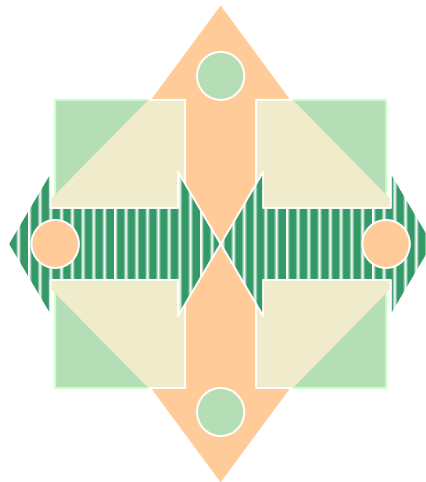




**ANNUAL REPORT**  
**OF THE**  
**NATIONAL AGRICULTURAL MARKETING**  
**COUNCIL**  
**(NAMC)**  
**2004**



**PRETORIA**

**RP 07/2004**  
**ISBN 0-620-32417-1**

**19 JULY 2004**



## **MISSION STATEMENT**

To advise the Minister of Agriculture and directly affected groups on all agricultural marketing issues in the agriculture and food industry, taking into account the needs of stakeholders.

## **VISION**

To be the most efficient and effective marketing advisor in the marketing of agricultural products in South Africa.

## **CORE BUSINESS**

Provide accurate, relevant, independent and timely information.

## **CORE VALUES**

To be accountable  
To act with integrity  
To value individual performance  
To value personal respect and equal treatment  
To act in partnership with directly affected groups







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# **PART 1**

# **GENERAL INFORMATION**





## **PART 1: GENERAL INFORMATION**

### **1. SUBMISSION OF THE 2003/04 ANNUAL REPORT TO THE EXECUTIVE AUTHORITY**

Madam, the Honourable Minister for Agriculture and Land Affairs, the National Agricultural Marketing Council has the pleasure to submit its Annual Report for the period 1 April 2003 to 31 March 2004.

### **2. LEGISLATIVE MANDATE**

The NAMC was established in terms of sections 3 and 4 of the Marketing of Agricultural Products Act, No. 47 of 1996 (hereinafter referred to as the Act) as amended by Act No. 59 of 1997 and Act No. 52 of 2001.

The mandate of the NAMC is spelled out in section 9(1)(a) of the Act, which reads as follows:

*The NAMC shall, when requested by the Minister or of its own accord, investigate the establishment, continuation, amendment or revocation of statutory measures and other regulatory measures affecting the marketing of agricultural products, evaluating the desirability, necessity or efficiency of the measures and, if necessary, proposing alternatives to the establishment, continuation, amendment or repeal of a statutory measure or other regulatory measure and report to and advise the Minister accordingly.*

Furthermore, section 9(1)(e) of the Act stipulates that the NAMC may undertake investigations and advise the Minister regarding:

1. agricultural marketing policy and its application;
2. the coordination of agricultural marketing policy in relation to national economic, social and development policies and international trends and developments;



3. the possibilities for promoting the objectives of the Act, mentioned in section 2(2) of the Act; and
4. the effect that marketing of products has on the objectives mentioned in section 2(2) of the Act.

In addition, in terms of section 9(1)(f) of the Act, the NAMC shall monitor the application of statutory measures and report thereon to the Minister and shall review such measures at least every two years.

The accountability arrangements of the NAMC to the Minister for Agriculture and Land Affairs are as follows:

- The Minister, as the Executive Authority to the NAMC, annually approves the Council's budget and business plan before the beginning of each financial year.
- According to Section 53(1) of the Public Finance Management Act (PFMA), No. 1 of 1999, read with Section (5)(1) of the Treasury Regulations issued in terms of the PFMA, the NAMC should submit a three-year strategic plan to the Executive Authority six months before the beginning of the ensuing financial year (1 April) for its consideration and guidance.
- The NAMC, through submissions and quarterly reports, apprises the Minister of progress made on the approved business plan.
- The Council, which is the Accounting Authority of the NAMC, sits monthly to consider its business.

In addition, the Council provides strategic leadership to the internal management of the NAMC.



# **PART 2**

# **HUMAN RESOURCE**

# **MANAGEMENT**

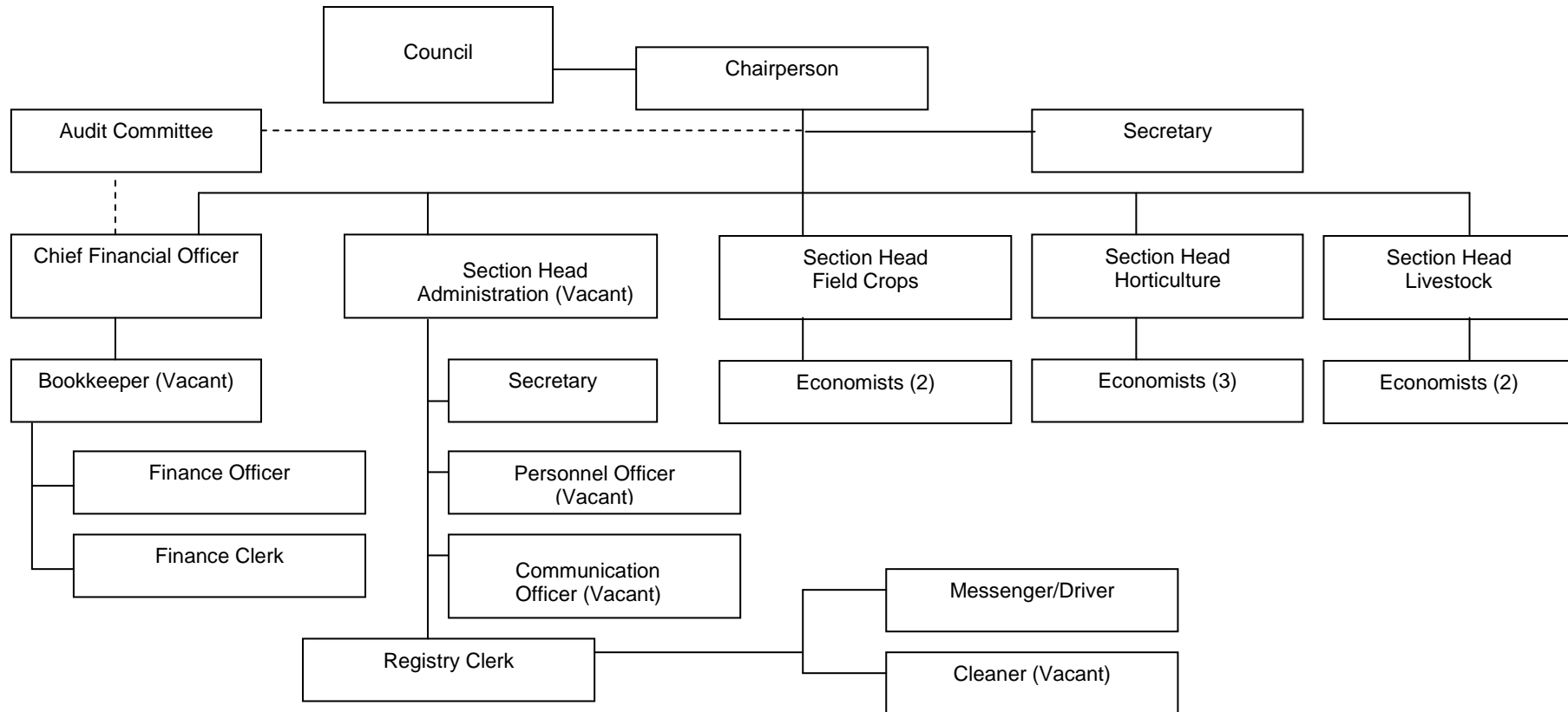


## PART 2: HUMAN RESOURCE MANAGEMENT

### 1. ORGANISATION

#### 1.1. Organisational structure of the NAMC

The organisational structure of the NAMC as at 31 March 2004 was as follows:





## 1.2. The Council and its functions

On 31 March 2004 the Council comprised ten members and was constituted as follows:

Mr MG Rathogwa (Chairperson)	Full-time
Mr MEJ Bezuidenhout	Part-time
Dr CB Buthelezi	Part-time
Mr GP Dall	Part-time
Mr WA Fourie	Part-time
Prof JF Kirsten	Part-time
Mr BM Makhetha	Part-time
Ms SE Moolman	Part-time
Mr VW Mvabaza	Full-time
Ms D Ndaba	Full-time

The current members of the Council were appointed on 1 January 2001. Their term expires in December 2004.

The Marketing of Agricultural Products Act directs the NAMC to provide strategic advice to the Minister of Agriculture on agricultural marketing to ensure improved market access, marketing efficiency, optimisation of export earnings and viability of the agricultural sector. To this end, the NAMC strives to provide the Minister of Agriculture with accurate, relevant, independent and timely information on agricultural marketing matters through its investigations.



## **Secretariat and its functions**

The Secretariat is responsible for providing professional support services to the Council through the gathering of industry information, conducting literature reviews and compiling reports. On 31 March 2004 the staff complement of the Council comprised eighteen persons.

### **1.3. Approved establishment and functions of the job categories**

The Chairperson, full-time Council members and Section Heads are responsible for the day-to-day running of the organisation. During the year under review there were two full-time Council members in addition to the Chairperson.

The Section Heads implement the decisions of both Council and management on a daily basis. They are responsible for overseeing the work of the sections and supervising the sections. The Section Heads and Economists, under the leadership of the relevant portfolio Council members, are responsible for compiling submissions and reports for consideration by the Council. The administration and finance staff provide overall administrative support.



Table 1 indicates employment numbers and vacancies by component, grade and nature of employment.

**TABLE 1: NAMC STAFF COMPLEMENT – 2003/2004**

	COUNCIL			SECRETARIAT							
	Chairperson	Vice-Chairperson	Member	Section Head Administration	Section Heads	CFO	Economists	Finance Officer	Secretaries	Clerks	Driver
Grade	L	L	L	P	P	P	P	P	P	P	P
Level	14	13-14	13	7	7	7	8-10	9	10	10-11	14
Approved	1	1	8	1	3	1	7	1	3	2	1
Filled	1	0	9	0	3	1	7	1	3	2	1
Vacant	0	(1)	0	1	0	0	0	0	0	0	0
(Over)/Under	-	1	(1)	-	-	-	-	-	-	-	-

Note: L-grade: Level (Equate grades)  
P-grade: Peromnes grading

A Vice-Chairperson was not appointed during the period under review, as has been the case since 2000. Accordingly, Table 1 shows 9 (instead of 8) posts filled by ordinary members, the vacant post having been added to the 8 approved posts for ordinary members to give a total of 9 members. During the 2003/04 financial year the Council appointed two economists in the Horticulture Section to replace the two economists who resigned.

#### **1.4. Number of persons employed additional to approved establishment**

During the year under review no additional staff in excess of the approved establishment were appointed. It must, however, be pointed out that the NAMC is short of personnel to enable it to function properly.



In the 2003/04 financial year the Council approved the appointment of a bookkeeper, a communications officer, a personnel officer and a cleaner.

## **2. JOB EVALUATION**

### **2.1. Number of posts evaluated, upgraded and downgraded in accordance with Code of Remuneration (CORE)**

Council members' posts were evaluated at the establishment of the Council in 1997, and there have been no changes since then.

The existing eighteen (18) filled posts in the Secretariat were evaluated in accordance with CORE during the 2003/04 financial year. No posts were downgraded or upgraded in 2003/04 except that the post of the General Manager was abolished and replaced by that of Section Head: Administration.

## **3. REMUNERATION**

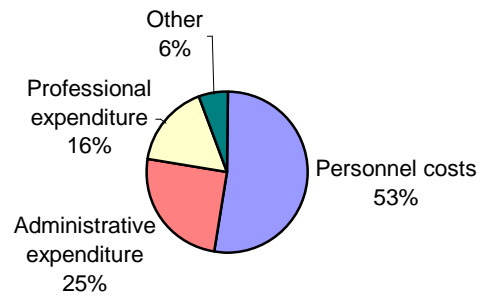
### **3.1. Percentage of budget (excluding transfer payments, expenditure on land and buildings and miscellaneous payments) spent on total personnel costs, administrative expenditure and professional services**

Chart 1 on page 10 shows the breakdown of actual expenditure per personnel, administrative, professional and other costs. Personnel costs (29 individuals including council members), at 53% of the total expenditure, were the highest, followed by administrative expenditure (25%), professional expenditure (16%) and other costs (6%).





**CHART 1: BREAKDOWN OF EXPENDITURE**



**3.2. Personnel costs in intervals of R20 000, by race, gender, disability and the Code of Remuneration (CORE)**

These data are given in Table 2 on page 11.



**TABLE 2: NAMC TOTAL REMUNERATION PACKAGES AS AT 31 MARCH 2004**

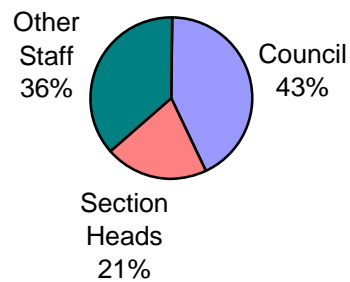
Personnel cost intervals	Race								Gender				Disability	
	White		Black		Coloured		Indian		Current		Core		Current	Core
Rands	Current	Core	Current	Core	Current	Core	Current	Core	M	F	M	F		
60,001-80,000			1	1					1		1			
80,001-100,000														
100,001-120,000	1	1	1	1					1	1	1	1		
120,001-140,000	3	3	1	1						4		4		
140,001-160,000	2	2	5	5					2	5	2	5		
160,001-180,000														
180,001-200,000														
200,001-220,000														
220,001-240,000														
240,001-260,000	1	1	2	2					3		3			
260,001-280,000	1	1							1		1			
280,001-300,000														
300,001-320,000														
320,001-340,000														
340,001-360,000														
360,001-380,000														
420,001-440,000			2	2					1	1	1	1		
560,001-580,000			1	1					1		1			



### 3.3. Percentage of total personnel costs spent on management services

Management refers to full-time Council members, Section Heads and the Chief Financial Officer.

**CHART 2: BREAKDOWN OF PERSONNEL COSTS**

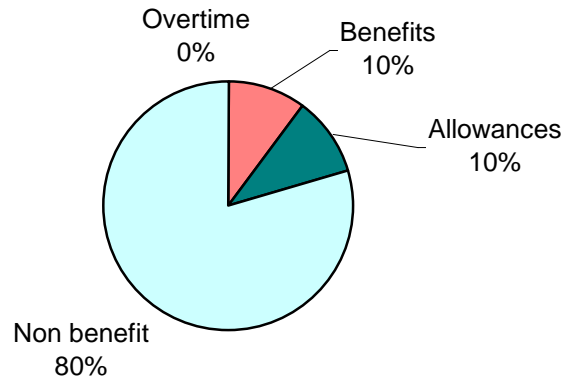


### 3.4. Cost of overtime, allowances and benefits expressed as a percentage of total personnel costs

The percentage of total personnel costs spent on overtime, allowances and benefits is shown in Chart 3 on page 13. An amount of R2 874.66 was paid as overtime in the 2003/04 financial year.



**CHART 3: OVERTIME, ALLOWANCES AND BENEFITS**



Explanatory note:           Benefits: Medical and UIF  
                                  Allowances: Travel allowances  
                                  Non benefit: Basic salaries

Council and staff members of the NAMC are remunerated on an “all-inclusive package” basis. Remuneration packages for Council members are based on the Manual for Remuneration of the Senior Management Services and are approved by both the Minister of Finance and the Minister of Agriculture before implementation. The Council approves staff members’ all-inclusive remuneration packages.

#### **4. AFFIRMATIVE ACTION, RECRUITMENT, PROMOTIONS AND TERMINATIONS OF SERVICE**

##### **4.1. Progress with policy statement on NAMC’s commitment to affirmative action and implementation of the policy**

Since the Council’s inception in 1997, the practice has been to affirm historically disadvantaged persons, as can be seen in Table 3 on page 14. The 1997 staff complement consisted predominantly of people from advantaged backgrounds. This profile has since changed and the



staff complement as at 31 March 2004 was more demographically representative.

#### 4.2. Numerical and time-bound targets for achieving representivity

The NAMC's staff complement is at present sufficiently representative, as shown in Table 3 below, and there are no time-based targets.

**TABLE 3: NAMC STAFF REPRESENTIVITY AS AT 31 MARCH 2004**

Job category	Council			Secretariat		
	Historical background			Historical background		
	Advantaged	Disadvantaged	TOTAL	Advantaged	Disadvantaged	TOTAL
Full-time	-	3	3			
Part-time	5	2	7			
Section Heads				2	2	4
Economists				2	5	7
Financial staff				-	2	2
Secretaries				2	1	3
Administrative staff				1	0	1
Support				-	1	1
<b>Total</b>	<b>5</b>	<b>5</b>	<b>10</b>	<b>7</b>	<b>12</b>	<b>18</b>



**4.3. Number of employees recruited by grade and occupation, as well as by race, gender and disability**

These details are provided in Table 4 below.

**TABLE 4: EMPLOYEES RECRUITED BY NAMC DURING 2003/04 FINANCIAL YEAR**

Job category	Employee				
	Race		Gender		Disability
	White	Black	Male	Female	
Economist	-	2	-	2	-

**4.4. Number of employees' service terminated by grade and occupation, as well as by race, gender and disability**

The NAMC did not terminate the service of any employees during the 2003/04 financial year.

**4.5. Number, occupations and grades of foreign appointees**

The NAMC did not employ foreign personnel during the 2003/04 financial year.



## 5. PERFORMANCE MANAGEMENT AND SKILLS DEVELOPMENT

### 5.1. Rewards for performance by gender and disability in each grade in each CORE

The Council evaluates staff performance to encourage improved performance and to reward good performance objectively. During the year under review staff received an average 5.25% once-off merit bonus.

### 5.2. Training plan targets and progress made towards achieving them

These are given in Table 5 below.

**TABLE 5: TRAINING PLAN FOR 2003/04**

Training plan	Council		Secretariat	
	Target (no of employees)	Achieved (no of employees)	Target (no of employees)	Achieved (no of employees)
<b>Informal training</b>				
Market overview and economic analysis	3	3	9	10
Computer training	3	2	9	10
Emotional Intelligence workshop	3	3	4	4
Report Writing Skills	3	3	9	11
Human Resource Management for Supervisors			3	3
Risk Management	1	1	2	2
<b>Formal training</b>				
Degrees	1	1	3	3



One employee obtained a degree during the 2003/04 financial year and a further six employees obtained credits towards their degrees and diplomas.

### **5.3. Training budget and actual amounts spent on each training**

The NAMC spent R76 397.43 on training (the budgeted amount was R80 0000). This amount was spent on informal skills training (short courses). An amount of R23 742 was spent on formal training (degrees and diplomas with a budget of R30 000) for Council and staff members.

## **6. *INJURY, ILLNESS AND DEATH***

No cases of injury, illness or death resulting from official duty or the work environment were reported.

## **7. *COLLECTIVE AGREEMENTS***

A Bargaining Agreement is in place between the Secretariat and Council.

## **8. *SICK LEAVE***

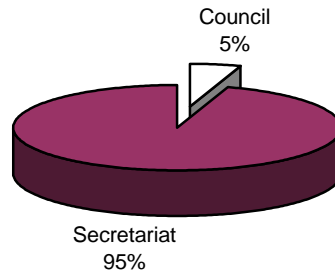
### **8.1. Number of sick leave days taken**

The number of days of sick leave taken by NAMC employees is shown in Chart 4 on page 18, which also shows the breakdown between Council members (three full-time Council members) and Secretariat staff (18 persons).





**CHART 4: SICK LEAVE**



Total sick leave days taken during the year (by Council and Secretariat together) were 102. The number of sick leave days increased from 98 days in 2002/03.

#### **8.2. Estimated cost of sick leave days taken**

The cost to the NAMC of the sick leave taken in the 2003/04 financial year was R59 879 (based on cost-to-company remuneration packages). In the 2002/03 financial year the cost of sick leave taken was R58 462.

#### **8.3. Number of employees who took more than 15 continuous sick leave days**

No full-time Council members or staff members took more than 15 continuous sick leave days during the year under review.

### **9. ILL HEALTH**

There was no reported chronic illness amongst the employees of the Council.



## **10. DISCIPLINARY STEPS**

A labour dispute which was declared by the ex-General Manager and referred to the Labour Court in 2001/02 was still pending as at 31 March 2004.

The matter is, however, reported as required in terms of Section 85(1)(a) of the Public Finance Management Act, 1999, No. 1 of 1999, read with Treasury Regulations 33.3.1.



# **PART 3**

# **PROGRAMME PERFORMANCE**

# **MANAGEMENT**



## **PART 3: PROGRAMME PERFORMANCE MANAGEMENT**

### **OVERVIEW OF NAMC PROGRAMMES**

#### **1. AIM OF THE VOTE**

The NAMC is funded by Parliament through Vote 26 under the Programme: Agricultural Trade and Policy Analysis of the National Department of Agriculture. The aim of the NAMC is to provide strategic agricultural marketing advice to the Minister of Agriculture and agricultural sector role-players. The goal is to promote the achievement of the objectives of the Act. The objectives are to:

- increase market access for all market participants;
- promote the efficiency of the marketing of agricultural products;
- optimise export earnings from agricultural products; and
- enhance the viability of the agricultural sector.

#### **2. KEY PROGRAMMES AND ACHIEVEMENTS**

The NAMC had five key programmes identified and approved by the Minister of Agriculture when the budget transfer was approved in June 2003. These programmes (sections) are as follows:

- Council
- Administration (staff and office)
- Horticulture
- Field crops
- Livestock



The highlights of the 2003/04 financial year included:

- the completion of the Food Pricing Monitoring Committee report;
- the completion of four investigations into the marketing of specific agricultural products;
- the evaluation of various statutory measures in terms of the Act; and
- thirty-nine workshops held in the nine provinces in order to create awareness among black farmers of the agricultural marketing dispensation in South Africa.

### **3. *KEY POLICY DEVELOPMENTS FOR THE PERIOD 1 APRIL 2003 TO 31 MARCH 2004***

The Marketing of Agricultural Products Act, No. 47 of 1996 as amended by Act 59 of 1997 and Act 52 of 2001, remained unchanged during the 2003/04 financial year.

Key areas of work conducted by the NAMC during the year of reporting fall under the five main programmes.



## **PROGRAMME 1: COUNCIL**

### **1. AIM**

- To provide leadership to the organisation
- To provide strategic advice to the Minister of Agriculture on all matters pertaining to agricultural marketing
- To act as the accounting authority of the NAMC in compliance with the Public Finance Management Act and Treasury Regulations

### **2. KEY PROGRAMMES AND ACHIEVEMENTS**

The Council consists of ten members and has the following structures for governance:

- National Agricultural Marketing Council
- Executive Committee
- Audit Committee (one Council member and two outside members)
- Internal management committees:
  - Management Committee
  - Human Resource Committee
  - Tender Committee
  - Risk Management Committee
  - Communication Committee
  - Bargaining Committee

Portfolios are controlled by individual Council members either as first responsible or as second responsible for the allocated portfolio.



### 3. **OUTPUTS AND SERVICE DELIVERY TRENDS**

The Council met 11 times during the 2003/04 financial year. During these meetings members deliberated on and forwarded 51 submissions to the Minister (an increase of 16% compared to the 44 submissions made in the 2002/03 financial year). These submissions were on Section 7 Committees' reports, NAMC working group reports, reports on deregulation matters, reports on investigations into the implementation of statutory measures, reports from ministerial representatives on agricultural trusts, budgets and financial results of industry organisations responsible for the administration of levies and NAMC administrative matters. The Council also handled 62 ministerial enquiries (an increase of 27% compared to the 49 enquiries of the previous financial year) and was responsible for the publication of 41 notices in the Government Gazette (compared to 14 in the previous financial year). The publications in the Government Gazette relate mainly to statutory measures requested by specific agricultural industries and the investigations that were undertaken by the Council in this regard.

**TABLE 6: OUTPUTS AND SERVICE DELIVERY TRENDS – COUNCIL**

<b>Sub-programmes</b>	<b>Outputs</b>	<b>Indicator</b>	<b>Performance</b>
	<b>Agenda items</b>	<b>Expected number</b>	<b>Actual number</b>
<b>Council meetings</b>	Council sittings	11	11
	Presentations by delegates	10	13
	Submissions to the Minister	45	51
	Ministerial enquiries	50	62
	Executive Committee meetings	4	3
	Management Committee meetings	45	42



The Management Committee assists Council in discharging its responsibilities by managing the NAMC's internal affairs and ensuring implementation of the recommendations and/or instructions of Council.

The following were highlights of the year under review:

- **Food Pricing Monitoring Committee**

The Food Pricing Monitoring Committee was appointed on 8 January 2003 and met for the first time on 24 February 2003. Six meetings were held by the FPMC during its tenure. Quarterly reports were submitted to the Minister and the final report was submitted in December 2003.

After the Committee completed its Report in December 2003 the NAMC continued to monitor food prices in each of the nine provinces. Between December 2003 and March 2004, prices continued to vary. At the national level there has been a 3.2% increase in food prices in towns. Food prices decreased in townships and rural areas by 5.1% and 1.3% respectively.

- **Ministerial representatives on agricultural trusts**

On 9 March 2004 a meeting was held between the Deputy Minister for Agriculture, the Department of Agriculture (DoA), ministerial trustees of the various agricultural trusts, and the Council. The purpose of the meeting was to clarify expectations of the Ministry and to highlight the important role the ministerial representatives play in agriculture and, more specifically, in agricultural trusts. A further consideration was the issue of how to improve the coordination, communication and process of reporting among trustees, the NAMC and the DoA. The goal was to ensure that ministerial representatives were mindful of government priorities, to emphasise that provisions of various Trust Deeds needed to be observed, and where necessary,





trustees needed to proactively initiate amendments to the deeds to ensure good governance and effective discharge of their fiduciary duties.

▪ **Status of statutory levies**

Since 2001 the NAMC has annually reviewed all statutory levies that are collected in terms of the Marketing of Agricultural Products Act (MAP Act). For the 2002/03 financial year (2002/03 figures were used in order to obtain audited financial statements), seven industries (citrus, cotton, deciduous fruit, dried fruit, sorghum, wine and winter cereal) collected statutory levies. Approximately 46% of all levies were collected for research, 14% for transformation projects, 13% for information and 12% for export promotion. The purpose of the annual review of statutory levies is to provide the Minister with information on the amount of levies collected and the areas of application. The review also indicates the assistance given to black role-players (by the industries that collected levies) and the share of emerging farmers in the production of a particular agricultural product, among others. The latest study was based on the 2002/03 financial year, for which audited figures were available.

The total value of production (for the seven commodities that collected statutory levies) was R11 562 million in the 2002/03 financial year. Levies collected (R83.5 million) represent approximately 0.7% of production value (at first point of sale). According to the MAP Act, levies on a particular agricultural product shall not exceed, in total, 5% of the guideline price for such agricultural product. This guideline price is based on the average price over a period not exceeding three years at the first point of sale.



The NAMC's policy guidelines instruct that at least 10% of levy income should be spent to the benefit of black role-players. As a result, statutory levy funds available to black role-players increased from R7.9 million in 2001/02 to R11.7 million in 2002/03 – an increase of 48.1%. This increase represents approximately 14% of levies collected and directly allocated to functions that are aimed at benefiting black role-players.

The increase in production by black farmers as a percentage of total production may be regarded as one of the main indicators for monitoring the process of bringing black farmers into the mainstream of commercial agricultural production. The problem in some of the industries is that they are not in a position to distinguish between the production of white commercial farmers and the production of black farmers. In February 2004 a letter was sent to levy administrators to request them to make an effort to obtain information on black farmers. They were also requested to have the necessary information available when the Council does its evaluation of statutory levies next year. The estimated production of black producers is still very low – in most cases, in the region of 1% and 2%. The exception is the cotton industry where the production of black producers is approximately 9% of total production.

In line with the provisions of the Act, levies are accounted for separately and audited by the Auditor-General.



- **International cooperation**

The NAMC encourages Council and staff members to broaden their professional perspectives and experience so as to deepen their knowledge of the agricultural sector, through exposure to the international environment. Accordingly, the following visits were undertaken during the year under review:

- Training in the United States of America

An NAMC economist travelled to the US in April 2003 to participate in the two-week Cochran Fellowship Programme. The visit gave him valuable exposure to US agriculture, and more specifically to the US agricultural policy formulation process and structures. It proved to be a very intense programme, but it provided extremely useful information, some of which relates to the South African situation, such as information regarding marketing orders, marketing information and the Land Grant University system. A further important outflow of the visit was the contacts made with individuals from government departments, agencies and various private organisations.

- Visit to Namibia

A member of the NAMC and an economist of the Council attended the Annual General Meeting of the Southern African Livestock and Meat Forum (SALMF) from 27 to 29 August 2003 in Swakopmund, Namibia. This annual event deals with livestock production and marketing in southern African countries. All the countries that were represented delivered papers on the situation of the livestock industries in their countries.



- **Outreach Programme**

The Outreach Programme, which started in 2000/01, continued to gain momentum during 2003/04. The programme involves holding workshops with black farmers in areas arranged in cooperation with Provincial Departments of Agriculture in all nine provinces. The aim of the workshops is to inform farmers about the environment in which the marketing of agricultural products takes place, and to create an awareness of its impact on market participants. Farmers also receive information booklets that contain contact details of the relevant service providers in the agricultural sector.

The NAMC planned to hold 45 workshops during the 2003/04 financial year. However, only 39 workshops were eventually held on account of organisational problems experienced in one province, which have since been resolved. Details of workshops held in each province are shown in Table 7 on page 30.



**TABLE 7: WORKSHOPS HELD BY NAMC WITH BLACK FARMERS**

<b>Province</b>	<b>Number of workshops</b>	<b>Farmer attendance</b>	<b>Average attendance</b>
Eastern Cape	5	36	61
Free State	5	425	85
Gauteng	1	134	134
KwaZulu-Natal	8	562	70
Limpopo	5	382	76
Mpumalanga	5	358	71
Northern Cape	-	-	-
North West	3	216	72
Western Cape	7	174	24
<b>TOTAL</b>	<b>39</b>	<b>2 557</b>	<b>65</b>

Farmers have responded positively to the programme and this is confirmed by the level of attendance in most of the provinces. Farmers also participated actively in the discussions and this has enabled the NAMC to record their concerns directly. Farmers indicated that they are still disadvantaged with regard to infrastructure, finances, information and marketing support. In some cases the NAMC was able to direct black farmers to institutions that can provide them with assistance.



#### **4. STATUS REPORT ON THE LIQUIDATION OF THE CONTROL BOARDS**

Control boards have been disbanded as shown in Table 8, and the schemes have been repealed in terms of sections 26 and 27 of the Act, since it came into operation on 1 January 1997.

**TABLE 8: FORMER CONTROL BOARDS AND DATES OF DISBANDMENT**

	<b>Name of Control Board</b>	<b>Date scheme repealed</b>
1.	Canning Fruit Board	30 September 1997
2.	Cotton Board	5 January 1998
3.	Dried Fruit Board	31 December 1998
4.	Lucerne Seed Board	30 August 1997
5.	Milk Board	5 January 1998
6.	Mohair Board	31 December 1997
7.	Oilseeds Board	31 March 1998
8.	Sorghum Board	30 September 1997
9.	Citrus Board	31 October 2003
10.	Deciduous Fruit Board	31 October 2003
11.	Wheat Board	31 July 2003

The control boards listed in Table 9 on page 32 were still in existence at 31 March 2004, having been granted the Minister's approval (in terms of sections 27(2)(c) and 27(3) of the Act) to continue functioning. The extensions granted were to allow unfinished matters relating to levies and asset ownership to be finalised.



**TABLE 9: CONTROL BOARDS STILL IN EXISTENCE AS AT 31 MARCH 2004**

Name of entity	Number of extensions granted	Reasons for continued existence
<b>Meat Board</b>	6 months to Jun 98 6 months to Dec 98 7 months to July 99 12 months to Jul 00 12 months to Jul 01 12 months to Jul 02 12 months to Jul 03 12 months to Jul 04	The only remaining issue is the court case regarding medical benefits between the Meat Board and ex-employees on the one side and a medical scheme on the other. In February 2004 the Board indicated that this matter had been resolved and that the Scheme could be repealed by 31 July 2004.
<b>Maize Board</b>	6 months to Jun 98 6 months to Dec 98 7 months to Jul 99 12 months to Jul 00 12 months to Jul 01 12 months to Jul 02 12 months to Jul 03 12 months to Jul 04	Outstanding issues include the transfer of trademarks to the Maize Trust and court cases relating to the collection of outstanding levies.
<b>Wool Board</b>	6 months to Jun 98 6 months to Dec 98 7 months to Jul 99 12 months to Jul 00 12 months to Jul 01 12 months to Jul 02 18 months to Dec 03 12 months to Jul 04	The Wool Board reached a settlement with its Australian counterparts regarding its share of the intellectual value of the "Woolmark". The Board also decided to write off all outstanding debts. It is envisaged that it will not be necessary to extend the Wool Scheme for another period.



## **PROGRAMME 2: ADMINISTRATION (STAFF AND OFFICE)**

### **1. AIM**

To provide overall, day-to-day administrative support to the Management of the NAMC

### **2. KEY PROGRAMMES AND ACHIEVEMENTS**

The Administration Section comprises all the administrative and support staff of the Secretariat. It provides routine support to Council members and economists. During the year under review, the administrative staff complement was composed as follows:

- Chief Financial Officer
- Financial staff
- Secretarial and PA staff
- Clerical staff
- Messenger/driver

During the year under review the Council made the following appointments: In August 2003 two black interns were appointed with the twofold aim of empowering them by giving them some experience and exposure, and of promoting the activities of the NAMC to its stakeholders. They were brought to the attention of the NAMC through the Umsobomvu Youth Entrepreneurship Programme.

The major projects of this programme during the past year were:

- Organisation of staff training
- Management of the HR system
- Management of the financial system
- General management of the office





**3. TABLE 10: OUTPUTS AND SERVICE DELIVERY TRENDS - ADMINISTRATION**

Sub-programmes	Outputs	Service delivery indicators	Actual performance
<b>PFMA requirements</b>	Internal auditing	In terms of the PFMA, the NAMC is required to arrange for internal auditing.	Internal auditing was done in the 2003/04 financial year.
	Audit Committee	In terms of the PFMA, the NAMC's Audit Committee has to convene twice in a financial year.	The Audit Committee was reconstituted and is chaired by a black woman. The Committee met four times in the year under review.
	Obtaining 2003/04 budget approval	The NAMC's business plan and budget had to be submitted for approval by February 2003.	Business plan and budget were submitted as required by the PFMA.
<b>Human resources</b>	Review of service conditions	The NAMC set itself the target of finalising and adopting the reviewed service conditions.	Final draft of the reviewed service conditions was available but not adopted at year end
	Staff evaluations	The target was to evaluate staff three times during the financial year.	Staff were evaluated twice in the year under review.



## **PROGRAMME 3: HORTICULTURE**

### **1. AIM**

To further the objectives of the Act by carrying out the functions of the NAMC, focusing in particular on the subtropical fruit, citrus, sugar, flower, fresh produce, deciduous fruit, canning fruit, dried fruit and wine industries.

### **2. KEY PROGRAMMES AND ACHIEVEMENTS**

One of the primary functions of the NAMC is to investigate the possible introduction or continuation of statutory measures in respect of levies, registration, records and returns. The following statutory measure investigations were undertaken during the period under review:

- Deciduous fruit: Request for implementation of new four-year period of statutory measures for pome and stone fruit
- Wine industry: Request for amendment of statutory measures on export wine
- Citrus: Request for the implementation of a new four-year period of statutory measures in the citrus industry

The Act empowers the NAMC to investigate issues pertaining to agricultural marketing and marketing policy. A number of investigations, described below, were either initiated or completed during the period under review.

#### **Transformation in the agricultural sector**

The Section 7 Committee investigation into the current status of the participation of black role-players in the agricultural marketing chain was initiated in April 2002. The Committee completed its investigation in March 2004 and the report will be finalised and forwarded to the Council early in the next financial year.



### **Fresh Produce Market access investigation**

The Council initiated an investigation into constraints upon black farmers with regard to accessing fresh produce markets. This investigation was a follow-up of the NAMC Section 7 Committee investigation into the National Fresh Produce Markets. It is expected that the investigation will be completed in the next financial year.



**3. TABLE 11: OUTPUTS AND SERVICE DELIVERY TRENDS - HORTICULTURE**

Sub-programmes	Outputs	Service delivery indicators	Actual performance
<b>Application for the implementation of new four-year period of statutory measures for Deciduous Fruit (pome and stone fruit), amendment of statutory measures on export wine, and implementation of a new four-year period of statutory measures in the Citrus Industry</b>	Investigation regarding the application for implementation of new four-year period of statutory measures for Deciduous Fruit (pome and stone fruit), was completed and report compiled.	Delivery of report to the Minister.	Submission sent to the Minister.
	Investigation regarding the application for amendment of statutory measures on export wine completed and report compiled.	Delivery of report to the Minister.	Submission sent to the Minister.
	Investigation regarding the application for implementation of a new four-year period of statutory measures in the Citrus Industry	Delivery of report to the Minister.	Investigation to be completed in the next financial year.
<b>Citrus and Deciduous Fruit Industry Trust</b>	Reports (submissions) advising the Minister on the expiry of terms of Ministerial trustees were compiled.	Reports (submissions) on the appointment of Ministerial trustees were delivered to the Minister.	Submission on appointment of trustees forwarded to the Minister.



## **PROGRAMME 4: FIELD CROPS**

### **1. AIM**

To further the objectives of the Act by carrying out the functions of the NAMC, focusing particularly on the grains, oilseeds and cotton industries, and consumer affairs.

### **2. KEY PROGRAMMES AND ACHIEVEMENTS**

The following statutory measures were investigated, approved and implemented:

- Cotton: Statutory levy on cotton was approved on 2 March 2004.
- Lucerne: Statutory measures relating to registrations, records and returns for lucerne were approved on 30 January 2004.
- Maize and wheat: Statutory measures relating to weekly records and returns for imports and exports of whole maize and wheat were approved on 16 March 2004.
- Maize, winter cereals, sorghum and oilseeds: The continuation of statutory measures relating to registration, records and returns for maize, winter cereals, sorghum and oilseeds was approved on 4 February 2004.

A number of investigations were either initiated or completed during the period under review. They include the following:

#### **Maize industry**

The NAMC Section 7 Committee report on the impact of deregulation on the maize industry produced a final report, which was sent to other role-players, such as the Department of Transport, for their response to the



recommendations, after which the Minister finally approved it in August 2003.

### **Winter cereal industry**

Approval to discontinue the Winter Cereal Scheme and to donate any surplus funds of the Wheat Board to the Winter Cereal Trust was granted. Approval was also granted for the Liquidation Committee (former Executive Committee of the Wheat Board) to complete the final liquidation of the Wheat Board. The final report of the Auditor-General regarding the Wheat Board's financial statements is awaited.

### **Consumer issues**

- The Field Crops section assisted the Food Pricing Monitoring Committee (FPMC) by providing secretarial support services.
- The Food Price Monitoring Programme has been established in collaboration with Provincial Departments of Agriculture. The main activity of this programme is to record food prices at a total of six monitoring points in each of the nine provinces at retail level. These data are fed through to the FPMC and are used in analysing food price trends.
- A proposal for the establishment of a Consultative Group to discuss agricultural and consumer issues was submitted to the Minister in September 2003. These issues were still pending by the end of the financial year.

### **Study on grain trading**

A Working Group was established in October 2002 to assess the trading of grain by black role-players and to identify opportunities, problems and level of participation with a view to promoting broader participation and contributions to food security. Industry role-players were also engaged. This study was finalised in March 2004.



### **Study of the effect of deregulation in the oilseeds industry**

A Working Group was established in October 2002 to investigate the effect of deregulation on the oilseeds industry. The Working Group completed its work and submitted a report in March 2004. This report is to be used as a basis for further investigations in this regard.

### **The Crop Estimates Liaison Committee (CELC)**

The responsibility of formal monitoring of the crop estimating process resides with the CELC, which is a formal NAMC Committee. Since its inception in October 1998, CELC has achieved three of its four prime functions, namely:

- The establishment of a completely independent and objective Crop Estimates Committee (CEC), free of commercial bias
- Understanding and acceptance on the part of the CEC of what is required from it by the industry and why
- An accurate, timely and credible crop estimate

The fourth function, that of monitoring the performance of the CEC, is an ongoing function and is undertaken by the “market” using the crop estimates. The Committee met twice during the year under review.



### 3. TABLE 12: OUTPUTS AND SERVICE DELIVERY TRENDS - FIELD CROPS

Sub-programmes	Outputs	Service delivery indicators	Actual performance
<b>Maize Board</b>	A submission on the sale of the Maize Board building was compiled.	Delivery of submission to the Minister.	The Minister approved submission on 17 December 2003.
<b>Maize Trust</b>	A submission on the proposed amendments to the Maize Trust Deed was compiled.	Delivery of submission to the Minister.	The Minister approved the submission on 24 January 2004.
<b>Winter Cereal Trust</b>	A submission on the utilisation of unused levies at the end of the levy period was compiled.	Delivery of submission to the Minister.	The Minister approved the submission on 1 October 2003.
<b>Amendments to statutory measures (maize, winter cereals, sorghum and oilseeds)</b>	Investigation of the application for the amendments to statutory measures relating to registration, records and returns for maize, winter cereals, sorghum and oilseeds was carried out.	Delivery of submission and Notices to the Minister.	Submission approved by Minister and measures amended on 11 August 2003.
<b>New statutory measures for whole maize and wheat</b>	Investigation of the application for new statutory measures relating to weekly records and returns for imports and exports of whole maize and wheat was carried out.	Delivery of Working Group Report, submission and Notices to the Minister.	Submission approved by Minister and measures implemented in March 2004.
<b>Continuation of statutory measures on grains</b>	Investigation of the application for the continuation of statutory measures relating to registration, records and returns for maize, winter cereals, sorghum and oilseeds was carried out.	Delivery of Working Group Report, submission and Notices to the Minister.	Submission approved by Minister and measures extended by four years in February 2004.





<p><b>New statutory measures on lucerne</b></p>	<p>Investigation of the application for new statutory measures relating to registration, records and returns for lucerne was completed and report compiled.</p>	<p>Delivery of Working Group report, submission and Notices to the Minister.</p>	<p>Submission approved by the Minister and the new statutory measures were implemented in January 2004.</p>
<p><b>Statutory levy on cotton</b></p>	<p>Investigation of the application for new statutory levy on cotton was completed and report compiled.</p>	<p>Delivery of Working Group report, submission and Notices to the Minister.</p>	<p>Submission approved by the Minister and measures implemented in March 2004.</p>
<p><b>Sorghum Trust, Oil and Protein Seeds Development Trust, Winter Cereal Trust, and Maize Trust</b></p>	<p>Submissions were compiled advising the Minister on the expiry of the terms of office of Ministerial Trustees.</p>	<p>Submissions on the appointment of Ministerial Trustees were delivered to Minister.</p>	<p>The Minister confirmed the appointment of six Winter Cereal Ministerial Trustees on 11 July 2003 and a Cotton Ministerial Trustee on 1 August 2003. The appointment of Ministerial Trustees for the Sorghum Trust and Oil and Protein Seeds Development Trust is still pending.</p>



## **PROGRAMME 5: LIVESTOCK**

### **1. AIM**

To further the objectives of the Act by carrying out the functions of the NAMC, focusing particularly on the aquaculture, dairy, game, goat, mohair, ostrich, poultry, red meat and wool industries.

### **2. KEY PROGRAMMES AND ACHIEVEMENTS**

The following statutory measure investigations in the livestock section were undertaken during the period under review:

- Dairy: Request for the implementation of statutory measures (levies, registration and records and returns) on the processing sector for the dairy industry was approved on 26 November 2003.
- Milk: Request for the implementation of statutory measures (registration and records and returns) on the primary sector of the dairy industry was approved on 27 July 2003.
- Red meat: Request for the implementation of statutory measures (levies, registration and records and returns) throughout the whole value chain in the red meat industry was received in January 2004. The Council's investigation regarding the proposed statutory measures was still in progress by the end of March 2004.

The Act also empowers the NAMC to investigate issues pertaining to agricultural marketing and marketing policy. The following investigations were either initiated or completed during the year under review:



### **Red meat industry**

The Meat Scheme was extended until July 2004. On 2 February 2004 the Meat Board indicated that the last outstanding issue that prevented the repeal of the Meat Scheme, namely the court action instituted by the Board (on behalf of its former employees) against a medical fund in a dispute regarding medical cover for pensioners of the Board, had been settled (out of court) and the Meat Scheme could therefore be repealed.

### **Wool industry**

On 31 July 2003 a Notice was published in the Government Gazette to extend the Wool Scheme until 31 July 2004 to finalise outstanding issues. By 31 March 2004 the outstanding issues that prevented the repeal of the Wool Scheme had not been finalised.

### **Goat industry**

For the 2003/04 financial year the NAMC established a Working Group to study the current status of the goat industry in South Africa and to investigate the current marketing constraints and opportunities for goat farmers in South Africa. The study had not yet been finalised by the end of March 2004.

### **Ostrich industry**

A Section 7 Committee was established to investigate the impact of deregulation on the ostrich industry. The Committee finalised its report in April 2003 and submitted it to the Minister on 28 July 2003. One of the recommendations was the acquisition of the residue monitoring equipment (at a cost of approximately R2.8 million) needed for the testing of export consignments (e.g. cheese, milk, red meat, ostrich meat, etc). For the export of ostrich products to continue, it is essential to buy the equipment before August 2004.



Other findings included the following:

- Approximately 90% of all ostrich products (leather, meat and feathers) are exported. The strengthening of the Rand compared to other foreign currencies since October 2002 therefore placed enormous pressure on profits in the ostrich industry.
- In 2002 production by emerging producers in the ostrich industry was almost non-existent (less than 1% of total production). The ostrich industry is, however, aware of its social responsibility to bring previously disadvantaged individuals (PDIs) into the mainstream of ostrich production. It has therefore accepted the challenge to make more rapid progress with incorporating PDIs into farming and processing activities.

### **Poultry industry**

In September 2002, the NAMC appointed a Poultry Working Group to investigate the production, marketing arrangements and other issues relating to small-scale poultry producers. The report was finalised by the NAMC at its meeting of 30 March 2004.

Some of the findings of the Report include the following:

- Government made major investments to establish poultry projects among black role-players. Notwithstanding these investments, very few projects are operational and many of them have closed down. Lack of business management skills among project members has been pinpointed as the main reason for the failure of these projects. In some instances, no mentorship programme was made available to ensure that projects were sustainable.
- Both small-scale poultry farmers and extension officers need training in several aspects of marketing, such as the interpretation and use of market information, technical aspects of poultry



production, hygiene standards, quality control and value-adding techniques.

- Although the current approach is to organise poultry farmers into large groupings, this sometimes becomes the reason for the failure of projects. The larger the group, the greater and more numerous the conflicts among group members.



### 3. TABLE 13: OUTPUTS AND SERVICE DELIVERY TRENDS - LIVESTOCK

Sub-programmes	Outputs	Service delivery indicators	Actual performance
<b>Meat Board</b>	Submissions to the Minister. Consultation with the industry regarding outstanding issue.	Submission of the Board's budget and the extension of the Meat Scheme to the Minister. Industry consultation.	Budget submission received from the Meat Board on 2 February 2004. Submission was receiving attention by the end of March 2004.
<b>Wool Board</b>	Submissions to the Minister. Engaging the industry regarding outstanding issues.	Submission of the Board's budget and the extension of the Wool Scheme to the Minister. Meetings with industry.	Budget submission received from the Wool Board on 13 January 2004. Submission was receiving attention by the end of March 2004.
<b>Application for new statutory measures (milk industry)</b>	Working group investigated the proposed statutory measures (registration of milk producers and the furnishing of records and returns by milk producers). Investigation completed and report submitted to Minister.	Completion of the NAMC investigation within 60 days of the date on which the Minister referred the application to the NAMC.	Investigation was completed and forwarded to Minister. The Minister granted approval on 27 July 2003. Notices promulgating the statutory measures were published in the <i>Government Gazette</i> on 15 August 2003.
<b>Application for new statutory measures (dairy industry)</b>	Working group investigated the proposed statutory measures (levies, registration of secondary role-players and the submission of records and returns). Investigation completed and report submitted to Minister.	Completion of NAMC investigation and extension of the date (60 days) by which the NAMC had to report back to Minister was requested.	Investigation was completed and forwarded to Minister. The Minister granted approval on 26 November 2003. Notices promulgating the statutory measures were published in the <i>Government Gazette</i> on 19 December 2003.



<b>Application for new statutory measures (red meat industry)</b>	Working group was appointed to investigate the proposed statutory measures (levies, registration of secondary role-players and the submission of records and returns) in the red meat industry.	NAMC to investigate the application for statutory measures within 60 days (or longer period as may be approved by the Minister) after the Minister referred it to the Council.	The investigation was not completed within 60 days after it was referred to the Council. The Council requested and was granted extension. The investigation was still pending by the end of March 2004.
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**PART 4**  
**AUDITOR-GENERAL'S REPORT**  
**AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 MARCH 2004**





AUDITOR - GENERAL

## **REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS OF THE NATIONAL AGRICULTURAL MARKETING COIUNCIL FOR THE YEAR ENDED 31 MARCH 2004**

### **1. AUDIT ASSIGNMENT**

The financial statements as set out on pages 64 to 73, for the year ended 31 March 2004, have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 3 and 5 of the Auditor-General Act, 1995 (Act No. 12 of 1995) and section 8(4) of the Marketing of Agricultural Products Act, 1996 (Act No. 47 of 1996). These financial statements, the maintenance of effective control measures and compliance with relevant laws and regulations are the responsibility of the accounting authority. My responsibility is to express an opinion on these financial statements, based on the audit.

### **2. NATURE AND SCOPE**

The audit was conducted in accordance with Statements of South African Auditing Standards. Those standards require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements,
- assessing the accounting principles used and significant estimates made by management, and
- evaluating the overall financial statement presentation.

Furthermore, an audit includes an examination, on a test basis, of evidence supporting compliance in all material respects with the relevant laws and regulations, which came to my attention and are applicable to financial matters.

I believe that the audit provides a reasonable basis for my opinion.

### **3. QUALIFICATION**

#### **3.1 Provision for post retirement benefits**

South African Statements of Generally Accepted Accounting Practice on Employee Benefits (AC116) requires that a provision should be made for post-retirement benefits. In terms of the approved Service Conditions of the National Agricultural Marketing Council (NAMC), employees with fifteen or more years of service at retirement are entitled to receive two-thirds of their medical aid contributions. No provision has been made in the financial statements for this liability as no actuarial valuation has been undertaken by the NAMC.

### **4. QUALIFIED AUDIT OPINION**

In my opinion, the financial statements, except for the effect on the financial statements of the matter referred to in subparagraph 3.1 the financial statements fairly present, in all material respects, the financial position of the NAMC at 31 March 2004 and the results of its operations and cash flows for the year then ended, in accordance with generally accepted accounting practice and in the manner required by the Public Finance Management Act, 1999 (Act. No 1 of 1999).



AUDITOR - GENERAL

## 5. APPRECIATION

The assistance rendered by the staff of the National Agricultural Marketing Council the audit is sincerely appreciated.

FJ Joubert

**for AUDITOR-GENERAL**

PRETORIA

30 July 2004



**NATIONAL AGRICULTURAL MARKETING COUNCIL  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 MARCH 2004**



**NATIONAL AGRICULTURAL MARKETING COUNCIL  
FINANCIAL STATEMENTS  
for the year ended 31 March 2003**

The reports and statements set out below are presented in compliance with the requirements of the Marketing of Agricultural Products Act, 1996, as amended:

<b>Index</b>	<b>Page</b>
Chairperson's report	55–63
Balance sheet	64
Income statement	65
Statement of changes in equity	66
Cash flow statement	67
Notes to the financial statements	68–72
Detailed income statement	73

**Approval**

The financial statements, which appear on pages 64 to 73, were approved by the accounting authority and signed on their behalf.

The accounting authority is responsible for keeping full and proper records of the financial affairs of the public entity, preparing financial statements for each financial year in accordance with generally accepted accounting practices and ensuring that the public entity has and maintains an effective, efficient and transparent system of financial and risk management and internal control.

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Chairperson

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Date



## **NATIONAL AGRICULTURAL MARKETING COUNCIL CHAIRPERSON'S REPORT**

### **1. Introduction**

It is my pleasure and honour to submit our seventh Annual Report to the Honourable Minister of Agriculture. This report gives an exposé of achievements and challenges the NAMC faced during the year under review. The Annual Report forms part of the audited annual financial statements of the National Agricultural Marketing Council (NAMC) for the year ended 31 March 2004.

The National Agricultural Marketing Council is a statutory public entity established in terms of the Marketing of Agricultural Products Act, No 47 of 1996, as amended (MAP Act) and is listed in schedule 3A of the Public Finance Management Act, No.1 of 1999, as amended (PFMA).

The Council acts as the accounting authority of the entity and performs its activities in terms of Sections 2 and 9 of the MAP Act.

### **2. Council**

The Council comprises 10 (ten) members of which 3 (three) are full time and 7 (seven) are part time.

The names of Council members are provided in Section 1.2 on page 6.

### **3. Organisational structure**

The Council approved the creation of 4 (four) new positions and details of these are provided under Section 1.4 on page 8.



#### **4. Principal activities**

The NAMC is an advisory body. The following are the principal activities which the NAMC performed during the year under review to fulfil its strategic advisory role.

##### **4.1 Marketing schemes**

At the beginning of the financial year under review, six marketing schemes were still in existence. In terms of the MAP Act all control boards had to be disbanded by January 1998. However, the legal standing of these remaining schemes had to be maintained, without market intervention, to allow board liquidation committees to finalise unfinished matters related to levies and assets. Such matters were being finalised by either a court of law or by the Ministry of Agriculture. By the end of the reporting financial year, only the maize, red meat and wool schemes were still in existence. Of these three schemes, the red meat and wool schemes are expected to be wound up during 2004/05. There is still uncertainty regarding the maize scheme because a large number of court cases in connection with unpaid levies have not yet been settled. The Maize Board is, however, making encouraging progress in terms of winning cases and collecting outstanding levies for transfer to the Maize Trust. During the year under review, the Maize Board collected an amount R1 909 307.

##### **4.2 Statutory measures**

The MAP Act empowers directly affected groups to apply for a statutory levy or any statutory measure that supports the realisation of the following objectives of the Act:

- the promotion of market access
- the improvement of efficiency in the marketing of agricultural products
- the optimisation of export earnings from agricultural products
- the enhancement of the viability of the sector



During the year under review one new application for the implementation of statutory measures in the cattle, goat, pigs and sheep industry was received. Details on the position of statutory measures as at 31 March are provided in Table 1 below.

**TABLE 1: STATUTORY MEASURES IN FORCE, RENEWAL AND NEW APPLICATIONS AS AT 31 MARCH 2004**

<b>Commodity</b>	<b>Statutory measure in force</b>	<b>Application for continuation</b>	<b>New application for statutory measure</b>
<u>Field crops:</u>			
Cotton	Levies, registration, records and returns.	-	-
Maize	Registration, records and returns	-	-
Oilseeds	Registration, records and returns	-	-
Sorghum	Levies, registration, records and returns	-	-
Winter cereal	Levies, registration, records and returns	-	-
Lucerne	Registration, records and returns	-	-
<u>Livestock:</u>			
Milk	Registration, records and returns	-	-
Dairy	Levies, registration, records and returns		
Red meat – cattle, goats, pigs and sheep			Levies, registration, records and returns.
Wool	Registration, records and returns	Registration, records and returns	
<u>Horticulture:</u>			
Deciduous fruit: Table grapes, stone and pome fruit	Levies, registration, records and returns	-	-
Wine	Levies, registration, records and returns	-	-
Citrus	Levies, registration, records and returns	Levies, registration, records and returns	
Dried fruit	Levies, registration, records and returns	-	-

The statutory levies reported on in this Report are for the 2002/03 financial year. The reason for not reporting on the year under review is that audited financial statements are used, and by the time this report had been written, audited



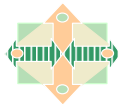


financial statements were not yet available from levy administrators. During the 2002/03 financial year, R83.5 million was collected in respect of statutory levies, compared to R69 million collected during the 2001/02 financial year. The Act places a maximum limit on statutory levies of 5% of the gross value of the agricultural product, at its first point of sale.

The total amount of R83.5 million collected in respect of levies represents only 0,7% of the gross value of the products, namely, citrus, cotton, deciduous, dried fruit, sorghum, wine and winter cereal. As already reported above, more than 10% of the levies collected (R11.7 million) was used in assisting black farmers through training, exposure and information.

#### 4.3 Outreach Programme

The Outreach Programme continued to function during the year under review. All provinces, apart from the Northern Cape, were visited. A total of 39 workshops (up from 30 the previous year) were held and attended by approximately 2,500 farmers. The main concerns expressed by these farmers were that financial institutions were not assisting them, that they did not receive sufficient marketing information, that some marketing outlets discriminated against them and that the packing facilities were inadequate.



#### 4.4 International competitiveness

In line with the mandate of the NAMC and the sector strategy for broader participation, international competitiveness and profitability, the NAMC has initiated a study to look at specific levels of government support in major competing countries and those that export to South Africa. The results of the study are expected during the second half of the 2004/05 financial year and should inform our competitive strategic thrusts.

#### 4.5 Council meetings attended

Table 2: Council members, Council meetings attended and not attended

<b>Member</b>	<b>Number of scheduled meetings</b>	<b>Meetings attended</b>	<b>Meetings not attended</b>	<b>Reasons for not attending</b>
<b>Bezuidenhout MEJ</b>	11	11	0	
<b>Buthelezi DR</b>	11	7	4	Local government meetings and other commitments
<b>Dall GP</b>	11	10	1	Abroad consulting agricultural industry
<b>Fourie WA</b>	11	9	2	Other commitments
<b>Kirsten Prof JF</b>	11	10	1	Abroad attending agricultural seminar
<b>Makhetha BM</b>	11	11	0	
<b>Moolman SE</b>	11	11	0	
<b>Mvabaza VW</b>	11	11	0	
<b>Ndaba D</b>	11	10	1	Writing exams
<b>Rathogwa M G</b>	11	11	0	



## 5. Governance

### 5.1 Governance structures

The following are the governance structures which the NAMC had in place during the period under review.

#### 5.1.1 Audit Committee

The Audit Committee met four times during the year under review. Its composition was as follows:

Ms M Nembambula	CFO: Gauteng Department of Housing	Chairperson
Mr GP Dall	Council Member	Member
Mr W Niewoudt	Delloite and Touche (Partner)	Member

#### 5.1.2 Human Resources Committee

During the year under review this Committee held three meetings. One of its highlights was the development of personnel regulations to ensure alignment with legislation and practical implementation. The Council will adopt these regulations during the 2004/05 financial year for final submission to the Minister for approval.

The Committee comprised the following:

Mr MG Rathogwa	Full-time Council Chairperson	Chairperson
Mr GPG Dall	Part-time Council member	Member
Ms D Ndaba	Full-time Council member	Member
Ms SE Moolman	Part-time Council member	Member



### 5.1.3 Risk Management Committee

The Council developed a Risk Management Plan and submitted it to the Executive Authority as required by the PFMA. A Risk Management Committee was formed to oversee and monitor efficient, effective and economic systems of internal controls. At the time of reporting the Risk Management Committee was developing its charter.

### 5.2 Governance charters

The following charters were developed during the period under review:

- Corporate Governance Charter, as recommended by King II Report
- Audit Committee charter
- Internal Audit committee charter

## **6. Materiality and significance framework (Treasury Regulation 28.2.1)**

A materiality and significance framework has been developed for reporting losses, and irregular, fruitless and wasteful expenditure, as well as for significant transactions in terms of section 54(2) of the PFMA. The Council finalised the framework in consultation with the external auditors and has obtained formal approval from the Minister.



## 7. Council emoluments

Both the Minister of Finance and the Minister of Agriculture approve Council members' emoluments on an annual basis. The position for the 2003/04 financial year is shown in Table 3, in compliance with Section 55 of the PFMA read with Treasury Regulation 28(1) and 28(1)(2).

Table 3: Council members' emoluments for the 2003/04 financial year in aggregate per full-time members and part-time members

Member	No	Overtime	Allowance	Benefits	Bonuses	Basic Salary	Fees for Service	Total
Full-time Chairperson	1	Nil	R84, 564	R1,060	Nil	R544,822	Nil	R630,447
Full-time members	2	Nil	R190,959	R2,121	Nil	R751,207	Nil	R944,286
Part-time members	7	Nil	Nil	Nil	Nil	Nil	R531,409	R531,490
<b>Total</b>	<b>10</b>	<b>Nil</b>	<b>R275,523</b>	<b>R3,181</b>	<b>Nil</b>	<b>R1, 296, 029</b>	<b>R531,490</b>	<b>R2,106,222</b>



## **Challenges**

The NAMC, as an advisory body, faces the following challenges:

- Achieving unity and a common vision among various industries regarding the use of statutory levies.
- Providing assistance to black farmers in marketing their products. The NAMC is expected to find markets and be involved in the physical marketing of products, notwithstanding that it is an advisory body and its budget does not accommodate those expectations.
- Lack of coordination and sharing of information regarding transformation within the agricultural sector.

## **Conclusion**

In conclusion I would like to thank you, Minister and Deputy Minister, for your leadership. Without your supportive, clear leadership we would have not achieved what we managed during the year under review.

We would also like to express our appreciation to the Director-General, her Deputy Directors-General and all her support staff, the Office of the Auditor-General and the International Trade Administration Commission of South Africa (ITAC), for their cooperation and support.

To my colleagues and the Secretariat, I express my great gratitude for work well done under difficult conditions. This achievement was possible only because of your enthusiasm and commitment to our mandate.

**MG RATHOGWA**

**CHAIRPERSON: NAMC**



**NATIONAL AGRICULTURAL MARKETING COUNCIL  
BALANCE SHEET  
at 31 March 2004**

	Notes	2004 R	2003 R
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	348,213	480,194
<b>Current assets</b>			
		2,555,734	1,335,371
Accounts receivable		343,869	433,346
Cash and cash equivalents	3	2,211,865	902,025
<b>Total assets</b>		2,903,947	1,815,565
<b>Funds and liabilities</b>			
<b>Reserves</b>			
Accumulated funds		1,457,700	699,492
<b>Current liabilities</b>			
Trade and other payables	4	1,446,247	1,116,073
<b>Total equity and liabilities</b>		2,903,947	1,815,565



**NATIONAL AGRICULTURAL MARKETING COUNCIL**  
**INCOME STATEMENT**  
for the year ended 31 March 2004

		2004	2003
	Notes	R	R
Revenue		10,109,000	5,212,000
Other income		53,477	49,166
		<hr/>	<hr/>
		10,162,477	5,261,166
Operating costs		9,664,203	8,941,856
		<hr/>	<hr/>
Operating surplus/(deficit)	5	498,274	-3,680,690
Interest received		259,934	484,724
		<hr/>	<hr/>
Surplus/(Deficit)		<u>758,208</u>	<u>-3,195,966</u>





**NATIONAL AGRICULTURAL MARKETING COUNCIL**  
**STATEMENT OF CHANGES IN EQUITY**  
**for the year ended 31 March 2004**

	<b>Accumulated funds</b> <b>R</b>
Balance at 31 March 2002	3,895,458
Deficit for the year	<u>-3,195,966</u>
Balance at 31 March 2003	699,492
Deficit for the year	758,208
Balance at 31 March 2004	<u><u>1,457,700</u></u>



**NATIONAL AGRICULTURAL MARKETING COUNCIL  
CASH FLOW STATEMENT  
for the year ended 31 March 2004**

	Notes	2004 R	2003 R
<b>Cash flows from operating activities</b>			
Cash generated by/(utilised in) operating activities	9.1	1,140,289	-3,321,427
Interest received		259,934	484,724
Net cash from operating activities		<u>1,400,223</u>	<u>-2,836,703</u>
<b>Cash flows from investing activities</b>			
<i>Expenditure to maintain operating capacity</i>			
Property, plant and equipment acquired		-90,383	-49,912
Net cash used in investing activities		<u>-90,383</u>	<u>-49,912</u>
Increase/(decrease) in cash and cash equivalents		1,309,840	-2,886,615
Cash and cash equivalents at the beginning of the year	9.2	902,025	3,788,640
Cash and cash equivalents at the end of the year	9.2	<u>2,211,865</u>	<u>902,025</u>



**NATIONAL AGRICULTURAL MARKETING COUNCIL  
ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2004**

**1. Accounting basis**

The financial statements are prepared in accordance with generally accepted accounting practices under the historical cost convention, incorporating the following principal accounting policies which are consistent with the previous year.

**1.1 Revenue recognition**

Government grants voted by Parliament, interest received and donations are recognised as income when received. Other income, consisting of recoupment of expenses, is recognised as income on the accrual basis.

**1.2 Property, plant and equipment**

All property, plant and equipment are initially recorded at cost.

Depreciation is calculated on the straight line method to write off the cost of each asset to its residual value over its estimated useful life. The depreciation rates applicable to each category of property, plant and equipment are as follows:

Motor vehicles	20.0%
Furniture and fittings	15.0%
Office equipment	20.0%
Computer equipment	33.3%
Computer software	33.3%

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indications exist, and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

**1.3 Bursaries**

Bursaries awarded are recognised as expenses when incurred.

**1.4 Provisions**

Provisions are recognised when the Council has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

**1.5 Retirement benefits**

Retirement benefits are paid for all employees, except full-time Council members, through a fund governed by the Pension Fund Act No. 24 of 1956 on the basis of defined contribution plans. Contributions are made 100% by the employer at a rate of 12.5% of total cost to employer. Contributions are written off in the year incurred.



**NATIONAL AGRICULTURAL MARKETING COUNCIL  
ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2004**

1.6 Financial instruments

Financial instruments carried on the balance sheet include cash and bank balances, receivables and accounts payable. These financial instruments are generally carried at their estimated fair value, which is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable people and willing parties in an arm's length transaction. The Council is therefore exposed to the following risks:

- Interest rate risk, which is the risk that the value of a financial instrument will fluctuate due to a change in market interest rates with respect to cash and cash equivalents
- Credit risk, which is the risk that one party to a financial instrument will fail to discharge an obligation and will cause the other party to incur a financial loss with respect to accounts receivable and accounts payable

*Recognition*

Financial instruments are initially recognised using the trade date accounting method, which refers to the recognition of an asset to be received and the liability to pay for it on the trade date.

*Measurement*

All financial instruments are initially measured at cost, which includes transaction cost. Subsequent to initial recognition these instruments are measured at fair value.

Gains and losses arising from changes in the fair value are recognised in net surplus or deficit.

1.7 Cash flows

For the purpose of the cash flow statement, cash includes cash on hand, deposits held on call with banks, and bank overdrafts.

**2. Property, plant and equipment**

	2004			2003		
	Cost R	Accumulated depreciation R	Carrying value R		Accumulated depreciation R	Carrying value R
Motor vehicles	320,813	203,181	117,632	320,813	139,019	181,794
Furniture and fittings	323,691	191,409	132,282	301,174	144,694	156,480
Office equipment	127,498	106,634	20,864	121,798	87,263	34,535
Computer equipment	361,557	319,459	42,098	334,728	239,017	95,711
Computer software	127,392	92,055	35,337	92,055	80,381	11,674
	<u>1,260,951</u>	<u>912,738</u>	<u>348,213</u>	<u>1,170,568</u>	<u>690,374</u>	<u>480,194</u>



**NATIONAL AGRICULTURAL MARKETING COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**at 31 March 2004**

**Property, plant and equipment (continued)**

The carrying amounts of property, plant and equipment can be reconciled as follows:

**2004**

	R	Additions R	Depreciation R	Carrying value at end of year R
Motor vehicles	181,794	-	-64,162	117,632
Furniture and fittings	156,480	22,517	-46,715	132,282
Office equipment	34,535	5,700	-19,371	20,864
Computer equipment	95,711	26,829	-80,442	42,098
Computer software	11,674	35,337	-11,674	35,337
	<u>480,194</u>	<u>90,383</u>	<u>-222,364</u>	<u>348,213</u>

**2003**

	R	Additions R	Depreciation R	Carrying value at end of year R
Motor vehicles	245,957	-	-64,163	181,794
Furniture and fittings	191,530	8,902	-43,952	156,480
Office equipment	47,494	11,011	-23,970	34,535
Computer equipment	157,645	29,999	-91,933	95,711
Computer software	42,356	-	-30,682	11,674
	<u>684,982</u>	<u>49,912</u>	<u>-254,700</u>	<u>480,194</u>

**2004**  
R

**2003**  
R

**3. Cash and cash equivalents**

Call deposit	2,172,374	747,660
Bank	39,397	154,143
Cash	94	222
	<u>2,211,865</u>	<u>902,025</u>

**4. Trade and other payables**

Accounts payable and other accruals	1,267,824	809,200
Leave pay due	178,423	306,873
	<u>1,446,247</u>	<u>1,116,073</u>



**NATIONAL AGRICULTURAL MARKETING COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**at 31 March 2004**

**2004**      **2003**  
**R**            **R**

**5. Operating surplus/(deficit)**

Operating surplus/(deficit) is stated after:

*Expenditure*

Auditor's remuneration	-33,609	457,332
-Audit fee	-	145,000
-Prior year (over-)/under-provision	-33,609	8,772
-Other services	-	53,560
-Forensic audit - Potato Trust	-	250,000
Depreciation	222,364	254,700
-Motor vehicles	64,162	64,163
-Furniture and fittings	46,715	43,952
-Office equipment	19,371	23,970
-Computer equipment	80,442	91,933
-Computer software	11,674	30,682
Lease rentals	556,192	590,308
-Rental - premises	439,985	472,712
-Rental - equipment	116,207	117,596

**6. Future operating lease commitments after 31 March 2004**

<i>Office rental</i>	867,112	1,224,195
Payable not later than one year	389,093	357,083
Payable later than one year and not later than five years	478,019	867,112
<i>Equipment rental</i>	477,750	597,258
Payable not later than one year	128,791	119,508
Payable later than one year and not later than five years	348,959	477,750
	<u>1,344,862</u>	<u>1,821,453</u>

**7. Contingent liabilities**

A claim against the Council by a previous employee is still outstanding. The claim was referred to the Labour Court and the outcome thereof is uncertain.



**NATIONAL AGRICULTURAL MARKETING COUNCIL  
ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2004**

**8. Financial instruments**

Financial instruments are used to cover risks linked to the Council's activities. Each instrument is tied to an asset or liability. Management of these instruments is centralised.

**8.1 Credit risk**

Financial assets which potentially subject the Council to concentrations of credit risk consist principally of cash and trade receivables and trade payables. The Council's cash and short-term deposits are placed with high credit, quality financial institutions. Credit risk with respect to trade receivables and trade payables is limited due to the large number of customers and suppliers comprising the Council's customer and supplier base and their dispersion across different industries and geographical areas. Accordingly, the Council has no significant concentration of credit risk.

**8.2 Interest rate risk**

The Council's exposure to interest rate risk is managed by depositing in short-term call deposits of 32 days and reinvesting at the best interest rate on maturity of the deposit.

**8.3 Fair values**

At 31 March 2004 and 31 March 2003 the carrying amounts of cash and bank balances, accounts receivable and trade creditors approximated their fair values due to the short-term maturities of these assets and liabilities.

	<b>2004</b>	<b>2003</b>
	<b>R</b>	<b>R</b>
<b>9. Notes to the cash flow statement</b>		
<b>9.1 Cash generated by/(utilised in) operating activities</b>		
Surplus/(deficit) for the year	758,208	-3,195,966
Adjustments for:		
Depreciation	222,364	254,700
Interest received	-259,934	-484,724
	720,638	-3,425,990
Movements in working capital		
Decrease/(increase) in accounts receivable	89,477	-44,547
Increase in accounts payable	330,174	155,521
Increase in grant received in advance	-	-6,411
	1,140,289	-3,321,427
<b>9.2 Cash and cash equivalents</b>		
Cash and cash equivalents consist of cash on hand and balances with banks.		
Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:		
Cash and cash equivalents	2,211,865	902,025



**NATIONAL AGRICULTURAL MARKETING COUNCIL**  
**DETAILED INCOME STATEMENT**  
for the year ended 31 March 2004

	<b>2004</b>	<b>2003</b>
	R	R
<b>Gross revenue</b>		
Government grant	10,109,000	5,212,000
<b>Income</b>	313,411	533,890
Interest	259,934	484,724
Donations	-	6,411
Recoupment of expenses	53,477	42,755
<b>Expenditure</b>	9,664,203	8,941,856
Auditors' remuneration	-33,609	457,332
Bad debts	-	18,245
Consultants	1,090,136	938,356
Depreciation	222,365	254,700
Food price monitoring committee	654,148	74,536
Other operating expenses	811,002	825,252
Personnel expenses	5,096,234	4,786,819
Rental - copy machine	116,207	117,596
Rental - premises	439,985	472,712
Section 7 and work group investigations	679,765	134,266
Subsistence and travel	587,970	862,042
Surplus/(Deficit) for the year	758,208	-3,195,966





# **PART 5**

# **AUDIT COMMITTEE REPORT**



## **PART 5: AUDIT COMMITTEE REPORT**

We are pleased to present our report for the financial year ended 31 March 2004.

### **Audit Committee members and attendance**

The Audit Committee consists of the members listed hereunder and meets three times per annum as per its approved terms of reference. During the current year four meetings were held.

<b>Name of member</b>	<b>Number of meetings attended</b>
Me Malindi Nembambula	4
Mr Werner Nieuwoudt	4
Mr Peter Dall	4

### **Audit Committee responsibilities**

The Audit Committee reports that it has complied with its responsibilities arising from section 38 (1)(a) of the PFMA and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

### **Effectiveness of internal control**

The system of internal control is effective, as evidenced by the fact that the various reports of the Internal Auditors, the Audit Report on the Annual Financial Statements, and the letter on matters of emphasis and management of the Auditor-General have not reported any significant or material non-compliance with prescribed policies and procedures.



A risk committee was also established and a charter developed during the year under review to effectively manage risk-related matters to which the NAMC might be exposed. However, the risk committee has not commissioned its work.

### **Quality of management and monthly/quarterly reports submitted during the course of the year in terms of the Act and the Division of Revenue Act**

The Committee is satisfied with the content and quality of monthly and quarterly reports prepared and issued by the accounting authority of the entity during the year under review.

### **Evaluation of financial statements**

The Audit Committee has

- Reviewed and discussed with the Auditor-General and the Accounting Officer the audited annual financial statements to be included in the annual report;
- Reviewed the Auditor-General's management letter and management response and is seriously concerned about the significant, material issue raised therein regarding the failure to sign and implement various policies and procedures which are crucial to the running of this entity; and
- Reviewed and noted the audit qualification raised by the office of the Auditor-General on the lack of post-retirement provisions in the annual financial statements as well as the management response thereto.



The Audit Committee concurs with and accepts the conclusions of the Auditor-General on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.

**MS MALINDI NEMBABULA**  
**Chairperson: NAMC Audit Committee**





# **PART 6 ANNEXURES**




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**ANNEXURE A: CONTACT DETAILS OF INDUSTRY STRUCTURES**

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**CONTACT DETAILS OF TRUSTS**

<b>Name</b>	<b>Commodities</b>	<b>Contact details</b>	<b>Tel</b>	<b>Fax</b>	<b>E-mail and website</b>
Citrus Industry Trust	Citrus	Ms Elsa Taylor PO Box 359 GROENKLOOF 0027	012 667 3113	012 667 3128	<a href="mailto:emtaylor@iafrica.com">emtaylor@iafrica.com</a>
Cotton Trust	Cotton	Mr Hennie Bruwer PO Box 912232 SILVERTON 0127	012 804 1462	012 804 8616	<a href="mailto:genie@cottonsa.org.za">genie@cottonsa.org.za</a>
Deciduous Fruit Industry Trust	Deciduous fruit	Mr Anton Rabe PO Box 163 PAARL 7620	021 871 1132	021 871 1305	<a href="mailto:johlida@deciduous.co.za">johlida@deciduous.co.za</a>
Deciduous Fruit Producers' Trust	Deciduous fruit	Mr Anton Rabe PO Box 163 PAARL 7620	021 870 2900	021 870 2915	<a href="mailto:johlida@deciduous.co.za">johlida@deciduous.co.za</a>



Name	Commodities	Contact details	Tel	Fax	E-mail and website
Dry Bean Trust	Dry beans	Mr Jerry van Vuuren Private Bag x 135 PRETORIA 0001	012 323 1696	012 325 6102	<a href="mailto:dpo@agric.co.za">dpo@agric.co.za</a> <a href="http://www.beans.co.za">http://www.beans.co.za</a>
Lucerne Seed Industry Research and Development Trust	Lucerne seed	Mr Derrick Engelbrecht PO Box 185 OUDTSHOORN 6620	044 272 8991	044 329 2838	
Maize Trust	Maize	Mr Leon du Plessis PO Box 12203 QUEENSWOOD 0121	012 333 3429	012 333 3429	<a href="mailto:l-agic@mweb.co.za">l-agic@mweb.co.za</a>
Meat Industry Trust	Meat	Mr Tim Davidson PO Box X3060 RANDBURG 2125	011 784 6611	011 784 6611	<a href="mailto:mwmtrust@mweb.co.za">mwmtrust@mweb.co.za</a>
Mohair Trust	Mohair	Mr David Hobson PO Box 2243 SYDENHAM PE 6056	041 487 1386	041 487 1336	<a href="mailto:info@mohair.co.za">info@mohair.co.za</a>
Oil and Protein Seed Development Trust	Oilseeds	Mr Gerhald Keun PO Box 5562 RIVONIA 2128	011 234 3400	011 234 3402	<a href="mailto:oliesade@worldonline.co.za">oliesade@worldonline.co.za</a>





Name	Commodities	Contact details	Tel	Fax	E-mail and website
Potato Trust	Potatoes	Mr Frank Lawrence Private Bag x 135 PRETORIA 0001	012 323 1696	012 325 6102	<a href="mailto:rcronje@agric.co.za">rcronje@agric.co.za</a>
Sorghum Trust	Sorghum	Mr Nico Fouché PO Box 14826 SINOVILLE 0129	012 804 4800	012 845 1264	<a href="mailto:nico@mposa.co.za">nico@mposa.co.za</a>
Winter Cereal Trust	Winter cereals	Mr Awie Coetzee PO Box 7088 CENTURION 0046	012 663 1660	012 663 3109	<a href="mailto:wct@grainmilling.co.za">wct@grainmilling.co.za</a>
SA Wine Industry Trust	Wine	Mr Marthinus Saunderson Private Bag x 5034 STELLENBOSCH 7599	021 809 3164	021 889 5900	<a href="mailto:sawit@infruit.co.za">sawit@infruit.co.za</a>
Wool Trust	Wool	Mr Dirk Schreuder PO Box 2500 NOORDEINDE PE 6056	041 484 4307	041 484 4309	<a href="mailto:wooltrust@eastcape.net">wooltrust@eastcape.net</a>



**CONTACT DETAILS OF INDUSTRY SERVICE SECTION 21 COMPANIES**

<b>Name</b>	<b>Commodities</b>	<b>Contact details</b>	<b>Tel</b>	<b>Fax</b>	<b>E-mail and website</b>
Aquaculture Association of South Africa	Aquaculture	Mr Danie Brink University of Stellenbosch Private Bag X 1 Matieland 7602	021-808 5838	021-808 5833	<a href="http://www.sun.ac.za">www.sun.ac.za</a> & <a href="mailto:db@sun.ac.za">db@sun.ac.za</a>
Cape Wool SA	Wool	Mr Paul Buys PO Box 2191 NOORDEINDE PE 6056	041 484 4301	041 484 6792	<a href="mailto:stats@capewools.co.za">stats@capewools.co.za</a> <a href="http://www.capewools.co.za">www.capewools.co.za</a>
Citrus Growers' Association of Southern Africa	Citrus	Mr Justin Chadwick PO Box 461 HILLCREST 3650	031 765 2514	031 765 8029	<a href="mailto:justchad@iafrica.com">justchad@iafrica.com</a> <a href="http://www.cga.co.za">www.cga.co.za</a>
Cotton SA	Cotton	Mr Hennie Bruwer PO Box 912232 SILVERTON 0127	012 804 1462	012 804 8616	<a href="http://www.cottonsa.org.za">http://www.cottonsa.org.za</a>
Dried Fruit Technical Services	Dried Fruit	Mr Dappies Smit PO Box 426 PAARL 7620	021 872 1502	021 872 2675	<a href="mailto:dappies@dtd.co.za">dappies@dtd.co.za</a>



Name	Commodities	Contact details	Tel	Fax	E-mail and website
Lucerne Seed Organisation	Lucerne seed	Mr Derrick Engelbrecht PO Box 185 OUDTSHOORN 6620	044 272 8991	044 329 2838	<a href="mailto:lusern@mweb.co.za">lusern@mweb.co.za</a>
Milk South Africa	Milk	Mr Robert Wesseloo PO Box 1284 PRETORIA 0001	012 804 4801	012 804 4811	<a href="mailto:info@melksa.co.za">info@melksa.co.za</a>
Mohair South Africa	Mohair	Mr Frans Loots P O Box 2243 SYDENHAM PE 6056	041 487 1386	041 487 1336	<a href="http://www.mohair.co.za">www.mohair.co.za</a>
SAGIS (South African Grain Information Service)	Barley, canola, groundnuts, maize, oats, sorghum, soybeans, sunflower seed and wheat	Ms Anna Enslin PO Box 669 PRETORIA 0001	012 325 2133	012 323 2636 012 324 3018	<a href="mailto:info@sagis.org.za">info@sagis.org.za</a> <a href="http://www.sagis.org.za">www.sagis.org.za</a>
South African Grain Laboratory	Wheat, oats, maize, malt, sorghum and other grains	Ms Corlia Buitendag PO Box 1059 SILVERTON 0127	012 349 2683	012 349 2686	<a href="mailto:sagl@mweb.co.za">sagl@mweb.co.za</a> <a href="http://www.sagl.co.za">www.sagl.co.za</a>



Name	Commodities	Contact details	Tel	Fax	E-mail and website
South African Game Ranchers' Association	Game	Dr Andre Moolman PO Box 4722 PRETORIA 0001	012 346 3925	012 320 5561	<a href="http://www.sagro.co.za">www.sagro.co.za</a>
South African Ostrich Business Chamber	Ostriches	Mr Anton Kruger PO Box 952 OUDTSHOORN 6620	044 272 3336	044 272 3337	<a href="mailto:akruger@saobc.co.za">akruger@saobc.co.za</a>
South Africa Poultry Association	Poultry	Mr Zach Coetzee PO Box 1202 HONEYDEW 2040	011 795 2051	011 795 3180	<a href="mailto:sapa@sapoultry.co.za">sapa@sapoultry.co.za</a>
SAWIS (South African Wine Industry Information & Systems)	Wine	Mr Andre Matthee PO Box 238 PAARL 7620	022 423 8692	021 871-1360	<a href="mailto:matthee@sawis.co.za">matthee@sawis.co.za</a> <a href="http://www.sawis.co.za">www.sawis.co.za</a>
WINETECH (Wine industry Network of Expertise and Technology)	Wine	Mr Jan Booysen PO Box 528 SUIDER-PAARL 7624	021 807 3324	021 807 3385	<a href="mailto:booysej@kwv.co.za">booysej@kwv.co.za</a> <a href="http://www.winetech.co.za">http://www.winetech.co.za</a>
WOSA (Wines of South Africa)	Wine	Ms Su Birch PO Box 987 STELLENBOSCH 7599	021 883 3860	021 883 3861	<a href="mailto:info@wosa.co.za">info@wosa.co.za</a> <a href="http://www.wosa.co.za">http://www.wosa.co.za</a>



Name	Commodities	Contact details	Tel	Fax	E-mail and website
Potatoes SA	Potatoes	Dr N Theron Private Bag X135 PRETORIA 0001	012-323-1696	012-325-6102	ntheron@agric.co.za
South African Cut Flower Growers' Association	Flowers	Mr Dirk de Bruin PO Box 1927 KRUGERSDORP 1740	011-692-4237	011-693-7051	safflower@global.co.za
South African Protea Producers and Exporters Association	Flowers	Me Maryke Middlemann Private Bag X12 BOT RIVER 7185	028-284-9745	028-284-9777	sappex@hermanus.co.za
SAMIC (South African Meat Industry Company)	Red meat	Mr Manie Booysen PO Box 26151 ARCADIA 0007	012 361 4545	012 361 6004	<a href="mailto:ceo@samic.co.za">ceo@samic.co.za</a> <a href="http://www.samic.co.za">www.samic.co.za</a>



**CONTACT DETAILS OF FORUMS/BROADER INDUSTRY POLICY BODIES**

<b>Name</b>	<b>Commodities</b>	<b>Contact details</b>	<b>Tel</b>	<b>Fax</b>	<b>E-mail and website</b>
Fresh Produce Exporters' Forum	Citrus, deciduous fruits and subtropical fruit	Mr Stuart Symington PO Box 190 NEWLANDS 7725	021 674 3202	021 683 6280	<a href="mailto:info@fpef.co.za">info@fpef.co.za</a>
Deciduous Canning Fruit Forum	Deciduous Canning Fruit	Mr SJ Victor PO Box 414 PAARL 7620	<u>021 872 1401</u>	<u>021 872 2675</u>	inmaak@mweb.co.za
Meat Industry Forum	Meat	Dr Daan Opperman PO Box 244 LA MONTAGNE 0184	012 348 5111	012 348 1379	<a href="mailto:dpjo@mweb.co.za">dpjo@mweb.co.za</a>
SA Groundnut Forum SA Sunflower Forum SA Soya Bean Forum	Groundnuts Sunflowers Soya beans	Mr Gerhald Keun PO Box 5562 RIVONIA 2128	011 234 3400	011 234 3402	<a href="mailto:oliesade@worldonline.co.za">oliesade@worldonline.co.za</a>
Sorghum Forum	Sorghum	Mr Nico Fouché PO Box 14826 SINOVILLE 0129	012 804 4800	012 845 1264	<a href="mailto:nico@mposa.co.za">nico@mposa.co.za</a>
Wheat Forum	Wheat	Mr Leon du Plessis PO Box 12203 QUEENSWOOD 0121	012 333 3429	012 333 3429	<a href="mailto:l-lagric@mweb.co.za">l-lagric@mweb.co.za</a>



Name	Commodities	Contact details	Tel	Fax	E-mail and website
Wool Forum	Wool	Mr Paul Buys PO Box 2191 NOORDEINDE PE 6056	041 484 4301	041 484 6792	<a href="mailto:capewool@capewools.co.za">capewool@capewools.co.za</a>
Lucerne Industry Forum	Lucerne seed	Mr Derrick Engelbrecht PO Box 185 OUDTSHOORN 6620	044 272 8991	044 329 2838	<a href="mailto:lusern@mweb.co.za">lusern@mweb.co.za</a>
SAWB (South African Wine and Brandy Company)	Wine	Dr Johan van Rooyen PO Box 7055 STELLENBOSCH 7599	021 886 8992	021 882 9510	
Maize Forum	Maize	Mr Leon du Plessis PO Box 12203 QUEENSWOOD 0121	012 333 3429	012 333 3429	<a href="mailto:l-lagric@mweb.co.za">l-lagric@mweb.co.za</a>




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**ANNEXURE B: STATUTORY MEASURES: LEVIES, REGISTRATION, RECORDS AND RETURNS**

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**STATUTORY MEASURE (LEVIES):  
STATUS REPORT AS AT 31 MARCH 2004**

<b>DETAILS OF STATUTORY MEASURE</b>	<b>ADMINISTERING BODY</b>	<b>PURPOSE OF STATUTORY MEASURE</b>
<b>DAIRY LEVIES</b>		
Milk and Cream, not concentrated not containing added sugar or other sweetening matter	1.14 cent/litre	The dairy statutory levies are administered by Milk South Africa, a Section 21 Company.
Milk and Cream, concentrated or containing added sugar or other sweetening matter: in powder, granules or other solids forms, or a fat content, by mass, exceeding 1.5 per cent (AMP)	13.74 cent/kg	
Milk and Cream, concentrated or containing added sugar or other sweetening matter: in powder, granules or other solids forms, or a fat content, by mass, exceeding 1.5 per cent (FMP)	9.46 cent/kg	
Milk and Cream, concentrated or containing added sugar or other sweetening matter	2.34 cent/kg	
Other: Cheese and Curd	11.40 cent /kg	
Implemented on 19 December 2003 and will lapse four years later.		
<b>WINTER CEREAL LEVIES</b>		
A. R4.00 per metric ton (exclusive of VAT) on wheat processed to finance the research function; and R0.50	The administration of the Winter Cereal Trust is responsible for the collection and administration functions associated with the	Traditionally, the amounts appropriated to researchers for a specific calendar year have been based on the amount





## DETAILS OF STATUTORY MEASURE

per metric ton (exclusive of VAT) on wheat, durum wheat, barley or oats processed to finance the information function. Published on 16 March 1998 and expired on 30 October 1998. Payable by processors.

**B.** R4.00 per ton wheat processed for research and R0.50 per ton wheat, durum wheat, barley and oats for information, published on 18 September 1998, and expired in September 2002. To be recovered at first point of sale.

- C.**
- R7.50 per metric ton for wheat
  - R7.00 per metric ton for barley
  - R4.50 per metric ton for oats, and
  - R4.50 per metric ton for durum wheat, (VAT excluded)

Imposed on all winter cereals sold, imported, processed or converted, exported, and in respect of which a SAFEX silo receipt has been issued if the levy in respect of such a winter cereal has not been paid before. Implemented on 1 October 2002, and will lapse on 30 September 2006.

## COTTON LEVY

**A.** 12c/kg cotton lint produced, excluding VAT, payable by ginners, and payable to Cotton South Africa. Published on 8 May 1998 and lapsed on 31 March 2000.

**B.** 14c/kg cotton lint produced, excluding VAT, payable by ginners, and payable to Cotton South Africa. Published on 31 March 2000 and will lapse on 31 March 2004.

**C.** 17c/kg cotton lint produced, excluding VAT, payable by ginners to Cotton SA. Published on 12 March 2004 and will lapse on 31 March 2008.

## ADMINISTERING BODY

information and research levies.

The primary objective of the Winter Cereal Trust is to develop the winter cereal industry in the RSA by supporting market and production research with regard to winter cereals, by broadening the market for South African produced winter cereals, by collecting, processing and distributing market information on winter cereals and the winter cereal industry in the RSA and by administering the Wheat Forum. Trustees represent commercial producers, emerging farmers, grain handlers, processors, consumers, labour and the Minister of Agriculture.

A secondary objective of the Winter Cereal Trust is to undertake and/or support research with regard to winter cereals in the RSA in the interests of the winter cereal industry in the RSA.

The Trustees represent commercial producers, emerging farmers, processors, consumers and the Minister of Agriculture.

Cotton SA is a non-profit seeking company incorporated under section 21 of the Companies Act, 1973. The company is industry driven but independent and in a good position to adhere to the specific needs of participants.

The Board of Directors includes representatives of producers and small-scale farmers, the cotton ginning industry, the cotton spinning industry, the clothing and household textile sector, the national consumers' organisation and the labour sector.

## PURPOSE OF STATUTORY MEASURE

collected by means of levies in the preceding year to strengthen the relevant fund. Sufficient money was kept in reserve to cover contingencies such as crop failure where the income from levies might not be sufficient to maintain ongoing projects and/or initiate possible new ones. In view of continued research in all sectors of the industry, it was envisaged that levies would provide the most appropriate mechanism for continued funding.

A part of the levy is used to fund the winter cereal industry's share of the SAGIS budget. All levies collected would be deposited into the bank account of the Winter Cereal Trust.

The statutory levy was implemented to provide financial support for the following functions that the cotton industry has identified as essential and in the interest of the industry as a whole:

- rendering of information services to provide support to all role-players
- stimulation of production and use of cotton
- enhancement of the marketability of cotton through research, quality standards and norms, and training.



## DETAILS OF STATUTORY MEASURE

### SORGHUM LEVY

**A.** R3.10 per ton sorghum, excluding VAT, payable by a producer who sells sorghum directly for use or processes sorghum, by a sorghum dealer, feed manufacturer, malt manufacturer, processor, by a sorghum agent or broker, by an importer of sorghum, by an exporter from SA, and by a person who receives sorghum as remuneration for any services rendered or for any goods delivered by him or her or on his or her behalf. Published on 8 May 1998 and would have lapsed on 31 July 2000, but was extended twice to lapse on 28 February 2002. A R5.00 per ton sorghum levy implemented on 5 March 2002, expired on 28 February 2003.

**B.** The above was replaced by a levy of R6.00 per ton, VAT excluded, implemented on 01 March 2003 and will lapse on 28 February 2006.

### WINE INDUSTRY LEVIES

Information levy:

R7.35/ton on grapes

R1.05 per litre on grape juice concentrate and

R1.05 per litre on drinking wine.

Research and development levy:

R10.50/ton on grapes

R0.015 per litre on grape juice concentrate

R0.015 per litre on drinking wine, and

R0.013 per litre on distilling wine and wine spirit.

Implemented on 13 August 2003 and will lapse after four years.

Wine export generic promotion levy:

R0.05 per litre on export wine in bulk, otherwise R0.074 per litre.

These levies were changed on 12 March 2004 and will lapse in October 2005.

## ADMINISTERING BODY

The Sorghum Trust administers this statutory levy. The main objectives of the Trust are to maximise its income to provide funding for the benefit of the sorghum industry and sorghum research and development projects; and to maintain information required by the sorghum industry.

Levies are collected by SAWIS (SA Wine Information & Systems), a company incorporated under section 21 of the Companies Act, 1973, who act on behalf of SAWSEA (SA Wine and Spirits Exporters Association) and Winetech (Wine Industry Network of Expertise and Technology).

## PURPOSE OF STATUTORY MEASURE

The purpose of this statutory levy is to provide financial support for the sorghum research and information functions that the sorghum industry identifies as essential and in the interests of the industry as a whole.

The information levy is needed by SAWIS to fund the registration of industry role-players, and to ensure the collection and dissemination of information relating to various products in the wine industry. The objectives of a research and development levy are to support the wine industry with expertise that will enable it to be cost effective while producing quality wines and other grape-based products through the application of environmentally-friendly technologies. Training and education, a culture of technological innovation and the dissemination thereof to all the sectors of the industry, development of resource-poor and previously disadvantaged farmers and the establishment of world leadership in selected niche markets will be financed. The levy on export wine aims at increasing the profit margin for the industry in each focus market.



## DETAILS OF STATUTORY MEASURE

## ADMINISTARING BODY

## PURPOSE OF STATUTORY MEASURE

### DECIDUOUS FRUIT LEVIES

#### Stone fruit

Apricots on export and domestic volumes (all classes) at 8.5c/kg.

Peaches/Nectarines (including cling peaches) on export and domestic volumes (all classes) at 6.5c/kg

Plums on export volumes (all classes) at 6.5c/kg and domestic volumes at 3c/kg.

Implemented on 4 November 2003 and will lapse four years later.

#### Pome fruit

Apples (fresh) on export and domestic volumes (all classes) at 3c/kg

Apple concentrate at R6/ton

Pears on export and domestic volumes at 3c/kg

Implemented on 4 November 2003 and will lapse on 31 October 2007.

#### Table grapes

5c/kg on all exported volumes (all classes) table grapes, payable by a table grape exporter on behalf of the producer from whom such table grapes have been procured in respect of all table grapes exported.

Implemented on 1 December 2000 and will lapse on 31 October 2004.

Levies payable to Deciduous Fruit Producers Trust (DFPT) Finance (Section 21 Company), and administered by DFPT.

Levies payable to DFPT Finance (Section 21 Company), and administered by DFPT.

Levy objectives are to fund research projects, information and technology transfer, plant improvement functions, information and market statistics, market development and access to new markets for plums.

Levy objectives are to fund research projects, information and technology transfer, plant improvement functions, information and market statistics, market development and access to new markets for table grapes.



## **DETAILS OF STATUTORY MEASURE**

### **CITRUS LEVY**

1.4c/kg export citrus fruit, payable by the PPECB and exporters of the citrus fruit concerned and recovered from producers of export citrus fruit, administered by CGA.  
Implemented on 30 March 2001 and will lapse on 31 March 2005.

### **DRIED FRUIT LEVY**

4c/kg on dried vine fruit and  
6c/kg for dried apricots, apples, nectarines, pears, peaches and prunes, payable by packers of dried fruit to the Dried Fruit Technical Services.  
Implemented on 6 April 2001 and will lapse on 30 May 2005.

## **ADMINISTERING BODY**

The levy is collected and administered by the Citrus Growers' Association (CGA), a Section 21 Company.

DFTS, a Section 21 Company, collects and administers the levies.

## **PURPOSE OF STATUTORY MEASURE**

Levy is needed to gain and maintain market access, to fund and control research and development, to set fruit quality standards and to ensure effective communication.

Levies are collected to render information services to all role-players, coordinate and fund research and development of the dried fruit industry, fund plant improvement for the dried fruit industry, and maintain international liaison.



## STATUTORY MEASURES (REGISTRATION, RECORDS AND RETURNS): STATUS REPORT AS AT 31 MARCH 2004

DETAILS OF STATUTORY MEASURE	ADMINISTERING BODY	PURPOSE OF STATUTORY MEASURE
<p><b>Grains:</b> Processors and purchasers of grains should register with SAGIS, and exporters, importers, processors, purchasers and stores of these grains must keep records and furnish returns to SAGIS.</p> <p><b>Maize:</b> Implemented on 28 November 1997 and amended on 27 October 2000.</p> <p><b>Wheat:</b> Implemented on 30 January 1998.</p> <p><b>Oilseeds:</b> Implemented on 9 April 1998 and amended on 15 June 2001.</p> <p><b>Sorghum:</b> Implemented on 9 April 1998.</p> <p>Amendments to the above measures published on 27 October 2000 and 5 September 2003. Extension/continuation of these measures was published on 20 February 2004, to lapse on 30 April 2008.</p> <p><b>Whole maize and wheat:</b> All importers and exporters of whole maize and wheat must keep records and furnish returns to SAGIS on a weekly basis. Published in the <i>Government Gazette</i> on 2 April 2004 and will lapse on 30 April 2008.</p>	<p><b>The South African Grain Information Service (SAGIS)</b> is a non-profit seeking company under section 21 of the Companies Act, formed jointly by the wheat, maize, sorghum and oilseeds industries. SAGIS was formed for the purpose of information gathering, collation and distribution in respect of the various grains and oilseeds industries in South Africa, and to publish macro generic market information to the relevant industries on a monthly basis.</p>	<p>The purpose and aims of these statutory measures are to compel parties to keep records and render returns, to ensure that continuous, timely and accurate information relating to the products is available to all role-players. Market information is deemed essential to make informed decisions.</p> <p>Information is dealt with in a confidential manner and no sensitive or potentially sensitive client-specific information is made available to any party without the prior approval of the party or parties whose rights may be affected.</p> <p>These measures are essential for the market to operate effectively and efficiently and to ensure that generic market information is supplied to all role players on a continuous basis.</p>
<p><b>Cotton:</b> Registration implemented on 8 May 1998, and records and returns implemented on 9 April 1998, and lapsed on 31 March 2002. These statutory measures were continued by the Minister for a further four years, and will lapse on 31 March 2006.</p>	<p><b>Cotton SA</b> is a non-profit seeking company incorporated under section 21 of the Companies Act, 1973.</p>	<p>As above.</p>
<p><b>Milk:</b> Milk producers must register with the MPO, keep records and furnish returns to the MPO.</p>	<p>Milk Producers' Organisation</p>	<p>As above.</p>
<p><b>Dairy:</b> Secondary sector role-players in the dairy industry must register with Milk SA, keep records and furnish returns to Milk SA</p>	<p>These statutory measures are administered by Milk South Africa, a Section 21 Company.</p>	<p>As above.</p>



## DETAILS OF STATUTORY MEASURE

## ADMINISTERING BODY

## PURPOSE OF STATUTORY MEASURE

**Wool:** Each broker, trader, processor, importer and exporter of wool to register and furnish records and returns to Cape Wools SA. Implemented on 1 July 2000 and will lapse on 30 June 2004.

**Cape Wools SA** is a Section 21 Company performing the essential functions identified by the Wool Forum. Its board of directors represents the directly affected groups in the wool industry. The main objective of the company is to promote the group interests involved in the production and consumption of wool.

As above.

**Wine:** All bottlers, grape producers, wine exporters, wine producers and wine traders to register with SAWIS and keep records and render returns on vines, grapes, grape juice, and wine produced, received, stored, sold, exported or otherwise utilised. Implemented on 1 July 1999.

**SAWIS (South African Wine Industry Information and Systems)** registered as a non-profit seeking company incorporated under section 21 of the Companies Act on 1 July 1999. SAWIS has the proven expertise, infrastructure and systems, is industry driven, independent and in a good position to adhere to the specific needs of the participants involved.

As above.

**Fruit:** All producers, exporters and traders of **table grapes, stone fruit and pome fruit** for fresh domestic consumption and/or exports, to register with DFPT.

**Deciduous Fruit Producers Trust (DFPT)**

As above.

All producers, exporters and traders of table grapes, stone fruit and pome fruit to keep records and render returns relating to vines and trees and grapes, plums, peaches, nectarines, apricots, apples and pears destined for domestic fresh consumption and exports.

Statutory measures on table grapes and stone fruit (plums, apricots, peaches and nectarines) were implemented on 1 December 2000 and will lapse on 31 October 2004.

Statutory measures on pome fruit (apples and pears) were implemented on 11 December 2001 and will lapse on 30 October 2005.

**Citrus:** All exporters and all producers of export citrus fruit will register with the CGA.

**Citrus Growers Association (CGA)**, a Section 21 Company.

As above.

All exporters and all producers to keep records and render the returns as may be required by the CGA



## DETAILS OF STATUTORY MEASURE

relating to export citrus fruit produced, received or sold, exported or otherwise utilised. Implemented on 30 March 2001 and will lapse on 31 March 2005.

**Dried fruit:** All importers, packers, exporters and processors of dried fruit to register with DFTS.

Each importer, packer, exporter and processor of dried fruit to keep complete records for each calendar month in respect of dried fruit handled, imported and exported by him or her, and to furnish accurate returns to DFTS in respect of dried fruit handled, imported or exported by him or her. Implemented on 6 April 2001 and will lapse on 30 May 2005.

## ADMINISTERING BODY

**Dried Fruit Technical Services (DFTS)** is a Section 21 Company. It is industry driven but independent and in a good position to adhere to the specific needs of the participants involved.

## PURPOSE OF STATUTORY MEASURE

As above.




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## ANNEXURE C

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### **CONTACT DETAILS FOR NAMC COUNCIL MEMBERS AND THEIR PORTFOLIOS**

Council member	Telephone no.	Fax. No.	Portfolio allocation
Mr Godfrey Rathogwa (Chairperson)	012 341 1115	012 341 1811	Market access, flowers, subtropical fruits, WTO and international affairs
Ms Dora Ndaba	012 341 1115	012 341 1811	Deciduous fruit, vegetables and mohair
Mr Winston Mvabaza	012 341 1115	012 341 1811	Communications Committee, sugar, red meat, wool and poultry
Ms Lilibeth Moolman	012 460 3002	012 460 3002	Maize, winter cereals, oilseeds and consumer affairs
Dr Cyprian Buthelezi	035 337 0031	035 337 1871	Cotton, tea and coffee
Prof Johann Kirsten	012 420 3248	012 420 3247	Commodity prices, tariffs and research
Mr Peter Dall	028 840 1735 (O & H)	028 840 2373	Tobacco, dried fruit and canning fruit
Mr Inus Bezuidenhout	054 491 1325	054 491 1141	Lucerne seeds, wine and ostriches
Mr Balfour Makhetha	011 932 0235	011 932 0235	Sorghum and citrus
Mr Willie Fourie	017 687 2068	017 687 2068	Game and dairy





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## **ANNEXURE D**

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### **PROGRESS REPORT ON LIQUIDATION OF THE FORMER CONTROL BOARDS**

In terms of the Act, all the Schemes established in terms of the 1968 Act had to be abolished by 5 January 1998 – which was one year after the first full meeting of the NAMC.

This process is almost complete except for a few Schemes that are still in place to finalise certain outstanding issues. Levy collection and legal issues, for example, are being managed by Liquidation Committees. All control boards ceased to exist on 5 January 1998.

The following Boards have finalised their liquidation processes and the relevant Schemes lapsed within the first year after promulgation of the Act:

- **Lucerne Seed Board** (30 August 1997)
- **Canning Fruit Board, Dried Fruit Board, Oilseeds Board and Sorghum Board** (30 September 1997)
- **Mohair Board, Cotton Board and Milk Board** (5 January 1998)

The **Deciduous Fruit Scheme** and **Citrus Scheme** were repealed by the end of October 2003.

The **Maize Board** is still finalising financial and legal matters in respect of outstanding levies. A number of court dates have been set for the rest of this year (2004) to conclude outstanding legal matters. The Minister has approved the extension of the Maize Marketing Scheme until 31 July 2004.

The **Meat Board** continued to wind down its activities, but the Scheme could not be repealed due to pending court cases. The Meat Scheme was extended until July 2004.



The **Wheat Board** has finalised all outstanding issues and the Winter Cereal Scheme lapsed on 31 July 2003. The final Financial Statements are being audited.

The Liquidation Committee of the **Wool Board** has finalised the outstanding issues relating to the realisation of its share of the Wool Mark from Australia. The Minister has approved the extension of the Wool Scheme until 31 July 2004.

