

STATUS REPORT ON AGRICULTURAL TRUSTS

**A REPORT BY THE NATIONAL AGRICULTURAL
MARKETING COUNCIL (NAMC) TO THE MINISTER
OF AGRICULTURE, FORESTRY AND FISHERIES**

APRIL 2011

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EXECUTIVE SUMMARY

This status report on agricultural trusts is to advise the Minister of Agriculture, Forestry and Fisheries on how agricultural industry trusts operate and, importantly, it articulates in detail how they spend their trust funds for the benefit of the industry. This is the second report of this nature since the NAMC was given the mandate to report on the operations of the agricultural industry trusts by the Minister.

Most agricultural schemes made provision before deregulation that in the event of discontinuation of the relevant schemes, any assets of the relevant Boards should be paid to persons who paid levies during the three years immediately preceding the date on which the relevant scheme was discontinued. The various schemes were therefore amended to make provision for the establishment of agricultural trusts. The primary objective of establishing these trusts was to ensure that, at the time of discontinuance of the control boards, the assets of the control boards administering the schemes could still be utilised to serve the interests of the entire industry.

The provision of the trust deeds is aligned with the objectives of the Marketing of Agricultural Products Act (MAP). The deeds of the agricultural industry trusts make provision for both industry and ministerial representation, in most cases 50% respectively. However, in the case of the Cotton, Lucerne, Oilseeds, Sorghum, Wool and Mohair Trusts, only one trustee represents the Minister. In total, there are thirteen agricultural industry trusts, namely: the Wool Trust, the Meat Industry Trust, the Deciduous Fruit Industry Development Trust, the Winter Cereal Trust, the South African Wine Industry Trust, the Mohair Trust, the National Lucerne Trust, the Citrus Industry Trust, the Potato Industry Development Trust, the Oil and Protein Seeds Development Trust, the Cotton S.A Trust, the Maize Trust and the Sorghum Trust.

This document does not deal with statutory levies implemented in terms of the Marketing of Agricultural Products Act, 1996 (Act No. 47 of 1996). The NAMC report on the current status of agricultural trusts is hereby presented to the Minister of Agriculture, Forestry and Fisheries.

Acknowledgements

This report was compiled by the Agricultural Trusts Division of the National Agricultural Marketing Council. The following Trust Administrators, Chief Executive Officers, Asset Managers have played a fundamental role in putting this report together and their efforts are therefore gratefully acknowledged:

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Table of Contents

EXECUTIVE SUMMARY	iii
Acknowledgements.....	iv
Table of Contents	v
List of Tables	ix
Acronyms.....	x
List of Appendices	xi
1 Introduction.....	1
2 Background	1
3 The NAMC's role in agricultural industry trusts.....	2
4 Citrus Industry Trust	4
4.1 Background of the Trust	4
4.2 The objectives of the Trust	4
4.3 Composition of the Trust	5
4.4 Financial analysis and reporting	5
4.5 Transformation	6
5 Cotton South Africa Trust	7
5.1 Background of the Trust	7
5.2 The objectives of the Trust	7
5.3 Composition of the Trust	8
5.4 Status reporting	9
5.4.1 Nature of business	9
5.4.2 Research.....	10
5.4.3 Quality control and training	11
5.5 Small-scale cotton farmer development and other transformation issues	12
5.5.1 Small-scale cotton farmers' Forum	12
5.5.2 National small-scale cotton farmer coordinator	12
5.5.3 Small-scale cotton farmer skills development programme	13
5.5.4 Small-scale cotton farmers mentorship programme.....	13
5.6 Implementation of the Cotton Strategy Plan	14
5.7 Enterprise development.....	14
5.8 Development schemes	14
6 Deciduous Fruit Industry Development Trust (DFIDT).....	16
6.1 Background of the Trust	16
6.2 The objectives of the Trust	17
6.3 Composition of the Trust	18
6.4 Financial reporting and analysis	19
6.5 Transformation	20
7 National Lucerne Trust	22
7.1 Background of the Trust	22
7.2 The objectives of the Trust	23
7.3 Composition of the Trust	24
7.4 Financial reporting	24
7.5 Transformation	25
8 The Maize Trust.....	26
8.1 Background of the Trust	26
8.2 The objectives of the Trust	27
8.3 Composition of the Trust	27

8.4	Financial reporting and analysis	28
8.5	Transformation	29
9	Meat Industry Trust.....	32
9.1	Background of the Trust	32
9.2	The objectives of the Trust	32
9.3	Composition of the Trust	33
9.4	Bursary scheme.....	33
9.5	Support to emerging farmers	34
9.6	Red Meat Abattoir.....	34
10	Mohair Trust.....	37
10.1	Background of the Trust	37
10.2	The objectives of the Trust	37
10.3	Composition of the Trust	38
10.4	Transformation	39
10.5	Training	40
10.6	Research.....	41
11	Oil and Protein Seeds Development Trust.....	42
11.1	Background of the Trust	42
11.2	The objectives of the Trust	42
11.3	Composition of the Trust	43
11.4	Financial matters.....	43
11.4.1	Investment and management of Trust funds.....	43
11.4.2	Current Projects/Applications for Continuation	44
11.4.3	New Project Applications	45
11.4.4	Joint Projects with other trusts	45
11.4.5	Provisions	45
11.5	Bursary scheme	45
11.6	Transformation Projects	46
11.6.1	Upliftment of emerging sunflower farmers, TEMO	46
11.6.2	Farmer development by GSA, Grain SA.....	46
11.6.3	Groundnut dev. project: Mpumalanga, Dept. of Agriculture Mpumalanga	47
11.6.4	NWK developing farmer project, NWK.....	47
11.6.5	The development and training of entry-level soy consumers with further progression to soy-preneurs level, Eden Social Development Foundation.....	48
12	Potato Industry Development Trust	49
12.1	Background of the Trust	49
12.2	The objectives of the Trust	49
12.3	Composition of the Trust	50
12.4	Transformation	51
12.4.1	Sandveld.....	51
12.4.2	Kwazulu-Natal.....	52
12.4.3	Eastern Cape.....	52
12.4.4	Glen College of Agriculture	53
12.4.5	Oppermans Mentorship	53
12.5	BEE baseline study	54
12.6	Tertiary skills development pipeline – diploma & undergraduate bursaries.....	54
12.7	Internship and workplace experience programmes	54
12.8	Post-graduate bursary programme.....	54
12.9	AgriBEE and transformation symposium.....	55

12.10	Farm-based training	55
13	South African Wine Industry Trust	57
13.1	Background of the Trust	57
13.2	The objectives of the Trust	58
13.3	Composition of the Trust	58
13.4	Economic development support	58
13.5	Research and development	59
13.6	Phetogo Investments.....	60
13.7	Social development and support	60
13.8	Training, education and development	61
13.9	Export promotion and marketing	61
13.10	Technology Development.....	62
13.11	Partnerships and Networks	62
14	Sorghum Trust	65
14.1	Background of the Trust	65
14.2	The objectives of the Trust	66
14.3	Composition of the Trust	67
14.4	Transformation	67
15	Wool Trust	68
15.1	Background of the Trust	68
15.2	The objectives of the Trust	68
15.3	Composition of the Trust	69
15.4	Financial Summary.....	69
15.5	Transformation	69
16	Winter Cereal Trust.....	73
16.1	Background of the Trust	73
16.2	The objectives of the Trust	73
16.3	Composition of the Trust	75
16.4	Transformation programmes supported	75
17	APPENDICES.....	80
17.1	APPENDIX A. Citrus Trust – Financial Statements	80
17.1.1	Balance Sheet	80
17.1.2	Income statement	81
17.1.3	Cash flow statement	82
17.2	APPENDIX B. Cotton SA Trust – Financial Statements	83
17.2.1	Balance Sheet	83
17.2.2	Income Statement.....	84
17.2.3	Statement of changes in Equity	84
17.3	APPENDIX C. Deciduous Fruit Industry Dev. Trust - Financial Statements.....	85
17.3.1	Balance sheet at February 28, 2010.....	85
17.3.2	Income statement for the year ended February 28, 2010	86
17.4	APPENDIX D, The Maize Trust – Financial Statements	87
17.4.1	Balance sheet.....	87
17.4.2	Income Statement.....	88
17.4.3	Statement of changes in Equity	88
17.5	APPENDIX E. Meat Industry Trust – Financial Statements.....	90
17.5.1	Balance Sheet	90
17.5.2	Income Statement.....	91
17.5.3	Statement of Changes in Equity	92

17.5.4	Cash Flow Statement	93
17.6	APPENDIX F. Mohair Trust – Financial Statements.....	94
17.6.1	Balance sheet.....	94
17.6.2	Cash flow statement	95
17.6.3	Statement of changes in equity.....	95
17.6.4	Income statement	96
17.7	APPENDIX G. National Lucerne Trust – Financial Statements.....	98
17.7.1	Statement of Financial Position	98
17.7.2	Income Statement.....	99
17.7.3	Statement of changes in equity.....	100
17.7.4	Statement of cash flows.....	101
17.8	APPENDIX H. Oil and Protein Seeds Dev. Trust – Financial Statements.....	102
17.8.1	Statement of cash flows.....	102
17.8.2	Statement of financial position.....	103
17.8.3	Income statement	104
17.8.4	Statement of changes in equity.....	105
17.9	APPENDIX I. Potato Industry Development Trust – Financial Statements.....	106
17.9.1	Statement of comprehensive income.....	106
17.9.2	Statement of financial position.....	107
17.9.3	Statement of charges in equity	108
17.9.4	Statement of cash flows.....	109
17.10	APPENDIX J. Sorghum Trust – Financial Statements	110
17.10.1	Balance Sheet	110
17.10.2	Income Statement.....	111
17.10.3	Statement of Changes in Equity	112
17.10.4	Cash Flow Statement	113
17.11	APPENDIX K. South African Wine Industry Trust – Financial Statements	114
17.11.1	Balance Sheet	114
17.11.2	Income Statement.....	115
17.11.3	Statement of Changes in Equity	116
17.11.4	Cash Flow Statement	117
17.12	APPENDIX L. Winter Cereal Trust – Financial Statements.....	118
17.12.1	Income Statement.....	118
17.12.2	Balance Sheet	119
17.12.3	Statement of Changes in Equity	120
17.12.4	Cash Flow Statement	120
17.13	APPENDIX M. Wool Trust – Financial Statements.....	122
17.13.1	Cash Flow Statement	122
17.13.2	Statement of Financial Position	123
17.13.3	Income Statement.....	124
17.13.4	Statement of Changes in Equity	125
18	Table of Trust and appointed Trustees	127

List of Tables

Table 1: The Maize Trust – Agribusiness beneficiaries and contacts

Table 2: Potato Industry Development Trust- farm based training and its budgets

Table 3: Ministerial trustees

Acronyms

ARC	Agricultural Research Council
BEE	Black Economic Empowerment
CASP	Comprehensive Agricultural Support Programme
CIAT	Cape Institute for Agricultural Training
CIT	Citrus Industry Trust
CSIR	Council for Scientific and Industrial Research
DAFF	Department of Agriculture, Fisheries and Forestry
DFB	Deciduous Fruit Board
DFIDT	Deciduous Fruit Industry Development Trust
DFPT	Deciduous Fruit Producers' Trust
GSA	Grain South Africa
ICRISAT	International Crops Research Institute for the Semi-Arid Tropics
IMLA	International Mohair Laboratories Association
LISA	Least Input for Sustainable Agriculture
MAP Act	Marketing of Agricultural Products Act
MAS	Marker-Assisted Selection
MIT	Meat Industry Trust
NAMC	National Agricultural Marketing Council
NERPO	National Emergent Red Meat Producers' Organisation
NGO	Non-Government Organisation
NLO	National Lucerne Organisation
NLT	National Lucerne Trust
NWGA	National Wool Growers' Association
OPDT	Oil and Protein Seed Development Trust
PFMA	Public Finance Management Act
PIDT	Potato Industry Development Trust
RPEC	Research Project Evaluation Committee
SAGIS	South African Grain Information Service
SAGL	South African Grain Laboratory
SAND	Sandveld Aartappelnavorsing en –demonstrasies
SAWIT	South African Wine Industry Trust
WOSA	Wines of South Africa

List of Appendices

- Appendix A.** Financial Statements for Citrus Industry Trust
- Appendix B.** Financial Statements for Cotton S.A Trust
- Appendix C.** Financial Statements for Deciduous Fruit Industry Development Trusts
- Appendix D.** Financial Statements for the Maize Trust
- Appendix E.** Financial Statements for Meat Industry Trust
- Appendix F.** Financial Statements for Mohair Trust
- Appendix G.** Financial Statements for National Lucerne Trust
- Appendix H.** Financial Statements for Oil and Protein Seeds Development Trust
- Appendix I.** Financial Statements for Potato Industry Development Trust
- Appendix J.** Financial Statements for Sorghum Trust
- Appendix K.** Financial Statements for South African Wine Trust
- Appendix L.** Financial Statements for Winter Cereal Trust
- Appendix M.** Financial Statements for Wool Trust

1 Introduction

This status report on agricultural trusts is to advise the Minister of Agriculture, Forestry and Fisheries on how agricultural industry trusts operate and, importantly, it articulates in detail how they spend their trust funds for the benefit of the industry. This is the second report of this nature since the NAMC was given the mandate to report on the operations of the agricultural industry trusts by the Minister. The Minister is represented on the trusts because of the origin of the trust assets. It is important too that this document does not pertain to statutory levies implemented in terms of the Marketing of Agricultural Products Act, 1996 (Act No. 47 of 1996)

2 Background

In the early nineties, before deregulation, most of the schemes made provision for the event of the discontinuation of the relevant scheme so that any assets of the relevant board would be paid to persons who paid levies during the three-year period immediately preceding the date in which the relevant scheme was discontinued. In other words, the provision was that producers would receive the surplus funds of the former control boards. The boards, however, decided that it would be difficult or even impossible to implement this section, that it also would not be executed on an equitable basis, and that the funds should rather be transferred to a trust. This section in the relevant schemes was amended with the approval of the Minister.

The former NAMC believed that the distribution of net assets amongst producers at the dissolution of the schemes would not necessarily be in the best interests of the relevant industries. It would destroy their financial base, which could prevent certain important functions from being continued for the benefit of the total industry.

The Meat Board was the first scheme to amend its constitution to make provision for the establishment of one or more trusts in the event of the discontinuance of the scheme. The Cotton and Wool Boards followed and later the other boards amended their schemes, with

the approval of the Minister, to make provision for trusts in the event of discontinuance of the schemes. The establishment of trusts was regarded as an option to retain certain functions related to the industry and to utilise the funds (levies) for the purposes for which they were collected. The establishment of these trusts also prevented those funds, collected over a number of years, from being distributed only amongst individual producers who paid levies for three years prior to the termination of a scheme.

The objective of establishing the trusts was to ensure that, at the time of the discontinuance of control boards, the assets of such boards as administered the schemes could still be utilised to serve the interests of the entire industry concerned. The funds of the boards had been built up over a number of years. The purpose in the event of establishing a trust, is to look after the interests of the broader industry in the long term and to ensure that a mechanism was in place to support the collection and dissemination of information, the financing of research and development, as well as various other aspects. At the same time, the formation of trusts also supported the government's objective of privatisation.

3 The NAMC's role in agricultural industry trusts

On 18 April 2008, the NAMC received a mandate from the Minister of Agriculture, Forestry and Fisheries to manage the reporting process between the Minister and ministerial trustees. The Agricultural Trusts Division, whose main purpose is to serve the ministerial trustees on behalf of the Minister, has developed very good working relations between the trusts, the ministerial trustees and the NAMC. The guidelines on nomination of the ministerial trustees has since been developed in order to guide the nomination process of the ministerial trustees.

The NAMC also developed guidelines on the induction of the ministerial trustees. This process assists the new ministerial trustees with information to give them an understanding of the trusts even before they attend the trusts' meetings. The NAMC organises an annual meeting with all the chairpersons of the trusts, and since this platform was established, communication amongst the trusts has improved tremendously. This allows the trusts to share all matters of common interest, such as transformation, amongst others. It also allows

an opportunity for the Chairperson of the Council to express his or her expectations to the industry trust with regard to transformation.

4 Citrus Industry Trust



CITRUS INDUSTRY TRUST

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4.1 Background of the Trust

The Citrus Industry Trust was registered on 4 March 1999 (Registration number IT1932/99).

4.2 The objectives of the Trust

The objectives of the trust aim to enhance the viability of the South African citrus industry and specifically,

- to finance basic and applied research relating to the production and marketing of citrus;
- to promote and finance training programmes that facilitate learning new skills with respect to citrus industry participants, with particular regard to making the industry representative of the South African society;
- to grant bursaries or financial aid to persons in the furtherance of their studies relating to the citrus industry;
- to finance the collection and dissemination of marketing and other information relevant to the citrus industry;
- to finance and nurture marketing skills in the citrus industry;
- to finance the promotion of the citrus industry in a national context, and especially overseas;

- to finance mechanisms for the social development and welfare of all directly affected groups in the citrus industry, including labour;
- to finance any organisation or institution that has as its aims one or more of the above objectives; and
- in general, to promote the aims of the citrus industry by providing financial aid.

4.3 Composition of the Trust

The board is comprised of 8 (eight) trustees:

Trustee	Representing
Mr Godfrey Rathogwa (Chairperson)	Minister of Agriculture, Forestry and Fisheries
Ms Phindi Kema	Minister of Agriculture, Forestry and Fisheries
Vacant	Minister of Agriculture, Forestry and Fisheries
Mr Mark Fry	Citrus exporters
Mr Arend Venter	Commercial producers
Vacant	Emerging producers

The trust deed gives the Minister and the other nominating organisations powers to nominate replacement trustees in the case of any vacancy arising on the Board of Trustees. The term of office on the CIT is indefinite, but there is a yearly rotation system on retirement after the first three years of registration.

4.4 Financial analysis and reporting

Income is derived from interest earned on the trust's fixed deposit at ABSA. The bursaries provided during this year were as follows:

Kat River Montessori Pre-primary School	R25 000
Jolly Lolly Pre-primary School	R1 925
Citrus Academy (2nd tranche 2008)	R262 147

Whilst the trust's year end is February, the bursary periods run in a calendar year. The 2009 year reflects a year where the balance of the payments for 2009 were made subsequent to February 2009.

Payments to the Citrus Academy are made in 2 tranches – once during either February or March and the second during August. The Citrus Academy manages the bursary process.

Bursaries are awarded for study in agricultural related fields at any of the universities, technikons and agricultural colleges in the country. Bursary students are assessed on their financial need and previous results, with a weighting to previously disadvantaged persons. On average, there are about 55 bursary holders per year.

Bursary students are monitored during the year and holiday work is arranged as well as the attendance of conferences and seminars where possible. If the student is not successful in achieving a pass his bursary is cancelled and the bursary is to be repaid.

The budget for the Trust for bursary is about R900 000 to R1 million per year.

4.5 Transformation

The trust does not have transformation projects.

5 Cotton South Africa Trust

Cotton SA Trust



Katoen SA Trust

5.1 Background of the Trust

Following the compulsory dissolution of the statutory body in terms of the Marketing of Agricultural Products Act, 1996 at the end of 1997, all of the South African Cotton Board's assets, i.e., the Cotton Board Building and contents, were transferred to the newly established Cotton SA Trust.

5.2 The objectives of the Trust

The main objectives of the Cotton SA Trust, as per the trust deed, can be summarised as follows:

(a) The financing of:

- the stimulation and promotion of cotton production;
- the fostering and stimulation of demand for and consumption of Seed Cotton or Seed Cotton Products on behalf of the Seed Cotton Industry;
- the promotion and stimulation of research relating to the improvement of production, manufacture, processing, storing or marketing of Seed Cotton or Seed Cotton Products;
- the provision, distribution and dissemination of information and advice relating to any matter which may be relevant to the Seed Cotton Industry;

(b) the rendering of assistance by means of a grant, loan or any other manner to any person or institution established to promote any branch of the agricultural industry which relates to Seed Cotton or Seed Cotton Products or which has similar objectives as this Trust;

(c) the benefiting of the Seed Cotton Industry by whatever lawful means the Trustees from time in their absolute discretion may decide within the ambit of the provisions of the clauses above.

The Cotton SA Trust basically has only one main asset, namely the Cotton SA Building, which was established by the former Cotton Board through cotton farmer levies. Rental income from the leasing of office space in the building is therefore its main source of income.

The Cotton SA Trust has no personnel and therefore conducts no activities or projects as such, except for providing funding to beneficiaries, Cotton SA being the main beneficiary. Cotton SA should be seen as the executive arm of the Cotton SA Trust, as its objectives are ultimately the same as those of the trust. The trust's income should be regarded as an extension of the Cotton SA statutory levy: in other words, it supplements the levy, which would have been higher in the absence of any trust income. Cotton SA's objectives, achievements and activities therefore form a further part of this report.

5.3 Composition of the Trust

The board is comprised of 6 (six) trustees

Trustee	Representing
Mr Piet Potgieter (Chairman)	Producers
Mr Jabulani Buthelezi	Emerging cotton farmer
Mr A N Kuhn	Producers
Mr M Maree	Cotton ginner
Mr E Crouse	Cotton spinner
Mr Siphon Ngxongo	Minister of Agriculture, Forestry and Fisheries

New proposed nominations

The various representative industry organisations are requested to nominate new trustees when current trustees' terms expire. In the case of the ministerial representative, the NAMC is approached for the nomination of a new trustee.

5.4 Status reporting

5.4.1 Nature of business

Cotton SA is a Section 21 company formed after the compulsory dissolution of the Cotton Board at the end of 1997. Cotton SA is representative of all sectors of the cotton industry and its main functions are the following:

- The collection, processing and dissemination of reliable production and market information;
- Production, product and market research;
- The co-ordination of research and technology transfer;
- Promotion of production and consumption of cotton;
- The establishment and maintenance of quality standards and norms;
- The provision of training for the above;
- Liaison with local and international governments, organisations and interested groups;
- Promotion of co-operation between producers, buyers and processors;
- To act as forum for the directly affected groups to debate and find consensus on various cotton industry matters;
- To collect and administer the statutory levy to advance the objectives of the Act and the industry;
- To execute industry functions which relate to tariffication, minimum market access, international trade agreements and other matters of concern;
- To assist the industry in the development of mechanisms to promote orderly marketing and marketing access for all; and
- To facilitate the development of the emerging cotton sector.

The Minister of Agriculture has approved that a statutory levy be payable to Cotton SA, the aim of which is to provide financial support for execution of the above functions. Due to the declining cotton crop, the statutory levy only represented approximately 24% of the total income of Cotton SA for the 2009/10 financial year. Income other than levy income is therefore crucial for Cotton SA to continue with its activities. Other income includes: investment income; income from grading and training fees; royalties from the use of the cotton mark; government grants as well as transfers from the Cotton SA Trust.

Cotton SA's main objective is to establish an internationally competitive local cotton industry and to create and maintain an environment in which the Southern African cotton industry can develop, in order to deliver an important contribution to the development of the country. Cotton SA, as co-author of the Cotton Sector Strategy Plan, also subscribes to the vision formulated in terms of the Strategy, i.e. to strive for a local cotton industry that is globally competitive, environmentally sustainable and an equitable grower, manufacturer and marketer of high quality cotton products. It is envisaged to achieve this vision, *inter alia*, by growing farm output; broadening participation of small-scale farmers and by raising productivity through the training of small growers. With these goals in mind, various strategies have been developed and activities identified with Cotton SA being tasked to manage the implementation process.

5.4.2 Research

Cotton SA has a Research and Technical Committee as well as a sub-committee which meets on a regular basis with the main aim to evaluate research projects identified and prioritised by role-players at four regional meetings held annually. For the 2009/10 season 4 research projects were approved, which includes 2 projects specifically aimed at small growers and funded by the Cotton SA Trust. The remaining projects are of benefit to both commercial as well as small-scale farmers. Research results are published on a regular basis in the Cotton SA Katoen magazine, conveyed to farmers during farmer information days and also obtainable from the cotton website.

Cotton SA also has a Cultivar Recommendation Committee that meets annually before planting time to recommend suitable cultivars for each production area, within set guidelines and also taking into account the results of the cultivar evaluation trails undertaken by the ARC Institute for Industrial Crops.

Some of these cultivar trails are established in small-grower production areas specifically, in order to determine the needs of emerging farmers. In this process, cultivars are developed for their particular needs. For example, a hairy cultivar which wards off jassids, suitable for small-scale production areas and handpicking only, has been developed for small-scale

farmers. Releasing cultivars such as these through research and breeding programmes will enable small growers to more easily manage their crop, thereby ensuring good yields and a sustainable farming environment, which in turn will enable this sector to grow and more fully participate in the cotton value chain.

5.4.3 Quality control and training

The grading and classification of cotton are provided to the industry as a voluntary and optional service. In the 2009/10 marketing season, for example, a total of 49 167 samples of cotton lint were received for analysis, 39 229 of which were received from ginneries, 1 654 from spinners and 4 229 from research institutions. International cotton merchants such as Cargill and Plexus also make use of the Quality Control Division's services and 1 181 samples of cotton lint were submitted for evaluation during 2009/10. In addition, 35 seed cotton samples were also submitted by producers for grading.

Cotton SA, as part of its goal to enhance the skills level in the industry as far as the judging and uniform application of cotton grades are concerned, regularly presents grading courses such as an "Introduction to the Grading and Classification of Cotton" to local role-players on request.

Cotton SA is also involved in resolving disputes that may arise between the producer and the ginner at time of delivery of cotton and is accepted as official arbitrator in this regard by all parties concerned.

For the 2009/10 production season, it is estimated that cotton was planted by about 735 small-scale cotton farmers as opposed to about 100 commercial farmers. Small-scale or emerging farmers in the past also represented the vast majority of local cotton growers. Although commercial growers rely on the unbiased grading and classification function performed by Cotton SA, the vast majority of cotton producers, i.e. the small growers, are much more dependent on this service, as it could leave the door open for exploitation should this facility no longer be available. In this regard it must be borne in mind that cotton as picked from the land is basically valueless until such time as it is ginned and graded and only then is its value determined. Cotton SA is also in a position to evaluate the quality profile of

the cotton crop of an entire small grower community, which makes it easier for Cotton SA to guide these farmers by way of training and information days, in order to improve the quality and price of their cotton.

The grading function is not only of benefit to the small grower, but essential to ensure the continued existence and development of the emerging cotton farming sector. Without Cotton SA's independent and unbiased quality control and grading facility, small grower representation in the industry would not be able to grow, and it thereby allows emerging farmers the opportunity to participate to a greater extent in the economy and to the cotton value chain in particular.

5.5 Small-scale cotton farmer development and other transformation issues

5.5.1 Small-scale cotton farmers' Forum

Cotton SA's involvement in achieving the main objectives of the National Cotton Strategy Plan, is amongst others by way of the Small-Scale Cotton Farmers' Forum, a standing committee of Cotton SA. The main function of the Forum is to co-ordinate and monitor progress with regard to the set objectives of the Cotton Sector Strategy Plan and to provide an environment where positive interaction between role-players could lead to increased market access for the small cotton farmer.

The Forum currently comprises more than 50 members, representing among others, the national and provincial governments, the ARC, the private sector, including ginners and input suppliers, commercial cotton farmers and small-holders as well as financial and training institutions. The Forum meets on a quarterly basis.

5.5.2 National small-scale cotton farmer coordinator

A national small-scale cotton farmer co-ordinator, Mr Simon Molohe, was employed on a full-time basis since 2000 to attend to the needs of emerging cotton farmers. He retired at the

end of July 2010. His main task was to provide capacity to, and be a driving force within all provincial small cotton grower development committees by galvanising support from all role-players in a structured environment that is conducive to co-operation and communication.

5.5.3 Small-scale cotton farmer skills development programme

One of the major constraints impeding growth in the emerging cotton farming sector is lack of knowledge and expertise among small-scale farmers relating to cotton growing. Cotton requires a good deal more management input and specialist skills than most other field crops traditionally grown by smallholders. It is in this area that Cotton SA decided to step in a few years ago by establishing a formal training programme for small-scale cotton farmers at the Lowveld College of Agriculture at Nelspruit where about 50 small-scale farmers were trained annually from 2001 to 2003.

It was soon realised, however, that the training capacity had to be increased in order to reach the production objective of the Cotton Sector Strategy Plan, namely that emerging farmers should contribute on average 35 % of the national cotton crop by 2014. The programme has therefore since been extended to other agricultural colleges and training centres in all the main small-scale farmer cotton production regions.

5.5.4 Small-scale cotton farmers mentorship programme

Three years ago, Cotton SA in collaboration with the Dept. of Agriculture, also established a mentorship programme in view of the need for a support system for farmers already trained in cotton production.

This project is aimed to provide an initial number of mentors who can support and impart knowledge and practical skills to small-scale farmers, in order for the latter to produce cotton in a sustainable and profitable manner. In the long term, the project will present the small-scale farmer with an opportunity to farm commercially, moving away from subsistence farming, by being supported by a skilled extension workforce who have access to information and technology and who can share their problems and experiences with other farmers.

5.6 Implementation of the Cotton Strategy Plan

One of the main objectives of the National Cotton Strategy Plan, developed on the initiative of Cotton SA and the government with the participation of all role-players, is to broaden participation, enabling small producers to contribute on average 35 % of the national cotton crop by 2014.

5.7 Enterprise development

As far as the cotton growing sector is concerned, white and black cotton producers have similar access to markets (gins), as cotton only becomes a marketable commodity once it has been ginned. There are no known barriers to market access as such for either of these two groups. All producers are required to deliver their cotton to these gins at own cost. Where gins are not situated in close proximity to production areas, depots have been established in these regions. The industry is relatively small, with only 4 gins still in operation. Due to initiatives by Cotton SA amongst others, the BEE cotton gin in the small-scale production area of Makhathini, which closed down two years ago, has recently been purchased by government and is expected to re-open next year.

No one market (gin) is more lucrative than another, as all gins base their producer prices on the same cotton quality standards and international price indicators. Both black and white producers also have similar access to the price hedging facility (and other services) provided by gins, should they prefer to make use thereof.

5.8 Development schemes

Cotton SA is continuously involved in identifying and facilitating small cotton farmer development schemes, but to accelerate small grower development, financial support from government is essential. Vast amounts of funding are required for development schemes designed to speed up small grower development. For transformation projects such as these the levy funding is totally inadequate. Without financial support from government, these

projects will never get off the ground. It is accepted, however, that institutional support for these projects will have to be provided by industry involving transformation levy funding.

6 Deciduous Fruit Industry Development Trust (DFIDT)

DECIDUOUS FRUIT INDUSTRY DEVELOPMENT TRUST

PO Box 6147, PAARL, 7620

Tel: 021-870 2900 • Fax: 021-870 2915

REG NO: IT1387/99

6.1 Background of the Trust

With the amendment of the Marketing Act, which gave rise to the closing down of various control boards, in this case the Deciduous Fruit Board (DFB) in 1997, the assets of the DFB were placed in the DFIDT.

The trust was created on 17 March 1999 by the execution of a deed of trust between the Deciduous Fruit Board and the Minister of Agriculture, who acted as the founders. Subsequent to the appointment of the trustees, the Board of Trustees was reconstituted on the basis set out in the Board's constitution.

The founders have created a Trust for the benefit of the Beneficiaries. (**'Beneficiary'** means any person and/or group of persons and/or legal entity appointed by the trustees under this deed as an income beneficiary from the Directly Affected Group; **'Directly Affected Group'** means any group of persons and/or legal entities which are party to the production, export, sale, purchase or processing of deciduous fruit in South Africa and includes labour (both seasonal and permanent) employed in the production or processing of such product, as intended in the Marketing of Agricultural Products Act No. 47 of 1996.)

The Deciduous Fruit Board, acting in terms of the Deciduous Fruit Scheme established under the Marketing Act, 1968 (No. 59 of 1968), was obliged to establish a trust for the benefit of the deciduous fruit industry in terms of the Marketing of Agricultural Products Act, 1996. The Minister of Agriculture, acting in terms of Section 26 of the Marketing of Agricultural Products

Act (No. 47 of 1996), reading this in conjunction with the Deciduous Fruit Scheme, had to approve the establishment of the said Trust.

Therefore, to achieve the aforementioned objectives, the founders settled upon trustees, who in turn agreed to receive in trust an initial amount of R100.00 (ONE HUNDRED RAND) from the founders, which amount has been and is still held in trust by the trustees. This is held along with the additional cash amounts, other assets and benefits which may be acquired by the trustees or which in future may be settled on them with a view to benefiting the beneficiaries, in accordance with this deed.

6.2 The objectives of the Trust

The objectives of the Trust's Development Fund are to benefit, either directly or indirectly, beneficiaries that have been previously disadvantaged. It is important to understand that trustees cannot alter the objectives of the trust; they can only amend the priority of funding. The objectives of the trust contained in the trust deed are as follows:

- To fund the development, upliftment and promotion of beneficiaries, with particular emphasis on the transformation, exposure and upliftment of previously disadvantaged individuals and communities, focusing on training, mentoring and providing information, amongst other things;
- To provide assistance to beneficiaries with their entry into and participation in the industry, particularly of members from previously disadvantaged communities;
- To identify and recruit suitable candidates from within the ranks of the beneficiaries for training and advancement in the deciduous fruit industry in South Africa, with particular emphasis on the transformation and upliftment of previously disadvantaged individuals and communities that qualify as beneficiaries;
- To liaise with Provincial Ministers, the National Minister of Agriculture, the Department of Agriculture, the National Agricultural Marketing Council and other interest groups in the deciduous fruit industry, with a view to collaborating on a development and training policy so as to promote training and development of the beneficiaries;

- To facilitate and fund market research and the generic promotion of the deciduous fruit industry for the benefit of the beneficiaries.

6.3 Composition of the Trust

Trustees will at all times comprise 6 (six) members, of whom:

- Four (4) shall be appointed by the Minister of Agriculture; and
- Two (2) shall be appointed by the Deciduous Fruit Producers' Trust, Registration No. IT 3856/97 ('DFPT').

The operational activities of the DFPT was transferred DURING October 2009 to Hortgro Services. The Minister and Hortgro Services shall endeavour to follow a transparent public process in appointing their respective trustees. The term of office of a trustee shall be 3 (three) years. There shall be no limitation on the number of terms that a trustee may be re-elected. The Minister shall be entitled to remove any trustee and to fill any vacancies from the ranks of the trustees appointed by her. The appointment and removal of the trustees shall be by written notice to the trust and trustee, and will detail the reason for the removal.

Hortgro Services shall be entitled to remove any trustee and to fill any vacancies from the ranks of the trustees appointed by it. The appointment and removal of the trustees shall be by written notice to the trust and trustee, and will detail the reason for the removal.

The board is comprised of 6 (six) trustees:

Trustee	Representing
Ms Elza Jordaan (Chairperson)	Deciduous Fruit Industry
Mr Nicholas Dicey	Deciduous Fruit Industry
Mr Mxoli Poto (Vice Chairperson)	Minister of Agriculture, Forestry and Fisheries
Ms Mahadi Mopeli	Minister of Agriculture, Forestry and Fisheries
Ms Joyene Isaacs	Minister of Agriculture, Forestry and Fisheries
Mr Trevor Abrahams	Minister of Agriculture, Forestry and Fisheries

Hortgro Services as an umbrella industry service organisation, was contracted by the DFIDT to assist them with their secretarial and administrative functions (subject to the conditions set out in the Service Level Agreement between the two parties). Trustees approved the continuation of this arrangement for an all-inclusive fee of R33 000 for the new financial year.

6.4 Financial reporting and analysis

a) Review of Fiscal 2009/10

- Interest of R1 277 765 was earned on the capital invested in low risk, high interest earning accounts;
- An amount of R1 154 260 (90 % of available funds) was awarded to a range of training and development projects;
- Administration costs were R37 620 (2,9 % of available funds);
- Trustee expenses were R56 257 (4,4 % of available funds);
- Given the pending tax liability reported on previously, an amount of R121 303 was retained as a provision should penalties arise from this;
- A total amount of R1 471 822 as at 28 February 2010 has been retained for this purpose.

b) Detailed financial distribution to trust beneficiaries

- Proceeds are split on a 60:40 basis between socio-community development projects and economic development;
- Socio-economic projects included focus on seasonal workers, empowerment of youth, a support care worker programme, value chain training, life skills and self development as well as prevention of alcohol and substance abuse;
- Economic development focus on the DFI's tree planting initiative to ensure that a meaningful difference can be made rather than splitting funds too thinly;
- All projects are evaluated according to a strict set of criteria, screened by a sub-committee consisting of 1 trustee and the administrators, and then submitted to the Trustees for final approval and allocation of funds;

c) Other financial related matters

- Tax liability

As reported previously, the issue relating to a possible tax liability that was incurred prior to the term of the current Trustees and Administrator, remains unresolved. An amount of R1 497 964 is being retained for this liability and a further R300 000 has been provided for in the current financial year (period up to February 2011) for this purpose.

This effectively means that about one third of the available funds on an annual basis needs to be provided for this purpose. If this could be resolved, a further amount of ±R1,8 million will be immediately available for utilisation in projects as highlighted above.

- Winding up of the Trust

A submission based on a unanimous decision of the Trustees to wind up the DFIDT over the next 10 years has been made to the Minister via the DAFF. This is based on the rationale that funds need to be utilised as effectively as possible whilst meaningful contributions are still possible relating to the relative value of the Rand.

The low capital base (R13,1 million) is just not adequate to earn adequate funds in the future. Although administration costs and trustees expenses are currently very low as a percentage of total available funds, this will creep up in future years and reduce project funds even more.

Given the current regime of very low interest rates, only about R800 000 will be available for projects during the 2011/12 fiscal.

6.5 Transformation

In total, 27 applications were received to a value of R12,8 million. Unfortunately only ±R780 000 was available for allocation to 7 projects which passed the screening process and could be accommodated within the restricted budget.

These projects are currently under evaluation to ascertain achieved objects against set objectives and target beneficiary numbers. A detailed report was made available to the Trustees for their scheduled meeting end January 2011. A copy of this report will be submitted to the NAMC in due course.

7 National Lucerne Trust



NATIONAL LUCERNE TRUST

7.1 Background of the Trust

Deregulation in the lucerne industry started in 1994, when the single channel marketing scheme for lucerne seed was removed and was replaced by a Surplus Removal Scheme. In 1996, the Lucerne Seed Board and Scheme were abolished.

Since 1994, prices for lucerne seed have been determined by market forces and were individually negotiated between producers and seed cleaners or dealers. Although price information is not available, role players agreed that there have been no serious price fluctuations since deregulation. The abolishment of the surplus removal scheme did not have a serious impact on the market, as demand equalled seed production in most years.

The former Lucerne Seed Board's functions were taken over by the National Lucerne Organisation (NLO), a Section 21 Company established for the purpose of assuring the sustainable production of lucerne by means of innovation and cost-effective marketing. The mission of the NLO is to stabilise and grow the lucerne industry by providing sound marketing principles, practical services, and distributing meaningful information to lucerne producers, traders and end users.

The hay industry is not organised and the NLO has therefore attempted to incorporate the hay industry into its structures during the past two years. Statutory measures were implemented in the beginning of 2004 to compel parties to register with the NLO and to keep records and submit returns so that information could be collected. Little success was

achieved by this measure, as producers are reluctant to register as they would be required to pay voluntary levies to the NLO. They are further not convinced that they will receive benefits and opportunities through having accurate and reliable market information.

Membership of the NLO is free and members comprise 263 producer members for seed and 127 producer members for hay, 2 co-operatives, 7 private lucerne seed cleaners and traders, and 12 hay traders.

The Committee is of the opinion that the first and most important step is to establish a forum for the industry wherein producers and processors could meet with the aim of forging closer collaboration. The current environment of the lucerne industry must be considered in terms of what the consumer wants and what the producer can supply.

Due to a serious lack of funding, the trust has no capacity to perform its mandatory duties as per the objectives of the deed. The NAMC has not received any information requested from the trust.

The trust has recently requested financial support from the NAMC. In return, the trust was requested to provide a three-year business plan to quantify the financial support. Further, the NAMC has offered to fund the business plan development costs. The business plan will be ready by June 2009, after which time the trust will be adequately capacitated to fulfil its mandatory responsibilities.

7.2 The objectives of the Trust

The Lucerne Seed Commodity Trust was established in 1996. The main objective of the Trust is the promotion and development of the Lucerne industry by means of financing the following:

- Research projects related to lucerne;
- Gathering and dissemination of data related to production and marketing of lucerne;
- The provision of accurate and relevant information to the industry;

- Co-ordinating contact between producers, traders, consumers, cleaners and government institutions; and
- The promotion of lucerne.

7.3 Composition of the Trust

The board is comprised of 7 (seven) trustees:

Trustee	Representing
Mr Joey Potgieter (Chairperson)	Lucerne Seed Producers
Mr Boetie Potgieter	Seed Cleaners
Mr David Malan	Seed Traders
Mr Pieter Van Niekerk	Lucerne Hay Producers
Ms Mina Gill	Minister of Agriculture, Forestry and Fisheries
Vacant	Lucerne Hay Traders
Vacant	Small-Scale Farmers

7.4 Financial reporting

As a result of duplication of cost structure of the two boards – the National Lucerne Organisation (NLO) and the National Lucerne Trust (NLT), it was decided with the approval of the NAMC to dissolve the NLO (Section 21 company).

The lucerne industry income is based on a voluntary levy and for the last 3 years the income has been insufficient. The NAMC was prepared to help, and appointed a service provider to draft a business, strategic and transformation plan for the industry in order to get some financial assistance from the Department of Agriculture. The answer to the submission by the NAMC from the Ministry was that the Trust must take the statutory measures route. We have put in a request for statutory levies via the NAMC to the Minister for approval and are now waiting for the process to take place and for approval thereof.

The Trust is now in a very difficult and serious financial situation. Without any assistance, the Trust only has funds available to fulfil its requirements until the end of December this year. The Trust requires financial assistance for at least 3 months with an amount of R75 000.00 per month or it will have to close its doors by end January 2011. This is a serious situation.

7.5 Transformation

As a result of a lack of sufficient funds, the Trust was not in a position to become involved in any transformation projects as such, but with the necessary funds we can make a huge impact on lucerne projects for small-scale farmers, such as information, marketing, research and training.

8 The Maize Trust



The Maize Trust

8.1 Background of the Trust

The Maize Board had certain reserve funds in terms of the Maize Marketing Scheme when its marketing operations were discontinued in 1996. These funds were derived from profits on imported maize sold in the domestic market during the drought years preceding the demise of the board, as well as from levies that were collected for maize sold by producers in the domestic market. At the time, an agreement was reached between the maize industry and the Minister for Agriculture and Land Affairs, which stipulated that the reserve funds of the board were to be transferred to a trust for the future benefit of the South African maize industry.

The Maize Trust was therefore founded in August 1998 to promote the South African maize industry. The trust serves the industry through providing financial support for institutions and organisations with programmes aimed at market- and production-related research, the assimilation and dissemination of market information and also programmes that aim to broaden market access.

To date, an amount of R289 million has been transferred by the Maize Board to the trust as donations, with a further R30 million pending agreement by the Minister to such transfer. The Maize Board finally dissolved in 2009 and no further donations will therefore be made. The trust deed does not specify any beneficiaries, and only lists the objectives of the trust. This means that funding from the trust can be accessed by anybody in the maize industry who can demonstrate that the intended programme or project will benefit the industry as a whole. The trust's funding aims to financially support actions and programmes by acceptable institutions involved in the maize industry.

8.2 The objectives of the Trust

The sole and principal objective of the Trust is to provide funding for the benefit of the maize industry in the Republic of South Africa and more specifically to financially support:

- Market- and production-related scientific and/or technical research in respect of maize and the acquisition, assimilation and dissemination of market information for maize and in respect of the maize industry (the ARC – Summer Grain Centre, the Maize Research Division of the Grain Producers’ Organisation, or any other organisation can apply for such funds); and
- Market access in respect of South African maize (*inter alia* by providing marketing infrastructure, training and assistance in rural areas where the need therefore exists).

In pursuing the objectives of the Trust, the trustees shall take into account the views of the directly affected groups in the Technical Advisory Forum.

The trustees shall ensure, as far as possible, that the objective referred to in the first bullet above shall benefit the maize industry as a whole and not only particular components thereof.

8.3 Composition of the Trust

The Board of Trustees comprises six members and each trustee is appointed for a term of two years. Three of the trustees are designated by specific maize industry sectors (white maize producers, yellow maize producers and processors of maize), while the other three trustees are appointed by the Minister for Agriculture, Forestry and Fisheries.

The board is comprised of 6 (six) trustees:

Trustees	Representing
Mr Jannie de Villiers (Chairperson)	Maize Processors
Mr Neels Ferreira	Yellow Maize Producers
Mr Danie Minnaar	White Maize Producers
Dr Thamsanqa Hewu	Minister of Agriculture, Forestry and Fisheries
Mr Karabo Peele (Vice- Chairperson)	Minister of Agriculture, Forestry and Fisheries
Ms Penny Daly	Minister of Agriculture, Forestry and Fisheries

8.4 Financial reporting and analysis

The Trust's investments increased from R708 million on 30 June 2009 to R798 million on 30 June 2010, notwithstanding payments to the value of R41 million to beneficiaries during the year. A provision of R22 million for unpaid but approved funding of beneficiaries has been made and this amount will be paid in the current financial year together with new funding that is to be approved.

The important figures for the Trust can be summarised as follows:

	2008	2009	2010
Asset value	814 903 007	691 655 024	789 892 784
Income derived	118 396 756	126 917 817	72 098 023
Actual Funding Paid	41 659 342	60 709 240	40 987 359
Operational expenses*	2 016 447	2 346 776	2 122 003

**** The operational expenses of the Trust only constitute 3 % of the Trust's income for the 2010 financial year and are less than 0,27 % of the total asset value of the Trust.***

The Trust has managed a total of R1 274 billion in funds during its existence. The total amount of operational expenses over the period of the Trust's existence was R42 million, which includes all the investment costs of the Trust and the management of the Trust. On 30

September 2010, the asset value of the Trust was R838 million (including the value of Grain Building (Pty) Ltd as a wholly owned subsidiary of the Trust).

Since the inception of the Trust, it has always received an unqualified audit report, which confirms the efficient operations and management of the affairs of the Trust.

8.5 Transformation

The Maize Trust, in 2007, launched a pilot project to financially assist emerging maize farmers. The main aims of the project are to assist emerging farmers with the cost of initial soil correction and to minimise their production risk. This improves the production ability of the farmers and aids them in obtaining crop input finance for the production of maize.

The Trust makes use of Agri-Businesses to act as mentors to farmers, so that the project can be successfully managed and the farmers can get the maximum benefit from the Trust's assistance. The Agri-Businesses submit proposals to the Trust for consideration, which are considered and approved, or rejected, by the Trust on merit.

The Trust's financial assistance to the emerging farmers is done by paying for:

- (a) the cost of lime, which includes the cost of soil analysis; and
- (b) all or a portion of the crop insurance premiums.

In addition to the above costs, the Trust also pays a portion of the cost of extension officers or mentors to assist specific farmers. Proper reporting is done by the Agri-Businesses to the Trust and this, together with auditing systems that are applied, determines the further participation of the Agri-Businesses and the specific farmers involved. Physical visits by the Trust to the emerging farmers are also done before and after the maize production season.

The contact details of the Agri-Businesses involved are as follows:

<u>Agri-Business</u>	<u>Tel #</u>	<u>Fax #</u>	<u>E-mail</u>
MGK/Temo	(012) 381 2922	(012) 381 2921	reinov@temoagri.co.za
OVK	(051) 923 4580	(051) 923 4505	deonvdr@ovk.co.za
NWK	(018) 633 1396		phillipd@nwk.co.za
GWK	(053) 831 2796	(053) 831 2211	edwing@gwk.co.za
Senwes	(018) 464 7543	(018) 464 7770	johan.dutoit@senwes.co.za
VKB	(058) 913 1045	(058) 913 2724	pietp@vkb.co.za
Tongaat Hulett Starch	(011) 458 5454		janice.hogarth@tonstarch.co.za
NTK	(014) 719 9211	(014) 717 1118	joyna@telkomsa.net

Over and above the Trust's Pilot Project, funding is also granted to a number of other beneficiaries for transformation projects. A summary of these beneficiaries and their contact details are set out below. *(Please note that the amounts quoted are based on an average in respect of the transformation portion of the total annual funding granted to these beneficiaries by the Trust.)*

<u>Beneficiary</u>	<u>Tel #</u>	<u>Fax #</u>	<u>E-mail</u>
Buhle Farmers Academy [Training of emerging farmers: Annual Crop Production Course]	(013) 665 4001	(031) 665 5617	buhlefarmers@telkomsa.net Annual Funding: R850 000
Grain SA [Mentoring and training of emerging farmers, which includes study groups & radio broadcasts]	(056) 515 2145	086 509 7270	jane@grainsa.co.za Annual Funding: R13 million

<u>Beneficiary</u>	<u>Tel #</u>	<u>Fax #</u>	<u>E-mail</u>
ARC GCI [Portion of information transfer and transformation projects]	(018) 299-6100	(018) 294-7146	RitchieE@arc.agric.za Annual Funding: R2,5 million

The Trust, in principle, decided to fund all the transformation projects for maize in future through the Grain Farmer Development Association once this is operational. This implies that transformation funding by the Maize Trust may be shown as one single beneficiary in future reports.

9 Meat Industry Trust



P.O Box 36802
Menlo Park
0102

Tel: (012) 348 7572
Fax: (012) 361 2382

9.1 Background of the Trust

The Meat Board terminated its functions by the end of November 1997. On the 31st March 1998, the Minister approved the establishment of the Meat Industry Trust and the Deed of Trust.

9.2 The objectives of the Trust

The main objectives of the Trust are:

- Research related to the improvement, production, manufacturing, processing, storing or marketing of red meat or related to red meat producers;
- The provision, distribution and dissemination of information relating to any matter which may be relevant to the meat industry;
- Rendering assistance by means of a grant, loan or by any other means to any persons that promote any branch of the agricultural industry which relates to meat or red meat products or which has similar objectives as this trust;
- To benefit the meat industry by whatever lawful means the trustees may, using their discretion, periodically decide, within the ambit of the provisions of this clause;
- The provision of training, support or assistance to emerging farmers in order to improve capacity to start and manage agricultural operations; and
- Research relating to, and the promotion of, animal welfare.

Provided that:

- Trust funds are only utilised for the purposes envisaged under the Marketing of Agricultural Products Act, 1996 (Act No. 47 of 1996), once the requirements prescribed in that Act have been complied with;
- Trust funds, as far as possible, are used to further the interests of the industry in general; and
- Interested parties are notified in the press to apply for funding before allocations are made.

9.3 Composition of the Trust

The board is comprised of 6 (six) trustees:

Trustee	Representing
Dr Steven Cornelius (Chairperson)	Minister of Agriculture, Forestry and Fisheries
Dr Vuyelwa Penxa	Minister of Agriculture, Forestry and Fisheries
Ms Lumka Witbooi	Minister of Agriculture, Forestry and Fisheries
Mr Klaas Havenga	Red Meat Industry
Mr Gerrie Oberholzer	Red Meat Industry
Mr Dave Ford	Red Meat Industry

9.4 Bursary scheme

The Meat Industry Trust decided in 2007 to devote funds for bursaries at South African tertiary institutions in order for further academic strength for South African post graduate students.

Bursaries were to awarded for MSc and PhD studies in some aspect of red meat. The bursaries were to the value of R50 000 per annum for 2 years (MSc) and 3 years for PhD.

The bursaries were to be allocated on academic merit only, and the Bursary Working Committee was created to adjudicate applicants and to administer the bursaries. It officiated under the chairmanship of Dr. Daan Opperman and consists of Dr. Heinz Meissner, Raymond Naude, Langa Simela and Munro Griesel with Stoffel Matthis as secretary. Two observers from the MIT were later added: Dr. Toni Penxa and Mr. Zama Xalisa.

It started off with 6 students in 2008 and for practical reasons it grew to 12 students per year at R600 000 in total.

Initially, response was lacking from traditional black universities but after personal visits to these universities, the Bursary Working Committee is inundated with meritorious applications and presently more than 50 % are from previously disadvantaged persons. More than 8 students have qualified and a variety of topics for these degrees were covered.

The Bursary Working Committee is found to have been instrumental in sponsoring these young people and launching them into the academic world to assist in furthering the spread of scientific knowledge.

9.5 Support to emerging farmers

Since its inception, the MIT has been a major contributor to the operations of NERPO. In 2005, the Minister approved a statutory levy for the Red Meat Industry and consequently 20 % of this levy is earmarked for transformation. NERPO is one of the service providers who benefits from the transformation part of the levy.

The MIT was one of the major supporters and proponent for the introduction of the statutory levy.

9.6 Red Meat Abattoir

The RMAA has developed a number of qualifications for the red meat industry. Learnerships are the route to follow in order for a learner to achieve these qualifications. A Learnership

takes one year to complete and combines theoretical and practical work experience. A person who successfully completes a Learnership will have a qualification that signifies occupational competence and is nationally recognised.

In order to meet the industry's training needs, the Red Meat Abattoir Association decided to focus on the following Learnerships:

- FETC Meat examination
This qualification provides learners with the ability to perform meat examination according to legislation.
- NC General abattoir processes
This qualification provides learners with the opportunity to obtain competence in broad abattoir processes and practices.

A Learnership comprises 3 focus areas, namely:

- *Fundamental learning*
This element focuses on written and verbal communication as well as basic calculations.
- *Core learning*
This element focuses on industry specific modules.
- *Elective learning*
This element allows learners to specialise in a specific direction.

The RMAA has the necessary skills and experience to conduct the core and industry related elective learning.

In order to successfully conduct a Learnership, the fundamental learning needed to be outsourced to sub-contractors specialising in communication and numeracy.

In 2004, AgriSETA allocated Learnerships to the RMAA. At that point in time, the RMAA did not have the capacity and expertise to conduct the Learnerships. Therefore the RMAA

entered into an agreement with the Open Learning College (OLC) to jointly conduct the Learnerships. According to a co-operation agreement between the RMAA and the OLC, they conducted the roles and responsibilities of the training provider as described in the Learnership agreement, as well as the development of the learning material; the facilitation and assessment of all fundamental and selected elective unit standards; quality assurance and certification

Due to a number of changes that took place at the OLC and that resulted in poor service delivery, the RMAA decided to conduct the Learnerships on their own, thereby concluding the co-operation agreement. In order for the RMAA to take over the roles and responsibilities that were performed by the OLC, capacity regarding personnel and resources had to be built.

The MIT grant allowed the RMAA to extend its administrative capacity. We appointed a project manager to manage the formal training along with an administrative assistant. 50 % of the project managers' costs was funded for the first year as part of the grant. In order to accommodate the new personnel, additional office furniture and equipment was also acquired.

As part of the co-operation agreement with the OLC, the RMAA had partial accreditation as a training provider. By taking over the role and responsibilities conducted by the OLC, the RMAA had to become a fully accredited training provider.

10 Mohair Trust

10.1 Background of the Trust

South Africa currently produces 54 % of the total world production of mohair. In realising the responsibility that goes with being the most reliable source of quality mohair, Mohair South Africa was established to perform functions aimed at the advancement of the entire mohair industry. To achieve this objective, the trust's vision is to seek international partnerships and alliances that will enhance the consumption of mohair, and lead to sustainable demand and profitability for all role players – from producers to processors, buyers and manufacturers. The trust believes that shared knowledge, a vigorous commitment to continuous improvement, progressive attitudes and financial discipline are critical ingredients for the future success of the industry.

10.2 The objectives of the Trust

The main objective of the Mohair Trust is to manage the assets in such a way that income is optimised for the advancement of the mohair industry by promoting mohair production within the Republic of South Africa and stimulating demand for mohair inside and outside of South Africa. In support of this main objective, the Trust has the following supplementary objectives:

- The promotion and maintenance of quality standards;
- The promotion of international relations which will serve to benefit the mohair industry;
- Liaising and market development between producers, dealers, brokers, purchasers and manufacturers of mohair;
- The collection, processing and dissemination of reliable marketing and production statistics in respect of mohair;
- Promotion of research and the production of mohair;
- The granting of financial assistance –
 - (a) With regard to research related to the improvement, production, manufacturing, storage and marketing of mohair;
 - (b) To institutions established or which arise to promote the mohair business;

- The establishment of an information service in order to inform producers periodically regarding general marketing conditions or the state of the mohair industry in particular;
- Financial assistance shall be granted in order to promote stability in the mohair industry, to
 - (a) Producers through mechanisms which may include –
 - (i) The provision and implementation of a floor price system through voluntary participation of producers; and
 - (ii) The operation of voluntary marketing pools for the sale of mohair;
 - (b) The promotion of the demand for mohair through developing markets via an institution or institutions, provided that financial assistance in respect of (a) above shall be submitted for evaluation and approval in terms of Section 17 of the Marketing of Agricultural Products Act, 1996 (No. 47 of 1996).

10.3 Composition of the Trust

The trust comprises eight trustees, using the following break-down:

- Five elected by producers of mohair;
- One appointed by the Minister;
- One appointed to represent the South African Wool and Mohair Buyers' Association;
- One appointed to represent the Mohair Brokers.

The board is comprised of 8 (eight) trustees:

Trustee	Representing
Mr David Hobson – (Chairman)	Producers
Mr David Herold – (Vice-Chairman)	Producers
Mr Arthur Hobson	Producers
Mr Louw Retief	Producers
Mr Philip Stucken	Buyers
Mr Wessel Cornelius	Brokers
Mr Angus Wood	Small Scale producers
Ms Sarah Louw	Minister of Agriculture, Forestry and Fisheries

10.4 Transformation

- The mohair industry, through the SA Mohair Growers' Association, is currently involved in five BEE projects. They are Hardwood in the Ikwezi district, Damaskus in Prince Albert, Grootvlei in Steytlerville, Aberdeen in the Camdeboo district, and Matatiele in the North Eastern Cape. This last project will be developed in the next few months. The first visit will take place from 1 to 3 February 2011.
- In all cases, the objective is to train and assist the beneficiaries in Angora goat farming and mohair production, while at the same time teaching them about grazing management and how to become a successful Angora goat farmer. In two instances, i.e. Ikwezi and Prince Albert, the idea is for the Department of Land Affairs to assist beneficiaries to acquire their own land after a training period of three years, and then to assist with mentorship in order for them to become successful commercial farmers.

In the case of Grootvlei and Aberdeen, the beneficiaries farm on municipal land and the industry assists in giving the necessary training and providing them with well-bred rams and animal health products.

Matatiele has the biggest concentration of black Angora goat farmers in the country. There are approximately 26 farmers on tribal land, running close on 1 800 Angora goats. This will be verified during the visit in the first week of February.

Achievements

In the case of the Ikwezi project (Hardwood) the first group has already completed their three years' training at the end of August 2010, and has now moved to a farm of 5 400 ha in the district, which is well suited for small stock farming. The industry has appointed a mentor to assist this group. The second group commenced training on 1 September 2010.

The first group of students at Prince Albert will complete their training on 31 March 2011. The project will then move to a neighbouring farm, which belongs to seven men and one woman. This group will receive training over the next three years, while the first group will continue under the guidance of an industry appointed mentor.

The Grootvlei and Aberdeen projects are currently being developed regarding infrastructure, with money being provided through CASP funding, while superior Angora rams have been supplied by the mohair industry.

- **Contact details**

As the various projects are run under the auspices of the SA Mohair Growers' Association, the contact details are as follows:

SA Mohair Growers' Association, PO Box 50, Jansenville 6265

Telephone: 049 8360140

Fax: 049 8360329

e-Mail: samga@xsinet.co.za

- **Expenditure breakdown:** Copies of the 2010 and 2011 budgets are attached for your information, detailing expenditure for all the projects.

- **Number of people involved**

Ikwezi: Three men and two women

Prince Albert: Seven men and one woman

Grootvlei: Eight men and five women

Aberdeen: Sixteen people (men and women)

Matatiele: Approximately 26 men. To be verified during the February visit.

10.5 Training

The bursary scheme at Grootfontein Agricultural College continued and one of the successful bursary students will soon begin a four-month internship with Mohair South Africa. Mohair South Africa increased its involvement with the Nelson Mandela Metropolitan University, and also became one of the major sponsors for the end of year fashion show for third year students. This initiative remains an ideal platform to influence designers of the future. Courses run by the technical officers of Mohair SA at agricultural schools continue to play an important educational role for the youth. Two directors from "Mode" University in Japan

attended the Mohair Summit, and provisional talks were held to embark on an education project similar to that of the Nelson Mandela Metropolitan University.

10.6 Research

Research is still a focus for Mohair South Africa, as this provides crucial information to the producers and breeders of the genetics of the industry. A total of R670 550 was allocated in the budget for scientific research. An agreement was reached between the wool, red meat and mohair industries for the compilation of economic related information at producer level. This will enable producers to benchmark themselves against their peers and other small stock industries. The International Mohair Laboratories Association (IMLA) was formed with A de Waverin Freres, Samil, Stucken, Wool Testing Bureau (SA) and Mohair South Africa as the founding members. The IMLA will continue the role which the testing laboratories of the old International Mohair Association fulfilled, with accreditation awarded to compliant laboratories for the testing of mohair tops.

11 Oil and Protein Seeds Development Trust

11.1 Background of the Trust

The Oil and Protein Seeds Development Trust was established in 1997 in terms of the Marketing of Agricultural Products Act (No. 47 of 1996) after the dissolution of the Oilseeds Board, which was formed in terms of the Oilseeds Scheme established in terms of the revoked Marketing Act, 1968 (Act No. 59 of 1968), from which the board's continued existence was derived from Section 27(2)(a) of the Agricultural Product Marketing Act, 1996 (Act No. 47 of 1996).

The trust was established to receive and administer certain investment assets and, in particular, the assets of the said Oilseeds Board, for the benefit of the beneficiaries. In terms of the trust deed, the beneficiaries comprise any capital or income beneficiary that is entitled to any benefits in liaison with role players involved in the oilseeds industry.

All role-players/affected groups in the oilseeds industry are involved via the Oilseeds Advisory Committee, Sunflower and Soybean Forum and the SA Groundnut Forum.

11.2 The objectives of the Trust

Over the past year, the trustees of the Oil and Protein Seed Development Trust succeeded in their efforts to achieve the Trust's objectives below, and realised these through good decisions and hard work. The main objectives of the trust are the promotion and development of the oilseeds industry in South Africa by:

- The financing of research projects relating to the improvement, production, storage, processing or marketing of oilseeds;
- Providing finance to information and advisory services relating to the production of and marketing conditions for oilseeds to the oilseeds industry;
- The investment and conservation of the assets of the trust;

- The productive utilisation of the assets of the trust in such a manner that the real value is maintained or increased as much as is practically possible;
- The financing of market access or any other action that is in the interest of the oilseeds industry, provided that it is in accordance with the objectives and purposes of the Act.

11.3 Composition of the Trust

The board is comprised of 7 (seven) trustees:

Trustee	Representing
Mr Derrick Montshwe	Minister of Agriculture, Forestry and Fisheries
Mr John Gordon (Chairperson)	Oilseeds Trading Industry
Mr Razak Moosa	Oilseeds Processors' Industry
Mr Johan Potgieter	Commercial Producers of Oilseeds
Mr William Matasane	Disadvantaged Oilseeds Producers
Mrs Marie van der Merwe	Consumers of Oilseeds and their products
Mr Willie Marais	Labour involved in the Oilseeds Industry

Trustees are appointed by the Oilseeds Advisory Committee after taking into account nominations made by the relevant directly affected group. This, however, excludes the representative of the Minister of Agriculture, which trustee is designated and appointed by the said Minister.

11.4 Financial matters

11.4.1 Investment and management of Trust funds

The OPDT Trust funds are managed by two portfolio managers, viz. Allan Gray and Foord Asset Management. The Trust funds are invested in balanced portfolios, with Messrs Allan Gray taking a more conservation approach to the management of the Trust's investment portfolio than that of Messrs Foord Asset Management.

Despite the instability which characterised financial markets during the year being reported on, the Trust funds have been maintained in real terms since inception, in line with the prescriptions of the Trust Deed of the OPDT and showed a surplus at the end of the financial year 2009/2010, despite the unstable economic markets.

The performance of the Portfolio Manager is constantly monitored and reviewed. Presentations are made to the Board and an Extensive Delegation from OPDT meet with the Senior Executive of the Portfolio Managers at least annually.

Some of the most important information in the financial statements can be summarised as follows:

	2007/2008	2008/2009	2009/2010
Assets Value	R189 012 507	R154 201 308	R191 306 751
Income Derived	R31 211 394	R17 415 784	R20 744 142

Research projects

During the 2009-2010 financial year, funding was approved for the following research projects and actions:

11.4.2 Current Projects/Applications for Continuation

- Publication of market-related information, GSA – R29 214
- Upliftment of emerging sunflower farmers, TEMO – R495 000
- Cultivar evaluation of groundnuts , ARC-GCI – R456 095
- National sunflower cultivar trials, ARC-GCI – R278 544
- Introduction of root-knot nematode resistance into local popular soybean genotypes using marker-assisted selection (MAS) and enhanced generation advancement, ARC-GCI – R247 770
- Assessing the delta yield procedure for nitrogen fertilization of sunflower, ARC-GCI – R200 242
- Farmer development by GSA – R1, 028 488

- Groundnut Development Project: Mpumalanga , Department of Agriculture, Mpumalanga – R63 085
- Soybean cultivar evaluation in the Southern Cape, Department of Agriculture, Western Cape – R48 722
- Bursary scheme – R200 000
- Web page – R50 000
- SAGIS – R1 400 000

11.4.3 New Project Applications

- NWK Developing Farmer Project, NWK – R495 000

11.4.4 Joint Projects with other trusts

- National soybean cultivar trials, ARC-GCI – R222 947
- The use of silicon for the control of soybean rust, University of Kwazulu-Natal – R85 250
- Generating management-oriented maps of long-term soybean rust-susceptible trends for South Africa, University of KwaZulu- Natal – R35 750
- Evaluation of advanced soybean breeding lines, ARC-GCI – R134 651

11.4.5 Provisions

- Urgent research – R300 000
- Attendance of congresses and symposia – R50 000

11.5 Bursary scheme

Funds are allocated annually to provide for MSc and PhD studies. Currently, a bursary amounts to R25 000 per annum and a provision of R200 000 was made for the 2009/2010 financial year.

Funds were allocated for the following bursaries during the 2009/2010 financial year:

Mr. TB Funke – Quantifying the potential impact that alternative uses on agricultural commodities, especially in the form of biofuel, will have on the South African agricultural sector and, more specifically, an analysis of its consequent interaction with the livestock and crops sector. University of Pretoria

Me R Coetzee – plant breeding, University of the Free State

11.6 Transformation Projects

11.6.1 Upliftment of emerging sunflower farmers, TEMO

The objective of this project is the development of emerging farmers and especially oil seed producers.

During the 2009/2010 season, 165 emerging farmers participated in the programme and a total of 15 100 ha of sunflower was planted. A total of 1250 temporary job opportunities were created during the season.

Funding of the Oil and Protein Seeds Development Trust was mainly used for training courses as well as extension services.

11.6.2 Farmer development by GSA, Grain SA

The objective of this project is the development of emerging oil seed producers consisting of various actions:

- a) Develop training material;
- b) Present training courses;
- c) Radio programmes;
- d) Monthly newsletter/Pula Imvula;
- e) Demonstration trials;
- f) Farmers' Day.

11.6.3 Groundnut dev. project: Mpumalanga, Dept. of Agriculture Mpumalanga

Groundnuts are an important legume grown by small-holder farmers in the low and middle-veld areas of the Mpumalanga Province.

The crop is mostly consumed at local markets where the farmers receive higher prices than available in the open market.

All the groundnut research and development in Mpumalanga is carried out by the Lowveld Research Unit, using improved varieties developed by ICRISAT and ARC-GCI.

The objectives of the project are:

- To increase groundnut production;
- To enhance profitability and sustainability of small-holder, dryland cropping system; and
- To sustain groundnut production through the use of foliar diseases resistant varieties.

During the 2010/2011 season, a total of 100 volunteer small-holder farmers in Mpumalanga (Ehlanzeni, Nkangala- and Gert Sibande Regions) will evaluate the five (5) most outstanding varieties.

11.6.4 NWK developing farmer project, NWK

The objective of this project is the development of emerging farmers and specifically oil seed producers.

The NWK project focused on sunflower. During the 2009/2010 planting season a total of 33 farmers planted sunflower on 3313ha under the said programme.

11.6.5 The development and training of entry-level soy consumers with further progression to soypreneurs level, Eden Social Development Foundation

The objectives of this project is to implement the Why Soy? How Soy? Wow Soy! Strategy. The focus of the programme is to educate, plant and process soybeans by doing on-site training with a specially equipped mobile unit in underprivileged communities.

The programme enables future soy consumers to acquaint themselves with this commodity within their living and social environments.

The programme will be launched on 24 January 2011

12 Potato Industry Development Trust

12.1 Background of the Trust

The Potato Industry Development Trust was established on 11 November 2004 (date of registration by the Master of the High Court). This was due to the decision by the National Agricultural Marketing Council that the approval of Potatoes South Africa's application for statutory measures would be granted, subject to the establishment of the said trust. The inaugural meeting of the 'nominated' trustees was held on 29 September 2004.

12.2 The objectives of the Trust

The objectives of the Trust are to receive statutory levies imposed in terms of the Marketing of Agricultural Products Act, 1996 (Act No. 47 of 1996) and to authorise expenditure as set out in the Levy Notices establishing such levies, as may be amended from time to time, for:

- Basic as well as applied agricultural research, including potato cultivar development and evaluation, and the dissemination of all relevant technical information;
- The gathering, processing, analysing and compiling of industry-related information, including market statistics, and the dissemination thereof;
- The creation of market access for emerging farmers (small- and medium-scale), including the development projects related to the potato production marketing chain; and
- The development of foreign markets for South African potatoes.

Potatoes South Africa plays a leadership role in sustainable potato production in South Africa. Potatoes South Africa is an industry-related organisation that supports potato producers (ware, seed potatoes and processing) within the regional context of South Africa to continuously perform optimally, by:

- Continuously striving for the maintenance of free-market principles;
- Managing user-orientated research;
- Providing all role players with strategic industry-related information;

- Aiming at the continuous access to quality products for all consumers; and
- Developing and expanding the potato market.

12.3 Composition of the Trust

The Trust has five (5) trustees. The trustees are nominated by and consequently represent the following institutions:

- A person representing Potatoes South Africa;
- A person representing the Potato Research Committee;
- A person representing the Potato Industry Forum;
- A person representing the Minister of Agriculture and Land Affairs; and
- A person who is suitably qualified in terms of financial know-how (nominated by the Potato Industry Forum), but who is not the appointed auditor of the Potato Industry Development Trust.

The board is comprised of 5 (five) trustees:

Trustee	Representing
Mr Ernst Yzel (Chairperson)	Potatoes South Africa
Dr FI Du Plooy	Potato Research Committee
Ms Lillibeth Moolman	Potato Industry Forum
Mr WM Fourie	Financial specialist
Ms Nonnie Mokose	Minister of Agriculture, Forestry and Fisheries

None of the tenures of the current trustees of the trust expire in the next three months.

The trust has also established the following committees to assist the trustees in the execution of their duties:

- Risk and Audit Committee
- Technical Potato Research Advisory Committee
- Bursary Committee

In terms of Government Notice No. R.528, dated 29 June 2009, the trustees must ensure that the collected levies are appropriated as follows:

- Approximately 70 % for the core business functions;
- Approximately 20 % for transformation;
- Not more than 10 % for administration.

12.4 Transformation

The purpose of this report is to give an overview of the Transformation activities and projects for the 2009/10 financial year. The process for project approval entails submission of project proposals by entities to the regional offices of Potatoes South Africa. The regional offices then submit all project proposals to head office and all regional and national projects are submitted to the Transformation Committee. The Transformation Committee prioritises the projects and makes recommendations to the Board, who in turn make their inputs before they are tabled at the Potato Industry Development Trust (PIDT). Once approved, the project implementation starts at the beginning of July and ends at the end of June the following year. The PIDT approved projects to the value of R2,8 million for the 2009/10 financial year.

12.4.1 Sandveld

The SAND (Sandveld Aartappelnavorsing en –demonstrasies) project in the Sandveld involves the following transformation-related programmes – internships, training of small farmers, Least Input for Sustainable Agriculture (LISA) research trials and ad hoc extension services. Desiré Balie, an intern doing her vegetable diploma with Cape Institute for Agricultural Training (CIAT) Elsenburg, has been at SAND for her experiential training from the beginning of 2009. She spends her time assisting the site manager to plant and manage all potato trials, train the small farmers from the west coast and manage the workers at the site. She was joined by another intern, Elisa Mult, also from Elsenburg, in January 2010. It was a soft landing for Mult as she had the privilege of being mentored by Balie. The internship programme at the SAND fits in well with the future vision of developing young talent to become farmers in future. The manager of the SAND, Human Kotze, provided and

executed a turnaround strategy for potato production for Aurora Landbou Trust at Pampoenkraal farm. The farm was visited on a weekly basis to monitor potato plantings, assist with water scheduling, fertiliser applications and crop protection. The intervention yielded positive results, as the farm harvested 40 tons/ha potatoes. Aurora Landbou Trust receive a CASP grant for their inputs. They produce and market potatoes and utilise the income from sales to buy everything else but invest it in business. The entity is not economically viable and their management of finances is not ethical.

12.4.2 Kwazulu-Natal

Socio-economic development forms part of the transformation strategy to empower small-scale farmers in rural areas with the practical skills to produce potatoes for themselves. In order to enhance this process, a Memorandum of Agreement between Potatoes South Africa and the KwaZulu-Natal Department of Agriculture and Environmental Affairs was signed in November 2008. A partnership committee was established to focus on the implementation of projects according to the details of the agreement. The meetings are held twice a year between district managers and Potatoes South Africa. Extension officers were allocated where projects are identified, to carry on ground work and form part of the technical committee. Sites were selected to execute the activities according to specific criteria. Seven sites identified were in the following areas – Ixopo, Harding, Wartburg, Umzinto, Ethekwini, Umzimkhulu, and Newcastle. Two cultivars were planted on each site on 0.2ha for demonstration of production and business practices. The seed was sourced at a reasonable price from Chris Dwen (Superspuds) for the identified sites. On average, 25 other potato farmers attend the two information days held at planting and harvesting on each site. The sites and farmers were chosen by the officials of the Department of Agriculture and only three out of seven have the potential to be developed further through the enterprise development programme.

12.4.3 Eastern Cape

In the Eastern Cape, alliances have been formed with important role players such as the Eastern Cape District Department of Agriculture, the LIMA OR Tambo Potato Marketing Cooperative and the Mthatha market. The cooperative is led by Harold Mateza, who links

Potatoes South Africa to the farmers in terms of facilitation, communication and liaising. Eleven sites were identified in the following areas – Libode, Mthatha, Port St John's, Mqanduli, Nqeleni, Tsolo, Qumbu, Tabankulu, Lusikisiki, Flagstaff and Bizana. On each site, a 0.2ha plot was planted for demonstration of production and business practices. One of the farmers identified through this programme has the potential to grow further and produce commercially. The farmers from KwaZulu-Natal and Eastern Cape attended a two day workshop, covering all facets of finance and administration.

12.4.4 Glen College of Agriculture

Since December 2001, Potatoes South Africa and the Glen College of Agriculture have been running a mutually beneficial partnership that is geared to ensuring that training of students in potato production is achieved through applied research. The objective of the said partnership is to develop students so that they will be able to produce potatoes efficiently when they become farmers after graduation. The said development is achieved through transfer of appropriate technology from Potatoes South Africa to the students. Students who received special potato attention are Bokamosho Moilwa, a workplace experience student; Lebohang Tsiu, a higher certificate student on an internship programme; and Mary-Ann Alexander and Cameron Temboer, two bursary holders studying for higher certificate, recruited from the potato producing enterprise, Oppermans. Potatoes South Africa and the Glen College of Agriculture hosted a very successful Potato Week at Glen. In attendance were 30 extension officers, 60 farmers, 100 students, an intern and a workplace experience student.

12.4.5 Oppermans Mentorship

The three-year partnership between Potatoes South Africa, Orange Riet Water Users Association and ABSA to support the Oppermans (African Spirit) potato business came to an end in July 2010. The partnership provided for the salary of the mentor and provided oversight and advisory services through the Advisory Committee. The committee met quarterly to monitor and review progress and provide an advisory service to the business. The biggest challenge with this entity was the structure of ownership of African Spirit. There are too many chiefs and not enough farmers. The result of this is unrealistic expectations on the art of the business to rid the entire community of poverty, which is not possible due to the

small size of the operation and lack of proper farming vision. The business still has two more year of the partnership arrangement with Roodam Boerdery, called Insig Vennootskap.

12.5 BEE baseline study

Potatoes South Africa has embarked on a baseline study to determine the degree of transformation and AgriBEE initiatives in commercial potato farming entities. The study was conducted on producers who were drawn from a representative sample. The final report on the study was not available at the time of writing this report.

12.6 Tertiary skills development pipeline – diploma & undergraduate bursaries

The diploma bursary programme is aimed at developing the skills of young farmers by identifying talent within existing potato enterprises and developing their farming skills through tertiary education at agricultural colleges, resulting in the acquisition of an agricultural diploma and the resultant skills. The PIDT Bursary Committee provides governance and oversight of the bursary programme.

12.7 Internship and workplace experience programmes

The internship programme is aimed at providing experiential training opportunities primarily for bursars in relevant study disciplines requiring practical training and exposure as part of their qualification conditions. The workplace experience programme effects training opportunities primarily for bursars in relevant study disciplines requiring workplace experience to enhance their employment opportunities.

12.8 Post-graduate bursary programme

This programme is aimed at making a contribution towards ensuring that sufficient post-graduate students are produced to address the relevant research areas affecting the

industry. The programme invests in increasing the industry's pool of appropriately qualified scientists.

12.9 AgriBEE and transformation symposium

Potatoes South Africa and Free State Agriculture hosted the AgriBEE and transformation symposium on the 15th September 2009 at Ilanga Estate in Bloemfontein. About 200 people, who included black and white farmers, investors, AgriBEE experts and the agricultural value chain, attended the symposium. The first session of the programme featured experts in the fields of AgriBEE giving a perspective on background, processes, the score card, financial and legal implications thereof; the provincial department focused on priorities for the province and best practices in terms of skills development. The second session focused on different case studies regarding successful models of empowerment and transformation. The latter was expressed vividly by Solly Ratjomane, the most successful black potato farmer in the country, who presented his road to success to a standing ovation.

12.10 Farm-based training

Structured skills development is aimed at assisting potato farmers busy with transformation projects in supplying proper training for their trustees and shareholders, uplifting the skill of farm workers focussing on production skills, new entities focussing on business skills to enable them to farm profitably and social skills to ensure good civil development and good citizenship. Below is a summary of the programmes.

Region and Item	Budget
Sandveld	R249 689.00
Ceres	R200 000.00
Southern Cape	R121 802.00
KwaZulu Natal	R84 422.00
Eastern Cape	R66 740.60
Western Free State	R124 405.08
Limpopo	R281 65.03
Eastern Free State	R166 224.00
Flights & accommodation	R58 257.62
Industry excursions	R54 183.64
Catering	R11 326.01
Petty cash	R3 116.67
Miscellaneous	R15 385.31
Consultancy	R104 568.95
Transport & trailer hire	R12 750.00
World Food Day	R8 958.43
Total Farm-Based Training	R1,309,994.34

13 South African Wine Industry Trust



13.1 Background of the Trust

Between 1994 and 1997, South Africa went through three years of optimistic change as we experienced rapid movements in terms of development. The release from prison of Nelson Mandela and the formation of a democratic Government, cast South Africa into the rising tide of globalisation, with the changing commercial, social and political imperatives that accompanied these events. Government, aiming to demonstrate its ability to deliver on its mandate, and industry requiring innovative and strategic solutions to issues of transformation, initiated the South African Wine Industry Trust (SAWIT). As such SAWIT framed a partnership between that of the Department of Agriculture and KWV, formed for the purposes of stimulating and driving transformation within the wine industry. This collaboration was concluded in 2007 with SAWIT fulfilling all its obligations and becoming a completely autonomous, self-sustaining and legal entity.

The wine industry in South Africa has a long history of exclusion of black people, either as owners, shareholders or executive managers. This is neither affordable nor sustainable in the new South African economy. The Trust therefore remains committed to providing a leading role in the facilitation of broad-based black economic empowerment (BBBEE) in the wine industry for the benefit of those communities who are based in the wine producing areas and also for those groupings and entrepreneurs who have historically been denied access to opportunities.

13.2 The objectives of the Trust

- Build a shared consciousness for worker and industry owners, through providing information, platforms for dialogue, education, co-ordination, and promote ethical trading.
- Change the structure of industry to more effectively represent the interests of all industry players, mostly notably, for the farm worker community.
- Engage in partnerships with stake-holders across the sector to effect the transformational agenda
- To act in the interest of the wine industry in general.

13.3 Composition of the Trust

The board is comprised of 7 (seven) trustees:

Trustee	Representing
Ms Sharron Marco-Thyse (Chairperson)	Minister of Agriculture, Forestry and Fisheries
Mr Willem William	Minister of Agriculture, Forestry and Fisheries
Mr Barry Stemmet	Minister of Agriculture, Forestry and Fisheries
Prof Oupa Rangaka	Minister of Agriculture, Forestry and Fisheries
Ms Thozama Gwente	
Ms Dianna Hlati	
Ms Veronica Campher	

13.4 Economic development support

SAWIT has had involvement in most if not all BEE wine initiatives, ensuring that each of these companies has over a period of time received what necessary support (financially or non-financially) was required. Providing direct support such as business planning, marketing and investment services to that of BEE Wineries has ensured a **deepening of transformation strategies** into the full value chain.

In so doing, SAWIT has assisted in the **establishment of new farmers and enterprises** in the wine industry including but not limited to:

1. Blouville Wines
2. Bouwland Wines
3. Carlsheim Wine Farm
4. Kholisa Wines
5. Lindiwe Wines
6. Mia Cara
7. M'Hudi Remogo Holdings
8. Omaza/Lutouw Wine Estate
9. Thabani Wines
10. Thandi Estate
11. Sagila Wines
12. Ses Fikile Wines
13. Sibeko Wines
14. Women in Wine
15. Yamme Wines
16. Vredehoek Land Reform

13.5 Research and development

For any entity operating in a specific environment, related knowledge and information are critical elements to forging strategy and effective and efficient operations. SAWIT has over the years identified the strategic elements that demand research and development to best influence transformation and growth in the industry. The most foundational to this has been the jointly commissioned (Nedcor & Vinpro) comprehensive study on Land Reform in the Wine Industry published in 2005. This baseline study provides a litmus test for areas such as:

- The profitability of wine farming in different regions;
- An inventory and analysis of all existing state-supported land reform projects in the wine industry;
- A survey of land reform amongst independent entrants into the industry; and
- An investigation into innovative financing mechanisms for land reform in the wine industry.

- Further to this, work has been undertaken in areas of Human Rights, HIV & Aids, foetal alcohol syndrome, market trends, Fair Trade, etc. Copies of such research outputs can be provided on request.

13.6 Phetogo Investments

SAWIT furthered its economic and development agenda in 2004 through the provision of loan funding to a BEE Consortium (Phetogo Pty. Investments Limited) so as to obtain 25.1 % of KWV. The Phetogo transaction ensured the first real Broad-Based Black Economic Empowerment initiative with significant impact into one of South Africa's largest wine businesses, giving company workers a greater say in KWV.

13.7 Social development and support

In order to achieve and give meaning to our core objectives of improving effective representation of all industry players and in so doing influencing and facilitating the implementation of projects and processes with key partners, SAWIT has provided grant funding to a variety of social welfare organisations operational in the sector, in order to further transformation in bringing about creative & positive changes in the lives of farm workers and those that live within the wider communities. These efforts have had huge transformational power, as these grants produce and support sustainable institutions providing for ongoing programmes and initiatives within the wine sector. SAWIT has made its contributions in a holistic manner, attempting to address and have impact on many social and development issues facing farming communities. This can be illustrated through the diverse organisational support and partnerships that SAWIT has engendered.

The support and upliftment of farm workers and farming communities has been and will remain a primary focus of industry transformation.

13.8 Training, education and development

Critical to transformation is the **development of individual capacity** – the provision of skills, knowledge and attitude through **training and education**. SAWIT has made large investments in terms of education and training through the provision of bursaries, the creation of new degree and educational programmes, and the support of various tertiary entities stimulating research capacity and improved deliverables that meet industry requirements. These lists are too numerous to detail here and can be provided on request. The following illustrate the long-term approach and great impact desired by SAWIT:

- The Bachelor of Science degree (BSc) Agriculture in Oenology and Viticulture, Stellenbosch University 2001-2007;
- Wine Management PWM, a.k.a. LEAP programme (Stellenbosch Business School) 2005-2007;
- MBA Wine Management, Graduate School of Business (University of Cape Town);
- The Cape Wine Academy (2006 & 2007);
- Master's degree in Sustainable Agriculture (University of Stellenbosch and the Sustainability Institute) 2005-2007;
- Vineyard Academy, providing for over 2 500 individuals and affording practical, outcomes-based modular course training.

13.9 Export promotion and marketing

The re-introduction of South Africa and specifically the wines of South Africa into world markets since 1994 brought opportunities that are reflected by the increase in exports while it also exposed the Wine Industry to rugged competitiveness, both locally and overseas.

SAWIT recognises the care required in ensuring that global markets grow, as such development translates into the sustained provision of employment opportunities for an estimated 263 752 people extending to tourism and support services (indirectly 159 952 job opportunities throughout the economy and employs 103 800 people directly).

By supporting the establishment of Wines of South Africa (WOSA) over a period of 8 years, an industry-wide sustainable institution has been created which has as its purpose to address, in a co-ordinated way, the promotion of exports of all South African wines in key international markets. WOSA has over 360 exporters on its database, comprising all the major South African wine exporters. It is currently constituted as a not-for-profit company, being independent of any producer or wholesaling company. It is also independent of any government department, although it is recognised by government as an Export Council and as such enjoys an effective dialogue between government and the wine industry, with a definitive focus on marketing research and export facilitation.

13.10 Technology Development

Wine Industry Network of Expertise and Technology (Winetech) represents an organisational structure formed into a network of participating institutions and individuals. This network is sustained by a strong interest in improving the competitive position of the South African Wine Industry. SAWIT has supported its mission to build a strong, healthy and sustainable South African Wine Industry through cooperative (participative) research and development initiatives. The emphasis of these activities is on collaboration and it has consistently facilitated and managed quality oenology and viticulture research and development. Further to its positioned strength, is that its research capacity affords Winetech the ability to span most of the value chain of the industry such as selection of terroir and plant material, viticulture practice, cellar practice/wine making, packaging and distribution relating specifically to generic technical issues, and the effective transfer of such technology for the benefit of all.

13.11 Partnerships and Networks

The nature, intent, and purpose of SAWIT is to forge partnerships and networks, not only for itself, but for and within the wine industry. Its strategic industry role is clearly illustrated through its funding and developmental work in **the creation of the Wine Transformation Charter** and the establishment of the **South African Wine Council**.

Much of the first decade of work that SAWIT undertook was in the forging of new industry entities and supporting of their activities in meeting the transformational agenda of the industry. Many NPOs, unions, research & tertiary entities, training and development enterprises, and grouped civil society organisations have a sustained existence because of SAWIT's support over the years.

Government, at national, provincial and local levels and through its appropriate agencies, has a crucial role in the wine industry as a partner and stakeholder. The wine industry provides significant economic and employment development opportunities in production, trade, exports and tourism. SAWIT provides this link between government and industry, knowing that government's highly relevant role is vital in research and technology development, export promotion, infrastructure development, economic empowerment and social and human upliftment.

Illustrative of SAWIT's support is the assistance provided to the formation of a network orientated entity the **Rural Development Network (RUDNET)** which comprises 34 diverse NGOs operational in the Northern and Western Cape, sharing a mission to enhance the sustainable quality of life and standard of living of the farm working communities. It does so by ensuring the importance of good working relationships with a clear commitment to positive attitude change and with its cooperation of members and significant role players that are committed to enhancing the quality of life of farm-working communities through the provision of cohesive and sustainable programmes of integrated and quality development services.

RUDNET acts with any other agency working with the rural poor, dealing with an ever more diminishing and desperate population whose future status is unknown. RUDNET's intent in this regard is:

- Providing capacity building, equipping them with a range of personal and social skills;
- Leadership development; and
- Benchmarking good socio-economic practices through its innovative Farm Health Awards programme.

Through efforts such as these, SAWIT has created and enjoys good relations with all industry role-players. It will now more and more begin to draw on this built capacity and will utilise these partners for the mutual benefit and implementation of its projects.

SAWIT also ensures that the wine industry as a whole, and particularly its mandate of transformation and development, are reflected on as many international platforms as possible. As such, we ensure that we generate strong institutional relationships between all local and international role-players.

14 Sorghum Trust



Sorghum Trust



14.1 Background of the Trust

After the termination of the Sorghum Board in 1997, all funds of the Sorghum Board were transferred to the Sorghum Trust. Such funds became the discretionary funds of the Sorghum Trust, governed by the trustees in terms of the trust deed. The main objective of the Sorghum Trust is to maximise the income of the Trust and to provide funding for the benefit of the sorghum industry – in particular for sorghum research & development projects and the updating and dissemination of information required by the sorghum industry.

The trust deed provides for five trustees, who must represent each of the following affected parties: The Minister of Agriculture, sorghum traders, commercial sorghum producers, emerging sorghum producers and sorghum processors.

Since 8 May 1998, the Sorghum Trust also acts as Administrator of statutory levies and was appointed as such by the Minister of Agriculture. The statutory levies are administered and accounted for separately from the Trust's discretionary funds.

The Trust's main focus is on project funding for the purposes of supporting the industry. When considering project proposals for funding, the trustees take into account the advice of the Sorghum Forum. In respect of projects funded from statutory funds, the trustees are accountable to the Minister of Agriculture and the Auditor General in terms of, respectively, the Marketing of Agricultural Products Act (MAP Act) and the Public Finance Management Act (PFMA).

14.2 The objectives of the Trust

The main objective of the Sorghum Trust is to maximise the income of the Trust and to provide funding for the benefit of the sorghum industry – in particular for sorghum research and development projects and the updating and dissemination of information required by the South African sorghum industry.

The Sorghum Forum is an association of Members, established after the disbandment of the Sorghum Board in 1997. The objectives of this association are as follows:

- To act in the interests of the sorghum industry and those of the community and to deal with matters that may affect the common interests of the members;
- To act as a mouthpiece for the sorghum industry;
- To consider and to motivate submissions to the Minister for statutory measures;
- To recommend to the Sorghum Trust that funds be made available for employment in furthering the interests of the sorghum industry in terms of the objectives of the Marketing of Agricultural Products Act, 1996 (No. 47 of 1996);
- To recommend to the Department of Agriculture any amendments to the quality standards/regulations;
- To consider and to motivate research projects to be conducted in the interests of the sorghum industry;
- To continuously keep all of the members informed regarding the progress and results of such projects;
- To identify new information to be collected and to apply for statutory measures in this regard; and
- To keep the members informed about feedback on submissions to the Minister and other institutional developments.

Annually, the Sorghum Trust invites project proposals, which are evaluated by the Research Project Evaluation Committee (RPEC) of the Sorghum Forum. Approved projects are then proposed to the Sorghum Trust for funding. This committee of the Sorghum Forum largely advises the Forum on aspects concerning sorghum quality and sorghum grading.

14.3 Composition of the Trust

The board is comprised of 5 (five) trustees:

Trustee	Representing
Mr John Gordon (Chairperson)	Sorghum Traders
Ms Louis Claassen	Sorghum processors
Mr Gideon Morule	Emerging sorghum producers
Mr Jaap van der Westhuizen	Commercial Sorghum Producers
Ms Dudu Mashile	Minister of Agriculture, Forestry and Fisheries

14.4 Transformation

The Sorghum Trust has hitherto been unable to successfully identify many transformation projects related to sorghum. The main beneficiary of the Trust involved in transformation is Grain SA, with only very small other development initiatives by different beneficiaries. The approved allocations for transformation projects represent 17 % of the levy income in the 2010 financial year.

As is the case with all the other grain trusts, the Sorghum Trust, in principle, decided to fund all transformation projects in future through the Grain Farmers' Development Association once this is operational. This implies that transformation funding by the Sorghum Trust may be shown as one single beneficiary in future reports.

15 Wool Trust

15.1 Background of the Trust

The Wool Trust was established on 13 August 1997. The strategic vision of the Trust is to achieve sufficient capital growth and income generation to maximize the funding of activities that benefit the wool industry and the role players involved both at producer and pipeline level on a long-term sustainable basis.

15.2 The objectives of the Trust

The strategic objectives of the Wool Trust are:

- a) The protection of the Trust assets and the Trust capital;
- b) The productive utilisation of the assets and capital of the Trust so as to increase the value thereof and to maximise the income;
- c) The enhancement of the viability of the South African wool industry through the financing of:
 - Research in connection with the improvement, production, manufacturing, processing, storage or marketing of wool; and/or
 - Activities designed to promote wool production and stimulate and increase the demand for and consumption of South African wool; and/or
 - Providing information and advisory services to producers relating to the production of wool, marketing conditions and the wool industry generally; and/or
 - The provision of training and information to existing and prospective wool producers.

15.3 Composition of the Trust

The Board is comprised of 7 (seven) trustees:

Trustee	Representing
Mr Peter Kingwill (Chairman)	Directly affected group – Producers
Mr Arthur Kidson	Financial Management specialist
Mr Anton Kirsten	Directly affected group – Distribution and marketing
Mr Herman van Schalkwyk	Financial Management specialist
Mr RGH Smith	Financial Management specialist
Ms Olivia Sigidi	Directly affected group – Producers
Mr Zandisile Wapi	Minister of Agriculture, Forestry and Fisheries

15.4 Financial Summary

During the Trust's 2010/2011 financial year the Trust funded wool industry activities to the amount of R14,7 Million and the value of the Trust's assets amounted to R322 Million as at 28 February 2011. The Trust has funded wool industry activities to the amount of R126,2 Million since the establishment of the Trust in 1997.

15.5 Transformation

Key Objectives and Operations

Through its funding arrangement with its income beneficiary, Cape Wools SA (CWSA), transformation is one of the key strategies to drive the development of a viable, sustainable and profitable woolled sheep industry in the communal sector. This strategy addresses the Trust objectives which specify the provision of information, advisory, training and other support services to the emerging sector as a whole, but with

particular focus on the Ciskei and Transkei areas of the Eastern Cape, on KwaZulu Natal and on the ThabaNchu area of the Free State.

To provide operational support for this strategy of the Trust, CWSA delivers a portfolio of services and projects under contract with the National Wool Growers Association of South Africa, and includes the following:

- The progressive upgrading of shearing sheds through leveraging of external funding, the provision of modern shearing equipment and utilization of such sheds for training and development programmes. To date almost 200 sheds have been serviced out of a total of 850 on record. (During 2010 the Trust provided R1,65 Million for direct investment in wool presses and other shearing equipment).
- The generic upgrading of the communal flock through the introduction of superior rams on an annual basis. This is required to improve the quality of communal clips produced at the shearing shed level. Some 3 000 rams are introduced on an annual basis.
- At least 150 training courses, using a cross-section of shearing sheds across the various communal regions mentioned above, are held to provide communities with information and training on natural resource management, flock management, animal health, wool classing, contamination prevention and correct preparation and packing of clips for efficient marketing.
- Transformation by means of skills development is addressed by a national shearer training programme to provide a pool of trained shearers for the provision of an effective and professional wool harvesting process. Not only is shearing the critical first stage of the value chain, it provides jobs. Training is provided at several levels and a needs analysis is carried out yearly to set targets. Typically some 250 recruits (new entrants) are trained per annum, while some 150 newly-appointed shearers from contractors require intermediate training per annum. Annually some 120 employed shearers are provided with advanced training courses.
- A bursary fund was established to provide financial support for learners and/or students at tertiary educational facilities. Bursaries are awarded with due consideration of requirements related to the previously disadvantaged sector.
- The annual bursaries are awarded for any applicant wishing to study in disciplines which are appropriate for eventual employment in the wool industry or associated industries

servicing the wool industry. Each bursary awarded are typically of the order of R20 000 to R40 000 per annum, depending on the availability of funds. A total amount of R125 000 was awarded for bursaries in 2011.

- Transformation is also supported by the annual identification of specific research and development needs for the communal sectors, which are then accommodated in CWSA's annual research and development project budget.

Transformation Monitoring and Measuring its Impact

- In addition to the activities and achievements mentioned above, access via a network of field staff and other specialist service suppliers from organizations such as wool brokers, the ARC, Provincial Departments of Agriculture and local municipal authorities provide opportunities for coordination and partnerships. In this manner significant development funding has been leveraged from external sources such as international development agencies and foreign governmental aid agencies. Typical leveraging levels of R4-5 per rand invested have been achieved over the past few years, thereby allowing significant progress over a relatively short period.
- By 2009/2010, interventions by means of targeted development projects have led to a 10-fold increase in the volume of wool from shearing sheds delivered to the auction market since 1997/98. This allows more communal clips to be exposed to market competition at the weekly wool auctions. Some 16% of shearing sheds received equal or better prices than the RSA seasonal average in 2006/07; by 2008/09 this proportion had increased to 28%.
- Socio-economic indicators are also used to monitor the impact of interventions in the emerging sector. Improved income from wool (and mutton) has led to an increase in proportion of total rural household income from 47% in 2004 to 65% in 2009, the number of households with saving accounts increased from 57% to 77%, children hungry at bedtime decreased from 43% to 27%, and the proportion of households needing to borrow money for school fees decreased from 78% to 52%.
- Transformation activities are achieving positive results by allowing a greater number of emerging farmers in communal areas to enter the mainstream wool marketing chain. However, most of these projects are of a long-term nature and key challenges and issues that need to be addressed in the overall business plan include the following:

- Quality improvements through sustained genetic interventions is a prerequisite to improving the standard of the product delivered from shearing sheds. Quality determines price and the communal wool price differential compared to the rest of the country cannot be reduced if this issue is not addressed on a sustained basis for several years.
- Woolled sheep productivity is a complex function of genetics, management, animal health and the environment. Communal farming has its particular combination of impediments to successful interventions, and must therefore be addressed by means of a long-term, sustainable business plan and budget.
- Private/public partnership is the only workable model to sustain and improve service delivery in these areas.

16 Winter Cereal Trust

16.1 Background of the Trust

During the process of phasing out the Wheat Board (a statutory institution under the Marketing Act of 1968), the winter cereal industry identified the need for certain functions executed by the Wheat Board to be continued after the Wheat Board's dissolution.

Winter cereal is defined as wheat, barley, oats, rye, durum wheat and triticale. The functions identified for continuation were the provision of market information, laboratory services and financial support for research projects.

The grain and oilseeds industries (previously serviced by the Wheat Board, Maize Board, Sorghum Board and Oilseeds Board) decided to combine efforts to supply market information and laboratory services to the industries concerned. Two Section 21 companies, namely the SA Grain Information Service (SAGIS) and the SA Grain Laboratory (SAGL), were established to supply the above-mentioned services to the industries.

The different industries also decided to establish trusts in terms of the new Marketing of Agricultural Products Act, mainly to administer the assets of the control boards concerned and to utilise funds to the benefit of the different industries. In the case of the winter cereal industry, two separate trusts were established, namely the Winter Cereal General Trust and the Winter Cereal Research Trust.

16.2 The objectives of the Trust

The principle objective of the Trust was to provide financial support for scientific, technical or industrial research with regard to the production of winter cereals in the Republic of South Africa. Secondary objectives of the Trust were to further the winter cereal industry in the Republic of South Africa by supporting:

- The maintenance of information required by the winter cereal industry in the Republic of South Africa;
- The broadening of the market for South African produced winter cereals; and
- The administration of the Wheat Forum, as structured at the time of the establishment of this trust.

The two trusts were established in 1997, the year in which the Wheat Board ceased its activities as agricultural control board.

The winter cereal industry requested the Minister of Agriculture to impose statutory levies on wheat, barley, oats and durum wheat to finance the functions of acquiring and disseminating market information and research, as described in the objectives of the two trusts. Separate levies were imposed for the information function and the research function, respectively.

The two trusts were appointed in terms of the government notices concerned with administering the statutory levies. These levies were the only source of income for the two trusts and therefore the only funds available to finance the different functions identified by the industry.

In order to accommodate the provisions set by the Minister and, due to the fact that the objectives and activities of the two trusts could be combined without disruption, the industry decided to amalgamate the two trusts. The amalgamation was done through amending the deed of trust of the Winter Cereal Research Trust (including changing its name to the Winter Cereal Trust) and through the termination of the Winter Cereal General Trust.

The most important amendments to the deed of trust of the Winter Cereal Research Trust were in respect of the objectives of the trust, the composition of the Board of Trustees (as shown hereunder), keeping separate accounts for the two levies concerned and expanding representation on the Research Technical Committees.

16.3 Composition of the Trust

The Boards of Trustees comprised representatives of all sectors of the industry, including one representative of the Minister of Agriculture. The original levies were applicable for seven months and the Minister of Agriculture approved further levies, provided that the ministerial representation on the Boards of Trustees be expanded to 50 % of the trustees.

The board is comprised of 12 (twelve) trustees:

Trustee	Representing
Mr Jannie de Villiers (Chairperson)	Processors of winter cereal
Mr Andries Theron	Producers of wheat
Mr Schalk Viljoen	Producers of barley
Mr Piet Louw	Grain handlers
Mr Greg Till	Bakers
Ms Lillibeth Moolman	Consumers
Mr Katlego Gaoraelwe	Minister of Agriculture, Forestry and Fisheries
Mr Tato Make	Minister of Agriculture, Forestry and Fisheries
Prof Phindile Lukhele-Olorunju	Minister of Agriculture, Forestry and Fisheries
Dr Cobus Le Roux (Vice Chairperson)	Minister of Agriculture, Forestry and Fisheries
Mr Maseli Letuka	Minister of Agriculture, Forestry and Fisheries
Ms Mmaphefo Mabe	Minister of Agriculture, Forestry and Fisheries

16.4 Transformation programmes supported

ARC: Small Grain Institute

Research and development programme

Projects included in programme:

Field evaluation of newly released wheat cultivars for aluminium tolerance

Objectives:

- To establish a database of the reaction of wheat cultivars planted in acidic soils; and
- To recommend wheat cultivars that are aluminium tolerant to farmers as a management tool, while proper soil management is put in place.

Farmer support programme for developing and resource poor farmers

Objectives:

- To contribute to the improvement of the standard of living for emerging and developing small grain producers by ensuring that they secure food for themselves and move towards commercial production;
- To monitor and promote the sustainable production of small grains throughout the country; and
- To ensure that producers get easy access to the services provided at ARC-SGI in order for them to be part of the mainstream of the economy of South Africa.

Monitoring the soil fertility status in resource poor environments

Objectives:

- To develop a database containing representative data of all the resource limited areas where ARC-Small Grain Institute has projects. The database will be used to assess the current soil fertility status and to identify pressing problems if they occur. This will help to improve the quality of technology transfer in future.
- To identify trends and threats, like increases in soil acidity or salinity, for specific areas.
- To make available recommendations based on soil analyses to individual farmers participating in the project.

The verification of cultivars suitable for production in resource limited agriculture

Objectives:

- To determine the suitability of wheat cultivars and new lines of production under different resource-limited agricultural regions;
- To characterise cultivars in terms of yield potential and yield stability in selected resource limited areas under dryland and irrigated conditions;
- To compare cultivars in terms of agronomic characteristics and quality parameters over these different environments;
- To assist small-scale wheat producers with reliable recommendations that are based on applicable scientific research;
- To ensure that the relevant technology created by this project is made available to small-scale farmers in the respective regions by means of production guidelines, farmers' days and demonstrations.

Grain SA

Commercialisation of and promotion of wheat production amongst developing farmers in the Free State and Western/Southern Cape

Objectives:

- To enable developing farmers in the Eastern and Central Free State to produce dryland wheat commercially, profitably and sustainably;
- To assist irrigation farmers in the Free State, Northern Cape and North West to improve their knowledge and skills for the production of wheat under irrigation;
- To promote the production of wheat by developing farmers in the Western and Southern Cape; and
- To disseminate wheat industry information to the broader developing agricultural sector through the Pula Imvula.

Empowerment and capacity building amongst barley farmers in the Taung Irrigation Scheme (producing for SABM)

Objective:

- The long term goal of the intervention is to capacitate farmers in the Taung Irrigation Scheme so that they can farm for themselves should SABM withdraw from the area.

VKB

Farmer Development Programme

Objective: Development of sustainable commercial farmers.

OVK Operations Ltd

Commercialisation Programme for Developing Farmers

Objective: To develop emerging farmers over a three year period to become commercial and produce more than 250 ton of grain per season on a continuous basis.

Agri Mega

Extension of Land Reform to farm workers and mentorship agricultural transformation.

Objectives:

- Implement land reform projects by means of a private/public relationship between the SA Winter Grain Trust and the Department of Agriculture in the Western Cape and to facilitate the involvement of other multi-sectoral role-players;
- The identification of traditional commercial farm owners who are the most likely to succeed in a partnership programme, driven by the philosophy where the current owner trains his new partner, i.e. the farm worker he currently employs;

- The successful implementation of multi-faceted and all inclusive partnership programmes that will lead to the functional inclusion of farm workers in the Western Cape's small-grain production industry;
- Land reform and agricultural transformation based on extended land ownership through partnerships between farm workers and traditional commercial farmers;
- Accelerated land reform;
- Accelerated food production and food security in South Africa;
- Accelerated farm worker and rural empowerment;
- Establish a network of service and product suppliers that is needed to implement a successful mentorship/partnership project.

SAB BARLEY FARM

Mentorship of newly graduated agricultural students from previously disadvantaged areas

Objective:

- The goal of the student internship is to give students from a previously disadvantaged background who have recently completed their agricultural studies at an Agricultural College the opportunity to gain some experience of practical small-grain farming on a commercial farm and in a research facility environment.

17 APPENDICES

17.1 APPENDIX A. Citrus Trust – Financial Statements

17.1.1 Balance Sheet

Assets	2009	2008
	R	R
Non-Current Assets		
Long-term loan	100, 000	150, 000
Current Assets	16 525 887	15 056 709
Accounts receivable	50 000	50 000
Cash and cash equivalents	16 475 887	15 006 709
	16 625 887	15 206 709
Equity and Liabilities		
Funds		
Accumulated funds	<u>16 625 887</u>	<u>15 206 709</u>
	<u>16 625 887</u>	<u>15 206 709</u>

17.1.2 Income statement

	2009 R	2008 R
Income		
Interest received	<u>1 766 974</u>	<u>1 331 181</u>
	1 766 974	1 331 181
Expenses	<u>(347 796)</u>	<u>(914 480)</u>
Audit fees	-	85 500
Bursaries	289 072	776 430
Secretarial fees	22 500	32 886
Travel expenses	24 228	6 133
Sundry	6 746	5 282
Trustees fees	<u>5 250</u>	<u>8 250</u>
Net Surplus for the year	<u>1 419 178</u>	<u>416 700</u>

Statement of changes in equity

	Accumulated Funds R
Balance at 28 February 2007	14 790 009
Net surplus for the year	<u>416 700</u>
Balance at 29 February 2008	15 206 709
Net surplus for the year	<u>1 419 178</u>
Balance at 28 February 2009	<u>16 625 887</u>

17.1.3 Cash flow statement

	2009 R	2008 R
Cash flow from operating activities		
Cash (utilised) by operations	347 796	941 841
Investment income received	1 766 974	1 331 181
Net cash flow from operating activities	1 419 178	389 340
Cash flows from investing activities		
Decrease in long-term loan	50 000	50 000
Net increase in cash and cash equivalents	1 469 178	439 340
Cash and cash equivalents at beginning of year	15 006 709	14 567 369
Cash and cash equivalents at end of year	16 475 887	15 006 709

17.2 APPENDIX B. Cotton SA Trust – Financial Statements

17.2.1 Balance Sheet

	2010 R	2009 R
ASSETS		
Non-current Assets		
Property, plant and equipment	5 925 941	5 963 961
CURRENT ASSETS	1 812 404	1 736 764
Debtors	102 340	109 950
Bank balances	1 710 064	1 626 814
TOTAL ASSETS	<u>7 738 345</u>	<u>7 700 725</u>
Equity and Liabilities		
CAPITAL AND RESERVES		
Accumulated funds	7 405 504	7 406 034
CURRENT LIABILITIES	332 841	294 691
Tenant deposits	49 397	47 446
Creditors	283 444	247 245
TOTAL EQUITY AND LIABILITIES	<u>7 738 345</u>	<u>7 700 725</u>

17.2.2 Income Statement

	2010	2009
	R	R
INCOME	1 998 496	1 902 180
Rent and parking	1 850 178	1 719 849
Investment		
income	144 215	182 331
Insurance claim	4 103	-
DEPRECIATION	<u>(38 021)</u>	<u>(38 286)</u>
	1 960 475	1 863 894
OTHER OPERATING EXPENSES	<u>(1 961 005)</u>	<u>(1 863 931)</u>
NET DEFICIT FOR THE YEAR	<u>(530)</u>	<u>(37)</u>

17.2.3 Statement of changes in Equity

	Accumulated funds	Total
	R	R
BALANCE AT 30 SEPTEMBER 2008	7 406 071	7 406 071
NET DEFICIT FOR THE YEAR	37	37
BALANCE AT 30 SEPTEMBER 2009	7 406 034	7 406 034
NET DEFICIT FOR THE YEAR	530	530
BALANCE AT 30 SEPTEMBER 2010	<u>7 405 504</u>	<u>7 405 504</u>

17.3 APPENDIX C. Deciduous Fruit Industry Dev. Trust - Financial Statements

17.3.1 Balance sheet at February 28, 2010

	2010	2009
	R	R
ASSETS		
Investments	13 192 000	13 192 000
Current Assets		
Debtors	-	20 675
Cash and cash equivalents	<u>2 549 859</u>	<u>2 600 729</u>
	<u>2 549 859</u>	<u>2 621 404</u>
TOTAL ASSETS	<u>15 741 859</u>	<u>15 813 404</u>
FUNDS AND LIABILITIES		
Trust fund	14 243 895	14 362 712
Current liabilities		
Accounts payable	26 142	101 830
Receiver of Revenue	<u>1 471 822</u>	<u>1 348 862</u>
	<u>1 497 964</u>	<u>1 450 692</u>
TOTAL FUNDS AND LIABILITIES	<u>15 741 859</u>	<u>15 813 404</u>

17.4 APPENDIX D, The Maize Trust – Financial Statements

17.4.1 Balance sheet

Figures in Rand	30-Jun-2010	30-Jun-2009
Assets		
Non-Current Assets		
Investment	789 892 784	690 528 883
Current Assets		
Cash and cash equivalents	8 755 371	17 831 315
Total Assets	798 648 155	708 360 198
Equity and Liabilities		
Equity		
Donations	319 234 732	289 128 772
Accumulated surplus	459 039 764	379 921 027
	778 274 496	669 049 799
Liabilities		
Current Liabilities		
Trade and other payables	19 641	4 253
Provisions	20 354 018	39 306 146
	20 373 659	39 310 399
Total Equity and Liabilities	798 648 155	708 360 198

17.4.2 Income Statement

Figures in Rand	30-Jun-10	30-Jun-09
Income	47 118 246	89 831 609
Operating expenses	(2, 122, 003)	(2 346 776)
	44 996 243	87 484 833
Investment revenue	24 979 777	37 086 208
Fair value adjustments	34 844 527	(166 748 744)
Allocations to beneficiaries	(22 035 231)	(52 694 769)
Asset management fees	(3 666 579)	(3 645 666)
Surplus/ (Deficit) for the period	79 118 737	(98 518 138)

17.4.3 Statement of changes in Equity

Figures in Rand	Trust capital	Accumulated surplus	Total equity
Balance at 01 July 2008	289 128 772	478 439 165	767 567 937
Changes in equity			
Deficit for the period	-	(98 518 138)	(98 518 138)
Total changes	-	(98 518 138)	(98 518 138)
Balance at 01 July 2009	289 128 772	379 921 027	669 049 799
Changes in equity			
Deficit for the period	-	79 118 737	79 118 737
Donations received	30 105 960	-	30 105 960
Total changes	30 105 960	79 118 737	109 224 697
Balance at 30 June 2010	319 234 732	459 039 764	778 274 496

Cash Flow Statement

Figures in Rand	30-Jun-10	30-Jun-09
Cash generated from (used in) operations	60 904 030	(87 288 583)
Interest income	16 417 431	17 942 338
Dividends received	8 562 346	19 143 870
Asset management fees paid	(3 666 579)	(3 645 665)
Net cash from operating activities	82 217 228	(53 848 040)
Cash flows from investing activities		
Movement in investments	(99 363 901)	115 990 844
Allocations to beneficiaries	(22 035 231)	(52 694 769)
Net cash from investing activities	(121 399 132)	63 296 075
Cash flows from financing activities		
Donations received	30 105 960	-
Total cash movement for the period	(9 075 944)	9 448 035
Cash at the beginning of the period	17 831 315	8 383 280
Total cash at end of the period	8 755 371	17 831 315

17.5 APPENDIX E. Meat Industry Trust – Financial Statements

17.5.1 Balance Sheet

Figures in Rand	2009	2008
Assets		
Non-Current Assets		
Deferred tax	24 324	14 681
Current Assets		
Other financial assets	31 067 743	29 364 209
Trade and other receivables	25 024	5 700
Cash and cash equivalents	82 481	75 121
	31 175 248	29 445 030
Total Assets	31 199 572	29 459 711
Equity and Liabilities		
Equity		
Trust capital	44 488 752	44 488 752
Accumulated deficit	(13 339 841)	(15 088 585)
	31 148 911	29 400 167
Liabilities		
Current Liabilities		
Trade and other payables	50 661	59 544
Total Equity and Liabilities	31 199 572	29 459 711

17.5.2 Income Statement

Figures in Rand	2009	2008
Other income		
Dividend revenue	839 583	708 560
Interest received	79 578	120 781
Fair value adjustments	2 017 634	-
	2 936 795	829 341
Operating expenses		
Accounting fees	16 704	15 600
Auditors remuneration	38 850	27 832
Bank charges	1 066	1 080
Broker's fee	236 516	234 421
Bursaries	400 000	200 000
Consulting and professional fees	72 730	-
Honorarium	211 000	221 000
Red Meat Abattoir Association	127 327	-
Secretarial fees	72 000	72 000
Storage	2 230	2 763
Travel - local	19 200	11 455
World Meat Congress	-	200 000
	1 197 623	986, 151
Operating surplus (deficit)	1 739 172	156 810
Finance costs	(71)	(470)
Fair value adjustments	-	(4 184 863)
	(71)	(4 185 333)
Surplus (deficit) before taxation	1 739 101	(4 342 143)

Taxation	(9 643)	(9 135)
Surplus (deficit) for the year	1 748 744	(4 333 008)

17.5.3 Statement of Changes in Equity

Figure in Rand	Trust capital	Revaluation reserve	Accumulated deficit	Total equity
Opening balance as previously reported	44 488 752	9 308 689	(20 064 266)	33 733 175
Adjustments				
Changes in accounting policy	-	(9 308 689)	9 308 689	-
Balance at 01 January 2008 as restated	44 488 752	-	(10 755 577)	33 733 175
Changes in equity				
Deficit for the year	-	-	(4 333 008)	(4 333 008)
Total changes	-	-	(4 333 008)	(4 333 008)
Balance at 01 January 2009	44 488 752	-	(15 088 585)	29 400 167
Changes in equity				
Surplus for the year	-	-	1 748 744	1 748 744
Total changes	-	-	1 748 744	1 748 744
Balance at 31 December 2009	44 488 752	-	(13 339 841)	31 148 911

17.5.4 Cash Flow Statement

Figures in Rand	2009	2008
Cash flow from operating activities		
Cash used in operations	(1 225 830)	(957 810)
Interest income	79 578	120 781
Dividends received	839 583	708 560
Finance costs	(71)	(470)
Net cash from operating activities	(306 740)	(128 939)
Cash flows from investing activities		
Purchase of financial assets	-	(29 052)
Sale of financial assets	314 100	-
Net cash from investing activities	314 100	(29 052)
Total cash movement for the year	7 360	(157 991)
Cash at the beginning of the year	75 121	233 112
Total cash at end of the year	82 481	75 121

17.6 APPENDIX F. Mohair Trust – Financial Statements

17.6.1 Balance sheet

	2009 R	2008 R
Assets		
Non-Current Assets	<u>380 231</u>	<u>393 133</u>
Fixed assets	380 231	393 133
Current Assets	<u>6 785 178</u>	<u>7 235 583</u>
Debtors	187 882	300 477
Deposits	590	590
Cash and cash equivalents	<u>6 596 706</u>	<u>6 934 516</u>
Total Assets	<u>7 165 409</u>	<u>7 628 716</u>
Equity and Liabilities		
Capital and Reserves	<u>5 556 889</u>	<u>7 097 178</u>
Retained earnings	5 556 889	7 097 178
Current Liabilities	<u>1 608 520</u>	<u>531 538</u>
Creditors	1 608 520	531 538
Total Equity and Liabilities	<u>7 165 409</u>	<u>7 628 716</u>

17.6.2 Cash flow statement

	2009 R	2008 R
Cash inflow/outflow from operating activities	(175 847)	2 763 729
Cash (utilised) by operations	(785 198)	2 087 420
Interest received	609 351	676 309
Net cash inflow from investing activities	(161 963)	(414 485)
Acquisition of fixed assets	161 963	(414 827)
Proceeds on sale of fixed assets	-	342
Cash and cash equivalent movements for the year	(337 810)	2 349 244
Cash and cash equivalents at the beginning of the year	6 934 516	4 585 272
Cash and cash equivalents at the end of the year	6 596 706	6 934 516

17.6.3 Statement of changes in equity

	Retained earnings R
Balance at 1 January 2008	4 329 633
Profit for the year	<u>2 767 545</u>
Balance at 31 December 2008	7 097 178
Loss for the year	<u>(1 540 289)</u>

Balance at 31
December 2009

5 556 889

17.6.4 Income statement

	2009	2008
	R	R
Income		
Distributions received	9 079 804	9 028 000
Administration fee	246 000	246 000
Profit/(Loss)on sale of asset	-	342
Interest	<u>609 351</u>	<u>676 309</u>
	9 935 155	9 949 967
 Expenditure	 <u>11 475 443</u>	 <u>7 182 421</u>
Financial Administration	<u>3 262 077</u>	<u>2 702 844</u>
Farewell gifts	2 602	6 155
Bank charges	16 771	14 645
Directors' remuneration	220 000	255 000
Printing & stationary	33 518	41 332
Building maintenance	40 043	45 741
Maintenance: Furniture & equipment	773	-
Courier	156	2 277
Motor vehicle expenses	45 053	31 202
Entertainment	26 097	26 330
Auditors' remuneration	49 246	51 931
Professional fees	41 075	31 834
Staff costs	2 133 111	1 614 931
Subsistence & travelling	308 647	324 397
Computer expenses	15 185	9 946
Telephone & postage	72 686	67 460
Magazines & publications	-	5 802

Insurance	82 249	52 455
Depreciation	<u>174 865</u>	<u>121 406</u>
Contractual expenses	246 000	246 000
Marketing	<u>4 855 544</u>	<u>1 847 516</u>
International Marketing	2 146 882	919 990
National Marketing	<u>2 708 663</u>	<u>927 526</u>
Information Technology	59 651	62 107
Quality Standards	303 943	33 594
Human resources	38 659	22 350
Research	406 740	364 403
Training	341 593	322 239
SAMGA		
Budget	1 213 446	984 029
Production		
Promotion	383 007	277 705
Black economic empowerment	228 596	297 509
Statutory requirements	<u>136 187</u>	<u>22 125</u>
Profit/ (Loss) for the year	<u>(1 540 289)</u>	<u>2 767 545</u>

Certain comparative figures have been restated

17.7 APPENDIX G. National Lucerne Trust – Financial Statements

17.7.1 Statement of Financial Position

Figures in Rand	2010	2009
ASSETS		
NON-CURRENT ASSETS		
Property plant and equipment	203 518	217 324
Other financial assets	1 012 866	1 091 859
	1 216 384	1 309 183
CURRENT ASSETS		
Trade and other receivables	44 918	52 780
Cash and cash equivalents	180 320	221 668
	225 238	274 448
Total Assets	1 441 622	1 583 631
EQUITY AND LIABILITIES		
EQUITY		
Trust capital	2 952 398	2 952 398
Reserves	520 654	568 815
Accumulated deficit	(2 189 305)	(2 110 904)
	1 398 189	1 524 751
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	43 432	58 879
Total Equity and Liabilities	1 441 621	1 583 630

17.7.2 Income Statement

Figures in Rand	2010	2009
Revenue	369 420	388 038
Other income	201 428	1 654 419
Operating expenses	(623 777)	(1 907 131)
Operating (deficit) surplus	(52 929)	135 326
Investment revenue	1 654	2 078
Fair value adjustments	(27 126)	(262 901)
Deficit for the year	(78 401)	(125 497)
Other comprehensive income	-	-
Total comprehensive deficit for the year	(78 401)	(125 497)

17.7.3 Statement of changes in equity

Figures in Rand	Trust capital	Other NDR	Accumulated deficit	Total equity
Balance at 01 September 2008	3 066 840	568 815	(1 985 407)	1 650 248
Changes in equity				
Total comprehensive deficit for the year	-	-	(125 497)	(125 497)
Total changes	-	-	(125 497)	(125 497)
Balance at 01 September 2009	3 066 840	568 815	(2 110 904)	1 524 751
Changes in equity				
Total comprehensive deficit for the year	-	-	(78 401)	(78 401)
Changes on Medical Reserves	-	(48 161)	-	(48 161)
Total changes	-	(48 161)	(78 401)	(126 562)
Balance at 31 August 2010	3 066 840	520 654	(2 189 305)	1 398 189

17.7.4 Statement of cash flows

Figures in Rand	2010	2009
CASH FLOWS OPERATING ACTIVITIES		
Cash receipts from customers	388 362	388 038
Cash paid to suppliers and employees	(435 069)	(384 949)
Cash (used in) generated from operations	(46 707)	3 089
Interest income	1 654	2 078
Net cash from operating activities	(45 053)	5 167
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property plant and equipment	-	(4 955)
Sale of financial assets	3 705	1 294 325
Net cash from investing activities	3 705	1 289 370
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of other financial liabilities	-	(1 118 232)
Net cash from financing activities	-	(1 118 232)
Total cash movement for the year	(41 348)	176 305
Cash at the beginning of the year	221 668	45 363
Total cash at end of the year	180 320	221 668

17.8 APPENDIX H. Oil and Protein Seeds Dev. Trust – Financial Statements

17.8.1 Statement of cash flows

Figures in Rand	2010	2009
Cash flows from operating activities		
Cash used in operations	7 571 449	4 105 865
Interest income	3 634 278	3 995 018
Dividends received	2 717 739	9 039 906
Net cash from operating activities	1 219 432	8 929 059
Cash flows from investing activities		
Movement in financial assets	101 838	9 971 147
Net cash from investing activities	101 838	9 971 147
Total cash movement for the year	1 117 594	1 042 088
Cash at the beginning of the year	1 609 041	2 651 129
Total cash at end of the year	491 447	1 609 041

17.8.2 Statement of financial position

Figures in Rand	2010	2009
Assets		
Non-Current Assets		
Property plant and equipment	42 683	61 654
Other financial assets	190 772 621	154 935 853
	190 815 304	154 997 507
Current Assets		
Cash and cash equivalents	491 447	1 609 040
Total Assets	191 306 751	156 606 547
Equity and Liability		
Equity		
Reserves	73 548 064	73 548 064
Accumulated surplus	111 766 509	73 025 606
	185 314 573	146 573 670
Liabilities		
Current Liabilities		
Trade and other payables	645 362	538 738
Provisions	5 346 816	9 494 139
	5 992 178	10 032 877
Total Equity and Liability	191 306 751	156 606 547

17.8.3 Income statement

Figures in Rand	2010	2009
Income	14 392 125	4 380 860
Operating expenses	11 538 665	11 061 639
	2 853 460	6 680 779
Operating surplus (deficit)		
Investment revenue	6 352 017	13 034 924
Fair value adjustments	29 535 426	44 420 097
	38 740 903	38 065 952
Surplus (deficit) for the year		
Other comprehensive income	-	-
	38 740 903	38 065 952
Total comprehensive income (loss) for the year		
	38 740 903	38 065 952

17.8.4 Statement of changes in equity

Figures in Rand	Capital Accounts	Accumulated surplus	Total equity
Balance at March 01 2008	- 73 548 064	111 091 558	184 639 622
changes in equity			
Total comprehensive deficit for the year	-	- 38 065 952	38 065 952
Total changes	-	- 38 065 952	38 065 952
Balance at March 01 2009	- 73 548 064	73 025 606	146 573 670
changes in equity			
Total comprehensive income for the year	-	38 740 903	38 740 903
Total changes	-	38 740 903	38 740 903
Balance at February 28 2010	- 73 548 064	111 766 509	185 314 573

17.9 APPENDIX I. Potato Industry Development Trust – Financial Statements

17.9.1 Statement of comprehensive income

	2010	Restated
	R	2009
	R	R
Revenue	25 301 120	21 684 276
Operating Expenditure	25 300 834	21 685 598
Administration costs	2 557 524	2 015 946
Transformation expenditure	5 257 301	4 786 971
Market development	5 901 934	3 488 613
Research and development	5 868 884	5 946 316
Industry services	5 715 191	5 447 752
Profit/(Loss)from operations	286	1 322
Net finance income/(costs)	286	1 322
Finance income	76	1 322
Finance costs	362	-
Net profit for the period	-	-

17.9.2 Statement of financial position

	2010	Restated
	R	2010
		R
Assets		
Current assets	5 436 070	4 391 755
Accounts receivable	4 461 717	2 598 742
Cash and cash equivalents	974 353	1 793 013
Total assets	5 436 070	4 391 755
Equity and Liabilities		
Equity		
Retained earnings	-	-
Non Current liabilities	-	-
Current liabilities	5 436 070	4 391 755
Accounts payable	4 236 070	3 191 755
Advance: PIDT	1 200 000	1 200 000
Total Equity and Liabilities	5 436 070	4 391 755

17.9.3 Statement of charges in equity

	Retained earnings R	Total R
Balance as at 1 July 2008	-	-
Net profit for the year	-	-
Balance as at 30 June 2009	-	-
Balance as at 1 July 2009	-	-
Net profit for the year	-	-
Balance as at 30 June 2010	-	-

17.9.4 Statement of cash flows

	2010	2009
	R	R
Cash flow from operating activities	818 660	2 055
Cash utilised in operations	818 374	733
Interest received	76	1 322
Interest paid	362	-
Cash flow from investing activities	-	-
Cash flow from financing activities	-	700 000
Advanced received	-	700 000
Loan repaid	-	-
Net (decrease)/increase in cash and cash equivalents	818 660	702 055
Cash and cash equivalents at beginning of year	1 793 013	1 090 958
Cash and cash equivalents at end of year	974 353	1 793 013

17.10 APPENDIX J. Sorghum Trust – Financial Statements

17.10.1 Balance Sheet

Figures in Rand	2010	2009
Assets		
Current Assets		
Investments	14 499 187	12 859 221
Loans receivable	516 160	108 770
	15 015 349	12 967 992
Total Assets	15 015 349	12 967 992
Equity and Liability		
Equity		
Excess for the year	15 015 349	12 967 806
Liabilities		
Current Liabilities		
Bank overdraft	-	186
Total Equity and Liabilities	15 015 349	12 967 992

17.10.2 Income Statement

Figures in Rand	2010	2009
Income	2 194 823	859 879
Operating expenses	(378 751)	(311 690)
Operating expenses	1 816 072	548 189
Investment revenue	938 115	1 179 375
Loss gain disposal of assets	(706 644)	994 975
Surplus for the year	2 047 543	2 722 539

17.10.3 Statement of Changes in Equity

Figures in Rand		Excess for the year	Total equity
Balance at 01 March 2008	-	9 364 285	9 364 285
Changes in equity			
Fundamental errors and adjustments	-	880 982	880 982
Net income (expenses) recognised directly in equity	-	880 982	880 982
Surplus for the year	-	2 722 539	2 722 539
Total recognised income and expenses for the year	-	3 603 521	3 603 521
Total changes	-	3 603 521	3 603 521
Balance at 01 March 2009	-	12 967 806	12 967 806
Changes in equity			
Surplus for the year	-	2 047 543	2 047 543
Total changes	-	2 047 543	2 047 543
Balance at 28 February 2010	-	15 015 349	15 015 349

17.10.4 Cash Flow Statement

<u>Figures in Rand</u>	<u>2010</u>	<u>2009</u>
Cash flows from operating activities		
Cash generated from operations	1 816 072	407 816
Interest income	813 590	1 031 097
Dividends received	124 525	148 278
Net cash from operating activities	2 754 187	1 587 191
Cash flows from investing activities		
Financial assets movements	(1 639 966)	(3 580 658)
Gain (loss) on sale of assets	(706 644)	994 975
Decrease in loans receivable	-	205
Other financial instruments	(407 390)	(35 236)
Non-cash prior period adjustments	-	880 982
Net cash from investing activities	(2 754 000)	(1 739 732)
Total cash movement for the year	186	(152 541)
Cash at the beginning of the year	(186)	152 355
Total cash at end of the year	-	(186)

17.11 APPENDIX K. South African Wine Industry Trust – Financial Statements

17.11.1 Balance Sheet

	2009 R	2008 R
Assets		
Non-current assets	60 644 513	31 883 060
Property plant and equipment	180 727	271 025
Available for sale investments	42 484 834	-
Held to Maturity investments	17 978 952	31 612 035
Current assets	7 741 445	16 005 677
Receivables and prepayments	5 672 412	11 749 968
Cash and cash equivalents	2 069 033	4 255 709
Total assets	68 385 958	47 888 737
EQUITY AND LIABILITIES		
Capital and reserves	25 535 411	46 227
Trust capital	100	100
Reserves	25 535 311	46 127
Current liabilities	42 850 547	47 842 510
Trade and other payables	565 193	12 842 510
Borrowings	42 285 354	35 000 000
Total equity and liabilities	68 385 958	47 888 737

17.11.2 Income Statement

	2009 R	2008 R
Revenue		
Dividend income	241 520	-
Finance income	522 809	855 358
Reversal of VAT Payable due to SARS settlement agreement	5 932 949	-
Reversal of impairment on loans	28 413 978	-
	35 111 256	855 358
Expenses		
Advertising	29 950	166 340
Auditors' remuneration		
audit fees	160 975	157 000
over /under provision previous year	-	67 890
other services	381 984	193 290
Bank charges	10 677	25 651
Consulting and legal fees	2 053 548	1 854 598
Depreciation on furniture and equipment	105 126	139 044
Donations	7 491	24 100
Facilitation and fundraising	-	60 000
Impairment of receivables	-	1 080 000
Impairment on available for sale investment	-	(4 648 906)
Interest paid	7 250 430	36 622
office expenses	339 536	357 520
Raising fee	-	3 000 000
Staff costs	2 617 807	2 020 907
Trustees and directors remuneration	207 688	604 604
Travel and accommodation - management	80 818	227 474
	13 246 030	5 366 136
Income before contractual expenditure and Wine Education Fund Expenditure		
Contractual expenditure of designated income	21 865 226	4 510 776
	2 078 012	10 831 034
	19 787 214	15 341 810
Profit/(Loss) before income tax		
Income tax expense	-	-

Profit / (Loss) for the year

19 787 214 (15 341 810)

17.11.3 Statement of Changes in Equity

	2009 R	2008 R
Trust capital		
Balance at 1 March	100	100
Donation received	-	-
At end of year	<u>100</u>	<u>100</u>
Reserves		
Designated income		
Balance at 1 March	101 027 751	111 858 785
Utilised during the year	<u>(2 078 012)</u>	<u>(10 831 034)</u>
Balance at 28 February	<u>98 949 739</u>	<u>101 027 751</u>
Fair value adjustment reserve		
Fair value adjustment	<u>5 701 970</u>	-
Retained earnings		
Balance at 1 March	(100 981 624)	(96 470 848)
Net income/ (Loss) for the year	19 787 214	(15 341 810)
Transfer to restricted reserves	2 078 012	10 831 034
At end of year	<u>(79 116 398)</u>	<u>(100 981 624)</u>
Total reserves	<u>25 535 311</u>	<u>46 127</u>

17.11.4 Cash Flow Statement

	2009 R	2008 R
CASH FLOW FROM OPERATING ACTIVITIES		
Contractual expenditure paid	(2 078 012)	(10 831 034)
Cash paid to suppliers and employees	(5 915 766)	(9 417 594)
	<hr/>	<hr/>
Cash flows from operating activities	(7 993 778)	(20 248 628)
Interest received	149 671	855 358
Interest paid	(7 250 430)	(36 622)
	<hr/>	<hr/>
Net cash (utilised in)/ generated from operating activities	(15 094 538)	(19 429 893)
CASH FLOW FROM INVESTING ACTIVITIES		
Increase in held-to-maturity investments	-	168 610
Repayment of held-to-maturity investments	637 336	-
Disposal of available for sale investment	5 000 000	-
Additions to property plant and equipment	(14 828)	(31 152)
	<hr/>	<hr/>
Net cash utilised in investing activities	5 622 508	137 458
CASH FLOW FROM FINANCING ACTIVITIES		
Increase in borrowings	7 250 430	20 000 000
	<hr/>	<hr/>
Net cash generated from financing activities	7 250 430	20 000 000
Net (decreased)/increased in cash and cash equivalents	(2 221 600)	707 565
Cash and cash equivalents at beginning of year	4 255 709	3 548 144
	<hr/>	<hr/>
Cash and cash equivalents at end of year	2 034 109	4 255 709

17.12 APPENDIX L. Winter Cereal Trust – Financial Statements

17.12.1 Income Statement

	2009	2008
	R	R
Income		
Interest received	1 446 246	1 433 308
Expenses	870 355	1 816 332
Bursaries - Awarded	709 464	457 534
-		
Administration -General expenses	78 745	33 134
	20 946	16 211
Transfer to levy funds	61 200	1 309 453
Surplus/(Deficit) for the year	(575 891)	(383 024)

17.12.2 Balance Sheet

	2009 R	2008 R
Assets		
Fixed assets	152	3 429
Current assets	59 108 702	54 015 716
Fixed deposits - Levy	42 536 149	38 391 432
Donation	12 908 247	12 332 356
Accounts receivable - Levy	1 993 907	1 699 861
Cash at bank	1 670 399	1 592 067
Total assets	<u>59 108 854</u>	<u>54 019 145</u>
Retained funds and liabilities		
Retained funds		
Retained funds - Donation	12 908 247	12 332 356
Current liabilities	46 200 607	41 686 789
Unutilised levies	7 052 845	7 139 472
Accounts payable- Levy	987 468	896 231
Research accrual	38 160 294	33 651 086
Total retained funds and liabilities	<u>59 108 854</u>	<u>54 019 145</u>

17.12.3 Statement of Changes in Equity

	Retained Funds	Total
	Donation	Funds
	R	R
2008		
Opening Balance	12 715 380	12 715 380
Deficit for the year	(383 024)	(383 024)
Closing balance	<u>12 332 356</u>	<u>12 332 356</u>
2009		
Opening balance	12 332 356	12 332 356
Surplus for the year	575 891	575 891
Closing balance	<u>12 908 247</u>	<u>12 908 247</u>

17.12.4 Cash Flow Statement

	2009 R	2008 R
Cash flows from operating activities	4 798 940	5 196 458
Cash generated by operations	278 425	152 879
Interest received - Levy	3 074 269	3 610 271
Donation	1 446 246	1 433 308
Cash flow from investment activities	(4 720 608)	(4 328 977)
Fixed deposits - Levy	(4 144 717)	(3 279 538)
Donation	(575 891)	(1 049 439)
Net increase in cash and cash equivalents	78 332	867 481
Cash and cash equivalents at beginning of year	1 592 067	724 586
Cash and cash equivalents at end of year	1 670 399	1 592 067

17.13 APPENDIX M. Wool Trust – Financial Statements

17.13.1 Cash Flow Statement

	2010 R'000	2009 R'000
Cash flow from operating activities		
Cash generated from operations	10 021	11 565
Service provider's fees and distributions paid	914 176)	(10 700)
Paid to Receiver of Revenue	20	-
Net cash (outflow)/inflow from operating activities	(4 175)	865
Cash flows from investing activities		
Proceeds on disposal of vehicles plant and equipment	15	18 499
Proceeds on disposal of investments	10 607	6 537
Dividends received	2 139	6 746
Purchase of investments	(33 444)	(55 382)
Purchase of vehicles and equipment	16	16
Net cash outflow from investing activities	(20 699)	(23 616)
Cash flows from financing activities		
Donation from Wool Board	22 330	21 808
Net cash inflow from financing activities	22 330	21 808
Net decrease in cash and cash equivalents	(2 544)	943
Cash and cash equivalents at beginning of year	7 006	7 949
Cash and cash equivalents at end of year	4 462	7 006

17.13.2 Statement of Financial Position

	2010	2009
	R'000	R'000
ASSETS		
Non-current assets	<u>300 459</u>	<u>240 391</u>
Vehicles and equipment	60	101
Investment properties	120 000	108 700
Investment available-for-sale	<u>180 399</u>	<u>131 590</u>
Current assets	<u>4 600</u>	<u>7 200</u>
Trade and other receivables	138	194
Cash and cash equivalents	<u>4 462</u>	<u>7 006</u>
Total assets	<u>305 059</u>	<u>247 591</u>
EQUITY AND LIABILITIES		
Capital and reserves	<u>255 431</u>	<u>203 658</u>
Trust capital	<u>135 950</u>	<u>113 620</u>
Reserves	<u>119 481</u>	<u>90 038</u>
Non-current liabilities	<u>43 143</u>	<u>32 705</u>
Deferred income tax liability	40 442	30 601
Amounts due to beneficiary	<u>2 701</u>	<u>2 104</u>
Current liabilities	<u>6 485</u>	<u>11 228</u>
Trade and other payables	613	843
Rentals in advance	-	183
Receiver of Revenue	-	20
Provisions	<u>2 927</u>	<u>3 100</u>
Amounts due to beneficiary	<u>2 945</u>	<u>7 082</u>
Total equity and liabilities	<u>305 059</u>	<u>247 591</u>

17.13.3 Income Statement

	2010	2009
	R'000	R'000
Revenue	17 203	22 683
Other income	1 179	1 258
Operating Expenses	<u>(16 370)</u>	<u>(21 849)</u>
Operating profit	2 012	2 092
Profit on sale of investment property	-	1 999
(Loss)/Profit on sale of investments	(162)	1 601
Revaluation of investment property	<u>11 300</u>	<u>(7 100)</u>
Profit/ (Loss) before taxation	13 150	(1 408)
Income tax (expenses)/credit	<u>(4 606)</u>	<u>6 565</u>
Profit for the year	8 544	5 157
Other comprehensive income		
(Loss)/Profit realised on sale of investments	162	(1 601)
Revaluation of investments	25 972	(24 912)
Taxation on other comprehensive income	<u>(5 235)</u>	<u>5 364</u>
Other comprehensive income for the year net of tax	<u>20 899</u>	<u>(21 149)</u>
Total comprehensive income (loss) for the year	<u>29 443</u>	<u>(15 992)</u>

17.13.4 Statement of Changes in Equity

	Trust Capital R'000	Fixed property Reserve R'000	Investments reserves R'000	Retained income R'000	Total R'000
Balance 01/03/2008	91 812	56 407	34 029	15 594	197 842
	-	-	(21 149)	5 157	(15 992)
<i>Total comprehensive income for the year:</i>	-	-			
Profit for the year	-	-	-	5 157	5 157
Write down of investments	-	-	(24 912)	-	(24 912)
Deferred taxation on revaluation of investments	-	-	5 364	-	5 364
Realisation of reserves on sale of investments	-	-	(1 601)	-	(1 601)
Revaluation of property	-	(7 100)	-	7 100	-
Deferred tax on revaluation	-	2 840	-	(2 840)	-
Capital inflow from Wool Board	21 808	-	-	-	21 808
Balance 29/02/2009	113 620	52 147	12 880	25 011	203 658
Total comprehensive income for the year	-	-	20 899	8 544	29 443
Profit for the year	-	-		8 544	8 544
Write-up of investments	-	-	25 972	-	25 972
Deferred taxation on revaluation of investments	-	-	(5 235)	-	(5 235)
Realisation of reserves on sale of investments	-	-	162	-	162

Revaluation of property	-	11 300	-	(11 300)	-
Deferred tax on revaluation	-	(4 520)	-	4 520	-
Capital inflow from Wool Board	22 330	-	-	-	22 330
Balance 28/02/2010	135 950	58 927	33 779	26 775	255 431

18 Table of Trust and appointed Trustees

TRUST	ADMINISTRATOR	MINISTERIAL TRUSTEES	End of Term Date
Citrus Trust	Ms Elsa Taylor PO Box 359 GROENKLOOF 0027 Tel 012 667 3113 Fax 012 667 3128 emtaylor@iafrica.com	Mr Godfrey Rathogwa Ms Noluthando Mbilase Ms. Phindi Kema	
Cotton Industry Trust	Mr Hennie Bruwer PO Box 912232 SILVERTON 0127 Tel 012 804 1462 Fax 012 804 8616 henniebruwer@cottonsa.org.za	Mr Siphon Ngxongo	
Deciduous Fruit Industry Development Trust	Mr Anton Rabe DFPT P.O. Box 163 PAARL 7620 Tel 021 870 2900 Fax 021 870 2915 info@dfpt.co.za	Mr Trevor Abrahams Ms Joyene Isaacs Mr Mxolisi Poto Ms Mahadi Mopeli	2011
Lucerne Seed Research and Development Trust	Mr Derrick Engelbrecht PO Box 185 OUDTSHOORN 6620 Tel 044 272 8991 Fax 044 329 2838 lusern@mweb.co.za	Miss Mina Gill	2013
Maize Trust	Mr Leon du Plessis PO Box 12203 QUEENSWOOD 0121 Tel 012 333 3634 082 338 4151 l-lagric@mweb.co.za	Mr. Karabo J. Peele Mr Thamsanqa Julius Hewu Ms Penny Daly	
Meat Industry Trust	Mrs Alet du Plessis	Dr Steven Cornelius Ms Lumka Witbooi Ms Vuyokazi Penxa	2011

Mohair Trust	Mr D Saayman PO Box 2243 Port Elizabeth 6056 Tel 041 487 1386 Fax 042 246 1521	Ms. Sarah Louw	2012
Oil and Protein Seeds Development Trust	Mr Gerhard Keun PO Box 5562 Rivonia 2128 Tel 011 234 3400/1 Fax 011 234 3402 Oliesade@worldonline.co.za	Mr Derick Montshwe	
Potato Industry Development Trust	Mr Gawie Geyer PSA 6 de Havilland Crescent Persequor Technopark Pretoria 0001 ggeyer@agric.co.za	Ms Nonie Moliehi Malehloa Mokose	28 February 2013
Sorghum Trust	Leon du Plessis L&L Agricultural Services P.O. Box 12203 QUEENSWOOD 0121 Tel: (012) 333 3429 Fax: (012) 333 3634 E-mail: l-lagric@mweb.co.za	Ms Dudu Mashile	30 June 2013
Winter Cereal Trust	Mr Awie Coetzee PO Box 7088 CENTURION 0046 Tel 012 663 1660 Fax 012 663 3109 wct@grainmilling.org.za	Mr Katlego Gaoraelwe Mr Bhutana Bhadi Make Dr Jacobus le Roux Ms. Mmaphefo Elizabeth Mabe Dr Phindile Lukhele-Olorunju Mr Maseli Augustinus Letuka	
SA Wine Industry Trust	Mr Charles Erasmus Private Bag X 5034 STELLENBOSCH 7599 Tel 021 889 8101 Fax 012 889 5900	Ms Sharon Marco-Thyse Mr Willem Williams Mr Barry Stemmet Mr Fatima Shabodiem Ms Thozama Gwente Ms Dianna Hlati Ms Veronica Campher	
Wool Trust	Mr André van der Venter PO Box 2500 Port Elizabeth	Mr Zandisile Wapi	30 June 2013

	6056 Tel 041 484 4307 Fax 041 484 4309		
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