

* Transformation - Meat Industry Trust

Dr Steven T. Cornelius
Chairperson



*Background of the Trust

- Meat Board was terminated at the end of 1997.
- The Minister approved the establishment of the MIT in early 1998.
- The total value of the initial assets transferred was approximately R40m for the MIT and R15m for research which was held in the Red Meat Research and Development Trust (RMRDT).
- The main beneficiaries of the MIT has been SAMIC (South African Meat Industry Corporation), first, and then NERPO (National Emergent Red Meat Producers Organisation).

*Background of the Trust

- SAMIC is the non-profit industry body which took over the non-state functions of the Meat Board.
- SAMIC and NERPO drained the trust to such an extent that at one stage the assets had dwindled to R18m in the MIT.
- Once a levy was instituted (2005) it alleviated the pressure experienced for trust funding.
- Since then, through prudent investment by the trustees, the MIT has grown to approximately to R36m and the RMRDT to R26m.
- Twenty % of the levy funding is earmarked for developing farmers of which NERPO is the main beneficiary.

*Background of the Trust

- This levy is not administered by the MIT and neither does it benefit from it for its operations.
- The MIT and RMRDT funds its operations from interest/dividends and growth from investing the assets.



* The objects of the Trust

- 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 the 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 the clause;

* The objects of the Trust

- 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.
- Funds in the RMRDT is earmarked for research although the MIT itself also on occasion fund research projects. Currently there are two, one on **predator control** and another on **climate change and its effects on livestock farming**.



* Composition of the Trust

Trustee	Gender/equity	Representing
Dr Steven Cornelius (Chairperson)	Male, Coloured	Minister
Mr Dave Ford (Vice-Chairperson)	Male, White	Industry
Dr Vuyelwa Toni Penxa	Female, African	Minister
Dr. Ziyanda Majokweni	Female, African	Minister
Mr. Gerrie Oberholzer	Male, White	Industry
Mr. Gerhard Schutte	Male, White	Industry

* Bursary Scheme

- The MIT decided in 2007 to devote funds for postgraduate bursaries;
- The bursaries were awarded to 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 (PhD).
- The applications and allocations are administered by a Bursary Working Committee which is a sub-committee of the MIT.
- A trustee and a member of the NAMC participate in the committee.
- The initial enrolments were mainly white females but the equity allocations has since improved with black students opting more to do postgraduate studies.

*Bursary Scheme

Year	No of Students	Ethnic Group		University					Degrees Enrolled	
		Black	White	UP	US	UFS	UFH	UJ	PhD	MSc
2008	4		4	2	2				1	3
2009	8		8	3	2	3			2	6
2010	11	4	7	5		3	3		3	8
2011	13	10	3	6		1	5	1	5	8
2012	14	9	5	7	1	2	3	1	8	6
	50 enrollments	23	27	23	5	9	11	2	19	31

MIT bursary students

*PhD – 3 years, MSc – 2 years

* Support to emerging farmers

- The MIT, since its inception and until the levy was instituted, was a major contributor to the operations of NERPO.
- In 2005 the Minister approved a levy for the Red Meat Industry and consequently 20% of it is earmarked for transformation.
- The MIT was one of the main proponents for the introduction of this statutory levy
- The levy is administered by the Meat Industry Forum through a service provider.
- NERPO is one of the service providers who benefits from the transformation part of the levy.

* Research

- **MISSION**

- To provide attractive and quality products through continuous research and development in particular red meat products that will meet the quality, health and lifestyle needs of our consumers.”

- **ADMINISTRATION**

- Through a service provider : Red Meat Research and Development South Africa (RMRD SA)
- This is a project committee which oversees all research projects for the Red Meat Industry Trust
- 2 Planning committees:
 - Planning committee for Pork, populated with researchers and representatives from the Pork industry
 - Planning committee for Beef and Small stock, populated with members from the industry and researchers nominated by universities and research institutions

* Research

- **New levy application approved - November 2010**
 - Allocation for research □ 11.9%
- **Funding for R&D during 2012 is made available from:**
 - RMRDT - R 2,2 million
 - Levy funds - R 3 million
 - supplemented by THRIP - R 3,2 million
 - Other: Cape Wools, MIF and SA Ostrich Business Chamber - R 300 000
- **Manage ± R10 000 000 in 2011**

* Research

- RMRD SA has a policy to only finance projects executed by recognised research institutions eg:
 - National Department of Agriculture
 - Provincial Departments of Agriculture
 - Institutes of the Agricultural Research Council
 - All Universities
 - Agricultural Colleges

BEE status of these institutions is available in the public domain

* Research

- Currently 60 projects
- SA Livestock sector is unique in the sense that it is divided into:
- 60:40 - commercial : emerging
- Benefit of research is apportioned accordingly
- However, some projects are specifically dedicated to the emerging sector, eg.
 - Informal red meat markets
 - Investigate the lower income South African consumer's perception towards beef & sheep meat
 - Beef offal



* Research

RMRDT funds:

- Maintain proportion of initial capital from the various species' when financing projects for the various sectors as follows:
 - Beef 65,67%
 - Small-stock 15,28%
 - Pork 9,02%
 - Hides, Skins and Leather 10,03%
- If more than one “species” funds are allocated proportionally from the funds of the “species” concerned
- In shortage of funds from a particular “species fund”, the Planning Committees decide how to fund

* Research - focus areas

1. Sustainable natural resource utilization
2. Livestock production with global competitiveness
3. Animal health and welfare
4. Animal products, quality and value adding
5. Red meat safety, quality and value
6. Consumerism, market development and trade
7. Unlocking the red meat potential through commercialisation and technology transfer & training
8. Climate effect, adaptation and mitigation for sustainable livestock production
9. Predation Management



* Training



- MIT provided a grant to the Red Meat Abattoir Association (RMAA) for training.
- The RMAA developed a number of qualifications for the red meat industry.
- Learnerships are the route to follow in order for a learner to achieve the qualification. A learnership takes 1 year to complete and combines theoretical and practical work experience.
- A person who successfully completes a learnership acquires a qualification that signifies occupational competence and is nationally recognized.
- In order to meet critical industry training needs, the RMAA focussed 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

* Training



In addition to the learnerships the RMAA provides a number of skills programmes designed to address critical skills needs in the industry:

Programme	Duration	Credits	NQF Level
Hygiene Awareness	1 day	4	2
GMP & HACCP	4 days	25	4
HMS & HACCP	4 days	27	4
Basic Business Principles	2.5 days	9	3
Animal Handling	4 days	24	2
Beef Slaughter	4 days	25	2
Pork Slaughter	3 days	19	2
Small Stock Slaughter	3 days	21	2
HACCP Awareness	1 day	6	3
Basic Introduction to the Abattoir Industry	1 day	3	2
Meat Inspection: Beef, sheep or pork (Refresher course)	2 days	24	4
Introductory Abattoir Hygiene	1.5 days	11	2
Auditors Course	4 days	-	-
Lead Auditors Course	5 days	-	-

* Training

Summary of training provided (2009-2011):

Description	Number of Abattoirs/Venues	Total staff trained	Black staff trained
Hygiene Awareness	24	172	172
GMP & HACCP	0	0	0
HMS & HACCP	27	258	152
Basic Business Principle	1	11	11
Animal Handling	4	19	18
Beef Slaughter	4	26	26
Small Stock Slaughter	9	80	78
Pork Slaughter	3	18	15
HACCP Awareness	35	310	282
Meat Inspection - Beef	6	17	16
Meat Inspection - Pork	6	29	27
Meat Inspection - Small stock	6	15	11
Introductory to Abattoir Hygiene	124	1062	1033
Auditors Course	8	83	60
Lead Auditors course	1	7	2
General Abattoir Processes	12	103	95
Meat Examination	6	28	21
Totals		2238	2019

* Training

- The RMAA have also enrolled a number of rural abattoirs as members and provide them with regular slaughter technique training in addition to the formal training and other services provided to abattoirs.



* Awareness campaign

- The MIT funded an ARC project on zoonotic diseases.
- This was a national awareness campaign focussing on the perils of zoonotic diseases.
- State veterinarians and animal health technicians in all the provincial departments were the target beneficiaries who came for training at the ARC.
- Part of the project was the development of various types of visual media.

* In conclusion

- The history of utilization of Trust funds can be viewed in three stages:
 - An initial stage where most of the funding was earmarked for SAMIC and NERPO.
 - The second stage where an industry levy was implemented and the trust was able to begin rebuilding its assets,
 - A third stage where the trust, can now concentrate on utilizing the interest derived from investing these assets to address deficiencies in the industry.
- The Trusts has also now moved into a new phase of administration where there is much more active involvement and co-ordination by the NAMC. Which is something worthwhile because it will benefit agriculture as a whole and speed up transformation in the industries.