance farming outputs.	-	*28	7	*7	*8	*8	*8
2.3	Number reports on implemented projects in accordance with the Extension Recovery Plan (ERP).	4	4	4	4	28	28	28

*This figure (*8) is not accumulative as it represents the same number of commodity groups supported throughout the year.

Quarterly targets for 2017/18							
PERFORMANCE INDICATOR		Reporting period	Annual target 2017/ 2018	Quarterly targets			
				1 st	2 nd	3 rd	4 th
2.1	Number of smallholder producers supported with agricultural advice.	Annually	1 540	-	-	-	1 540
2.2	Number of Commodities supported with technical or generic business advice to enhance farming outputs.	Quarterly	*8	*8	*8	*8	*8
2.3	Number reports on implemented projects in accordance with the Extension Recovery Plan (ERP).	Quarterly	4	1	1	1	1

*This figure (*8) is not cumulative as it represents the same number of commodity groups supported throughout the year.

Sub-Programme 3.3: Food Security

Objective: To support, advise and coordinate the implementation of pillar one of the Integrated Food Security Strategy of South Africa (IFSS).

Performance indicators and annual targets for 2017/18								
PERFORMANCE INDICATOR		Audited/Actual performance			Estimated performance 2016/ 2017	Medium-term targets		
		2013/ 2014	2014/ 2015	2015/ 2016		2017/ 2018	2018/ 2019	2019/ 2020
3.1	Number of households benefiting from agricultural food security initiatives	11 532	13 634	8 653	10 000	24 000	24 000	24 000
3.2	Number of food security status reports compiled to assess the contribution of agriculture in ensuring food security	4	4	4	4	4	4	4
3.3	Number of hectares cultivated for food production in communal areas and land reform projects	12 888	18 069	21 064	43 800	47 800	49 000	50 000
3.4	Number of hectares supported to horticultural crops to produce for export and for commercial purposes	-	-	1 036	2 946	2 450	1 612	1 662
3.5	Number of hectares of fodder crops supported towards build-up of fodder banks	-	-	-	759	1 286	300	300
3.6	Number of hectares planted to industrial crops (Hemp, chicory, canola etc)	-	-	-	4.5	128	150	150
3.7	Number of livestock enterprises supported to increase production and for value addition	-	4	19	16	70	80	90
3.8	Number of tons produced from hectares of maize planted	-	-	-	197 000	115 500	197 100	200 000

Quarterly targets for 2017/18							
PERFORMANCE INDICATOR		Reporting period	Annual target 2017/ 2018	Quarterly targets			
				1 st	2 nd	3 rd	4 th
3.1	Number of households benefiting from agricultural food security initiatives	Quarterly	24 000	-	13 000	11 000	-
3.2	Number of food security status reports compiled to assess the contribution of agriculture in ensuring food security	Quarterly	4	1	1	1	1
3.3	Number of hectares cultivated for food production in communal areas and land reform projects	Quarterly	47 800	-	-	43 300	4 500

Quarterly targets for 2017/18							
PERFORMANCE INDICATOR		Reporting period	Annual target 2017/ 2018	Quarterly targets			
				1 st	2 nd	3 rd	4 th
3.4	Number of hectares supported to horticultural crops to produce for export and for commercial purposes	Quarterly	2 450	29	1 143	1 078	200
3.5	Number of hectares of fodder crops supported towards build-up of fodder banks	Annually	1 286	-	-	1 286	-
3.6	Number of hectares planted to industrial crops (Hemp, chicory, canola etc)	Quarterly	128	-	108	-	20
3.7	Number of livestock enterprises supported to increase production and for value addition	Quarterly	70	10	25	25	10
3.8	Number of tons produced from hectares of maize planted	Annually	115 500	-	115 500	-	-

Reconciling performance targets with the budget and MTEF estimates

Farmer Support Development	2013/14		2014/15		2015/16		2016/17			2017/18	2018/19	2019/20
	Audited Outcome		Audited Outcome		Audited Outcome		Main Appropriation	Adjusted Appropriation	Revised Estimate	Revised Baseline	Revised Baseline	Revised Baseline
Farmer Settlement	86 279	61 715	87 685			222 299	238 510	237 579	212 258	199 320	212 925	
Extension and Advisory Services	358 127	360 553	375 625			396 006	395 819	395 455	415 158	443 973	473 141	
Food Security	117 754	149 598	191 654			181 860	175 847	176 650	161 446	165 423	175 414	
Total	562 160	571 866	654 964			800 165	810 176	809 684	788 862	808 716	861 480	
Current payments	455 427	509 824	577 110			710 898	664 673	660 084	570 179	589 487	632 020	
Compensation of employees	286 420	294 147	311 963			332 566	332 566	331 240	353 396	377 780	403 469	
Goods and services	169 007	215 677	265 147			378 332	332 107	328 844	216 783	211 707	228 551	
Transfers and subsidies	46 500	7 500	7 000			5 000	18 157	18 157	94 515	69 937	75 541	
Payments for capital assets	60 233	54 542	70 854			84 267	127 346	131 443	124 168	149 292	153 920	
Payments for financial assets	-	-	-			-	-	-	-	-	-	
Total	562 160	571 866	654 964			800 165	810 176	809 684	788 862	808 716	861 481	

This programme supports the Agricultural Economic Transformation Strategy which is based on the commodity and cluster models seeks to enable rural communities, i.e. targeted smallholder/subsistence and communal farmers, to derive optimal economic value out of their agricultural activity through customized government supported partnerships with organized commercial partners. The strategy advocates for the unlocking of private sector investing through facilitation of partnerships between smallholder/communal farmers and private partners. This Programme will support the Grain production by investing on maize cluster to cover 55 000 ha with a projected average yield of 4.5 tons per ha benefiting 2,750 rural farmers. The second program is the horticultural program (covering citrus and Deciduous fruit, Chicory and Pineapples, also meant to create 1 916 jobs from an investment of R23 million thereby expanding land under production by 671 ha. Further invest R36 million on 56,720 heads of animals working together with Red Meat Producers organisation & NERPO, Berlin Beef. In addition, R18 million will be invested to improve the market value of the wool clip working together with Cape Wools (agent of Wool Trust) & NWGA.

Total expenditure increased from R562.160 million in 2013/14 to a revised estimate of R809.684 million in 2016/17 due to the additional allocation to fund drought programme. In 2017/18, the budget for the programme decreases by 2.6 per cent to R788.862 million. The decrease is mainly due to the reduction of additional allocation received for drought.

7. PROGRAMME 4: VETERINARY SERVICES

Objective: To provide veterinary services to clients in order to ensure healthy animals, safe animal products and welfare of people of South Africa.

Strategic Objective 1.2	Improved livestock production
Objective Statement	Supported 2.3 million animals with veterinary services and animal feed in order to improve access to affordable animal product and fibre production by using the latest research technology outputs, provisioning of 466 agricultural infrastructure projects (livestock water supply units, animal handling facilities, and renovation of dip tanks), implementation of the Livestock Improvement Scheme, conducted training and development of 16 000 farmers in livestock management and crop production, increasing the supply of livestock fodder, marketing of livestock and its by-products supporting 1500 agri-businesses over the five year period, with focus on livestock owners.
Baseline	2.3 million LSUs belonging to 500 000 farmers are grossly underutilized and have a latent potential to make the Eastern Cape the food basket of South Africa
Justification	Livestock productivity of the resource-poor farmers is currently low and uneven in the Eastern Cape, hence a need to improve food production and income earned by farmers.
Links	SDGs; NDP, Agriculture Sector Plan, Outcomes 4, 7& 10; Rural Development Strategy, and Provincial Strategy Framework

Strategic Objective 1.2: Improved livestock production		Audited/Actual performance			Estimated performance 2016/ 2017	Medium-term targets		
		2013/ 2014	2014/ 2015	2015/ 2016		2017/ 2018	2018/ 2019	2019/ 2020
1.	Supported 2.3 million animals with veterinary services and animal feed in order to improve access to affordable animal product and fibre production by using the latest research technology outputs by 2019	1,8m	2,48m		2.3m	2.3m	2.3m	2.3m

Sub-Programme 4.1: Animal Health

Objective: To facilitate and provide animal health services, in order to protect the animal and human population against identified zoonotic and diseases of economic importance, and primary animal health and welfare programme / projects; and to allow for the export of animals and animal products.

Performance indicators and annual targets for 2017/18									
PERFORMANCE INDICATOR	Audited/Actual performance				Estimated performance 2016/ 2017	Medium-term targets			
	2013/ 2014	2014/ 2015	2015/ 2016	2016/ 2017		2017/ 2018	2018/ 2019	2019/ 2020	
1.1	807	124	10 091	14 289	14 566	15 684	15 485		
1.2	1 510 999	1 674 354	1 577 925	1 593 331	1 616 136	1 641 538	1 657 449		
1.3	1 144	2 394	2 309	1 942	1 959	2 029	2 098		
1.4	197 673	279 793	186 037	242 002	170 772	199 806	207 428		
1.5	7 048 841	7 690 803	7 968 206	7 206 269	7 843 008	7 092 256	7 018 860		
1.6	2 426 707	4 171 436	4 110 932	4 171 436	4 054 471	3 651 084	3 732 224		

Quarterly targets for 2017/18									
PERFORMANCE INDICATOR	Reporting period	Annual target 2017/ 2018	Quarterly targets						
			1 st	2 nd	3 rd	4 th			
1.1	Quarterly	14 566	4 055	4 272	3 430	2 809			
1.2	Quarterly	1 616 136	1 152 152	305 443	50 258	108 283			
1.3	Quarterly	1 959	441	591	508	419			
1.4	Quarterly	170 772	35 076	27 231	17 029	91 436			
1.5	Quarterly	7 843 008	8 972	518 223	6 895 890	419 923			
1.6	Quarterly	4 054 471	879 278	591 818	879 382	1 703 993			

Sub-Programme 4.2: Export Control

Objectives: To facilitate the export of animals and animal products through certification of health status

Performance indicators and annual targets for 2017/18								
PERFORMANCE INDICATOR		Audited/Actual performance			Estimated performance 2016/ 2017	Medium-term targets		
		2013/ 2014	2014/ 2015	2015/ 2016		2017/ 2018	2018 /2019	2019/ 2020
1.1	Number of clients serviced for animal and animal products export control	-	-	2 040	530	2 240	2 060	2 090
1.2	Number of samples collected for residue monitoring at export establishments	51	51	70	51	70	70	70
1.3	Number of reports issued on the development of a departmental Early Warning Unit dealing with adverse agricultural incidences and disasters	12	12	12	12	12	12	12
1.4	Number of Controlled disease awareness campaigns and visibility sessions facilitated to capacitate the communities, public and staff.	27	27	25	27	20	20	20
1.5	Number of reports on early warning advisories issued.	12	12	12	12	12	12	12

Quarterly targets for 2017/18							
PERFORMANCE INDICATOR		Reporting period	Annual target 2017/ 2018	Quarterly targets			
				1 st	2 nd	3 rd	4 th
1.1	Number of clients serviced for animal and animal products export control	Quarterly	2 240	367	459	738	676
1.2	Number of samples collected for residue monitoring at export establishments	Quarterly	70	17	18	17	18
1.3	Number of reports issued on the development of a departmental Early Warning Unit dealing with adverse agricultural incidences and disasters	Quarterly	12	3	3	3	3
1.4	Number of Controlled disease awareness campaigns and visibility sessions facilitated to capacitate the communities, public and staff.	Quarterly	20	5	7	4	4
1.5	Number of reports on early warning advisories issued	Quarterly	12	3	3	3	3

Sub-Programme 4.3: Veterinary Public Health

Objective: To promote the safety of meat and meat products at harvesting level through the registration and monitoring of abattoirs.

Performance indicators and annual targets for 2017/18								
PERFORMANCE INDICATOR		Audited/Actual performance			Estimated performance 2016/ 2017	Medium-term targets		
		2013/ 2014	2014/ 2015	2015/ 2016		2017/ 2018	2018/ 2019	2019/ 2020
1.1	Number of abattoirs registered as per Meat Safety Act (Act 40 of 2000)	109	111	107	104	109	115	116
1.2	Number of abattoir inspections conducted as per Meat Safety Act (Act 40 of 2000)	850	852	826	852	990	990	943
1.3	Number inspections of facilities processing animal products and by- products	231	291	286	291	316	316	336
1.4	Number of interactions on illegal slaughter to respond to Section 7 of the meat Safety Act (Act 40 of 2000)	1224	1 300	1 460	1 300	1 368	1 408	1 420
1.5	Number of samples collected to monitor the safety of meat produced at abattoirs as per Meat Safety Act (Act 40 of 2000)	2632	3 040	2 504	3 040	3 139	3 161	3 281
1.6	% level of abattoir compliance to meat safety legislation	-	-	91.9	60%	60%	60%	60%

Quarterly targets for 2017/18							
PERFORMANCE INDICATOR		Reporting period	Annual target 2017/ 2018	Quarterly targets			
				1 st	2 nd	3 rd	4 th
1.1	Number of abattoirs registered as per Meat Safety Act (Act 40 of 2000)	Annually	109	-	-	-	109
1.2	Number of abattoir inspections conducted as per Meat Safety Act (Act 40 of 2000)	Quarterly	990	252	241	252	245
1.3	Number inspections of facilities processing animal products and by- products	Quarterly	316	65	77	90	84
1.4	Number of interactions on illegal slaughter to respond to Section 7 of the meat Safety Act (Act 40 of 2000)	Quarterly	1 368	338	331	345	354
1.5	Number of samples collected to monitor the safety of meat produced at abattoirs as per Meat Safety Act (Act 40 of 2000)	Quarterly	3 139	740	820	880	699
1.6	% level of abattoir compliance to meat safety legislation	Annually	60%	-	-	-	60%

Sub-Programme 4.4: Veterinary Laboratory Services

Objective: To provide veterinary diagnostic laboratory and investigative services that support and promote animal health and production towards the provision of safe food.

Performance indicators and annual targets for 2017/18								
PERFORMANCE INDICATOR		Audited/Actual performance			Estimated performance 2016/ 2017	Medium-term targets		
		2013/ 2014	2014/ 2015	2015/ 2016		2017/ 2018	2018/ 2019	2019/ 2020
1.1	Number of specimen tested for diagnostic purposes	123 113	159 287	108 746	126 846	133 188	139 848	146 840
1.2	Number of tests performed the quality of which meets the ISO 17025 standard and OIE requirements	-	-	-	108 032	54 016	59 418	65 359
1.3	Number of primary animal health care (PAHC) interactions held to minimize the impact of disease occurrence	3 229	3 767	3 867	3 767	4 697	4 932	5 178

Quarterly targets for 2017/18							
PERFORMANCE INDICATOR		Reporting period	Annual target 2017/ 2018	Quarterly targets			
				1 st	2 nd	3 rd	4 th
1.1	Number of specimen tested for diagnostic purposes	Quarterly	133 188	33 297	23 974	22 642	53 275
1.2	Number of tests performed the quality of which meets the ISO 17025 standard and OIE requirements	Quarterly	54 016	13 500	9 720	9 180	21 600
1.3	Number of primary animal health care (PAHC) interactions held to minimize the impact of disease occurrence	Quarterly	4 697	1 174	846	798	1 879

Reconciling performance targets with the budget and MTEF estimates

Veterinary Services	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Revised Baseline	Revised Baseline	Revised Baseline
Animal Health	218 135	223 581	234 201	255 131	252 018	253 201	269 760	286 282	305 471
Export Control	4 613	5 689	7 393	9 124	8 074	8 399	9 416	10 063	10 713
Veterinary Public Health	11 960	11 740	13 812	15 046	15 006	15 094	16 317	17 397	18 541
Veterinary Laboratory Services	10 700	13 686	15 941	16 752	17 894	17 385	17 632	18 830	20 041
Total	245 408	254 696	271 347	296 053	292 992	294 079	313 125	332 572	354 766
Current payments	238 833	249 790	249 790	288 184	284 139	284 978	306 238	325 605	347 408
Compensation of employees	193 693	201 749	209 338	225 944	223 944	222 839	240 819	255 921	273 826
Goods and services	45 140	48 041	54 412	62 240	60 195	62 139	65 419	69 684	73 582
Transfers and subsidies									
Payments for capital assets	6 575	4 906	7 597	7 869	8 853	9 101	6 887	6 967	7 358
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	254 408	254 696	271 347	296 053	292 992	294 079	313 125	332 572	354 766

This Programme is an important component of livestock programmes which provides animal health services such as the vaccination of 1.5 million animals against controlled diseases, certification of experts (animals & animal products), control of sheep scab and treatment of animals to control external parasites.

Total expenditure increased from R245.408 million in 2013/14 to a revised estimate of R294 079 million in 2016/17. The increase is mainly due to the decentralisation of fleet services and the transfer of the senior official's budget from Administration to this programme as well as the additional funding for medicine. In 2017/18, the budget increases by 6.5 per cent to R313.125 million due to additional funding received to fund ICS adjustment as well as reprioritization of funds to cover cost pressure on operational costs for veterinary services.

8. PROGRAMME 5: RESEARCH AND TECHNOLOGY DEVELOPMENT SERVICES

Objective: To provide expert and needs based research, development and technology transfer services impacting on development objectives.

Strategic Objective 1.2	Improved livestock production
Objective Statement	Supported 2.3 million animals with veterinary services and animal feed in order to improve access to affordable animal product and fibre production by using the latest research technology outputs, provisioning of 466 agricultural infrastructure projects (livestock water supply units, animal handling facilities, and renovation of dip tanks), implementation of the Livestock Improvement Scheme, conducted training and development of 16 000 farmers in livestock management and crop production, increasing the supply of livestock fodder, marketing of livestock and its by-products supporting 1500 agri-businesses over the five year period, with focus on livestock owners.
Baseline	2.3 million LSUs belonging to 500 000 farmers are grossly underutilized and have a latent potential to make the Eastern Cape the food basket of South Africa
Justification	Livestock productivity of the resource-poor farmers is currently low and uneven in the Eastern Cape, hence a need to improve food production and income earned by farmers.
Links	SDGs; NDP, Agriculture Sector Plan, Outcomes 4, 7& 10; Rural Development Strategy, and Provincial Strategy Framework

Strategic Objective 1.3	Increased crop production
Objective Statement	Increased area for food production from 33,801 ha of arable land, to 300 000 ha with an estimated yield of 1,2 million tons (includes maize, other high value field crops and horticultural crops) by 2019, supporting 14 268 household gardens, taken into consideration crop research, infrastructural support, mechanisation support, sustainable resource management, conducted training and development of 16 000 farmers in livestock management, crop production and extension advisory services with a village focus on smallholder and subsistence farmers, marketing of livestock and its by-products supporting 1500 agri-business with the ultimate goal to establish them as commercial farmers by 2019.
Baseline	A total of 33,801 ha belonging to farmers have been planted, the potential of arable land to be unlocked is 300 000 ha.
Justification	To increase food production resulting in a food secure province.
Links	Provincial Medium Term Strategic Framework, Eastern Cape Rural Development Strategy, Provincial Growth and Development Plan (), Integrated Food Security Strategy of South Africa (IFSS).

Strategic Objective	Audited/Actual performance			Estimated performance 2016/ 2017	Medium-term targets			
	2013/ 2014	2014/ 2015	2015/ 2016		2017/ 2018	2018/ 2019	2019/ 2020	
1.1	Research projects implemented	46	97	70	70	60	63	63

Sub-Programme 5.1: Research

Objective: To improve the agricultural production through conducting, facilitating and coordinating medium to long term research and technology development projects.

Performance indicators and annual targets for 2017/18								
PERFORMANCE INDICATOR		Audited/Actual performance			Estimated performance 2016/ 2017	Medium-term targets		
		2013/ 2014	2014/ 2015	2015/ 2016		2017/ 2018	2018/ 2019	2019/ 2020
1.1	Number of research and technology development projects implemented to improve agricultural production	91	75	70	70	60	63	63
1.2	Number of profiling reports conducted for promotion of sustainable rural livelihoods in identified areas	-	4	4	4	7	7	7
1.3	Time taken to analyse plant, soil and water samples and provision of results to the clients to make informed decisions (three weeks per client)	3	4	4	3	3	3	3
1.4	Number of spatial data disseminated to end users for planning purposes	-	183	207	150	155	160	170

Quarterly targets for 2017/18							
PERFORMANCE INDICATOR		Reporting period	Annual target 2017/ 2018	Quarterly targets			
				1 st	2 nd	3 rd	4 th
1.1	Number of research and technology development projects implemented to improve agricultural production	Annually	60	-	-	-	60
1.2	Number of profiling reports conducted for promotion of sustainable rural livelihoods in identified areas	Quarterly	7	1	2	2	2
1.3	Time taken to analyse plant, soil and water samples and provision of results to the clients to make informed decisions (three weeks per client)	Quarterly	3	3	3	3	3
1.4	Number of spatial data disseminated to end users for planning purposes	Quarterly	155	35	55	35	25

* In PI 1.1, the same number of projects are done in the same year

Sub-Programme 5.2: Technology Transfer Services

Objective: To disseminate information on research and technology developed to clients, peers and scientific community.

Performance indicators and annual targets for 2017/18								
PERFORMANCE INDICATOR		Audited/Actual performance			Estimated performance 2016/ 2017	Medium-term targets		
		2013/ 2014	2014/ 2015	2015/ 2016		2017/ 2018	2018/ 2019	2019/ 2020
1.1	Number of scientific papers published nationally or internationally	8	5	4	7	5	6	6
1.2	Number of research presentations made nationally or internationally	24	15	24	25	30	30	30
1.3	Number of presentations made at technology transfer events in order to impart knowledge to stakeholders	28	30	18	27	35	38	40
1.4	Number of demonstration trials conducted with farmers in order to impart knowledge and skills on farming practices	6	5	5	4	6	7	8
1.5	Number of information packs developed for dissemination to farmers and the general public	3	8	12	8	10	12	12
1.6	Evaluation report submitted on the functionality of the Agricultural Information System submitted	-	-	1	1	1	1	1

Quarterly targets for 2017/18							
PERFORMANCE INDICATOR		Reporting period	Annual target 2017/ 2018	Quarterly targets			
				1 st	2 nd	3 rd	4 th
1.1	Number of scientific papers published nationally or internationally	Annually	5	-	-	-	5
1.2	Number of research presentations made nationally or internationally	Quarterly	30	-	14	3	13
1.3	Number of presentations made at technology transfer events in order to impart knowledge to stakeholders	Quarterly	35	6	11	10	8
1.4	Number of demonstration trials conducted with farmers in order to impart knowledge and skills on farming practices	Quarterly	6	-	1	3	2
1.5	Number of information packs developed for dissemination to farmers and the general public	Quarterly	10	2	3	3	2
1.6	Evaluation report submitted on the functionality of the Agricultural Information System submitted	Annually	1	-	-	-	1

Sub-programme 5.3: Infrastructure Support Services

Objective: To provide and maintain infrastructure facilities for the line function to perform their research and other functions, i.e. experiment farms.

Performance indicators and annual targets for 2017/18								
PERFORMANCE INDICATOR		Audited/Actual performance			Estimated performance 2016/ 2017	Medium-term targets		
		2013/ 2014	2014/ 2015	2015/ 2016		2017/ 2018	2018/ 2019	2019/ 2020
1.1	Number of research infrastructure managed	7	7	7	7	7	7	7

Quarterly targets for 2017/18							
PERFORMANCE INDICATOR		Reporting period	Annual target 2017/ 2018	Quarterly targets			
				1 st	2 nd	3 rd	4 th
1.1	Number of research infrastructure managed	Annually	7	-	-	-	7

Reconciling performance targets with the budget and MTEF estimates

Research and Technology Service	2013/14		2014/15		2015/16		2016/17			2017/18		2018/19		2019/20	
	Audited Outcome		Audited Outcome		Audited Outcome		Main Appropriation	Adjusted Appropriation	Revised Estimate	Revised Baseline	Revised Baseline	Revised Baseline	Revised Baseline	Revised Baseline	
Research	112 903	99 605	135 553	145 841	146 531	137 209	117 413	125 847	135 442						
Technology Transfer Services	5 088	4 809	5 151	28 388	28 013	27 838	9 672	10 654	11 316						
Infrastructure Support Services	1 018	3 356	1 612	1 478	1 478	1 380	1 562	1 653	1 745						
Total	119 009	107 770	142 316	175 707	176 022	166 427	128 647	138 154	148 503						
Current payments	98 463	99 838	113 400	121 528	119 364	118 498	122 888	131 399	141 368						
Compensation of employees	87 033	86 476	92 705	96 449	100 749	100 298	107 762	110 818	119 635						
Goods and services	11 430	13 362	20 695	25 079	18 615	18 200	15 125	20 581	21 733						
Transfers and subsidies	18 059		0	20 685	20 700	20 700	3 301	3 301	3 486						
Payments for capital assets	2 487	7 932	28 916	33 494	35 958	27 229	2 458	3 454	3 649						
Payments for financial assets	-	-	-	-	-	-	-	-	-						
Total	119 009	107 770	142 316	175 707	176 022	166 427	128 647	138 154	148 503						

The research and development will provide market intelligence within (the) broader sector. It is envisaged that all partners will share their market information in a network of government, industry, academia farmer organisations and the NGO sector with the view of promoting innovation. Adaptive research conducted will strengthen knowledge capacity in the farming community.

Expenditure increased from R119,009 million in 2013/14 to a revised estimate of R166 427 million in 2016/17. In 2017/18, the budget decreases by 22.7 per cent to R128,647 million, due to policy shift and reprioritization of additional allocation to programme 3.

9. PROGRAMME 6: AGRICULTURAL ECONOMIC SERVICES

Objective: To provide timely and relevant agricultural economic services to the sector in support of sustainable agricultural and agri-business development to increase economic growth

Strategic Objective 1.1	Rural development initiatives facilitated and coordinated
Objective Statement	Facilitate and co-ordinate the implementation of 20 rural development initiatives based on the land reform, agrarian transformation & food security, non-farm rural economy, infrastructure, social & human development (such as enterprise/ entrepreneurship development, use of appropriate technology, and access to credit of R 18 million) through developmental agencies, private sector, government and NGOs by 2019.
Baseline	Co-ordination has mainly been driven at the level of the Inter-governmental Relations Forums (IGR). The Eastern Cape, as one of the poorest provinces, has a huge backlog in respect of infrastructure in all spheres etc. mud schools, clinics, roads networks, water and sanitation and electricity.
Justification	Due to insufficient integration and co-ordination in rural service delivery; and low levels of institutional and technical capacity, especially in the rural areas of the former Transkei and Ciskei. This requires engagement and coordination of Inter-sphere, Inter-Departmental, Rural Development Agencies to achieve rural development
Links	Provincial Anti- Poverty Strategy, Eastern Cape Rural Development Strategy, , Provincial MTSF and Eastern Cape Provincial Planning Commission.

Strategic Objective 1.2	Improved livestock production
Objective Statement	Supported 2.3 million animals with veterinary services and animal feed in order to improve access to affordable animal product and fibre production by using the latest research technology outputs, provisioning of 466 agricultural infrastructure projects (livestock water supply units, animal handling facilities, and renovation of dip tanks), implementation of the Livestock Improvement Scheme, conducted training and development of 16 000 farmers in livestock management and crop production, increasing the supply of livestock fodder, marketing of livestock and its by-products supporting 1500 agri-businesses over the five year period, with focus on livestock owners.
Baseline	2.3 million LSUs belonging to 500 000 farmers are grossly underutilized and have a latent potential to make the Eastern Cape the food basket of South Africa
Justification	Livestock productivity of the resource-poor farmers is currently low and uneven in the Eastern Cape, hence a need to improve food production and income earned by farmers.
Links	SDGs; NDP, Agriculture Sector Plan, Outcomes 4, 7 & 10; Rural Development Strategy, and Provincial Strategy Framework

Strategic Objective 1.3	Increased crop production
Objective Statement	Increased area for food production from 33,801 ha of arable land, to 300 000 ha with an estimated yield of 1,2 million tons (includes maize, other high value field crops and horticultural crops) by 2019, supporting 14 268 household gardens, taken into consideration crop research, infrastructural support, mechanisation support, sustainable resource management, conducted training and development of 16 000 farmers in livestock management, crop production and extension advisory services with a village focus on smallholder and subsistence farmers, marketing of livestock and its by-products supporting 1500 agri-business with the ultimate goal to establish them as commercial farmers by 2019.
Baseline	A total of 33,801 ha belonging to farmers have been planted, the potential of arable land to be unlocked is 300 000 ha.
Justification	To increase food production resulting in a food secure province.
Links	Provincial Medium Term Strategic Framework, Eastern Cape Rural Development Strategy, Provincial Growth and Development Plan (), Integrated Food Security Strategy of South Africa (IFSS).

Strategic Objective		Audited/Actual performance			Estimated performance 2016/ 2017	Medium-term targets		
		2013/ 2014	2014/ 2015	2015/ 2016		2017/ 2018	2018/ 2019	2019/ 2020
1.1	Marketing of livestock and its by-products supporting 1500 agri-business with the ultimate goal to establish them as commercial farmers by 2019.	100%	386	164	165	132	132	132

Sub-Programme 6.1: Agri-Business Support and Development

Objective: To provide Agri-Business support through entrepreneurial development, marketing services, value adding, production and resource economics.

Performance indicators and annual targets for 2017/18								
PERFORMANCE INDICATOR		Audited/Actual performance			Estimated performance 2016/ 2017	Medium-term targets		
		2013/ 2014	2014/ 2015	2015/ 2016		2017/ 2018	2018/ 2019	2019/ 2020
1.1	Number of Agri-Businesses supported with agricultural economic services towards accessing markets.	386	378	353	304	190	200	206
1.2	Number of clients who have benefitted from agricultural economic advice provided	2 114	3 180	3 700	3 367	3 535	3 540	3 545
1.3	Number of agricultural economic studies conducted to inform decision-making for business development	469	478	423	442	311	324	334

Quarterly targets for 2017/18							
PERFORMANCE INDICATOR		Reporting period	Annual target 2017/ 2018	Quarterly targets			
				1 st	2 nd	3 rd	4 th
1.1	Number of Agri-Businesses supported with agricultural economic services towards accessing markets.	Quarterly	190	47	54	49	40
1.2	Number of clients who have benefitted from agricultural economic advice provided	Quarterly	3 535	985	1 081	813	656
1.3	Number of agricultural economic studies conducted to inform decision-making for business development	Quarterly	311	74	91	75	71

Programme 6.2: Macroeconomics Support

Objective: To provide macroeconomic and statistical information on the performance of the agricultural sector in order to inform planning and decision making

Performance indicators and annual targets for 2017/18								
PERFORMANCE INDICATOR		Audited/Actual performance			Estimated performance 2016/ 2017	Medium-term targets		
		2013/ 2014	2014/ 2015	2015/ 2016		2017/ 2018	2018/ 2019	2019/ 2020
1.1	Number of agricultural economic information responses provided to assist clients to make informed decisions on/or beyond farm gate	36	46	46	41	38	45	47
1.2	Number of economic reports compiled to assist clients to make informed economic decisions for planning purposes	46	39	22	30	29	36	39

Quarterly targets for 2017/18							
PERFORMANCE INDICATOR		Reporting period	Annual target 2017/ 2018	Quarterly targets			
				1 st	2 nd	3 rd	4 th
1.1	Number of agricultural economic information responses provided to assist clients to make informed decisions on/or beyond farm gate	Quarterly	38	9	10	10	9
1.2	Number of economic reports compiled to assist clients to make informed economic decisions for planning purposes	Quarterly	29	8	8	7	6

Reconciling performance targets with the budget and MTEF estimates

	2013/14		2014/15		2015/16		2016/17			2017/18		2018/19		2019/20	
		Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Revised Baseline	Revised Baseline	Revised Baseline	Revised Baseline	Revised Baseline	Revised Baseline		
Agricultural Economics															
Agric-Business Development & Support	9 850	12 526	20 476	8 443	8 420	8 365	23 982	9 536	10 109						
Macro-Economics & Statistics	23 474	25 047	24 980	26 500	26 142	25 705	26 705	28 552	30 456						
Total	33 324	37 573	45 456	34 943	34 562	34 070	50 687	38 088	40 565						
Current payments	27 468	33 506	36 413	29 638	29 289	28 733	30 119	32 196	34 342						
Compensation of employees	21 213	21 932	24 134	25 608	25 308	25 008	26 925	28 783	30 739						
Goods and services	6 255	11 574	12 279	4 030	3 981	3 725	3 194	3 413	3 603						
Transfers and subsidies	5 634	2 765	6 572	4 818	4 818	4 818	20 059	5 352	5 652						
Payments for capital assets	222	1 302	2 471	487	455	519	509	539	571						
Payments for financial assets	-	-	-	-	-	-	-	-	-						
Total	33 324	37 573	45 456	34 943	34 562	34 070	50 687	38 088	40 565						

This programme will interact with commodity organisation and business strategic partners to support the smallholder farmers thereby ensuring the achievement of the objectives of the Agriculture Economic Transformation Strategy. The objective is to ensure that farmers earn income from their businesses. Agribusiness support packages will be provided to farmers through this programme. The programme will monitor market access, increasing number of productive and viable smallholders, increase farm Net Income, and value addition throughout the value chain.

Total expenditure increased from R33.324 million in 2013/14 to a revised estimate of R34.070 million in 2016/17, mainly due to the shifting of transfers to ECRDA. In 2017/17 the budget increases by 48.8 per cent to R50.687 million due R15 million additional funding for Magwa and Majola

10. PROGRAMME 7: STRUCTURED AGRICULTURAL EDUCATION AND TRAINING

Objective: To facilitate and provide structured agricultural education and training in line with the Agricultural Education and Training Strategy to all participants in the agricultural sector in order to establish a knowledgeable, prosperous and competitive sector.

Strategic Objective 1.2	Improved livestock production
Objective Statement	Supported 2.3 million animals with veterinary services and animal feed in order to improve access to affordable animal product and fibre production by using the latest research technology outputs, provisioning of 466 agricultural infrastructure projects (livestock water supply units, animal handling facilities, and renovation of dip tanks), implementation of the Livestock Improvement Scheme, conducted training and development of 16 000 farmers in livestock management and crop production, increasing the supply of livestock fodder, marketing of livestock and its by-products supporting 1500 agri-businesses over the five year period, with focus on livestock owners.
Baseline	2.3 million LSUs belonging to 500 000 farmers are grossly underutilized and have a latent potential to make the Eastern Cape the food basket of South Africa
Justification	Livestock productivity of the resource-poor farmers is currently low and uneven in the Eastern Cape, hence a need to improve food production and income earned by farmers.
Links	SDGs; NDP, Agriculture Sector Plan, Outcomes 4, 7& 10; Rural Development Strategy, and Provincial Strategy Framework

Strategic Objective 1.3	Increased crop production
Objective Statement	Increased area for food production from 33,801 ha of arable land, to 300 000 ha with an estimated yield of 1,2 million tons (includes maize, other high value field crops and horticultural crops) by 2019, supporting 14 268 household gardens, taken into consideration crop research, infrastructural support, mechanisation support, sustainable resource management, conducted training and development of 16 000 farmers in livestock management, crop production and extension advisory services with a village focus on smallholder and subsistence farmers, marketing of livestock and its by-products supporting 1500 agri-business with the ultimate goal to establish them as commercial farmers by 2019.
Baseline	A total of 33,801 ha belonging to farmers have been planted, the potential of arable land to be unlocked is 300 000 ha.
Justification	To increase food production resulting in a food secure province.
Links	Provincial Medium Term Strategic Framework, Eastern Cape Rural Development Strategy, Provincial Growth and Development Plan (), Integrated Food Security Strategy of South Africa (IFSS).

Strategic Objective		Audited/Actual performance			Estimated performance 2016/ 2017	Medium-term targets		
		2013/ 2014	2014/ 2015	2015/ 2016		2017/ 2018	2018/ 2019	2019/ 2020
1.1	Conducted training and development of 16 000 farmers in livestock management, crop production and extension advisory services with a village focus on smallholder and subsistence farmers,	2 402	2 310		2 240	2 240	2 350	2 350

Sub-Programme 7.1: Higher Education and Training

Objective: To provide tertiary agricultural education and training from NQF levels 5 to anybody who meets the minimum requirements to study in agriculture and related fields

Performance indicators and annual targets for 2017/18								
PERFORMANCE INDICATOR		Audited/Actual performance			Estimated performance 2016/ 2017	Medium-term targets		
		2013/2014	2014/2015	2015/2016		2017/2018	2018/2019	2019/2020
1.1	Number of students enrolled to complete accredited Higher Education and Training (HET) qualifications	373	421	514	507	578	578	578
1.2	Number of agricultural Higher Education and Training graduates	86	69	100	120	100	130	130

Quarterly targets for 2017/18							
PERFORMANCE INDICATOR		Reporting period	Annual target 2017/ 2018	Quarterly targets			
				1 st	2 nd	3 rd	4 th
1.1	Number of students enrolled to complete accredited Higher Education and Training (HET) qualifications	Annually	578	-	-	-	578
1.2	Number of agricultural Higher Education and Training graduates	Annually	100	-	-	-	100

Sub-programme 7.2: Agricultural Skills Development

Objective: To provide formal and non-formal training on NQF levels 1 to 4 through Further Education and Training (FET) structured education and training programmes to all interested agricultural role players.

Performance indicators and annual targets for 2017/18								
PERFORMANCE INDICATOR		Audited/Actual performance			Estimated performance 2016/ 2017	Medium-term targets		
		2013/2014	2014/2015	2015/2016		2017/2018	2018/2019	2019/2020
1.1	Number of participants trained in agricultural skills development programmes	2310	2 168	2 259	2240	2 240	2 350	2 350
1.2	Number of Educators capacitated in agricultural science related fields to improve their understanding of the sector needs.	-	70	94	80	80	80	80
1.3	Number of school going learners exposed to various fields in the agriculture and rural development sector in order to attract new entrants to the sectors.	-	1 045	288	120	200	200	200
1.4	Number of out of school youth participated /trained in learnership program	-	-	170	170	170	170	170
1.5	Number of farms/projects mentored according to different commodities in order to make them profitable	46	-	-	40	40	40	40