



National Agricultural
Marketing Council
Promoting market access for South African agriculture

ANNUAL REPORT

2011/12





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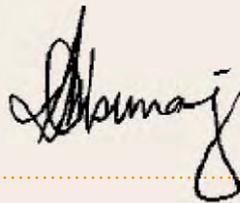
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National Agricultural Marketing Council

Annual Report on – Predetermined Objectives 2011/12

I have the honour of submitting the Annual Report for 2011/12 of the
National Agricultural Marketing Council (NAMC).



Mrs NF Msimang

Chairperson of the
National Agricultural Marketing Council



TABLE OF CONTENTS

PART 1: GENERAL INFORMATION

1.1.	Submission of the 2011/12 Annual Report to the Executive Authority	6
1.2	Legislative Mandate	6
1.3	Funding	6
1.4	Message from the Chairperson	7
1.5	Message from the Chief Executive Officer	9
1.6	Corporate Governance	12
1.7	Functions of NAMC	14

PART 2: PERFORMANCE AGAINST PRE-DETERMINED OBJECTIVES

2.1	Markets and Economic Research Center (MERC)	18
2.2	Statutory Measures Division	21
2.3	Agricultural Trusts Division	22
2.4	Agribusiness Development Division	24
2.5	Finance & Administration Division	25
2.6	Human Resources Management Division	27
2.7	Narratives	29

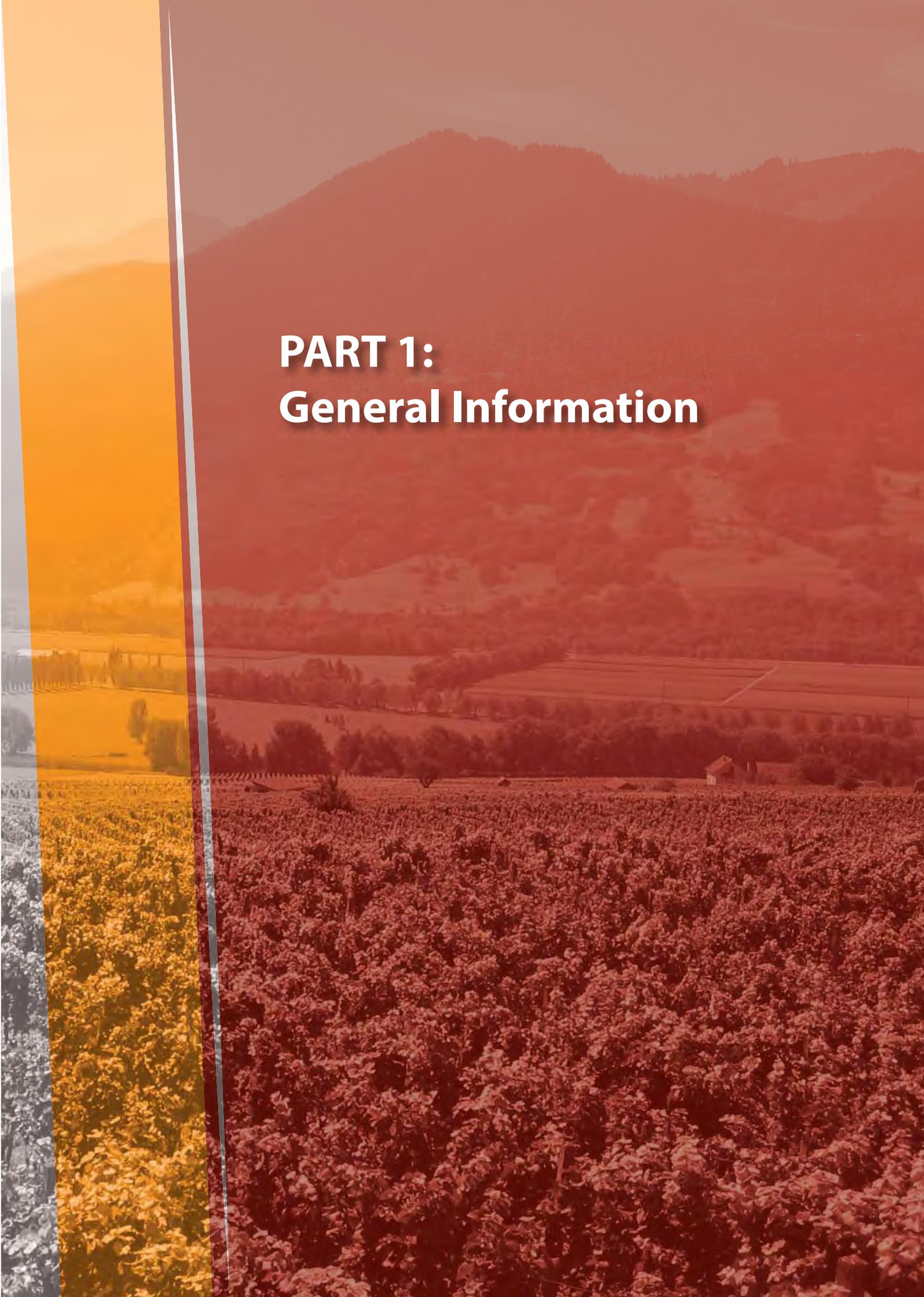
PART 3: ANNUAL FINANCIAL STATEMENTS

3.1	Report of the Auditor-General	65
3.2	Report of the Audit Committee	67
3.3	Report of the Chief Executive Officer	69
3.4	Statement of Responsibility	74
3.5	Statement of Financial Performance	75
3.6	Statement of Financial Position	76
3.7	Statement of Changes in Net Assets	77
3.8	Cash Flow Statement	78
3.9	Accounting Policies	79
3.10	Notes to the Annual Financial Statements	86

PART 4: ANNEXURES

A:	NAMC Council Members	106
B:	NAMC Structure	107
C:	Contact details of Industry structures	108
D:	Contact details for Council Members	112
E:	Abbreviations and Acronyms	113





PART 1: General Information

1.1 Submission of the 2011/12 Annual report to the Executive Authority

Madam, the honourable Minister for the National Department of Agriculture Forestry & Fisheries, the National Agricultural Marketing Council has the pleasure of submitting its annual report for submission to Parliament, in terms of the Public Finance Management Act (Act 1 of 1999).

The report covers the operations of the NAMC during the financial year 1 April 2011 to 31 March 2012.

1.2 Legislative Mandate

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

The mandate as spelled out in the MAP Act reads as follows:

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

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

1. agricultural marketing policy and its application,
2. the coordination of agricultural marketing policy in relation to national economic, social and development policies and international trends and developments,
3. the possibilities for promoting the objectives of the MAP Act, mentioned in section 2 (2) of the MAP Act, and
4. the effect that marketing of products has on the objectives mentioned in section 2 (2) of the MAP Act.

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

The accountability arrangements of the NAMC to the Minister for the Department of Agricultural Forestry & Fisheries are as follows:

- The Minister, as the Executive Authority of the NAMC, annually approves the Council's budget and business plan before the beginning of each financial year;
- According to sections 53 (1) of the Public Finance Management Act (PFMA), No 1 of 1999, read with section 29 (1) (1) of the Treasury Regulations issued in terms of the PFMA, the NAMC should submit a three-year strategic plan to the Executive Authority six months before the beginning of each ensuing financial year for its consideration and guidance;
- The NAMC, through submissions and quarterly reports, appraises the Minister of progress made on the approved business plan;
- The Council, which is the Accounting Authority of the NAMC, sits at least four times per year to consider its business.

1.3 Funding

The NAMC is funded by Parliament through Vote 26 under the Programme: Agricultural Trade and Policy Analysis of the National Department of Agriculture Forestry & Fisheries. The aim of the NAMC is to provide strategic agricultural marketing advice to the Minister for the Department of Agriculture Forestry & Fisheries and all directly affected groups in the agricultural sector. The goal is to promote the achievement of the objectives of the MAP Act, which are to:

- Increase market access for all market participants;
- Promote the efficiency of the marketing of agricultural products;
- Optimise export earnings from agricultural products; and
- Enhance the viability of the agricultural sector.

1.4 Message from the Chairperson



Mrs NF Msimang
Chairperson
National Agricultural Marketing Council

The year under review was characterized by a number of age-old truths.

To mention just two, one of them is the certainty of change being constant, especially as applied to South Africa's traditional export markets having stagnated and the emerging markets in the Far East, Africa and the Middle East growing by leaps and bounds. The other is better captured in a quote from Wendell Berry, "eating is an agricultural act".

Agricultural Sector Outlook

This year was characterized by a continuing trend of food price increases as well as input costs. The cost of the basic foods basket increased from 33.9% to 38.9% between January 2011 and January 2012. The NAMC continued to provide advice to the Minister of Agriculture, Forestry and Fisheries, and implementation as per our strategic plan, taking cognizance of key issues in the markets.

Market Access

Due to the Euro Crisis, our traditional markets in Europe have shown a marked stagnation, and in some cases a decline. Meanwhile, emerging markets

as previously stated offer hope but require understanding and repositioning by our agricultural businesses. However, as the Continent Africa is at our doorstep boasting over 62% of available arable land worldwide, agriculture has seen a marked interest and professed investment from all. Our own government has rolled out a massive Local Infrastructure Fund, complementing the Africa Infrastructure Fund along specific corridors within SADC, COMESA and the East African Community.

The opening up of the Thailand market for our Citrus has been a huge milestone as negotiations had been ongoing for almost a decade. Our domestic ostrich industry is still reeling under the devastating disaster of Avian Flu. We continue to engage with the Department on solutions.

Stakeholder Relations

As mandated by Council, the NAMC management has consolidated its strategic relationships with other National Government Departments and Entities through the signing of memorandums. Further, close collaboration with Agricultural Trusts has translated into annual symposiums where ideas have been

exchanged, especially around transformation and market access issues that have informed implementation plans for the following year. Our cooperation with Cornell University and Stellenbosch University with regards to Women Agric-entrepreneurs' training-Making Markets Matter- has matured and now includes women from other African countries.

Governance

Towards the end of this year, the Minister appointed new Council members as previous Council term of office had expired. Four of the old Council members, including the Chairperson, were retained. She further appointed Ministerial Trustees onto Agricultural Trusts where there were vacancies.

Still guided by the MAP Act 1996, Council reported to the Portfolio Committee when called upon to do so for oversight purposes. During one of the oversight trips, the chairperson joined a member of the Portfolio Committee on an oversight trip in Thabazimbi. The NAMC has continued to receive unqualified audits, both performance and financial, thanks to the investment made during the past two years in acquiring high calibre staff to manage our strategic units. The NAMC has just completed the third year of a five year Strategic Plan which was adopted by the Minister and tabled in Parliament. We continue to follow that plan.

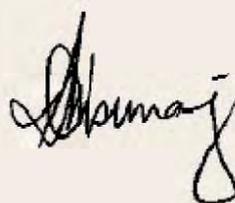
Acknowledgements

I would like to thank the Minister of Agriculture, Forestry and Fisheries for her support in our mandate during this past year. The support we received from various sectors of her Department has also made our work easier. I also thank the members of the Portfolio Committee of Parliament for their oversight of the work we do. Last but not least, would like to thank my Council members, both retired and the new ones, for their dedication and continued enthusiasm to serve the agricultural sector through the NAMC. To the CEO and his staff, I say thank you; with your support we continue to deliver on our mandate.

The Year Ahead

The membership of South Africa in BRICS gives us hope that challenges will be addressed in this forum, so will opportunities be identified. While as the NAMC we are concerned primarily with market access for South African agricultural products, we continually strive for food security within the country.

A Nigerian saying goes " a farmer does not boast that he has a good harvest until his stock of yams lasts till the following harvest season." We would advise our stakeholders to follow this adage.

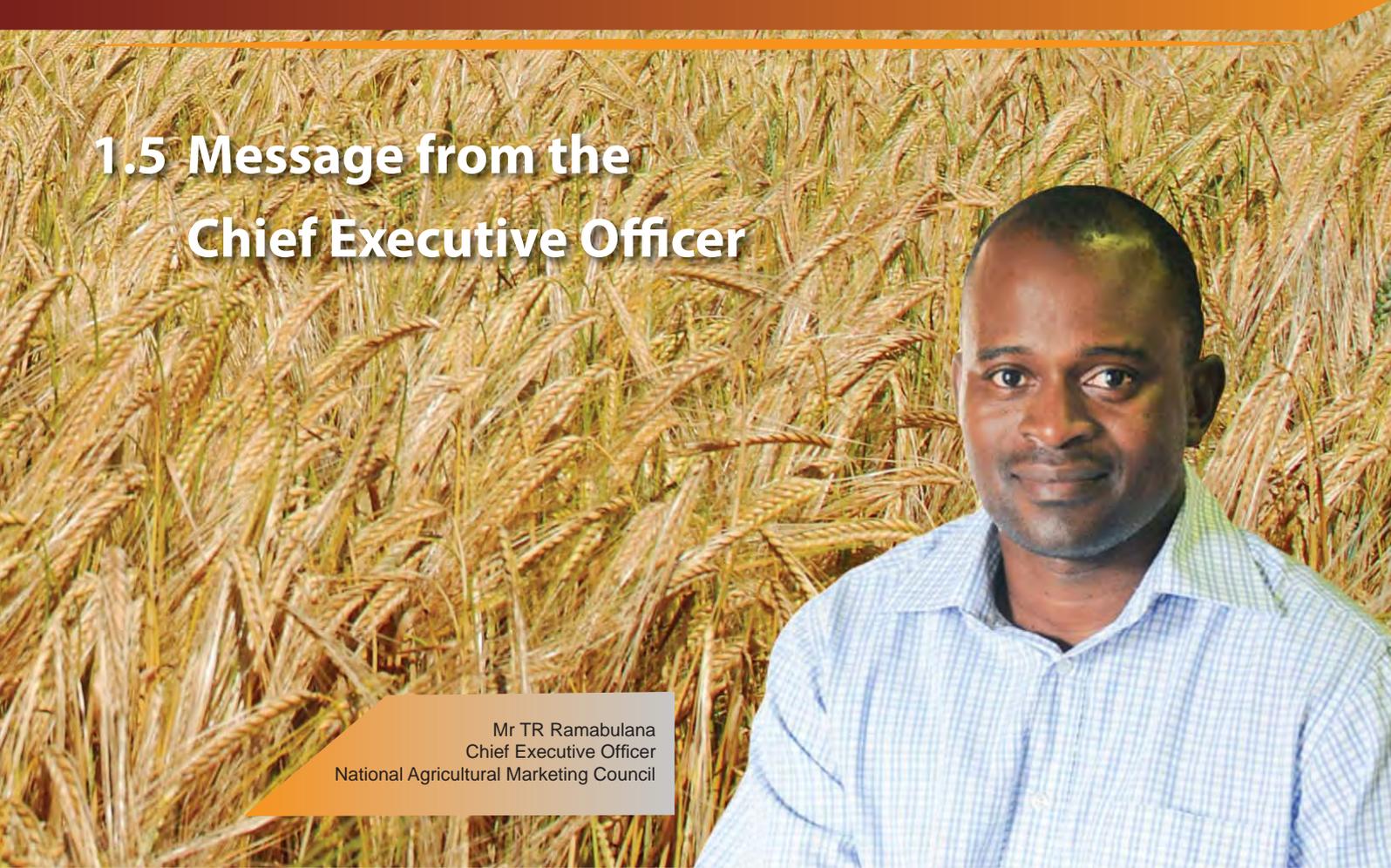


Mrs NF Msimang

Chairperson

National Agricultural Marketing Council

1.5 Message from the Chief Executive Officer



Mr TR Ramabulana
Chief Executive Officer
National Agricultural Marketing Council

For the past two years, the NAMC has displayed or shown the willingness to achieve on its mandate.

The year under review also changed the composition of the organisation as we welcomed new Council members. What is more alluring about the new Council is its diverse representation of members from rural farming, academia and research, markets and the business sector. Moving forward, I am more convinced that our work will filter through the entire value chain of agriculture ultimately ushering in a balanced measure.

Our passion to develop small scale holder farmer have seen an increased focus on the roll-out of key programmes such as, Development Schemes in red meat (the National Red Meat Development Programme), schemes in grains, vine grapes, provision of market information through radio programmes such as the Phalaphala Fm and Um Hlobo Wenene FM “Market Information Project”. The NAMC has also signed MOU’s with Fair Trade and the International Trade Centre (ITC) aimed at ensuring that the farmers we train are able to optimise export earnings from agricultural products and access markets.

The MAP Act makes provision for the application of statutory measures, namely levies, records & returns and registrations. Statutory measures enable commodity organizations to collect funds to finance important generic functions such as collection and disseminate generic market information for the benefit of role players in a specific industry, funding of research and market development. On an annual basis the NAMC compiles a status report of all statutory measures promulgated in terms of the MAP Act.

The 2010 survey shows that statutory levies amounting to approximately R315.2 million was collected by the different industries and that this amount was allocated to the following functions, namely Administration (6%), Transformation (21%), Export Promotions (10%), Research (32%), Information (11%), Local Promotions (13%), Production Development (1%), Plant Improvement (1%) and Quality control (5%). The 2010 survey also shows that approximately 84.4% of total agriculture in South Africa is subjected to statutory measures in one way or another.

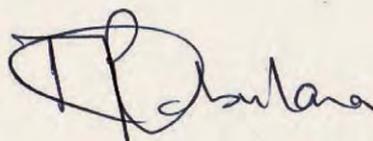
The agricultural research focus of the NAMC is mainly on agro-food chains, trade, linking farmers to markets and knowledge management. This amongst others entail several publications, e.g. the food price monitor, input cost monitor, tradeprobe and fruit flows. One particular area that is gaining momentum is the Agri Benchmark initiative that aims at benchmarking farming systems across the globe in a systematic manner in order to do policy analysis, ask what if questions and understanding the nature and scope of agriculture as it changes.

This initiative involves cash crops and beef & sheep currently. The NAMC, together with the international agri benchmark office, as well as Bureau for Food and Agricultural Policy (BFAP) at the University of Pretoria and the Department of Agricultural Economics at the University of the Free State, hosted very successful Agri Benchmark workshops and global forums. This involved people from more than 25 countries that visited South Africa over a period of nearly 3 weeks. The global forum event was equally well attended with more than 140 people from different industries at each event. Over and above the NAMC's continued involvement in the international agri benchmark network, efforts are currently underway to expand the number of sub-sectors as well as establishing national networks (including smallholder agriculture) to better serve the agricultural community in South Africa.

In 1998 the then Minister for Agriculture and Land Affairs requested the NAMC to chair the Crop Estimates Liaison Committee (CELC), which is represented of directly affected groups, namely Grain SA, Grain Silo Industry, National Chamber of Milling, Animal Feed Manufacturers' Association, Cereals and Oilseeds Traders Association, the ARC, SAFEX and DAFF. The CELC's function is, amongst others, to monitor the performance of the Crop Estimates Committee (CEC) and make recommendations for the further improvement of crop estimates on an ongoing basis. The CELC is important as this is the official platform where interested parties can complement or criticize and address problems and propose solutions with regard to crop estimates. Since its inception in

October 1998, the CELC achieved three of the four prime functions of the CELC, namely, the establishment of a completely independent and objective Crop Estimates Committee, free of commercial bias, the understanding and acceptance of the CEC of what is required from it by the industry and why, an accurate, timely and credible crop estimate, monitoring the performance of the CEC. Going forward, the NAMC has established the Grains Import/Export Disclosure Committee (GIEDC) to focus on international imports and exports of the different grain crops.

Honourable Chairperson of the Portfolio Committee of Agriculture, Forestry and Fisheries, and members of the Portfolio Committee the NAMC hereby submits it's 2011/12 Annual Report.



Mr TR Ramabulana

Chief Executive Officer

National Agricultural Marketing Council



1.6 Corporate Governance

Government has identified good Corporate Governance as one of the key focus areas within the Public Sector. This has led to the creation of the Protocol on Corporate Governance in the Public sector, which encompasses the recommendations from the King III Report on Corporate Governance.

The NAMC undertakes to promote good Corporate Governance, which will encourage an efficient, effective and transparent business enterprise.

The mission of the NAMC is captured by these targets;

- Provide accurate and well-informed policy advice to the Minister, Department of Agriculture, Forestry & Fisheries and Directly Affected Groups (DAGs);
- Focus efforts and initiatives on the strategic positioning of the South African agricultural sector in dynamic global markets;
- Contribute to agricultural sector growth objectives by supplying useful information and policy positions, using globally tested and proven tools;
- Leverage centres of excellence and own resources to enhance the equity, competitiveness, profitability and sustainability of the South African agricultural sector;
- Contribute to building a prosperous agricultural sector by supporting emerging farmers by way of market access, knowledge acquisition, training and mentorship.

Vision

Collaborating effectively and regularly with all stakeholders so as to inform the mandate of DAFF timeously on the strategic positioning of South African agriculture.

Core Ideology

The NAMC is a premier agricultural marketing advisory agency in South Africa. This ideology defines the enduring character of the NAMC, and provides the bonding glue and guiding force that holds the NAMC together while it mutates and evolves.

Core Values

- To be accountable;
- To act with integrity;
- To value individual performance;
- To value personal respect and equal treatment;
- To act in partnership with DAGs and other stakeholders.

Core purpose

To create an environment conducive to improved marketing of agricultural products by improving relations between government and industry business structures.

Composition of the Council

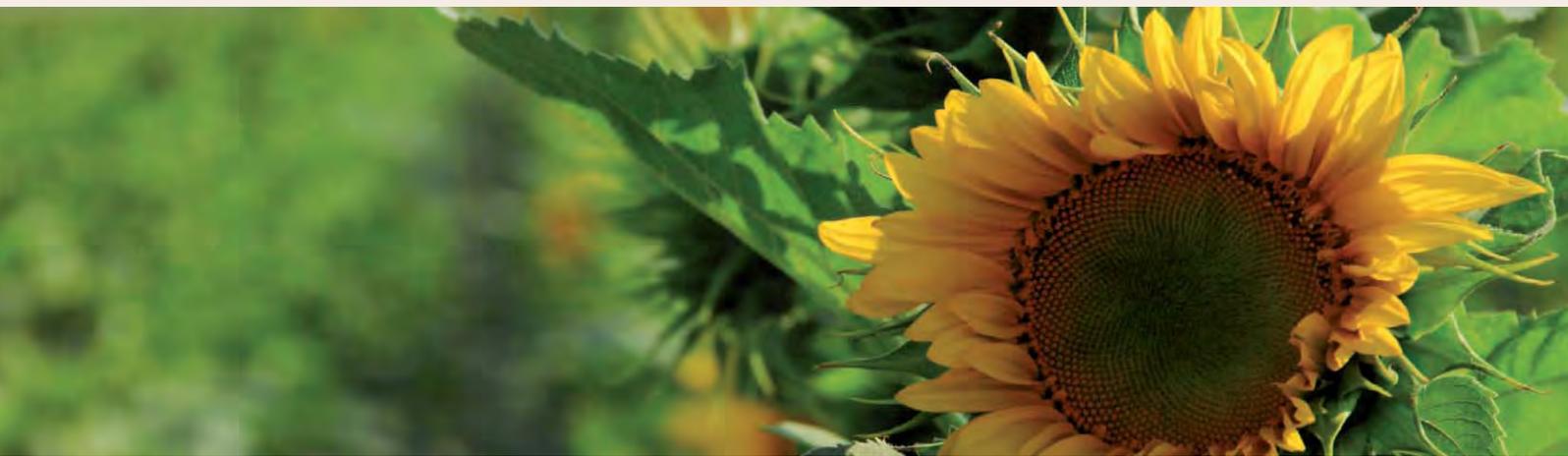
The MAP Act, no 47 of 1996 provides guidelines for the composition of the Council. The Minister for the Department of Agriculture Forestry & Fisheries is responsible for appointing one of the members of the Council to the position of Chairperson and another member as Vice-chairperson.

In 2007 the Minister of the Department of Agriculture, Forest and Fisheries appointed ten (10) Council members and the term of contract expired in September 2011. A new Council was appointed in October 2011 and their term of office ranges between two (2) and four (4) years. Council members in Table A

TABLE A: COUNCIL MEMBERS

Council Members appointed in October 2011

Name	Role	Number of Meetings Attended	Remarks
Mrs NF Msimang	Council Chairperson	3 out of 3	Reappointed in October 2011
Mr LD Maduna	Council Vice Chairperson	2 out of 3	Appointed in October 2011
Mr AM Cronje	Council Member	3 out of 3	Appointed in October 2011
Ms MM Gill	Council Member	3 out of 3	Reappointed in October 2011
Dr LL Magingxa	Council Member	3 out of 3	Appointed in October 2011
Dr JL Purchase	Council Member	2 out of 3	Appointed in October 2011
Mr SC Symington	Council Member	1 out of 3	Appointed in October 2011
Mrs JM van der Merwe	Council Member	3 out of 3	Appointed in October 2011
Mr AD Young	Council Member	3 out of 3	Reappointed in October 2011
Mrs TE Zimu	Council Member	3 out of 3	Appointed in October 2011



Council Members from 1 July 2007 to October 2011

Name	Role	Number of Meetings Attended	Remarks
Mrs NF Msimang	Council Chairperson	3 out of 3	Reappointed in October 2011
Ms MM Gill	Council Member	3 out of 3	Reappointed in October 2011
Mr AD Young	Council Member	1 out of 3	Reappointed in October 2011
Prof M Karaan	Vice Council Chairperson	1 out of 3	Contract expired
Prof JF Kirsten	Council Member	2 out of 3	Contract expired
Mrs BM Manny	Council Member	3 out of 3	Contract expired
Mrs CN Molo (Passed away - August 2011)	Council Member	0 out of 3	Contract expired
Mr BD Montshwe	Council Member	1 out of 3	Contract expired
Mrs SE Moolman	Council Member	3 out of 3	Contract expired

1.7 Functions of Council

According to section 9 of the MAP Act, no 47 of 1996, the functions of Council are as follows:

- (1) Subject to the provisions of section 2, the Council –
 - (a) shall, when requested by the Minister, or of its own accord, investigate in terms of section 11 (2), the establishment, continuation, amendment or revocation of statutory measures and other regulatory measures affecting the marketing of agricultural products, evaluating the desirability, necessity or efficiency of, and if necessary proposing alternatives to, the establishment, continuation, amendment or repeal of a statutory measure, or other regulatory measure, and to report to and advise the Minister accordingly;
 - (b) shall prepare and submit to the Minister for consideration statutory measures and changes to statutory measures which the Minister directs it to prepare;
 - (c) shall, whenever requested by the Minister, and at least once annually, report on the activities of the Council;
 - (d) may direct any institution or body of persons designated for the purpose of the implementation or administration of a statutory measure in terms of section 14, to furnish the Council with such information pertaining to a statutory measure as the Council or the Minister (or the parliamentary committees) may require;
 - (e) may undertake investigations and advise the minister regarding:
 - (i) agricultural marketing policy and the application thereof;
 - (ii) the co-ordination of agricultural marketing policy in relation to national economic, social and development policies and international trends and developments; and
 - (iii) the possibilities for promoting the objectives mentioned in section 2 (2); and
 - (iv) the effect that marketing of products has on the objectives mentioned in section 2 (2).
 - (f) shall monitor the application of statutory measures and report thereon to the Minister, and shall evaluate and review such measures at least every two years;

(g) shall prepare a budget of its expenses, in consultation with the Director-General, on an annual basis for approval by the Minister.

- (2) Copies of all reports which are submitted to the Minister in terms of subsection (1) shall simultaneously be dispatched to the parliamentary committees for their information.

Outputs and Service Delivery Trends

The Council met five (5) times during the 2011/12 financial year. During these meetings members deliberated on specific issues and forwarded submissions to the Minister.

Submissions forwarded to the Minister included Section 7 Committee reports, NAMC working group reports, market development studies, reports on investigations into the implementation of statutory measures, reports from ministerial representatives on Agricultural Trusts, budgets and financial results of industry organisations responsible for the administration of levies, and other NAMC administrative matters.

Committees of Council

In terms of section 7(1) of the MAP Act, no. 47 of 1996, the Council may appoint one or more committees to advise the Council or to perform such of the Council's functions as the Council may entrust to it.

Council has established the following sub-committees:

- Audit and Risk Committee
- Human Resources and Remuneration Committee
- Risk Management Committee
- Management Committee

Audit and Risk Committee

The Council, in its capacity as the Accounting Authority of the NAMC, has established an Audit and Risk Committee in compliance with the Public Finance Management Act (PFMA), 1999 as well as the Treasury Regulations.

The committee has been established to monitor the effectiveness of internal control systems, review annual reports and financial statements and ensure that risk associated with delivering the NAMC mandate are identified and that mitigating strategies are developed.

The Audit and Risk Committee consists of the members listed hereunder, and met five (5) times during the year under review.

No	Name	Role	Number of Meetings Attended
1.	Mr PK Slack	Chairperson Independent Member	5 out of 5
2.	Mrs M Moja	Independent Member	5 out of 5
3.	Mr RL Matlou	Independent Member	4 out of 5
4.	Dr LL Magingxa	Council Member (appointed in October 2011)	0 out of 1
5.	Mr SC Symington	Council Member (appointed in October 2011)	0 out of 1
6.	Ms MM Gill	Council Member (Transferred to the Human and Resources & Remuneration Committee)	4 out of 4
7.	Prof J Kirsten	Council Member (Council Term expired)	2 out of 4

Human Resources & Remuneration Committee

The purpose of the committee is to manage human resources and remuneration matters, to ensure that the NAMC protects persons who were disadvantaged by the unfair discrimination of the past, and to promote the achievement of equality within the NAMC. The Human Resources & Remuneration Committee identified staff retention as one of the key risks for the NAMC in 2011/12 and benchmarked NAMC salaries for all staff against its major competitors.

The committee, consisting of the members listed below held five (5) meetings during the year under review.

No	Name	Role	Number of Meetings Attended
1.	Mr AD Young (Reappointed in October 2011)	Chairperson	2 out of 5
2.	Mrs JM van der Merwe (Appointed in October 2011)	Council Member	1 out of 1
3.	Ms MM Gill (Appointed in October 2011)	Council Member	1 out of 1
4.	Mrs L Moolman (Council Term ended in October 2011)	Council Member	4 out of 4
5.	Mrs BM Manny (Council Term ended in October 2011)	Council Member	4 out of 4

Risk Management Committee

The NAMC recognises the importance of risk management in ensuring that its objectives are achieved. A risk assessment has been undertaken and ensures that risks are appropriately mitigated by designing and implementing appropriated controls.

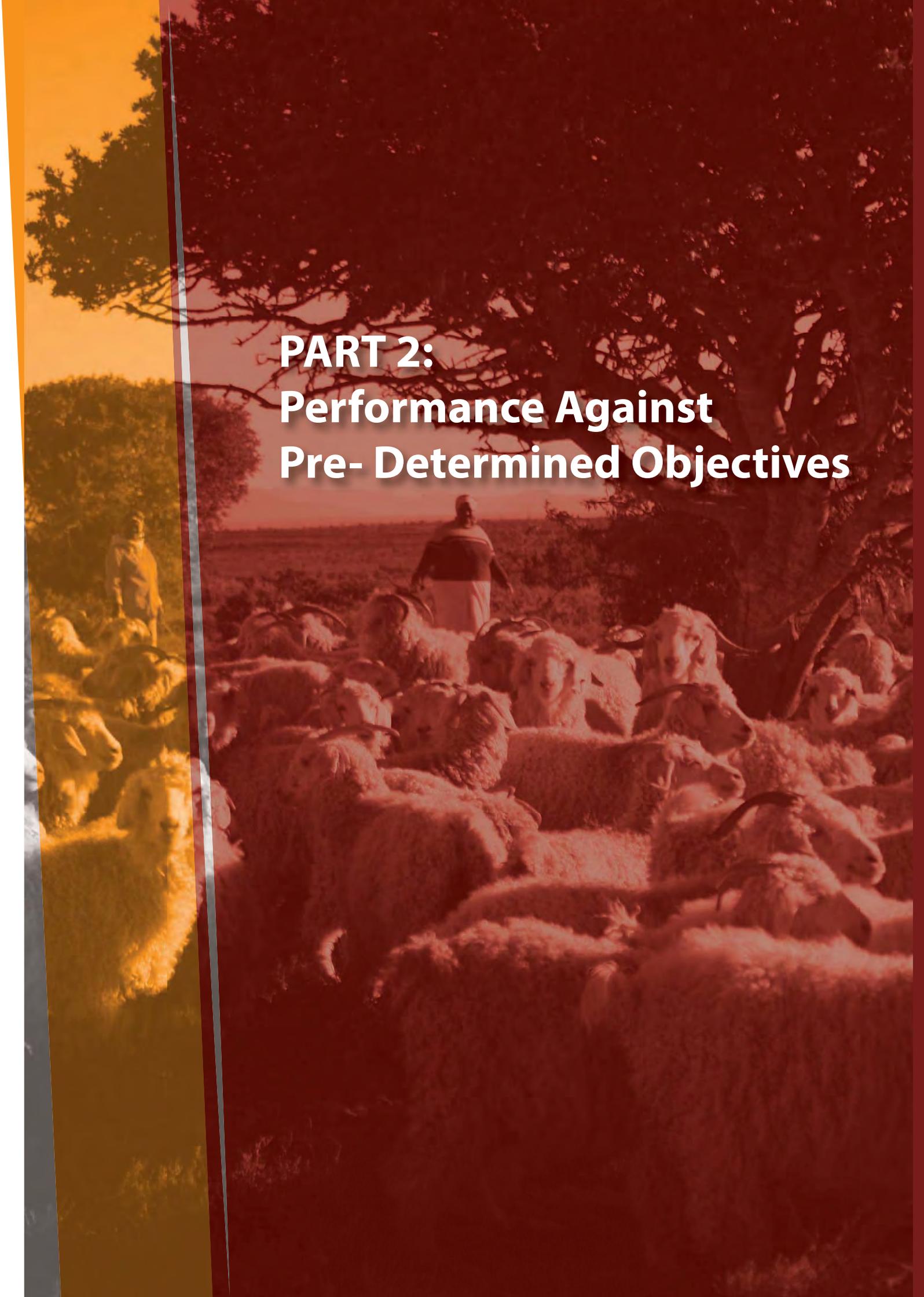
The risk assessment covers financial, operational, compliance and reputation risks and adherence with good governance principles. A key consideration in the risk assessment is compliance with laws and regulations. These include the PFMA, any regulations issued in terms of the PFMA, and the Preferential Procurement Policy Framework Act.

The Audit & Risk Committee play an oversight role in the enterprise-wide risk management activities.

The Risk Management Committee consists of members of the NAMC Management Committee and is chaired by an independent Audit Committee member.

Risk Management Committee

No	Name	Role	Number of Meetings Attended
1.	Mr R Matlou	Chairperson Audit and Risk Committee Member	5 out of 5
2.	Mrs F Muvhulawa	Chief Financial Officer	4 out of 5
3.	Ms V Nkobi	Senior Manager : Human Resources Management	3 out of 5
4.	Prof A Jooste	Senior Manager: Markets and Economic Research Centre	3 out of 5
5.	Mr S Burger	Senior Manager: Statutory Measures	5 out of 5
6.	Mr H Mohane	Senior Manager: Agribusiness Development	3 out of 5
7.	Mr Z Xalisa	Senior Manager : Agricultural Trusts	3 out of 5
8.	Mr T Maphatane	Compliance & Risk Manager	5 out of 5



**PART 2:
Performance Against
Pre- Determined Objectives**

2.1 Market and Economic Research Center (MERC)

Strategic Objective	Goal	Output	Key Performance Indicators	Target	Performance	Reason for variance and action plans to fast track implementation
Enhance the viability of the agricultural sector	Public Agricultural Information Service	Quarterly food price monitor reports released - May, August, November and February	Number of food price trend reports produced and released	4 Food Price Monitoring Reports	Achieved: 4 reports were published and distributed to the media and on the NAMC website.	100% compliance
Enhance the viability of the agricultural sector		Annual food cost review released	Number of food cost review reports produced and released	1 Food Cost Review	Achieved: 1 report was published and distributed to the media and on the NAMC website.	100% compliance
Enhance the viability of the agricultural sector		Input cost monitoring reports released	Number of input cost monitor reports produced and released	4 Input cost monitoring reports	Achieved: 6 reports were published and distributed to the media and on the NAMC website.	150% compliance
Enhance the viability of the agricultural sector		Agro-food chain studies	Number of Agro-food chain reports released	4 Agro-food chain reports	Achieved: 8 reports were finalised and 3 working papers.	200% compliance
Enhance the viability of the agricultural sector		Rural development studies	Number of reports produced and distributed annually	1 report	Achieved: 2 reports completed	200% compliance
Enhance the viability of the agricultural sector		Smallholder farmer performance database	An easily accessible database of emerging farmers	Develop a database	Achieved: The database is updated on a monthly basis. This is done by the Agribusiness Development Division	100% compliance
Enhance the viability of the agricultural sector		Subject matter seminars	Number of seminars presented	8 Seminars per year	Achieved: 15 seminars were presented	187% compliance
Optimise export earnings from agricultural products		Trade Probe publications	Number of Trade Probes produced and distributed annually	6 Trade Probes publications	Achieved: 6 probes have been published and distributed to the media and on the NAMC website.	100% compliance
Optimise export earnings from agricultural products		Trade profiles that are commodity and product specific	Number of reports produced and distributed annually	5 Trade profiles	Achieved: 16 Trade profiles were completed and published in the TradeProbes.	320% compliance

(continued on next page)

Strategic Objective	Goal	Output	Key Performance Indicators	Target	Performance	Reason for variance and action plans to fast track implementation
Optimise export earnings from agricultural products		Foreign market profiles	Number Foreign market profiles produced and distributed annually	5 Foreign market profiles	Achieved: 10 Foreign market profiles completed	200% compliance.
Increase market access for all market participants	Linking farmers to markets	Case studies reports on issues pertaining to market access to emerging farmers	Reports on issues pertaining to market access to emerging farmers released and distributed annually	2 reports	Achieved: 6 reports together with a book were finalised.	300% compliance
Increase market access for all market participants		Action based research (baselines)	Number of emerging farmer projects to which assistance is provided	2 projects and reports	Achieved: 2 projects and reports	100% compliance
Increase market access for all market participants	Assistance schemes	Academic research support programmes per year	Number of research programmes supported	4 Academic research support programmes	Achieved: 4 academic research support programmes were supported	100% compliance
Increase market access for all market participants		Mandatory and private certification	Number of farmers assisted with the process of obtaining certification	10 farmers	This target was moved to Agribusiness Development Division	Ongoing – see output of the Agribusiness Development Division
Increase market access for all market participants		Monitoring and evaluation system	Design M&E framework	1 M&E Framework	Not achieved	The NAMC did not have capacity to design Monitoring and Evaluation framework during the year under review.
Increase market access for all market participants		School assistance schemes	Number of schools assisted	1 School	Not achieved	No further progress due to budget constraints.
Increase market access for all market participants		Rapid response service	Number of request attended too	3 Requests attended too	Achieved: At least 5 requests attended too	167% compliance.
Promote the efficiency of the marketing of agricultural products	Develop capacity in Competition Law	Develop capacity to interpret and interrogate Competition Law within agricultural context	Employ someone with the necessary capacity	Employment of competent individual	Achieved: An expert within the Competition Law was appointed	100%
Promote the efficiency of the marketing of agricultural products		Research reports that could inform stakeholders on Competition Law issues	Number of studies pertaining to Competition Law	2 reports	Achieved: 3 reports completed	150% compliance.

The following indicators were not included in the business plan and were achieved by the NAMC during the year under review.

Market and Economic Research Center (MERC)

Strategic Objective	Goal	Output	Key Performance Indicators	Target	Performance	Reason for variance and action plans to fast track implementation
Optimise export earnings from agricultural products	Export Promotion	Develop an agricultural export promotion strategy	Number of reports produced and distributed annually	1 Draft report	Not Achieved:	NAMC will not be compiling the strategy due to external challenges. DAFF will document the strategy with assistance of NAMC.
Enhancement of the viability of the Agricultural Sector		Agri-benchmark reports released annually	Number of reports produced and distributed annually	2 reports	Achieved: 2 reports were published and information dissemination took place.	100% compliance
Optimise export earnings from agricultural products		Agricultural trade reports	Number of reports produced and distributed annually	2 Agricultural trade reports	Achieved: 6 Agricultural trade reports completed	300% compliance
Enhance the viability of the agricultural sector		Smallholder farmer performance database	An easily accessible database of emerging farmers	Develop a database	Achieved: The database is updated on a monthly basis. This is done by the Agribusiness Development Division	100% compliance
Optimise export earnings from agricultural products		Trade Law Investigations	Number of Trade Law Investigations	2 Trade Law Investigations	Achieved: 2 Trade Law Investigations completed	100% compliance
Increase market access of all market participants	Export	Service level agreement with export agent	Number of agreements signed with exporters	3 export agreements	Achieved : Four (4) strategic agreements were signed with exporters and industry associations	133% compliance.

2.2 Statutory Measures Division

Strategic Objective	Goal	Output	Key Performance Indicators	Target	Performance	Reason for variance and action plans to fast track implementation
Promote the efficiency of the marketing of agricultural products	(1) Statutory measure investigations	Investigations regarding statutory measures	Number of statutory measure investigations	To undertake 30 statutory measures investigations and submissions to the Minister for approval	Achieved: 38 statutory measure investigations were completed	127% compliance
Promote the efficiency of the marketing of agricultural products		Twenty (20) statutory measures gazetted	Statutory measures gazetted	To have 20 statutory measures gazetted	Achieved: 29 statutory measures gazetted	145% compliance
Promote the efficiency of the marketing of agricultural products		To publish once a year a notice in the Government Gazette and other media to invite Directly Affected Groups to register with the NAMC	To publish once a year a notice in the Government Gazette and other media to invite Directly Affected Groups to register with the NAMC	To publish one report regarding the status of statutory measures in July 2011	Achieved: 1 report published and submitted in July 2011	100% compliance
Promote the efficiency of the marketing of agricultural products	(2) Crops Estimates Liaison Committee (CELC)	The CELC should meet on a regular basis to oversee the activities of the Crop Estimates Committee	Number of meetings held by the CELC	Hold 2 CELC meetings per annum, in May and December between Crop Estimates Committee	Achieved: Two meetings were held, namely on 5 May and 1 December 2011	100% compliance
Promote the efficiency of the marketing of agricultural products	Register of Directly Affected Groups (DAGs)	To publish once a year a notice in the Government Gazette and other media to invite Directly Affected Groups to register with the NAMC	To publish once a year a notice in the Government Gazette and other media to invite Directly Affected Groups to register with the NAMC	To publish one report regarding the status of statutory measures in July 2011	Achieved: 1 report published and submitted in July 2011	100% compliance

2.3 Agricultural Trusts Division

Strategic Objective	Goal	Output	Key Performance Indicator	Target	Performance	Reason for variance and action plans to fast track implementation
Promote the efficiency of the marketing of agricultural products	To provide strategic and technical support to Ministerial trustees serving in the Trusts.	Report to Minister on the functioning of trusts annually	One (1) report annually.	One (1) report annually	Achieved: The Agricultural trust status report for 2010/11 completed and sent to minister.	100% compliance
Promote the efficiency of the marketing of agricultural products	To provide Ministerial Trustees with capacity building programmes to enable participation in Trust meetings	Knowledgeable participation of trustees in meetings	Training report	One (1) training on King III Corporate governance.	Achieved: Training conducted on 07 October 2011.	100% compliance.
Promote the efficiency of the marketing of agricultural products	To provide executive support between the Minister and Ministerial Trustees	Monitoring and evaluation of ministerial trustees	One (1) annual meeting	One (1) annual meeting	Achieved: On the 23 February 2012, minister had a meeting with the industry trusts in Cape Town.	100% compliance.
Promote the efficiency of the marketing of agricultural products	Efficient management of the Trusts chairpersons Forum/ Workshop	One (1) meeting held in February annually	One (1) annual meeting	One (1) annual meeting	Achieved: The meeting was restructured into workshop that was held on 08 March 2012.	100% compliance.
Promote the efficiency of the marketing of agricultural products	Manage and execute the establishment of the two (2) NAMC Trusts Agricultural Marketing Schemes Trust and Grain Farmers Development Trust	Approach at least four (4) donors for funding.	Funding proposal document	Approach at least four (4) donors for funding.	Partially Achieved:	The funding proposal document was completed. Currently Japan and British Embassy have been approached but no commitment to date.
Promote the efficiency of the marketing of agricultural products	To develop and maintain CFP and livestock auctions	Four (4) auctions per annually	Four (4) auctions per annually	Four (4) auctions per annum	Achieved: Four (4) Quarterly auctions were held in association with Loverstvist.	100% compliance

The following indicators were not included in the business plan and were achieved by the NAMC during the year under review.

Agricultural Trusts Division

Strategic Objective	Goal	Output	Key Performance Indicator	Target	Performance	Reason for variance and action plans to fast track implementation
Promote the efficiency of the marketing of agricultural products	Establish pre-slaughter agreements with 2 large chain supermarkets	Signed pre-slaughter agreements with Shoprite and Pick n Pay	Signed pre-slaughter agreements with Shoprite and Pick and Pay	Signed pre-slaughter agreements with Shoprite and Pick n Pay	Partially achieved: Engaged with Shoprite, but no contract was signed as NAMC could not guarantee the number required would be supplied.	Other potential markets are being explored.
Promote the efficiency of the marketing of agricultural products	Establishment of a well functioning Custom Feeding Programmes	Two (2) new custom feeding programmes.	Maintain and manage Fort Cox, Ncora and Umzimvubu CFP.	Maintain and manage Fort Cox, Ncora and Umzimvubu CFP.	Achieved: All CFP are fully operational.	100% compliance



2.4 Agribusiness Development Division

Strategic Objective	Goal	Output	Key Performance Indicator	Target	Performance	Reason for variance and action plans to fast track implementation
Increase market access for all market participants	Development schemes	Development schemes implemented	Number of producers participating in the schemes	100 emerging producers participating	Achieved: In collaboration with the Department of Agriculture in the Northern Cape Province the Vineyard Scheme was implemented. The sunflower Scheme with Land Bank was also implemented which has 536 beneficiaries	100% compliance
Increase market access for all market participants		Development schemes designed	Number of approved business plan	1 scheme designed	Achieved : One(1) framework document which forms part of the business plan was developed	100% compliance.
Increase market access for all market participants	Export	Established commodity cluster linked with export markets	Number of producers exporting their products	50 emerging producers exporting through agents	Partially Achieved : Thirty – five (35) producers were supported to export through collaboration with exporters and industry associations	Some of the producers could not meet the exporting requirements. To comply with the exporting requirements it takes more than 12 months.
Increase market access for all market participants	Training	Agreements developed and signed with agricultural colleges	Number of signed agreements	4 agreements signed	Achieved: Four (4) agreements with agriculture colleges	100% compliance
Increase market access for all market participants	Training	Training reports	Number of producers attending training programmes	120 producers	Achieved: Two hundred and one- (201 producers were supported to attend various training programmes	167% achieved

The following indicators were not included in the business plan and were achieved by the NAMC during the year under review.

Agribusiness Development Division

Strategic Objective	Goal	Output	Key Performance Indicator	Target	Performance	Reason for variance and action plans to fast track implementation
Increase market access of all market participants	Export	Service level agreement with export agent	Number of agreements signed with exporters	3 export agreements	Achieved : Four (4) strategic agreements were signed with exporters and industry associations	133% compliance.

2.5 Finance and Administration Division

Strategic Objective	Goal	Output	Key Performance Indicators	Target	Performance	Reason for variance and action plans to fast track implementation
Oversee budgetary processes implementation and control	Alignment of MTEF budget to strategic plan and operational requirement	Compiled MTEF budget submitted to National Treasury and DAFF	Approved budget	Submitted the MTEF budget to National Treasury and DAFF by July 2011	Achieved: The MTEF budget was compiled and submitted to National Treasury and DAFF. NAMC made a presentation on MTEF in August 2011. Received the final MTEF allocation letter and compiled the Estimation of National Expenditure (ENE) submission to National Treasury and DAFF.	100% compliance
	The budget and strategic plan for 2011/12 approved by Council and the Minister	Submission of budget and strategic plan to Council and Minister	Approved budget and strategic plan by Council and Minister	Submitted budget and strategic plan was submitted for approval by Council and Minister before February	Achieved: The budget and strategic plan was submitted for approval by Council and Minister in February 2012. Submitted annual projection for the financial year 2012/13	100% compliance
Timely and accurate financial information	Financial reports on NAMC financial performance within Treasury guidelines	Compiled monthly and quarterly expenditure reports submitted to Council, Management and Audit & Risk Committee	Approved Financial reports	Compile monthly and quarterly expenditure reports and submit to Council, Management and Audit & Risk Committee	Compiled monthly and quarterly expenditure reports and submitted to Council, Management and Audit & Risk Committee. Annual financial statement and report on pre-determined objectives were submitted to National Treasury and Auditor-General by 31 May 2012.	100% compliance

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Strategic Objective	Goal	Output	Key Performance Indicators	Target	Performance	Reason for variance and action plans to fast track implementation
Manage supplier payments	Supplier payment implementation	Ensure that payments are paid on a weekly basis	Progress reports on supplier payment improvements e.g. Age analysis reports	Review of payment processes and systems (monthly)	Reviewed age analysis and payment processes and systems (April 2011 – March 2012) Suppliers were paid within 30 days of receipt of invoice.	100% compliance
Implement effective financial management controls	Improve implementation of financial management control systems	Unqualified audit report with no matters of emphasis	Progress reports on financial management compliance implemented	100% compliance to legislations and regulations Facilitation of required financial controls towards an Unqualified Audit	Compliance checklist for PFMA and Treasury regulation was compiled; all recommendations by internal auditors were implemented. Reviewed finance risk register and controls thereof.	100% compliance
To manage supply chain management activities of the NAMC	Integrated supply chain management	Compliance to relevant legislation on tenders and procurement Relevant legislations on supply chain and procurement are monitored and adhered to when approving requisitions	Progress reports on compliance to relevant legislation on tenders and procurement	100% compliance to legislations and regulations	Compiled PFMA compliance checklist and submitted to Audit & Risk committee and Council. Advertised and updated NAMC supplier data base.	100% compliance
To ensure effective and efficient maintenance of IT infrastructure	Improvement of IT operation and establishment of IT governance strategies	Improved IT infrastructure	Improvement of IT infrastructure	Maintenance and upgrade of ICT system	IT policies has been developed and submitted to Audit & Risk Committee and Council for approval	100% compliance

2.6 Human Resources Management Division

Strategic Objective	Goal	Output	Key Performance Indicators	Target	Performance	Reason for variance and action plans to fast track implementation
To develop workforce plans and strategies that seeks to attract; develop and retain talent for NAMC	To recruit and retain a diverse and well qualified workforce	Develop and implement human resources plans that seeks to recruit, promote and retain qualified staff	Approved HR Strategy: Recruitment Policy and HR Plan	1 report by 31 March 2012	Partially Achieved: Terms of reference to review the HR plan were developed and a service provider was identified. Three positions were created on the structure: Information Technology Manager: Technical Assistant: Post Doctorate Fellowship The induction process was conducted	The Human Resources Plan and Recruitment policy will be reviewed in the next financial year.
					The following positions were advertised and filled: Communication Officer: Trust Officer: Economist: Receptionist: Administrator: and two Internships for the Red Meat Project	100% compliance
					Five (05) employees tendered their resignations: Senior Researcher: Economist: Finance Clerk: Administrator and Internship. Exit interviews were conducted.	100% compliance
Learning and Development	To develop and implement learning and development strategy	Develop and implement learning and development training	Skills Audits Training programs Training budget	Quarterly reports	Achieved: As part of skills development sixteen (16) employees registered for Degrees. As part of the skills audits training sixteen (16) employees were sent for various training. A workshop on the Disciplinary hearing was conducted and (09) employment.	100% compliance

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Strategic Objective	Goal	Output	Key Performance Indicators	Target	Performance	Reason for variance and action plans to fast track implementation
To invest in Human Capital to improve effectiveness in the workplace	To develop and implement change management programs	Implementation of Wellness programme	2 sessions implemented	Change management reports	Achieved: The Employee Wellness Strategy was developed and approved. Through the Wellness Plan, the Men and Women Diversity Forums were undertaken as part of the Change Management. The World Aids Day was commemorated in December and staff members visited the Orphanage Centre to learn about people living with HIV/AIDS and cancer.	100% compliance
To provide human resources systems that ensure the readiness of tomorrow's integrated workforce	To review align and benchmark HR policies and system	Develop, review and implement HR policies and systems	Approved HR policies and systems	(2) HR policies developed (2) Policies reviewed	Achieved: The following policies were developed and approved: Employee Wellness Strategy: Occupational Health & Safety policy: Farewell Policy. The Policy on Attending Funeral was reviewed. The Employee Self Service was updated to monitor the leave utilisation.	The Bursary Policy is under review and will be approved in the next financial year
To value employees through active engagement on performance management and recognition	Performance Management and Development	Ensure the implementation of Performance related pay for high flyers scares skills and critical skills	Salary scales	1 report due by July 2011	Achieved: The HR coordinated the performance evaluation for the financial year. The finalization of the performance was conducted in March 2012. Eligible employees were rewarded with bonuses.	100% compliance
To ensure efficient and effectiveness of Communications within NAMC	To ensure efficient and effectiveness of Communications within NAMC	Implementation of the Communication strategy and plan	Approved Communications strategy	100% implementation of the Communications strategy and plan	Partially Achieved: The Corporate Identity Manual was developed and approved by Council. Established a Communications Task team. Coordinated the execution of branding material. Established contact with FANPARN Communication to expand areas of mutual cooperation. Established contact with Public Liaison Director at DAFF. Established relationship with Agri-TV and Farmers Weekly.	The Communication Strategy was developed and submitted to the Council. The Council provided inputs into the document and will be resubmitted in the next financial year.

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2.7 NARRATIVES

AN OVERVIEW OF DIVISIONS PERFORMANCE

Markets and Economic Research Center (MERC)

Food Price Monitoring

The NAMC collaborates with the Department of Agriculture, Forestry and Fisheries, Provincial Departments of Agriculture and Statistics South Africa to monitor and report on food price trends in South Africa. During the reporting period 2011/12, four quarterly Food Price Monitoring (FPM) reports were published. The FPM report published in February 2012 provides valuable insights into trends in food prices from January 2011 to January 2012. According to this report, food and non-alcoholic beverages inflation recorded for January 2012 was 10.3%, meaning that food and non-alcoholic food and beverage prices were 10.3% higher in January 2012 than in January 2011.

The domestic price of wheat decreased by 5.53% between January 2011 and January 2012 and the price of sunflower seed decreased by 11.17 % during the same period. The high decrease in the domestic price of wheat was due to the 25.19% decrease in the international wheat price. South Africa is a net importer of wheat and therefore the domestic wheat price is highly affected by the international wheat price. The domestic price of white maize showed an increase of 90.41% for the period January 2011 to January 2012. The domestic price of yellow maize increased by 89.45 % year-on-year; while the international price of yellow maize took a different turn from the other international grain prices by showing an increase of 4.04% for the period January 2011 to January 2012. The impact of the strong exchange rate and the fact that South Africa has surplus maize is clearly evident in local maize price trends as compared to the trends internationally.

South Africa's food inflation compared favourably with that of China but was higher than that of Brazil. These countries experienced food inflation of 10.3%, 10.5% and 4.8% respectively. Even though the overall global food price index decreased by 4.40 % between January 2011 and January 2012, it was still higher than that for 2008.

In January 2012, rural consumers paid R2.37 more than urban consumers for the same food basket, which is lower than the R8.95 price reported for October 2011 in the November 2011 Food Price Monitor. In January 2012, rural consumers paid R3.37 more than urban consumers for rice (2 kg) maize meal (5 kg) and sunflower oil (750 ml) were the only food items for which rural consumers paid less than urban consumers in January 2012.

The cost of the food basket, expressed as a share of the average monthly income of the poorest 30% of the population, increased from 33.9% in January 2011 to 38.7% in January 2012. When comparing the costs associated with the typical portion sizes of very poor consumers for the five most widely consumed food items in South Africa, based on January 2012 versus January 2011 prices, there was significant inflation of about 10.17% (from R3.44 to R3.79).

In addition to the four FPM reports, the NAMC published the South African Food Cost Review, focusing on trends in the food industry in 2010. This report covered six key issues, namely, South Africa's agricultural trade, selected international commodity and food price trends, selected domestic commodity and food price trends, farm-to-retail price spreads of selected important food products, social grants in South Africa and policy measures/programmes to shield consumers against high food prices.

Input Cost Monitoring

Six reports were published. These reports can be summarised as follows: (All the input cost monitor reports can be accessed at www.namc.co.za.)

- *The cost of grape production and producer profitability: Top performers in difficult times (2010)*

The 2010 vintage clearly shows that the average primary wine grape producer's profit margins have not improved since 2009. Due to the relatively small crop (except for the Orange River and the Olifants River), producers still find themselves in a cost-price squeeze. Total production cost increased by 7.5% from 2009 to R28 585/ha in the 2010 harvest year – once again exceeding inflation for the same period. Despite the negative trends, some producers still manage to produce wine grapes in an economically sustainable fashion.

- *Update: Trends in selected agricultural input prices – June 2011*

Key aspects of this report can be summarised as follows:

Price trends for international fertilisers and R/\$ exchange rate from May 2005 to May 2011:

Urea: 75.1% increase
DAP: 184.1% increase
MOP: 212.1% increase
R/\$: 9.2% depreciation

Price trends for international fertilisers and R/\$ exchange rate from May 2010 to May 2011:

Urea: 48.1 % increase
DAP: 20.6% increase
MOP: 11% increase
R/\$: 9.7% appreciation

Price trends for local fertilisers from May 2005 to May 2011:

MAP: 128.2% increase
Urea: 81.1% increase
Potassium chloride: 157% increase
White Maize SAFEX spot price: 199.2% increase.
Wheat SAFEX spot price: 121.5% increase.

Price trends for local fertilisers and grains from May 2010 to May 2011:

MAP: 8% increase
Urea: 11.7% increase

Potassium chloride: 4.4% increase

White Maize SAFEX spot price: 50.6% increase.

Wheat SAFEX spot price: 43.8% increase.

Price trends for crude oil and fuel from January 2006 to May 2011:

Crude oil: 80.8% increase
Petrol: 86.7% increase
Diesel: 86.3% increase

Price trends for crude oil and fuel from May 2010 to May 2011:

Crude oil: 49.8% increase
Petrol: 17.5% increase
Diesel: 23.4% increase

- *Value chain study of the South African fertiliser industry*

Internationally, fertiliser prices have experienced significant fluctuations in recent years. For example, from September 2007 to September 2008, the international ammonia, urea, di-ammonium phosphate (DAP) and muriate of potash (MOP) prices increased by 285%, 118%, 143% and 257% respectively. However, from September 2008 to September 2009, international fertiliser prices decreased significantly. Prices of ammonia, urea, DAP and MOP decreased by 70%, 65%, 70% and 46% respectively. The aforementioned trends also affected the South African fertiliser market. Moreover, from September 2007 to September 2008, South African LAN, urea, mono-ammonium phosphate (MAP) and muriate of potash (MOP) prices increased by 138%, 131%, 175% and 270% respectively. From September 2008 to September 2009, prices of local fertiliser materials decreased significantly – local prices of LAN, urea, MAP and MOP decreased by 52%, 53%, 67% and 31% respectively. High price fluctuations or volatility in the fertiliser market makes management and planning very difficult, not to mention the impact it may have on the profitability and sustainability in grain and oilseed production. Fertiliser as a production input makes up a significant proportion of a grain or oilseeds producer's production costs (i.e. 30% to 50% for grains and 15% to 25% in the case of oilseeds). Understanding the manner in which the fertiliser value chain operates is therefore vitally important for all role players, and especially for producers who are users of fertiliser, in order to ensure

optimal usage and purchasing behaviour. Moreover, a proper understanding of the fertiliser value chain should foster a better relationship between up and downstream stakeholders in this chain, but should also ultimately result in a more efficient chain in terms of structure, conduct and performance. In a business environment characterised by high concentration on both the input and outputs sides of the agricultural value chain, while producers are price takers, there is marginal room for inefficiencies, since ultimately all stakeholders depend on each other to maintain profitability and sustainability. Availability of accurate information and the timely dissemination thereof is hence vitally important to all stakeholders involved. Within the ambit of the above, this study contributes towards a better understanding of the fertiliser industry, which should ultimately result in better relations at each level of the fertiliser value chain, a better understanding of business systems and price formation, and inform stakeholders to better position themselves strategically.

The primary objective of this study was to investigate the structure, conduct and performance of the fertiliser industry in South Africa. Due to the open market structure and the natural constraint as far as the availability of certain feedstock's to produce fertilisers in South Africa, it was also necessary to understand the global market for fertilisers, since international fertiliser prices are ultimately transmitted to the domestic market. For example, understanding the factors that influence international fertiliser prices will provide insight and understanding of fertiliser's spill-over effects onto the domestic market. It will also provide valuable pointers in terms of how local prices are likely to change.

- *Update: Trends in selected agricultural input prices – October 2011*

Key aspects of this report can be summarised as follows:

Price trends for international fertilisers and R/\$ exchange rate from September 2005 to September 2011:

Urea: 189.2% increase
DAP: 183.2% increase
MOP: 240.5% increase
R/\$: 15.5% depreciation

Price trends for international fertilisers and R/\$ exchange rate, September 2010 to September 2011:

Urea: 61.2% increase
DAP: 25.7% increase
MOP: 40.7% increase
R/\$: 2.9% depreciation

Price trends for local fertilisers from September 2005 to September 2011:

MAP: 142.6% increase
Urea: 97.5% increase
Potassium chloride: 126.7% increase

Price trends for local fertilisers and grains from September 2010 to September 2011:

MAP: 23.4% increase
Urea: 38.7% increase
Potassium chloride: 5.6% increase

Regulated price trends from September 2008 to September 2011: 21.6% increases

Regulated price trends from September 2010 to September 2011: 14.8% increase

Electricity and other fuels increased by 73.2% from September 2008 to September 2011.

- *Update: Trends in selected agricultural input prices – February 2012*

Key aspects of this report can be summarised as follows:

Price trends for crude oil and fuel from January 2006 to January 2012:

Crude oil: 77.2% increase
Petrol: 93.3% increase
Diesel: 98.5% increase

Price trends for crude oil and fuel from January 2011 to January 2012:

Crude oil: 15.6% increase
Petrol: 21.5% increase
Diesel: 31.1% increase

Vehicle costs trends from 2004 to 2011:

2-axle vehicle
Capital cost: 14.5% increase

Fixed cost: 31.3% increase

Running cost: 120.6% increase

6-axle vehicle

Capital cost: 32.9% increase

Fixed cost: 47.2% increase

Running cost: 126.5% increase

7-axle vehicle

Capital cost: 35.3% increase

Fixed cost: 51.3% increase

Running cost: 168.7% increase

- *The cost of grape production and producer profitability: Top performers in difficult times (2011)*

- The average retail price of wine, excise and cellar costs increased in line with or even exceeded inflation for the eight-year period under review.
- The average price of bulk wines and producer cellar grape prices did not keep up with inflation and even assumed negative levels in the case of non-producer cellar grape prices.
- Production costs on farm level increased in line with inflation, despite drastic cutbacks in costs by producers. This statistic confirms that the industry avails of top quality producers. On the other hand, some producers cut costs to the bone as a result of cash flow problems, which could also explain why the increase in production costs is less than expected.

The above issues and accompanying statistics confirm the fact that producers are no more than price takers with hardly any bargaining power. These also illustrate and explain why the net farm income for the period under review has decreased by more than 60% for each bottle of wine produced. Furthermore, we are justified in asserting that the said increases in the value chain are undoubtedly being passed down to the producer, who is worse off than everyone else.

The annual total production cost, excluding tax, interest and entrepreneurial remuneration, consists of two components, namely, cash expenditure and provision for replacement. Since 2010, the industry average total production cost has increased by almost 7% to R30 582 per hectare in 2011.

Trade Research

During the past financial year, the NAMC, in collaboration with the Directorate International Trade of the DAFF, published 6 issues of the TradeProbe. The aim of the TradeProbe is to create an awareness and knowledge of trade-related topics by discussing/reporting trade statistics, inviting perspectives from people working in related sectors, reporting on trade-related research and stimulating debate. Topics covered included trade profiles for several commodities and products traded by South Africa, issues pertaining to the WTO negotiations and regional, as well as, Free Trade Agreements and export opportunities. The NAMC also supports an initiative that pertains to recording fruit flows to foreign markets per week during the period that fruit is exported. Three reports entitled "South African Fruit Flows" were published; the purpose of these publications is to provide credible and up-to-date fruit exports and local fruit market sales information, to better understand the trends within the fruit industry. They also function as a platform for individual fruit industries to highlight the challenges facing them and to interact with the NAMC on fruit trade and market-related issues. (The aforementioned publications can be accessed at www.namc.co.za.)

A Section 7 Committee Investigation into ethical trade issues in the horticulture subsector was completed. The report with recommendations was at the Minister of Agriculture, Forestry and Fisheries at the time of preparing this publication.

The NAMC supported a project that entailed the promotion of fruit products from South Africa to niche markets in Singapore, Hong Kong and Malaysia. The project assists smallholder farmers with export value chains management and fruit trade. It then assists them with promotion of their produce in the niche markets. The primary objectives of these promotions are to maximise the sales and volumes of the South African produce and increase penetration of South African smallholder farmers in the niche markets. The total US\$ purchases from SA, for 2010 versus the purchases for 2009, grew from ±US\$14 million to ±US\$18 million in 2010. This is a 28.5 % sales growth in US\$ terms. Total container volumes increased by 108 containers in 2010 compared to 2009, i.e. a 48 % volume increase.

The NAMC collaborated with other institutions on trade related research, e.g. DAFF, Tralac and industry organisations. Amongst others, the following reports were produced:

- An assessment of South Africa's agricultural trading environment with selected trading regimes in collaboration with Tralac, DTI and Rhodes University;
- Determining the scope and nature of Non-Tariff Measures prevalent in selected international markets in collaboration with Tralac;
- Comparative analysis of barriers to entry, value chain supply costs and producer returns between European and SA table grape markets in collaboration with SATI.

Agro-food Chain Research

The NAMC also takes on the responsibility to gather certain key data and transform it into more accessible information. In-house research is conducted and the NAMC collaborates with other institutions to conduct agro-food chain research that is topical and demand driven. This research includes the following:

- Finalization and publication of the Soybean Industry Value Chain Study
 - Continuous research and reporting on new processing capacity;
- The Seychelles Broiler Value Chain Analysis: A Competitive and Comparative Study;
- South African Sugar Industry study: Lessons, Justifications and Challenges;
- Revitalising cotton production on the Makhatini Flats;
- South African Paprika Value Chain Study;
- South African Tomato Value Chain Study;
- Transport Modelling.

Markets and Economic Research Centre (MERC) engages with industry to build and maintain a transport cost model affecting the major agro-food value chains.

Linking Farmers to Markets

Within the ambit of linking farmers to markets focus area, the NAMC has engaged in a number of initiatives, such as case studies, research reports and producer profiles. These include, amongst others, the following:

- The NAMC has published a book on successful stories of emerging farmers entitled: Case Studies of Emerging Farmers and Agribusiness in South Africa.

- Other case studies completed are as follows:
 - Potato case study of a successful black farmer fuelled by potato passion;
 - Moringa study – A tree giving life to rural communities; and
 - Participation of emerging black commercial farmers in the dairy industry.
- Academic research – includes the following studies which were completed:
 - Assessment of Agricultural Contracts For Market Access In South Africa: A Smallholder's Perspective;
 - Exploring the impact of local alternative food quality dynamics on small-scale access to markets; and
 - Action based reports – Feasibility study reports for the Segalo lamb feedlot enterprise and Hlakanyane potato project were completed.

Statutory Measures Division

Introduction

In terms of the MAP Act, the following statutory measures could be implemented:

- Statutory levies (section 15 of the MAP Act)
- Control of exports of agricultural products (section 16)
- Records & returns (section 18)
- Registration (section 19).

Statutory measures are normally promulgated for a period of four years, after which the relevant industry must apply to the Minister for the continuation of measures if they wish to continue to make use of statutory measures. The MAP Act stipulates the procedures that have to be followed in order to investigate an application for the establishment, continuation, amendment or repeal of statutory measures. Some of the procedures involve the following, namely that the Council shall:

- publish a notice setting out particulars of the request and an explanation in connection therewith in the Government Gazette and such magazines or newspapers as may be sufficient in order to bring the request to the attention of directly affected groups, and inviting such directly affected groups to submit any comments relating to the request within a specified time (normally 14 days);
- consider such comments to ensure that there is sufficient support amongst directly affected groups for the proposed statutory measure; and
- report on its findings and make a recommendation to the Minister.

Statutory levies are implemented for the purpose of funding essential generic functions, such as research, information, generic promotion, transformation, etc. in a particular agricultural industry. All levy applications must have a business plan and reasonable level of industry support.

In an attempt to influence how the statutory levy funds should be spent, the NAMC requires that approximately 70% of levy funds should be spent on functions such as research, information, export promotion, etc., approximately 20% on transformation and not more than 10% on the administration of the levy. A levy must not exceed 5% of the price realised by a specific agricultural product at the first point of sale (average price at the first point of sale over a period not exceeding three years).

The NAMC has compiled guidelines on what should be regarded as administration costs, generic promotion and transformation. These guidelines were compiled after the relevant agricultural industries were consulted.

The following statutory measure investigations were undertaken during the 2011/12 financial year:

1. Cotton statutory levies

On 14 November 2011, Cotton SA applied for the continuation of the current cotton statutory levies after the lapsing date of 31 March 2012, for a further period of four years. By the end of the 2011/12 financial year, the NAMC finalised its investigation and made a recommendation to the Minister for her consideration.

2. Dairy statutory levies (surplus funds)

On 11 January 2010, Milk SA requested ministerial approval to spend the surplus funds (R13.9 million) remaining after the four year levy period ended on 31 December 2009. This process was delayed several times, but on 26 August 2011 the Minister approved that R4 282 660 be utilised for projects identified by Milk SA, but the remainder of the surplus funds (plus interest) be used for transformation programmes, in order to provide comprehensive support to create critical mass in specific areas, with the focus to support black-owned dairy businesses in the entire dairy value chain.

3. Deciduous fruit statutory measures

On 24 February 2011, HORTGRO Services requested the Minister's approval for the continuation of statutory measures (registration, records & returns and levies) on pome and stone fruit. On 26 August 2011, the Minister approved the continuation of statutory measures on pome and stone fruit as requested by the industry, for a further period of four years. The relevant notices were published in the Government Gazette of 30 September 2011.

4. Deciduous fruit statutory levies (Mediterranean fruit fly)

On 17 January 2012, HORTGRO Services applied, on behalf of the deciduous fruit industry, for the

expansion and continuation of the per hectare (ha) statutory levy, to fund the area-wide Mediterranean fruit fly control programme, in selected production regions for the next four year period. On 15 March 2012, after the NAMC finalised its investigation, we sent our recommendation to the Minister for her consideration. By the end of the 2011/12 financial year, the Minister's decision in this regard was still outstanding.

5. Deciduous fruit statutory levies (pome – market development)

On 4 August 2011, HORTGRO Services applied, on behalf of the SA Apple and Pear Producers' Association (SAAPPA), to the Minister for the continuation of the current statutory levies on market development, to be implemented for a new four year period. On 15 February 2012 the Minister approved the proposed statutory levies. The relevant notice was published in the Government Gazette of 2 March 2012.

6. Declaration of agricultural products

The declaration of agricultural products for purposes of the MAP Act, as published in Government Notice No. R. 1189 dated 4 September 1997, as amended several times thereafter, needed to be revised again during the 2011/12 financial year. The grain milling industry considered the application for statutory measures (registration, records and returns) for the orderly collection and dissemination of information on processed maize and wheat products. The published list of agricultural products declared as agricultural products for purposes of the MAP Act, does not include these products and need to be amended. The tariff code headings were used to describe the grain products concerned. On 30 January 2012 the Minister approved the amended list of agricultural products for purposes of the MAP Act and it was published in the Government Gazette of 16 March 2012.

7. Fynbos (proteas) statutory measures

On 9 November 2010, the Protea Producers of South Africa applied for the implementation of statutory measures (registration, records & returns and levies) on export volumes of cultivated fynbos products. On 26 August 2011, the Minister

approved the implementation of the proposed statutory measures on the export volumes of cultivated fynbos products as requested by the industry, for a four year period. The relevant notices were published in the Government Gazette of 30 September 2011.

8. Grain statutory measures (import and export figures)

On 28 November 2011, Grain SA applied for statutory measure (records and returns), in respect of intended imports or exports, by every intended importer and exporter of grain or oilseeds, to the South African Grain Information Service (SAGIS), within 7 days after a contract has been concluded for the intended import or export of grain or oilseeds. The NAMC finalised its investigation and made a recommendation to the Minister on 7 March 2012. By the end of the 2011/12 financial year, the Minister's decision was still outstanding.

9. Grain statutory measures (SAGIS)

On 3 May 2011, the South African Grains Information Service (SAGIS) applied, on behalf of the directly affected groups in the grains and oilseeds industries, for the continuation of statutory measures related to registration, records and returns. On 9 September 2011, the Minister approved the proposed continuation of these statutory measures, as were promulgated in the Government Gazette of 7 October 2011.

10. Lucerne statutory levies

On 12 November 2010, the National Lucerne Trust (NLT), on behalf of the directly affected groups in the lucerne industry, applied for the introduction and promulgation of statutory levies on lucerne seed and lucerne hay. On 26 August 2011, the Minister approved the proposed statutory levies on locally produced lucerne seed and lucerne hay (excluding imported seed), for a period of three years, to lapse on 30 April 2014. The relevant Notice was published in the Government Gazette of 9 September 2011.

11. Milk statutory measures

On 30 August 2011, the Milk Producers' Organisation (MPO) applied for the continuation of statutory measures relating to records & returns and registration of certain role players in the milk industry for a further four years. The previous milk statutory measures lapsed on 1 November 2011. On 21 February 2012, the Minister approved the continuation of the milk statutory measures for a period of four years to lapse on 1 November 2015. The relevant notices were promulgated in the Government Gazette of 9 March 2012.

12. Olive statutory measures

On 23 May 2011, the SA Olive Industry Association applied for the implementation of statutory measures (registration, records & returns and levies) on table olives and olive oil products. It was requested that the statutory levies be introduced on domestic productions, imports and exports of olive products. The NAMC completed its investigation and a recommendation was submitted to the Minister on 9 March 2012. By the end of the 2011/12 financial year, the Minister's decision was still outstanding.

13. Pecan statutory measures

On 12 September 2011, the SA Pecan Producers' Association applied to the Minister for the implementation of statutory measures (registration, records & returns, and levies) on pecans, to be implemented for a four year period. The Minister approved these statutory measures on 21 February 2012, and the measures were promulgated in the Government Gazette of 9 March 2012.

14. Potatoes statutory measures

On 17 January 2011, the Potatoes SA applied on behalf of the Potato Industry Development Trust for the continuation of statutory measures (registration, records & returns and levies) in the potato industry for a new term of four years (29 June 2011 to 30 June 2015). On 30 July 2011, the Minister approved the continuation of the requested statutory measures in the potato industry. The relevant notices were published in the Government Gazette of 4 August 2011.

15. Potatoes statutory levies (amendment)

On 9 November 2011, Potatoes SA applied for the amendment of Government Notice No. R. 638 dated 4 August 2011 regarding the statutory levy on potatoes to make provision that potato bag manufacturers collect the levy from the potato producers, who are responsible for the payment of the statutory levies. On 21 February 2012 the Minister approved the requested amendments regarding the potato statutory levy. The relevant notice was published in the Government Gazette of 9 March 2012.

16. Poultry statutory measures (amendment)

On 24 January 2011, the SA Poultry Association (SAPA), applied to the Minister to amend the existing statutory measures (levies, records & returns and registration) in the poultry industry. On 24 October 2011, the Minister approved SAPA's application, to be effective from January 2012. The relevant notices were published in the Government Gazette of 25 November 2011.

17. Wine statutory levies (amendment)

On 18 October 2010, an application was received for the increase of the following statutory levies in the wine industry:

- Information levy (increase of 22.4%)
- Research and development levy (increase of 10%), and
- Wine export generic promotion levy (increase of 5%).

On 30 July 2011, the Minister approved the requested increase of the statutory levies in the wine industry for a two year period, expiring 31 December 2013. The relevant notices were published in the Government Gazette of 28 October 2011.

18. Wool statutory measures

On 28 June 2011, Cape Wools SA applied for the continuation of statutory measures relating to records & returns and registration of certain role players in the wool industry. The current statutory measures will lapse on 30 June 2012. On 27 February 2012, after the NAMC finalised its investigation, recommendations were sent to the Minister for her consideration. By the end of the 2011/12 financial year, the Minister's decision was still outstanding.

Statutory measures promulgated during the 2011/12 financial year

Notice	Date	Description
No. R.636	4 August 2011	Potatoes – registrations
No. R.637	4 August 2011	Potatoes – records & returns
No. R.638	4 August 2011	Potatoes – levies
No. R.708	9 September 2011	Lucerne – levies
No. R.780	30 September 2011	Fynbos (proteas) – levies
No. R.781	30 September 2011	Fynbos (proteas) – records & returns
No. R.782	30 September 2011	Fynbos (proteas) – registrations
No. R.783	30 September 2011	Deciduous fruit – records & returns
No. R.784	30 September 2011	Deciduous fruit – registrations
No. R.785	30 September 2011	Deciduous fruit (apricots) – levies
No. R.786	30 September 2011	Deciduous fruit (apples) – levies
No. R.787	30 September 2011	Deciduous fruit (peaches & nectarines) – levies
No. R.788	30 September 2011	Deciduous fruit (plums) – levies
No. R.789	30 September 2011	Deciduous fruit (pears) – levies
No. R.826	7 October 2011	Grains – registrations, records & returns
No. R.882	28 October 2011	Wine (research) – levies
No. R.883	28 October 2011	Wine (export promotion) – levies
No. R.884	28 October 2011	Wine (information) – levies
No. R.955	25 November 2011	Poultry – levies
No. R.956	25 November 2011	Poultry – registrations
No. R.957	25 November 2011	Poultry – records & returns
No. R.148	2 March 2012	Deciduous fruit (pome fruit) – levies
No. R.195	9 March 2012	Potatoes – levies
No. R.196	9 March 2012	Milk – registrations
No. R.197	9 March 2012	Milk – records & returns
No. R.198	9 March 2012	Pecans – registrations
No. R.199	9 March 2012	Pecans – records & returns
No. R.200	9 March 2012	Pecans – levies
No. R.215	16 March 2012	Declaration of agricultural products

Summary of Statutory Measures

The following table summarises the statutory measures that were applicable in the South African agricultural sector during the 2011/12 financial year:

Table 1: Statutory measures applicable during the 2011/12 financial year

INDUSTRY	Administration body	Statutory Measures		
		Statutory levy	Records & Returns	Registration
Citrus (export only)	Citrus Growers Association	√	√	√
Cotton	Cotton SA	√	√	√
Dairy	Milk SA	√	√	√
Deciduous fruit (pome and stone fruit)	HORTGRO Services	√	√	√
Dried fruit	Dried Fruit Technical Services	√	√	√
Fynbos (proteas)	HORTGRO Services	√	√	√
Grains (Maize, Oilseeds, Sorghum, and Winter Cereals)	The South African Grains and Information Services (SAGIS)		√	√
Lucerne	Lucerne Producers' Organisation	√	√	√
Mangoes	Subtrop	√	√	√
Milk	Milk Producers' Organisation		√	√
Mohair	Mohair SA		√	√
Pecans	SA Pecan Producers' Association	√	√	√
Pork	SA Pork Producers' Organisation	√	√	√
Potatoes	Potatoes SA	√	√	√
Poultry and eggs	Southern African Poultry Association	√	√	√
Red meat	Meat Statutory Measure Services	√	√	√
Sorghum	Sorghum Trust	√		
Table grapes (export only)	SA Table Grape Industry	√	√	√
Grapes and grape juice intended for the production of wine	SAWIS (information) Winetech (research) WOSA (export promotion) WIDA (transformation)	√	√	√
Winter Cereals	Winter Cereal Trust	√		
Wool	Cape Wools SA		√	√

Statutory levies collected

The NAMC reviews statutory measures on an annual basis. The 2010 survey regarding statutory measures was completed in July 2011. In the 2010 survey, the NAMC received the latest audited financial statements as submitted by the relevant levy administrators – the financial year end for each levy administrator could differ from each other. Table 2 indicates the levy income, the value of products at the first point of sale, levy income as a percentage of the value of the product and the levy collection rate for the different commodities captured for the 2010 survey.

Table 2: Total Amount of Levies Collected

Product	Levy income	Total value of product at the first point of sale	Levy income as a percentage of the value of the product	Levy collection rate
	R	R	%	%
Citrus (exported)	32 263 562	2 770 350 000	1.16	98.4
Cotton lint	1 679 456	100 000 000	1.68	100
Dairy products	32 853 230	8 190 000 000	0.40	119
Deciduous Fruit:		1 330 884 432	3.47	
• Pome and Stone	27 365 290			96
• Market development	13 525 595			95
• Fruit fly control	5 345 759			94
Dried fruit	3 155 434	3 144 738 000	0.10	97
Pork	14 559 229	2 625 000 000	0.55	105
Potatoes	23 113 030	5 700 000 000	0.41	98
Poultry	24 550 422	3 596 000 000	0.68	86.2
Red meat	17 928 784	25 700 000 000	0.07	100
Sorghum	1 669 890	393 000 000	0.42	100
Table grapes	18 554 266	4 031 710 868	0.46	98.6
Wine	60 339 527	3 648 900 000	1.65	100
Winter cereals	29 554 894	4 587 150 000	0.64	97.5
TOTAL	306 458 368	65 817 733 300	0.47	98.98

Levy income

The total levies collected as part of the 2010 survey amounted to R306.5 million, which is 16.4% more than the R263.4 million reported as total levy income in the 2009 survey.

Value of agricultural products at first point of sale

The NAMC has to obtain the value of the products at the first point of sale in order to determine the level of statutory levies. Section 15(4)(a) of the MAP Act stipulates that a statutory levy must not exceed 5% of the price realised for a specific agricultural product at the first point of sale. The

maximum of 5% is based on a guideline price, calculated as the average price at the first point of sale over a period not exceeding three years.

According to the 2010 survey, the total value at first point of sale of all products which were subject to a statutory levy was approximately R65.8 billion, compared to R60.6 billion reported in the 2009 survey – an increase of 8.6%. The total levy income as a percentage of the value of agricultural products at the first point of sale is on average, approximately 0.47%.

Levy collection rate

Most levy administrators achieved a high collection rate. The average collection rate of all products is approximately 99%. This is attributable mainly to the thorough consultative process that takes place before a levy is implemented and the fact that role players from the whole value chain are represented in most of the decision-making institutions. It may therefore be concluded that, once an industry applies for a statutory levy, the role players are willing to pay these levies. In evaluating an application for statutory levies, both the NAMC and the

industry concerned have to ensure that there is sufficient support for a levy. Another factor contributing to the high collection rate in most industries is the low number of collecting points.

Allocation of statutory levies

For the 2010 survey, the total expenditure was approximately R315.2 million, which is 13.8% more than the R276.9 million reported in the 2009 survey. The allocation of statutory expenditure to the various functions is set out in Table 3 below.

Table 3: Functions to be financed through statutory levies

Functions	Amount spent R	% of total levy expenditure		
		2010	2009	2008
Administration	17 816 776	6	6	7
Transformation	65 665 036	21	22	23
Export promotion & market access	32 467 466	10	12	12
Research	101 454 378	32	33	32
Information and Industry liaison	35 690 638	11	9	17
Production development	1 762 519	1	1	1
Plant improvement	3 174 024	1	1	1
Quality control	15 359 271	5	2	2
Local promotion and consumer education	41 812 365	13	14	5
TOTAL LEVY EXPENDITURE	315 202 473	100	R276.9 million	R222.3 million

Administration

The NAMC has implemented a guideline that not more than 10% of levies collected should be used for administrative purposes. On average, approximately 6% (R17.8 million) of levies collected was spent on administration, which is below the guideline of not more than 10%.

Information

Approximately 11% (R35.7 million) of total levy expenditure was allocated to the information function. Accessible, accurate market information that is regularly and timeously available not only increases market access but also promotes efficiency in the marketing of the specific agricultural product. It also contributes to the optimisation of export earnings and enhances the viability of the relevant agricultural industries and the agricultural

sector at large. Market information is essential for all role players in a deregulated marketing environment if they are to make informed decisions and if the market is to operate effectively. Without a continuous stream of proper, accurate and timeous market information, the market will not develop as it should and role players, including emerging farmers, will not be able to participate on an equal footing.

Research

The satisfactory performance of the South African agricultural sector, despite the lack of high-potential arable land and the low rainfall, can be attributed to a great extent to the development and application of agricultural research. Approximately 32% (R101.5 million) of total levy expenditure was spent on research

projects in the thirteen industries that collected levies. Some of the industries are doing or initiating their own research, but a major portion of the R101.5 million was made available to the Agricultural Research Council (ARC) to undertake research in the agricultural sector, in consultation with the industries concerned.

Transformation

Before August 2005, the NAMC's guideline was that at least 10% of levy income should be used to the benefit of Previously Disadvantaged Individuals (PDIs). In an attempt to increase the amount spent on transformation, the NAMC changed the guideline in August 2005 to require that approximately 20% of levy income should be used for transformation purposes. According to the 2010 survey, the total amount spent on transformation projects was approximately R65.7 million, compared to the approximately R61.8 million spent on transformation in the 2009 survey – an increase of 6.3%.

The increase in production by black farmers as a percentage of total production may be regarded as one of the main indicators for monitoring the process of bringing black farmers into the mainstream of commercial agricultural production. This enables the NAMC to monitor progress made in improving emerging farmers' production. The 2010 survey indicated that the market share of emerging farmers increased in most sectors, but is still relatively small in most agricultural industries.

Export promotion

A total amount of approximately R32.5 million was spent on export promotion. Wines of South Africa (WOSA) is promoting South African wine on the overseas markets. WOSA has offices in Canada, Germany, Denmark, Sweden, The Netherlands, the United States (US) and the United Kingdom (UK), and participated in international wine shows. Other industries, such as the citrus, deciduous fruit and potato industries, are also promoting their commodities in overseas markets.

Local promotion

The dairy and the red meat industries spent 41% and 37% respectively of total expenditure on promotion in the local market. On 16 August 2005 the NAMC held a workshop with levy administrators to discuss the desirability of generic promotions. The outcome was a decision that generic promotions should continue provided there

was sufficient support within a specific industry. It was also agreed that these promotions should, in future, be referred to as the promotion of "consumer awareness".

During 2010, the NAMC investigated the economics and impact of generic promotion on agricultural commodities that are funded by statutory levies. According to the study, generic promotion could have positive effects, but it is only one of many factors affecting the demand for agricultural products. The rationale for generic promotion is particularly strong where there are large numbers of producers responsible for a generally homogeneous agricultural product, and individual producers are unable to differentiate and promote their own products. This rationale diminishes where relatively few producers are producing a product or where the product is not homogenous and is easy to differentiate. The specific objectives of generic promotion are to increase sales or to contain reductions at given prices, to augment prices or at least to contain reductions, and to induce consumer loyalty.

Agricultural products subjected to statutory levies

The total gross value of agricultural production (total production during the production season valued at the average basic prices received by producers) for 2009/10 is estimated at R128 214 million, compared to R129 489 million in the previous year – a decrease of 1.0%. This drop can be attributed mainly to a decrease in the value of field crops. The gross value of animal products, horticultural products and field crops contributed 50.6%, 25.6% and 23.8% respectively to the total gross value of agricultural production. The poultry meat industry made the largest contribution with 23.3%, followed by cattle and calves slaughtered with 11.1% and maize with 10.5%.

Table 4 provides information about agricultural products which are subjected to statutory levies, based on the gross value of the individual agricultural products. (Source: DAFF 2011 Abstract).

Table 4: Agricultural Products Subjected to Statutory Levies

	Products levied R' million	Percentage levied	Products not levied R' million	Percentage not levied	Total R' million
Field crops	Cotton	83			
	Sorghum	314			
	Winter cereals	3 677			
	Maize			13 522	
	Sugar cane			5 303	
	Oilseeds			3 388	
	Lucerne seed and hay			3 035	
	Other			1 158	
Sub-total	4 074	13.4	26 406	86.6	30 480
Horticulture	Citrus	4 593			
	Deciduous and dried fruit	9 453			
	Potatoes	4 064			
	Viticulture	3 530			
	Vegetables			7 628	
	Other			3 546	
Sub-total	21 640	65.9	11 174	34.21	32 814
Animal products	Dairy	9 503			
	Red meat	17 797			
	Pork	2 863			
	Poultry and eggs	29 909			
	Other			4 548	
Sub-total	60 072	93.2	4 548	6.8	64 920
TOTAL	85 786	66.9	42 128	32.8	128 214

According to Table 4, approximately 66.9% of all agricultural products, in terms of the gross value of the individual products, are subjected to a statutory levy. If the statutory measures relating to registration, records and returns are included, 82.5% of all agricultural products (in terms of their gross value) make use of statutory measures.

It is also clear from Table 4 that directly affected groups involved with animal products are more inclined to make use of statutory levies: 93.2% of animal products, in terms of gross value, have statutory levies. The maize industry, which is the third largest agricultural sector after the poultry and red meat industries, with a gross value of R13.5 billion, does not use statutory levies because it has sufficient funds in the Maize Trust. These funds were transferred from the former Maize Board and are used to finance generic functions in the maize industry. Only 13.4% of field crops have a statutory levy – taking into consideration the situation regarding maize and the fact that the sugar industry collects funds in terms of other legislation.

Sub-programme: The Crop Estimates Liaison Committee (CELC)

The CELC was established in October 1998 as a formal NAMC Committee. The CELC is constituted of stakeholders in the grain industry, namely Grain SA, Grain Silo Industry, National Chamber of Milling, Animal Feed Manufacturers' Association, Grain Traders' Association, the ARC, South African Futures Exchange (SAFEX) and the DoA. The CELC's function is, amongst others, to monitor the performance of the Crop Estimates Committee (CEC) and make recommendations for the further improvement of crop estimates on an ongoing basis.

During the 2011/12 financial year, the CELC met twice. The first CELC meeting was held on 5 May 2011, to discuss the final calculated winter crops for the 2010 production season was released and published. The second CELC meeting was held on 1 December 2011, during which the CELC agreed to the calculation of the final total summer crops for 2010/11, but requested that more effort be put into the mechanisms to ensure the correctness of crop estimates.

Sub-programme: Registration of Directly Affected Groups

The MAP Act stipulates that the NAMC must keep a register of directly affected groups for each product declared as an agricultural product for the purposes of the

Act. The NAMC, by a Notice in the Government Gazette and through other media, invites directly affected groups on a regular basis to register with the NAMC. The updating of the register is a continuous process and although no specific target could be set for the number of groups to be registered for each commodity, the aim is to register as many groups as possible. No groups are excluded from registering. The strategic goal of this initiative is to inform directly affected groups about relevant market interventions that are affecting specific commodities and to invite them to express their views regarding a specific intervention.

On 27 January 2012, the NAMC invited directly affected groups in the agricultural sector through the Government Gazette and other relevant media to register with us. Following this invitation, the NAMC received a total number of 18 responses (new registrations and / or changes to contact details of existing directly affected groups). The register was updated accordingly.



Agricultural Trusts Division

Introduction

The mandate of the NAMC Agricultural Trust Division is to manage the communication and reporting processes between the Minister of Agriculture, Forestry and Fisheries, the Ministerial Trustees and Industry Trusts. In order to facilitate communication, the NAMC is required to submit one (1) report annually to the Minister outlining the activities and the financial position of the Agricultural Industry Trusts.

The Agricultural Industry Trusts component of the NAMC's annual report for the 2011/12 includes who the Ministerial Trustees and Administrators of the Trusts are, resolutions taken at the Agricultural Trust Workshop, achievements of the National Red Meat Development Project (NRMDP) and activities of the Agricultural Trust Division of the NAMC.

Ministerial Trustees

There are currently 26 Ministerial Trustees representing the Minister of DAFF in each Agricultural Industry Trusts. These Trustees are appointed to ensure the Agricultural Industry Trusts fulfil the government transformation mandate as well as to ensure the funds are used according to the Trust Deeds' objectives.

The Ministerial Trustees are appointed for a period that varies between 2-3 and 4 years depending on the respective Trusts Deeds. Once the term ends, their contracts can either be renewed or new trustees can be appointed. During this financial year, we reappointed ministerial trustees from the Meat Industry Trust, namely, Dr Steven Cornelius, Dr Vuyelwa Penxa and new appointee Dr Ziyanda Majokweni. In the Citrus Trust, Ms Noluthando Mbilase resigned and was replaced by Mr Tieho Mafeo.

In the Deciduous Fruit Industry Development Trust, Ms Shulay Erasmus and Malmsey Rangaka were appointed. Mr Trevor Abrahams and Mr Mxoli Poto were reappointed as Trustees and Mr Poto was further appointed as the Chairperson of the Trust. The new Ministerial Trustees were all inducted by the NAMC in order to capacitate them on the duties and responsibilities bestowed upon them by the NAMC on behalf of the Minister of DAFF. Below is a list of the current Ministerial Trustees for the Trusts.



Ministerial Trustees

NO.	TRUST	ADMINISTRATOR	MINISTERIAL TRUSTEES
1	Citrus Trust	Elsa Taylor	Godfrey Rathogwa Phindi Kema Tieho Mafeo
2	Cotton SA Trust	Koot Louw	Sipho Ngxongo
3	Deciduous Fruit Industry Development Trust	Anton Rabe	Mxoli Poto Trevor Abrahams Shulay Erasmus Malmsey Rangaka
4	National Lucerne Trust	Derrick Engelbrecht	Mina Gill
5	Maize Trust	Leon du Plessis	Karabo Peele Thamsanqa Hewu Penny Daly
6	Meat Industry Trust	Alet du Plessis	Dr Steven Cornelius Dr Vuyolwethu Penxa Dr Ziyanda Majokweni
7	Mohair Trust	Deon Saayman	Sarah Louw
8	Oil and Protein Seeds Development Trust	Gerhard Keun	Derrick Montshwe
9	Potato Industry Development Trust	Elsabe Els	Nonie Mokose
10	Sorghum Trust	Leon du Plessis	Dudu Mashile
11	Winter Cereal Trust	Awie Coetzee	Katlego Gaoraelwe Tato Make Dr J le Roux Mmaphefo Mabe Dr Phindile Lukhele-Olorunju Maseli Augustinus Letuka
12	SA Wine Industry Trust	Charles Erasmus	Sharon Marco-Thyse Willem Williams Barry Stemmert Fatima Shabodien Prof Diale Rangaka
13	Wool Trust	Andre van der Venter	Zandisile Wapi

Capacity building for Ministerial Trustees

On the 7 October 2011, the Agricultural Trusts division conducted training on the King III Report on Corporate Governance for all Ministerial Trustees. The aim of the training was to capacitate the Trustees on understanding good governance in a business environment, and the duties, roles and liabilities of being a Trustee, and the King III report and PFMA amongst others. Abenzi Investments Holdings provided the training programme for the day. This is a black-owned entity with very experienced facilitators in terms of governance and management.

Meeting with the Minister of Agriculture, Forestry and Fisheries

During the establishment of the Agricultural Trusts division in 2008, the mandate was to facilitate communication between the Minister and the Agricultural Industry Trusts,

and one of the key focus area was to have a meeting between the Minister, Ministerial Trustees and the Industry Trusts. It was challenging to secure this meeting due to the Minister's busy schedule in the past year. On the 23 February 2012, the NAMC had the first meeting with the Honourable Minister of Agriculture, Forestry and Fisheries, Ms Tina Joemat-Pettersson, in Cape Town. The meeting was not only graced by the Minister, but the Chairperson of the Portfolio Committee on Agriculture, Mr Mlungisi Lulu Johnson and other DAFF officials. All Industry Trust Administrators and other chairpersons were present with the exception of those of the Mohair, Wool and Cotton Trusts.

Amongst the matters discussed, the Minister stressed the need to look at the regulatory frameworks and laws governing the trusts, as policy review of Agricultural Industry Trusts is long overdue. The Agricultural Industry Trusts transformation initiatives should be streamlined to fit government programmes such as Zero Hunger and Masibambisane Rural Development Initiative. She expressed the importance of extension services, mentorships and partnerships. These programmes will provide market access to local institutions such as schools, hospitals and prisoners for the benefit of smallholder farmers and partnerships with commercial farmers in growing the smallholder farmers.

Lastly, Agricultural Industry Trusts need to look at their trusts' deeds and encourage amendments so as to incorporate government programmes as well as the representation of Ministerial Trustees in the trusts. She urged the Agricultural Industry Trusts to look at these issues as a matter of urgency. All Agricultural Industry Trusts were given an opportunity to present the activities of the trusts to the Minister.

In closing, the Minister reminded the Agricultural Industry Trusts that levies are a tax that government charges and therefore should support the development of smallholder farmers, as they are aimed at closing the gap between commercial and smallholder farmers. The Portfolio Committee will be monitoring all activities of Agricultural Industry Trusts and ensure they adhere to the mandate of government.

Agricultural Industry Trusts Workshop

Annually in February, the Agricultural Trusts division coordinates a meeting with the Chairpersons of the Industry Trusts. The purpose of the meeting was to inform the Trustees on government expectations of the trusts with regard to transforming agriculture, rural development, job creation and assisting smallholder farmers to become commercially operational. These meetings were efficient but did not make the impact that the NAMC envisioned for the operations of the trusts. The NAMC took the decision to

change the structure of the Chairpersons' meeting into an Agricultural Trusts Workshop, which was held on 8 March 2012. The aim of the workshop was to bring together all the role players within the agricultural industry, i.e. agricultural unions, government departments, commodity associations and the private sector. The theme of the workshop was "***The Contribution of Agricultural Industry Trusts in Agricultural Development.***"

The thirteen (13) Agricultural Industry Trusts were grouped into panels, each consisting of three per group. The Agricultural Industry Trusts were afforded the opportunity to present their transformation initiatives for the financial year and questions were then addressed to them. The Minister of Agriculture, Forestry and Fisheries also attended the event, encouraging the trusts to continue their work, but also to integrate their transformation initiatives into the government programmes, Zero Hunger Programme and the Masibambisane Rural Development Initiative. The Department of Agriculture, Forestry and Fisheries (DAFF) Food Security Division, represented by Chief Director, Mr Bonga Msomi, gave a presentation on the Zero Hunger and Masibambisane Rural Development Initiative. He explained the objectives of the initiatives and further stressed how the Agricultural Industry Trusts can assist government to ensure food security for all in South Africa.

The workshop was succeeded by a gala dinner, where the NAMC thanked the Industry Trusts for their contribution toward the workshop, as well as awarding certificates to the Trusts that sponsored the event; namely, the Citrus Industry Trust, Cotton SA Trust, Deciduous Industry Development Trust, Maize Trust, Meat Industry Trust, Potato Industry Trust, SA Wine Industry Trust and Wool Trust.

National Red Meat Development Programme (NRMDP)

The NRMDP is a programme that is targeted at increasing the income of communal livestock farmers in the Eastern Cape from raising cattle. The custom feeding programme enables farmers to participate in the formal red meat



market, by improving the quality and quantity of cattle in the market.

The biggest challenge facing the NRMDP is the lack of funding for the project. The NAMC envisioned rolling out the programme nationally, but was unable to for the current financial year. The NAMC went on an aggressive fundraising drive for the programme by hosting the Beef Cattle Farming Indaba on 27 October 2011 at the Fort Cox College of Agriculture. The theme of the event was **'Prosperity Through Livestock Farming'**.

The objectives of the event were:

- connecting emerging farmers to the formal Red Meat Markets and systemising Informal Markets;
- re-establishing auction pens, rural abattoirs and pioneering Custom Feeding Programmes;
- developing emerging farmers footprint into the Red Meat Value Chain.

The NAMC feels that within its limited space for facilitating livestock marketing and red meat development programmes, it must showcase and create stakeholder engagement sessions that stimulate engagement for the national development agenda. The Honourable Mlungisi Lulu Johnson, Chairperson of the Portfolio Committee of Agriculture, Forestry and Fisheries, accompanied by the Director General Langa Zitha of the Department of Agriculture, Forestry and Fisheries, had an enthusiastic audience of 900 farmers and delegates.

Farmers' interest: Farmers came from all corners of the province, including a delegation from the North-West Province. Continued interest has been visibly demonstrated months after the event, and key livestock farming areas in the East Cape want the NAMC to replicate its programmes. The organisation is thus very active in funding initiatives so that it can continue creating an active platform of informed livestock markets for small-scale farmers.

District Municipalities: As a key stakeholder in local economic activities, this government sphere is a vital partner in ground-breaking programmes like these. Amathole District Municipality has not only funded the construction of auction pens, it has approached the NAMC for it to be a partner and help the municipality achieve its mandate of rural development. Targets are set for MOUs and combined programmes of action to be developed. Mbashe Local Municipality has already commissioned more than R200 000 in setting up a Custom Feeding Programme (CFP) site at Fort Malan.

DAFF's role and funding prospects: Following the event, the organisation is engaged in active engagements with its mother body for the replication of the NRMDP throughout the country. The NAMC envisages that the

NRMDP will eventually be one of the national programmes that actively contribute to the war against poverty and improved food security.

Interest from other role players: Fort Cox was the host of one of the CFPs and the event gained considerable interest – Innovate Eastern Cape, Technology Innovative Agency (TIA) under CSIR offered a course to pioneer a Nguni Embryo Transfer programme in the Eastern Cape. A bio-gas programme fuelled by cow dung is in the process of being implemented at the college. The King Sandile Development Trust has recently requested to be assisted in developing a comprehensive programme across the AmaRharhabe Kingdom.

Auctions

One of the other initiatives of the NAMC is to increase farmers' income through livestock auctions. Farmers are afforded to bring their cattle to Loverstwiist and Seymour, which hold bi-monthly auctions whilst the auction pens at Fort Cox, Sheshegu, Keiskammahoek and Thamarha hold them quarterly.

In cases where the presented livestock is less than 40 animals, the respective auction is turned into a buyers' day – each animal owner negotiates a suitable price with the buyer. A collective of 408 animals were sold through these auction pens, generating an income of R1 468 800 into these rural economies. The auctions continue being a vital livestock marketing channel for NRMDP, with this year having surpassed all livestock sales since the programme was launched in 2005. In December 2011 and January 2012, a total of 226 cattle were sold at the Seymour Auction pen, generating a gross income of about R926 600. For the year this pen sold 676 head of cattle and grossed R2 568 800. In November 2011 and January 2012, 206 and 290 animals respectively were sold at the Loverstwiist auction pen, generating R1 263 950 and R1 354 500 into the Ngqushwa locality. For the 2011/12 livestock season, this auction pen, colloquially referred to as the "Bedford of the developing sector", has sold 894 cattle, generating R3 540 240 into the Ngqushwa local economy. In total, a gross income of R7 577 840 has been injected into the NRMDP activity areas of the Eastern Cape, with 1 978 cattle going through the formal markets.

The CFP has been increased with additional programme in the Intsikayethu Local Municipality (Tsono and Cofimvaba), thus the NRMDP operates 3 active CFPs. It is very pleasing to report that the local office of Rural Development and Agrarian Reform has bought 35 tons of feed (R126 000) for the next intake. Collectively, 70 animals (Fort Cox 30, Mt Frere 20 and Ncorha 20) have just completed the target 120 day period and are due for disposal.

Agribusiness Development Division

Introduction

During the 2011/12 financial year, the NAMC continued collaborating with institutions in the public and private sectors in designing programmes that were aimed at increasing market access, encouraging new business development and capacitating historically disadvantaged enterprises in the agricultural sector.

When developing its programmes that target emerging producers, the NAMC was guided by one of the four MAP Act objectives in addition to other various government policies. The MAP Act objective that guided the agribusiness development of the NAMC is increasing market access for all market participants.

Some of the highlights of the NAMC's agribusiness development division for the 2011/12 financial year are presented below.

Development Schemes

The NAMC continued designing and facilitating the implementation of the development schemes with both private and public institutions. The schemes were designed and implemented to uplift black producers in the agricultural sector and to encourage their integration into the commercial mainstream.

During the year under review, the following were achieved:

- **Vineyard Development Scheme**

The NAMC continued facilitating the implementation of the Vineyard Development Scheme in the Northern Cape Province in collaboration with the Department of Agriculture, Land Reform and Rural Development of the Northern Cape, WineTech and OVK Cellars. The Vineyard Scheme was designed to integrate the emerging producers into the commercial mainstream of the wine. The scheme is meant to benefit the emerging producers in the Northern Cape. One of the participating stakeholders, the wine cellars, is procuring products from the emerging producers.

During the year under review, the focus was on the implementation of the scheme. There were milestones worth reporting during the year under review. The NAMC together with its partners held quarterly meetings to ensure smooth operation of the

projects identified under this scheme. To date, there are eight projects that are being supported under this scheme. The projects have 64 beneficiaries and two Trusts comprising of 466 beneficiaries. During the 2011/12 financial year, approximately R6.4 million from the provincial Department of Agriculture was spent on the project for infrastructure and production inputs. A five-year strategic implementation plan to develop 500 ha of vine grapes was developed.

- **Grain and Oilseeds Scheme**

The NAMC initially identified 27 emerging producers to participate in the sorghum scheme in the North West Province. However, due to the delay in the processing of loan applications for the sorghum scheme, the NAMC and Land Bank replaced sorghum with sunflower production for the Unitrade 826 (Pty) Ltd market. The scheme is implemented in the North West Province, where 9 emerging producers have planted sunflower on 1 200 ha. The producers received a combined loan of R5 million from the Land Bank to produce sunflower seed under an off-take agreement from Unitrade 826. The other producers could not meet the bank's requirements, but efforts are being made to include them during the next planting season.

- **Groundnuts Development Scheme**

The NAMC and the Mpumalanga Department of Agriculture and Land Administration have agreed to collaborate on the design of a groundnuts development scheme which will be implemented in the three districts of the Mpumalanga Province. The scheme is targeting over 100 producers on 2 000 ha of land. The market for the commodity is already being secured. During the year under review, the NAMC developed a framework document that will inform the business plan development. A working committee for the scheme has been constituted and will finalise the business plan during the next financial year.

Training

During the year under review, a total of 225 emerging producers were supported to attend different training courses. One of the training courses is tailor-made for women entrepreneurs. Below are the different training courses attended by the producers:

- **AgriBiz Training for Women Entrepreneurs**

The NAMC hosted an annual three-day training course for 32 women entrepreneurs from the 17-20 May 2011 in Stellenbosch. This is the NAMC annual training course with the aim of capacitating women entrepreneurs with marketing, financial and strategic management training skills. The NAMC collaborated with DAFF in facilitating the training course, and the Land Bank and South African Women Entrepreneur Network (SAWEN) provided some financial support.

- **Making Markets Matter Workshop**

The NAMC, in collaboration with its industry partners and other government agencies, supported 20 producers to participate at the annual Making Markets Matter Workshop in the Western Cape from the 11th to 15th May 2010. The NAMC collaborated with Agri MEGA Empowerment Solutions, Hortgro, South African Pork Producers' Organisation and Mpumalanga Economic Growth Agency to financially support the emerging producers to attend the training workshop. The Making Markets Matter Workshop is an intensive multi-day business development training workshop that prepares black agribusinesses from all over the African continent to meet the ever-increasing demands of today's global agro-food system. The workshop featured world-class facilitators who offered training on access to business development services, management training, marketing strategies and financial analysis. Agribusinesses from other African countries participated in the workshop

Collaboration with Agricultural Colleges

The NAMC established a relationship with Agricultural Colleges and other stakeholders to streamline efforts and strategically collaborate in the capacity building and training programmes. The collaboration includes among other things sharing human and financial resources, and conference centres for a given training programme. During the period under review, the NAMC in collaboration with its partners facilitated the following training programmes aimed at capacitating emerging producers

- **Fort Cox College**

Sixteen (16) fruit growers attended the course which was facilitated by Perishable Product Export Control Board (PPECB). The objective of the

training course was to equip fruit growers that are exporting through agents and those with potential to export with the necessary knowledge on food quality and safety standards in order to comply with the importing countries' procurement requirements. Over and above that, the course aimed to help them understand the logistics and activities along the chain from the farm gate until the fruit is in the hands of the consumer. The topics that were discussed during the workshop included but were not limited to basic rules for perishable produce, basic food safety principles, traceability, market requirements, sampling procedure, inspection, quality requirement, EU risk management system, pack house responsibilities, phytosanitary inspection, export legislation, transportation, handling facilities, containers, storage and loading, etc.

- **Madzivhandila Agricultural College**

Fifteen (15) emerging producers from Limpopo Province were capacitated on GlobalGap issues. The training was facilitated by PPECB, and Madzivhandila College provided the logistics. The objective of the workshop was to introduce farmers in fruit production to the importance and technicalities of GlobalGap.

- **Glen College**

Sixty-nine (69) producers from around the Free State Province were capacitated during this collaboration. The producers were trained on marketing concepts in the following sub-sectors: beef, potato, wool, sheep and other fields of production. The objective of the marketing course was to capacitate the emerging farmers with marketing skills in their field of production.

- **Mpumalanga FET**

Fifteen (15) producers from the Mzinti College in Mpumalanga Province were capacitated on financial management course. The workshop was a collaboration between the NAMC, Mzinti College and Buhle Farmers' Academy. The purpose of the training programme was to equip the farmers with skills of managing their business finances in future. The course focused on practical sessions on compiling budgets, cash flow, enterprise budgets and bookkeeping.

- **Groundnuts Training**

The NAMC collaborated with the Mpumalanga Department of Agriculture to conduct a training programme for groundnut producers in the Mpumalanga Province. The objective of the workshop was to capacitate the growers on mechanisms/practices that can be used to improve the quality of the nuts as one of the requirements of the market. The workshop was facilitated by PPECB and was held from the 27 February - 6 March 2012. A total of 103 growers attended the workshop in four training venues in the province, i.e. Kwamhlanga, Malelane, Thulamahashe and Nelspruit.

Export Promotion

During the 2011/12 financial year, the NAMC continued supporting emerging producers with their endeavours to export their products. During the year under review, the NAMC collaborated with some of the industry associations and exporters of fruits to support the producers. Under the export promotion programme, the following achievements are noted.

- **SADC Supply Chain Logistics Programme (SCLP)**

The International Trade Centre-SCLP is a project that is designed to assist the SADC agro-industry in overcoming their challenges by transferring European know-how in designing and implementing reliable and sustainable supply chain systems to African partners in the SADC region. The NAMC was appointed as a project management unit to facilitate

the implementation of the programme in South Africa. The project is funded by the Flemish government and assists the emerging producers of Fresh Fruits and Vegetables (FFV) in accessing international markets, particularly in the European Union.

During the financial year under review, the NAMC collaborated with other stakeholders including the Department of Agriculture in the Western Cape to support producers identified to participate in this programme in the Western Cape. The programme will officially end in September 2012. There were producers who were supported to supply the export market for the first time in their farming careers. Others were supported to supply local supermarkets.

- **Collaboration with Exporters**

During the year under review, the NAMC strategically collaborated with exporters to assist emerging producers with their endeavours to export. Fifteen (15) land reform projects with an average of 20 beneficiaries were identified for support. The NAMC in collaboration with its partners conducted a diagnostic analysis of the enterprises to identify areas of intervention for the producers to export their products. The NAMC signed four (4) strategic agreements with exporters and industry associations. The collaboration will continue in the next financial year.



Finance and Administration Division

Introduction

The purpose of this division is to provide strategic leadership and direction on matters of financial performance and to monitor compliance with the PFMA and the Treasury regulations.

Strategic reviews and compliance with strategic objectives

Monthly and quarterly reviews of programme expenditure against budget were conducted and the processes

contributed to the regular strategic reviews to ensure adherence to the strategic plan.

Budget submission for the Medium Term Expenditure Framework (MTEF) period 2012/13–2014/15 was compiled and submitted to National Treasury. In addition to the NAMC's current activities, the entity had planned to pursue the options stated below and additional funding was requested as follows:

Division	Options	2012/13	2013/14	2014/15
Finance and Administration	Information Technology	R1 558 527	R1 064 348	R1 127 648
Human Resources	Additional Personnel	R3 530 000	R3 724 150	R3 910 358
Agribusiness Development	Developing emerging producers supply value chain programme	R1 800 000	R1 100 000	R750 000
Markets and Economic Research Centre (MERC)	1. Expanding agri-benchmark	R1 876 080	R1 545 478	R1 529 150
	2. Investigation into selected value chains	R495 340	R777 990	R305 433
	3. Free Trade Agreement with India	R362 940	R253 320	-
Agricultural Trusts	National Red Meat Development Programme	R4 132 000	R5 284 000	R6 436 000
Total		R13 754 887	R13 749 286	R14 058 589

The NAMC was invited for MTEF hearings and additional funding of R1 million, R1,050 million and R1,100 million was allocated for Improvement of Information Technology. The budget allocated to the NAMC was reduced by R175 000, and R220 000 for the MTEF period 2013/14–2014/15 respectively. The challenge of inadequate budget allocation continues to exist as the entity is unable to deal adequately with some of its mandated activities.

Supply Chain Management

The division renders supply management services to the entity, and is responsible for the following: Demand and Acquisition, Logistic Management, Disposal Management and regular assessment of supply chain performance.

Compliance with legislation and regulations in terms of reporting has been achieved. Invitations were published for new service providers to register on the NAMC's data base, and 400 new service providers were added to the database.

For the period under review, the entity did not acquire any goods and services through competitive bidding processes.

Asset management

The entity conducted asset verifications on a quarterly basis, which resulted in the disposal of obsolete computer equipment with a book value of R23 658.16. This computer equipment was donated to the Department of Education as per Treasury Regulation Para. 16A 7.7.

2 computer sets with a book value of R11 164.10 were stolen and the proceeds from insurance were received.

For the period under review, the entity reviewed the useful life of assets after assessing the condition, type of assets and their remaining useful life.

Information Technology

The Information Technology (IT) functions have been outsourced to CJN IT Solutions, which provide

professional services with regard to IT on a daily basis. The contract expired in January and was extended for another 3 months.

During the financial year, the NAMC requested the assistance in terms of IT personnel from the Department of Agriculture, Forestry and Fisheries (DAFF). The request was approved and DAFF IT personnel have assisted the NAMC in developing IT policies and an IT strategy.

For the period under review, the IT Steering Committee continued to function and had to look at ensuring that the Information Technology Strategy and policies are developed and at the improvement of the IT system within the entity.

Risk assessment and management

The Finance and Administration Division recognises the importance of risk management in ensuring that its objectives are achieved, The Finance and Administration risk register and controls to mitigate the risks were reviewed.

Functioning audit committee

The NAMC's Audit Committee continues to function and met five times during the period under review.



Human Resources Management Division

Introduction

The current HR Mission emphasises the 'Right' principle – “The right people in the right place, with the right skills, doing the right things, being paid at the right price”.

Whilst not negating the importance of the 'Right' principle, the HR's mission was defined to be in line with its new strategic agenda. The following mission statement is therefore suggested: “HR will ensure that NAMC is a preferred employer of professional and specialised skills in the Agriculture sector of South Africa”

Corporate Governance

The Human Resources & Remuneration Committee

The role of the Human Resources & Remuneration Committee (HR&RC) is to ensure that the Human Resources Strategy, Plan, Policies and Procedures are in line with best practices.

The Human Resources & Remuneration Committee Meetings

A total of five meetings were held during the financial year to deliberate on human re-sources issues such as Performance Management, Learning and Development, Employee Relations, Human Resources Policies & Procedures, Recruitment & Selection and Organisational Structure.

During the financial year, the HR&RC approved the following human resources policies: Employee Wellness Strategy, Occupational Health & Safety Policy, Administration of Funeral Policy and the Farewell Policy. Employee benefits and the creation of new positions on the NAMC organogram were also facilitated. These matters were tabled at Council Committee meetings and formed part of the Human Resources quarterly reports.

Human Resources Risks

The Human Resources division recognises the importance of integrated risk management and, in partnership with the Compliance division; HR risks were regularly updated and monitored. There has been vast improvement in putting controls in place to mitigate risk factors.

Human Resources Internal Audits

Human Resources were audited on the following: Recruitment, Performance Management, Training, Employee Wellness, Organogram and Payroll, Employees' Records and Leave Management. The HR also conducted audits to ensure that all personnel files meet the standards in terms of addressing the personal files, qualifications verification, as well as leave administration. The performance management system and the Employee Self Service Systems that manages leave utilization were monitored.

Recruitment & Selection

The advertising of positions and the receipt of employment applications was facilitated by Human Resources. All vacant funded positions were advertised. Quality assurance on the selection process was monitored to ensure compliance with the Labour Relations Act and the Recruitment & Selection Policy. Applications were received and screened in response to seven positions posted by the NAMC in 2011.

A structured interview system was used to ask a series of predetermined job-related questions. A set scale of 1 for poor, 2 for marginal, 3 for acceptable, 4 for above average and 5 for outstanding was implemented. Reference checks were conducted to verify the candidates' qualifications. The interviews were conducted, resulting in the hiring of seven employees. Of those seven hired, three are on contract and four are permanent employees.

See Table A: Recruitment.

“The right people in the right place, with the right skills, doing the right things, being paid at the right price”.

Table A: Recruitment

Job category	Recruitment period April 2011– March 2012				
	Historical background				
	White Female	White Male	Black Female	Black Male	TOTAL
Trust Officer	0	0	1	0	1
Communications Officer	0	1	0	0	1
Support staff	0	0	2	0	2
Contract workers	0	0	1	2	3
Total	0	1	4	2	7

Induction Process

The induction programme was facilitated by HR so that new recruits can become effective workers as soon as possible. The process took place over a number of days and each task was explained, and then the inductees were left for a short while to practise. Following this, the inductees were advised to return to clarify progress, check misunderstandings and then start the next induction in a different division. The programme has yielded positive results as the new employees were able to adjust to the new environment and have a good understanding of NAMC policies and procedures.

Probation

Six employees were offered permanent employment after completion of the six-month probation period. Before recommendation for permanent employment, line managers were requested to evaluate the employees. The six employees were regarded as competent and approved for permanent employment.

Exit Interviews

A more rigorous exit interview process was introduced to increase the quantity and quality of information obtained from leavers. An exit interview was conducted in an effort to gain information so that Human Resources can improve working conditions. The process included an interview questionnaire and employees indicated by rating factors influencing their decision to leave the NAMC, on a scale of 1-5. Two employees resigned to pursue careers in the private sector.

Terminations

At the beginning of the financial year NAMC had a staff compliment of forty one (41) employees. During the financial year seven employees were appointed and five terminated their employment contracts. Of these, there were three resignations, one dismissal after a process of a disciplinary hearing, and one employee's contract was not renewed. The turnover rate was 10.4% during the financial year 2011 - 2012.

See Table B Terminations



Table B: Terminations

Job category	Terminations period April 2011– March 2012				
	Historical background				
	White Female	White Male	Black Female	Black Male	TOTAL
Senior Researcher	0	0	0	1	1
Economist	1	0	0	0	1
Finance Clerk	1	0	0	0	1
Contracts	0	0	1	1	2
TOTAL	2	0	1	2	5

Employment Equity

NAMC has a staff complement of (48) forty- eight employees. The employment equity report was submitted to the Department of Labour. The breakdown is as follows; eighteen (18) males African, fifteen (15) female Africans, four males white and eleven (11) female white. The percentage of women is currently 52% of which 4% constitutes women in management and 48% male of which 13% is comprised of male in management . The NAMC however is still battling to attract Indians and Coloureds.

See Table C: Employment Equity.

Table C: Employment Equity

Job category	Employee demographics by occupational level as from April 2011 - March 2012					
	White Female	White Male	Black Female	Black Male	%	TOTAL
CEO and Senior Managers	0	2	2	5	19%	9
Senior Researchers	0	1	0	2	6%	3
Senior Economist	5	0	1	3	19%	9
Economist	1	1	3	5	21%	10
Non- core staff	5	0	8	4	35%	17
TOTAL	11	4	14	19	48	48

Disability

According to the report on equity disability in the SA Public Services, the Public Service sets a benchmark of 2% for disability. Despite the national challenge of employing people with disabilities, the NAMC prides itself in achieving targets above the national norm. The current rate for disability within NAMC is 2.08%.

Age Profile

The NAMC age profile is made up as follows: less than 30 years (33.33%) between 30 – 39 years (25%) between 40 – 49 years (31.25%) over 50 years (6.25%) and has 4.16% of staff that are about to retire. Of the 4.16% these follow under non - core staff. **See Table D: Age Profile**

Table D: Age Profile

Job category	Actual Number	Percentage
20 – 29 years	16	33.33%
30 – 39 years	12	25%
40 – 49 years	15	31.25%
50 – 59 years	3	6.26%
Over 60 years	2	4.16%
TOTAL	48	100%

Learning and Development

The Training and Development aims to provide a range of developmental opportunities to support all NAMC staff in their organisational, leadership and personal developmental needs. The HR conducted training needs taken from the operational plan. The training and development was provided in order to increase job satisfaction and to reduce employee turnover. Various courses were provided and, 35% of employees attended the training on different courses. As part of the skill development NAMC was registered under the Agricultural SETA and HR will be able to claim the training funds.

Workshops

A workshop on Disciplinary Hearings was offered to senior and middle managers of which 19% of employees participated. The workshop assisted both managers and supervisors to have a broader understanding on how to conduct disciplinary hearings as well as understanding the Disciplinary Code and Procedures.

Leadership Programme

In line with the NAMC developmental plans, 37.5% of employees were offered bursaries to pursue their studies mostly in the Agricultural fraternity as well as Leadership management.

The leadership programme, which was attended by three employees, has benefited the NAMC, as employees who attended were able to transfer these skills to the work environment. Two employees graduated from the University of Stellenbosch: Executive Developmental Programme and Senior Developmental Programme.

See Table E1: Leadership Development Programme and Table E2: Training and Development

Internship Programme

The Internship programme continues to operate very successfully, with applicants far exceeding placements. Two internships were appointed under the National Red Meat Project and one in the Statutory Measures Division. The interns have continued to demonstrate their strong commitment to learn. Due to budget constraints, the internship in the Markets & Economic Research Centre (MERC) was not appointed.

Table E1: Leadership Development Programme

Course	Name	Surname
Masters in Business Leadership	Ronald	Ramabulana
Executive Development Programme	Virginia	Nkobi
Management Development Programme	Tshepiso	Maphatane
Senior Management Development Programme	Bonani	Nyhodo

Table E2: Training and Development

Course	Name	Surname
Office Management	Mahlogonolo	Lediga
Office Management	Mashudu	Siobo
B: Com Human Resources Management	Elizabeth	Mokate
Labour Relation	Tshilidzi	Netswinganani
B: Com Economics	Phistos	Mashamaite
Chartered Accountant	Sarah	Muvhulawa
Bachelor of Arts in Communication Science	Mahlogonolo	Lediga
Honours In Industrial and Organizational Psychology	Tshilidzi	Netswinganani
Honours Programme in Development, Theory and Policy	Lindikaya	Myeki
Masters in Agricultural Economics	Sydwell	Lekgau
Financial Management	Tshepiso	Khati
Masters in Agricultural Economics	Precious	Nengwekhulu
Honours in Communication Science	Stephen	Monamodi
Business Administration	Julia	Faku
Performance and Initiating Disciplinary Hearing	Schalk	Burger
Performance and Initiating Disciplinary Hearing	Zamikhaya	Xalisa
Performance and Initiating Disciplinary Hearing	Happy	Mohane
Performance and Initiating Disciplinary Hearing	Sarah	Muvhulawa
Performance and Initiating Disciplinary Hearing	Tshepiso	Maphatane
Performance and Initiating Disciplinary Hearing	Bonani	Nyhodo
Performance and Initiating Disciplinary Hearing	Lizette	Mellet
Performance and Initiating Disciplinary Hearing	Tshilidzi	Netswinganani
Econometrics for the Practitioners	Sydwell	Lekgau
Econometrics for the Practitioners, Project Management	Frederika	Veywer
Econometrics for the Practitioners	Lindkhaya	Myeki
Corporate Cleaning Programmes	Monica	Leshika
Microsoft Powerpoint	Mamotsei	Ledwaba

Performance Management

The NAMC strives to continuously improve performance by strongly differentiating between excellent and poor performance, whilst providing a supportive leadership and learning environment. This is in line with the Remuneration Strategy that was adopted by the Council in 2010.

During the 12 month performance cycle, the key performance areas taken from the strategic objectives were planned and implemented at departmental and individual levels.

Three performance evaluations were conducted during the following periods: April – July, August – November and December – March. The final evaluation was done in March 2012. Bonuses were granted for those employees who performed exceptionally well during the financial year. Forty-two (42) employees were eligible for such bonuses, which were implemented in March 2012. Depending on the performance, the bonuses ranged from two months basic salary to six months' salary. The total amount paid was R 2 393 557.50.

Employee Wellness

The Employee Wellness Programme (EWP) is designed to help employees to recognise and overcome personal problems that are interfering with their work performance. The Wellness Strategy that talks to the integration of wellness plan was approved by Council in 2011.

The Employee Wellness Plan was linked to the NAMC's strategic goals and values.

The EWP Committee, of which HR is part, was established to drive the programme. The EWP Committee developed a wellness plan for 2011 – 2012 and established the vision, mission and objectives of the committee. The committee was responsive to staff needs, and was responsible for managing NAMC's health promotion efforts. The HR facilitated the implementation of the EWP and ensured that management and staff understood the concept, and fully supports the programme. The programme was also endorsed and supported by MANCOM.

Through this committee, HR implemented and conducted three sessions, namely, Men's Diversity Forum, Women's Diversity Forum and World Aids Day. Through the Wellness Committee, interventions on emotional problems and counselling were facilitated. The NAMC contracted the services of PROCARE as a service provider to offer counselling to employees. The programme was well marketed through Men's and Women's Diversity sessions and an awareness session was conducted to encourage staff to take advantage of it. This has assisted in reducing employee turnover and absenteeism.

HIV/AIDS Commemoration

The NAMC employees commemorated World Aids Day on the 2 December 2011 at Leratong Hospice. The NAMC's role as enshrined in our Wellness plan was to



rally behind the World Aids initiatives by committing a few hours to provide moral and physical support to those infected by the disease and to learn more about diseases such as HIV/AIDS and cancer. The NAMC staff also contributed to buying of parcels for the Leratong Hospice in Attridgeville.

Employee Relations

Grievances

There were no grievances lodged during the period.

Disciplinary hearing

One employee was charge for misconduct as per the NAMC Conditions of Employment, for accepting employment with another institute while in the employment of NAMC.

The disciplinary hearing was held on the 19th of July 2011 at the Tokiso Dispute Settlement offices. The chairperson recommended a sanction of summary dismissal which was accepted by the NAMC. The employee was dismissed on the 22nd of July 2011 as recommended by the chairperson and was removed from the NAMC payroll.

HR Policies

During the financial year the following Human Resources Policies were approved by Council Committee: The Employee Wellness Strategy, Occupational Health and Safety Policy, Administration of Funeral and Farewell Policy. The Bursary Policy was developed and pending approval. This has helped to standardise and synchronise administration practices.

Leave

In terms of the Leave Policy, the human resources monitored both the utilisation of annual and sick leave. All leave forms were recorded on a monthly basis and employees adhered to the leave policy.

Human Resources Administration

Occupational Health and Safety

The Occupational Health Service supports employees and managers in achieving a healthy, productive and effective workplace. The Occupational Health & Safety Committee was established to oversee and to make recommendations to the employer on matters affecting health and safety within the NAMC.

Injury, Illness and Death

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

Employee Self Service (ESS)

The Employee Self Service system which manages leave was monitored. Through this system employees were able to apply for leave as well as to update personal information.

The VIP payroll system was also introduced and implemented and HR can view the information such as employee attendance. The system does statutory deductions and these are updated on a regular basis to ensure compliance. The HR Premier system was not implemented due to lack of funds.

Employee Recognition

In November 2011, a function was held to recognise employees who have contributed to the vision and mission of NAMC. At this function, staff were awarded with certificates for the best team work, best customer service and other hosts of achievements were recognised.

Long Service recognises employees who have reached employment milestones of ten, twenty and thirty years with the NAMC. As per the Recognition of Long Service Policy, one employee completed twenty years of long service and was awarded a cash payment of R10,000.

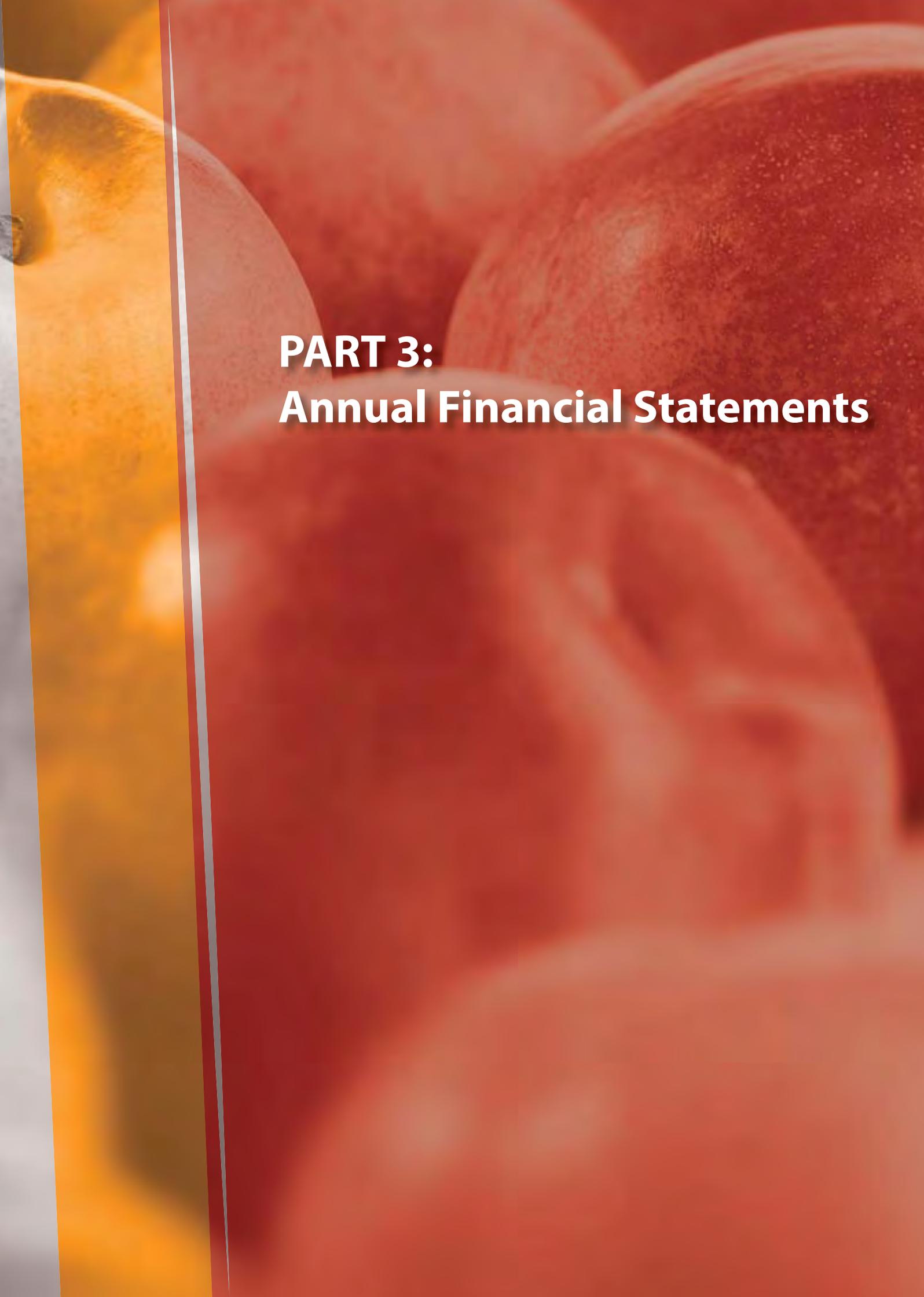
Year-End Function

NAMC annually organises a staff function party every November. It is intertwined with appreciating all the efforts given by employees in ensuring that the NAMC becomes effective in delivering its mandate. This venture is necessary as it forms part of adhering to our core values which includes personal respect and equal treatment.

Service Benefits

Multinet Life Brokers (Pty) Ltd are the appointed Employee Benefits Consultants to administer NAMC service benefits. As per the Conditions of Employment, the NAMC has four stand-alone Group Risk Benefit Schemes, namely, the Group Life Scheme for death cover, the Group Income Continuation Scheme for disability cover; Funeral Cover and the Provident Fund.





PART 3:
Annual Financial Statements

PART 3:

Annual Financial Statements

CONTENTS

	Page
Report of the Auditor-General	65
Report of the Audit Committee	67
Report of the Chief Executive Officer	69-73
Statement of Responsibility	74
Statement of Financial Performance	75
Statement of Financial Position	76
Statement of Changes in Net Assets	77
Cash Flow Statement	78
Accounting Policies	79-85
Notes to the Annual Financial Statements	86-103

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE NATIONAL AGRICULTURAL MARKETING COUNCIL

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the National Agricultural Marketing Council set out on pages 75 to 103, which comprise, the statement of financial position as at 31 March 2012, the statement of financial performance, statement of changes in net assets and the cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting authority's responsibility for the financial statements

2. The accounting authority is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South, 1999 (Act no 1 of 1999) (PFMA) , and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the *General Notice* issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the National Agricultural Marketing Council as at 31 March 2012, and its financial performance and cash flows for the year then ended in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE NATIONAL AGRICULTURAL MARKETING COUNCIL

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

7. In accordance with the PAA and the General Notice issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion

Predetermined objectives

8. I performed procedures to obtain evidence about the usefulness and reliability of the information in the report on predetermined objectives as set out on pages 18 to 28 of the annual report.
9. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the report on predetermined objectives relates to whether it is presented in accordance with the National Treasury annual reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the *National Treasury Framework for managing programme performance information*.
10. The reliability of the information in respect of the selected objectives is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).
11. There were no material findings on the report on predetermined objectives concerning the usefulness and reliability of the information.

Compliance with laws and regulations

12. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. I did not identify any instances of material non-compliance with specific matters in key applicable laws and regulations as set out in the General Notice issued in terms of the PAA.

INTERNAL CONTROL

13. I considered internal control relevant to my audit of the financial statements, report on predetermined objectives and compliance with laws and regulations. I did not identify any deficiencies in internal control which we considered sufficiently significant for inclusion in this report.

Auditor General

Auditor General

Pretoria

31 July 2012



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

REPORT OF THE AUDIT COMMITTEE

Required by Treasury Regulations 27.1.7 and 27.1.10 (b) and (c) issued in terms of the Public Finance Management Act 1 of 1999, as amended by Act 29 of 1999

We are pleased to present our report for the financial year ended 31 March 2012.

Audit Committee Members and Attendance

The audit committee consists of the members listed hereunder and meets four times per annum as per its approved terms of reference. During the current year, five (5) meetings were held.

No	Name	Role	Number of meetings Attended
1	Mr PK Slack	Chairperson Independent member	5 out of 5
2	Mrs M Moja	Independent member	5 out of 5
3	Mr RL Matlou	Independent member	4 out of 5
4	Dr LL Magingxa	Council member (appointed - October 2011)	0 out of 1
5	Mr SC Symington	Council member (appointed - October 2011)	0 out of 1
6	Mrs MM Gill	Council member (Transferred to the Human and Resources & Remuneration Committee)	4 out of 4
7	Prof J Kirsten	Council member (Council Term expired) - November	2 out of 4

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 51(1) (a) of the PFMA and Treasury Regulations 27.1.

The Audit Committee further reports that it has adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The effectiveness of internal control

The system of internal controls is designed to provide assurance that assets are safeguarded and that liabilities and working capital are efficiently managed. In line with the PFMA and good practices on Corporate Governance requirements, Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes.

From the various reports of the Internal Auditors, the Audit Report on the Annual Financial Statements, the management letter of the Auditor-General South Africa, it was noted that no significant or material non-compliance with prescribed policies and procedures have been reported. Accordingly, we can report that the systems of internal control for the period under review were effective and efficient.

- **The quality of in-year management and quarterly reports submitted in terms of the PFMA.**
- The Audit Committee has noted and is satisfied with the content and quality of the quarterly reports prepared and issued by the Accounting Officer during the year under review. Suggestions were made and implemented to improve deficiencies on the reports.

REPORT OF THE AUDIT COMMITTEE

Required by Treasury Regulations 27.1.7 and 27.1.10 (b) and (c) issued in terms of the Public Finance Management Act 1 of 1999, as amended by Act 29 of 1999

Evaluation of Annual Financial Statements

The Audit Committee has:

- Reviewed and discussed the audited Annual Financial Statements to be included in the annual report with the Auditor-General;
- Reviewed the Auditor-General's management letter and management's response thereto;
- Reviewed the accounting policies and practices; and
- Reviewed the Annual Financial Statements prior and post audit and there were no material adjustments made to the financial statement resulting from the audit.

The Audit Committee concurs and accepts the Auditor-General of South Africa's conclusions on the Annual Financial Statements and is of the opinion that the audited Annual Financial Statements be accepted and read together with the report from Auditor-General, South Africa.



.....
Mr. P Slack, Chairperson of the Audit Committee

Date: 31 July 2012

REPORT OF THE CHIEF EXECUTIVE OFFICER FOR THE YEAR ENDED 31 MARCH 2012

1. General review of the business and operations

The report of the Accounting Authority forms part of the annual financial statements of the National Agricultural Marketing Council (NAMC) for the year ended 31 March 2012.

The Chief Executive Officer presents his report for the year ended 31 March 2012.

Spending trends 2008/09 -2011/12 as per Standard items:

Expenditure Categories	Actual Expenditure			
	R'000	R'000	R'000	R'000
	2008/09	2009/10	2010/11	2011/12
Personnel	11,610	15,125	20,917	22,848
Operating	3,526	3,602	3,302	4,050
Rental: Office space	791	773	939	944
Research, workshops & investigations	5,426	7,579	5,899	5,238
Other administrative	3,394	3,049	3,608	3,505
Total	24,747	30,128	34,665	36,585
Baseline allocation	22,459	28,360	31,194	36,049
Donor funds (Conditional)	1,902	2,007	1,451	555

The table above reflects the expenditure trends for the previous three years, as well as the results of the 2011/12 financial year.

The MTEF baseline allocation for 2011/12 increased by 16% as compared to 2010/11 financial year.

The actual expenditure for 2011/12 is R36,6 million, which includes an amount of R27,000 in respect of the straight-lining of operating leases, depreciation and amortisation on assets amounting to R458,000, leave pay provision amounting to R574,000. As at end of March 2011 the NAMC rolled over an amount of R1,6 million which has been utilised during 2011/12 financial year.

The 9% increase in personnel expenditure resulted from annual salary adjustments.

An increase of 22% on operating expenditure is due to the increase in the number of Section 7 and workgroup investigations where NAMC was involved in the following projects:

- Development of business plan for Job Creation regarding growing cotton in Makhathini Flats;
- Limpopo Food Security programme;
- South African Agricultural Economics professional fellowship;
- Funding proposal for Grain Farmers Development Trusts.

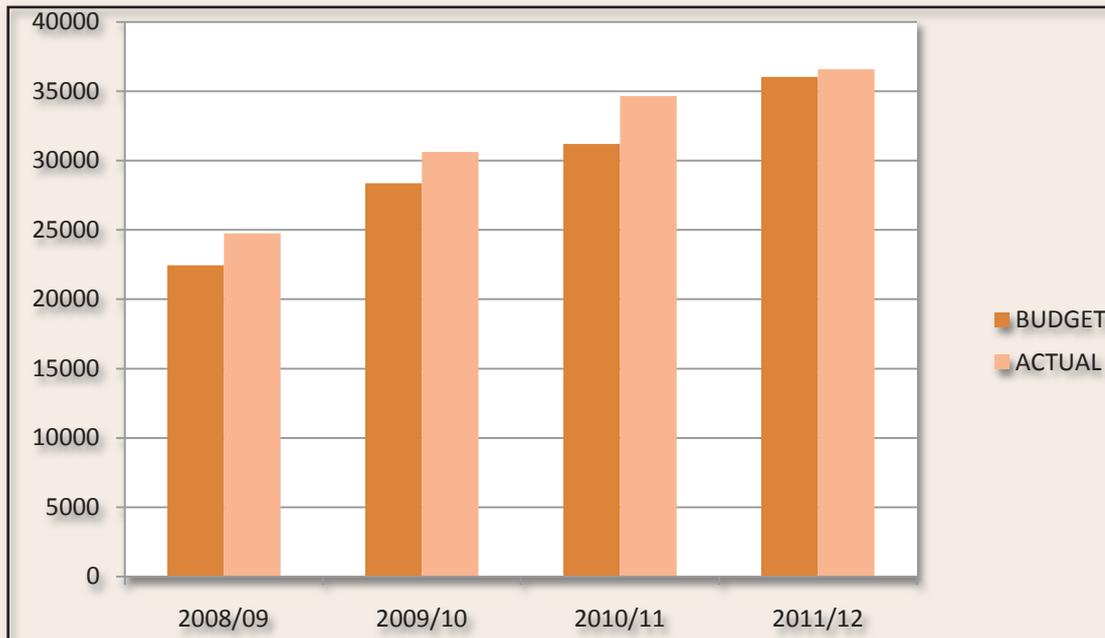
As disclosed in note 6 to the annual financial statements, the rental expense reflects an increase of 0,5% which is a result of the straight-lining of operating leases, the actual escalation rate for operating leases is 10% p.a. refer to note 20 of the annual financial statements.

A decrease of 11% in professional services is as a result of the decrease in budget allocated to the Research projects, Agribusiness Technical Assistance and National Red Meat Project in 2011/12.

A 3% decrease in administrative expenditure is mainly due to a decrease on audit fees charged by both External and Internal Auditors and a decrease on refreshments and catering expenditure due to a decrease in the number of staff functions held during the period under review, this includes among other things a strategic planning session and Employee Wellness Programme.

REPORT OF THE CHIEF EXECUTIVE OFFICER FOR THE YEAR ENDED 31 MARCH 2012

Budget vs. Actual



The graph illustrates the grant received against the total expenditure for the past 3 years and the current period under review.

2. NAMC Funding: R'000

The NAMC received funding of R 36,049 million from the Department of Agriculture, Forestry and Fisheries during the year under review, whilst other income amounted to R555 and interest generated amounted to R937. Total expenditure amounted to R 36,585 million.

3. Utilisation of donor funds

During the period under review the entity received and utilised donor funding as follows:

a) International Trade Centre: R'000

An amount of R369 was deferred in the statement of financial position during the financial year 2011/12. These funds were received from the International Trade Centre for the coordination and implementation of the work plan of the activities established under Project SAF/17/05A "SADC Supply Chain and Logistic Programme;

As at 31 March 2012 only R338 of this amount had been utilised. The remaining balance of R31 had been rolled over to financial year 2012/13 financial year.

b) Sponsorship: Agribiz Training for Women Entrepreneurs: R'000

An amount of R55 was received from the Land Bank to cater for the tuition, conferencing, certificate award ceremony and After Care Programme for the Agribiz training of Women Entrepreneurs.

A further R23 was received from South African Women Entrepreneur's Network (SAWEN).

As at 31 March 2012 an amount of R78 had been utilised.

c) Sponsorship: USDA Economic Research Services: R'000

Sponsorship funding to the value of R65 was received from the USDA Economic Research Services for the assessment of food systems in South Africa and Mozambique.

As at 31 March 2012 an amount of R65 had been rolled over to the financial year 2012/13.

REPORT OF THE CHIEF EXECUTIVE OFFICER FOR THE YEAR ENDED 31 MARCH 2012

d) Sponsorship Molatek: R'000

An amount of R3 was received from Molatek for the sponsorship of the Beef Cattle Farming Indaba held in October 2011.

As at 31 March 2012 an amount of R3 had been utilised.

e) Sponsorship: Pfizer: R'000

An amount of R5 was received from Pfizer for the sponsorship of the Beef Cattle Farming Indaba held in October 2011.

As at 31 March 2012 an amount of R5 had been utilised.

f) Sponsorship Agricultural Trust workshop: R'000

An amount of R46 was received from the following industries for sponsorship of Agricultural Trust workshop:

- Wool Trust - R10
- Meat Industry - R10
- Maize Trust - R6
- Citrus Industry - R5
- Potato SA - R5
- Cotton SA - R2
- Deciduous Fruit Industry Development Trust - R8

As at 31 March 2012 an amount of R46 had been utilised.

g) Other Income: R'000

An amount of R19 was generated as "Other Income" under the Market and Economic Research Centre and Agricultural Trust division:

- R8 was received from the Food Agriculture Natural Resources Policy Analysis Network (FANRPAN) for competitive advantage.
- R8 for the sale of cattle under the National Red Meat Development Project (NRMDP).
- R3 from Sugar Association of South Africa (SASA).

As at 31 March the amount of R19 was rolled over to the financial year 2012/13

Summary of donor funds and sponsorship received during financial year 2011/12

Name of donor	Amount received
	R'000
International Trade Centre	338
Land bank	55
South African Women Entrepreneur's Network	23
USDA Economic Research Services	65
FANRPAN	8
Molatek	3
Pfizer	5
Wool Trust	10
Meat Industry	10
Maize Trust	6
Citrus Industry	5
Potato SA	5
Cotton SA	3
Deciduous Fruit Industry Development Trust	8
Income from sale of cattle (NRMDP)	8
SASA	3
Total	555

REPORT OF THE CHIEF EXECUTIVE OFFICER FOR THE YEAR ENDED 31 MARCH 2012

4. Events after the reporting date

At the end of financial year 2011/12 the NAMC received an amount of R98,475.00 as sponsorship for Agribenchmark conference, the event took place in June 2012.

5. Materiality framework

In terms of Treasury Regulation 28.2.1, the NAMC had a materiality framework for the year under review. This was used as a basis for reporting losses and irregular, fruitless and wasteful expenditure, as well as for significant transactions envisaged by section 54(2) of the PFMA. Thus it was used as a basis for evaluating the materiality of transactions and to determine the accounting treatment thereof.

6. Going concern

The Accounting Authority has reviewed the financial statements for the period under review, and there is no reason to believe that the entity will not be able to continue its operations in the foreseeable future, based on the forecasts and the approved MTEF allocation by the Department of Agriculture, Forestry & Fisheries. These annual financial statements support the viability of the entity.

7. Annual financial statements

The financial statements have been prepared in accordance with the policies as stated in the annual financial statements, which have been applied consistently in all material respects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), the Treasury Regulations issued in terms of the Act, Statements of Generally Recognised Accounting Practices (GRAP) including any interpretations of such statement issued by the Accounting Standards Board.

To the best of my knowledge, all representations made in the Annual Financial Statements are appropriate and valid.

8. Corporate governance

The NAMC as a public entity confirms its commitment to the principles of transparency, integrity and accountability as stated in the King III Report on Corporate Governance.

In the governance of the NAMC, the council is responsible for policy making and control, while the CEO has been delegated the responsibility of the day to day execution of the policies and objectives as directed by the Council. The members of the Council are appointed by the Minister of Agriculture, Forestry and Fisheries on the basis of their expertise in the field of agriculture, business, financial management and research.

8.1. Governance structures

In order to comply with these principles, the Council has and continues to design and implement appropriate governance structures across the organisation. The Council acknowledges that, for it to set up an effective governance framework, robust governance structures need to be in place. The following Council Committees were functional as at 31 March 2012 their respective terms of reference are outlined in the form of Committee charters:

- Council committee;
- Audit and risk committee;
- Human Resources and Remuneration committee;
- Risk Management committee; and
- IT steering committee.

8.2. The role of governance committees

The Council's committees are charged with certain functions and operate within clearly defined terms of reference and continue to assist the Council Governance function on the following principles:

REPORT OF THE CHIEF EXECUTIVE OFFICER FOR THE YEAR ENDED 31 MARCH 2012

8.2.1 Risk management

The entity recognises the importance of risk management in ensuring that its objectives are achieved. A risk assessment has been undertaken which ensures that risks are appropriately mitigated by designing and implementing appropriate controls.

The risk assessment covers financial, operational, compliance and reputation risks and adherence to good governance principles. A key consideration in the risk assessment is compliance with laws and regulations.

These include the PFMA, any regulations issued in terms of the PFMA, and the Preferential Procurement Policy Framework Act.

The risk management committee continues to function and has met at least four times during the period under review. The Audit & Risk Committee has been assigned to play an oversight role in the enterprise-wide risk management activities.

8.2.2 Internal control

The entity has the ultimate responsibility for establishing a framework for internal controls, including an appropriate procurement and provisioning system. The controls throughout the entity focus on the critical risk areas identified and confirmed by management and assessed by the internal and external auditors.

The controls are designed to provide cost-effective assurance that assets are safeguarded and that the available working capital is managed efficiently, effectively and economically.

Organisational policies, procedures and the delegation of authority provide direction, accountability and division of responsibilities and contain self-monitoring mechanisms. The designed internal controls are closely monitored by both management and internal audit and actions are taken to correct deficiencies identified.

8.2.3. Internal audit

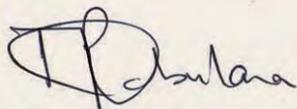
The internal audit function for the entity has been outsourced to Outsourced Risk and Compliance Assessment (Pty) Ltd (ORCA) for a period 2010/11- 2012/13.

In line with the PFMA requirements, the internal auditor's objectives are to provide the audit committee and management with objective assurance that the internal controls are appropriate and effective. This is achieved by means of an objective appraisal and evaluation of the risk management processes, internal controls and governance processes, as well as identifying corrective action and suggested enhancements to the controls and processes.

The internal auditors are fully supported by Management, Council and the Audit and Risk Committee and have full, unrestricted access to all organisational activities, records, property and personnel.

8.2.4 Code of Conduct

The NAMC has code of conduct policy dealing with ethical behaviour in the workplace. Employees are required to maintain high ethical standards and to ensure that NAMC's business practices are conducted in a manner that is above reproach.



Chief Executive Officer
Mr Ronald Ramabulana

STATEMENT OF RESPONSIBILITY

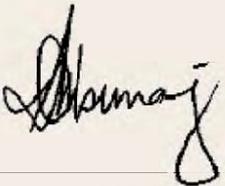
For the year ended 31 March 2012.

The Accounting Authority is responsible for the preparation, integrity and fair presentation of the financial statements of the National Agricultural Marketing Council. The financial statements presented on pages 74 to 104 have been prepared in accordance with the South African Statements of Generally Recognised Accounting Practice (GRAP), including any interpretations, guidelines and directives issued by the Accounting Standards Board, and include amounts based on judgements and estimates made by management. The Accounting Authority also prepared the other information included in the annual report and is responsible for both its accuracy and its consistency with the financial statements.

The going concern basis has been adopted in preparing the financial statements. The Accounting Authority has no reason to believe that the National Agricultural Marketing Council will not be a going concern in the foreseeable future. These financial statements support the viability of the National Agricultural Marketing Council.

The financial statements have been audited by the Office of the Auditor-General, who was given unrestricted access to all financial records and related data, including minutes of meetings of the Management Committee. The Accounting Authority believes that all representations made to the auditors during audit are valid and appropriate.

The audit report of the Auditor-General is presented on page 65. The financial statements were approved and signed by the Accounting Authority on 29 May 2012.



Mrs Ntombi Msimang
Chairperson of the Council

STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 31 March 2012.

		2012	2011
	Notes	R'000	R'000
Revenue		37,541	33,667
Non-exchange revenue	2	36,604	32,645
Exchange revenue	3	937	1,022
Expenses		36,577	34,683
Administrative expenses	4	2,999	3,070
Personnel expenditure	5, 9 & 10	22,848	20,917
Operating expenses	6	10,232	10,140
Depreciation and amortisation & Impairment	7	458	532
Finance cost	8	40	24
Profit/(loss) on disposal of fixed assets		(8)	18
Surplus/(deficit) for the year	30	956	(998)

STATEMENT OF FINANCIAL POSITION

as at 31 March 2012.

		2012	2011
	Notes	R'000	R'000
ASSETS			
Non-current assets		1,500	1,458
Property, plant and equipment	11	1,319	1,343
Intangible assets	12	181	115
Current assets		2,619	1,906
Inventory	13	55	38
Receivables	14	662	262
Cash and cash equivalents	15	1,902	1,606
Total assets		4,119	3,364
LIABILITIES			
Non-current liabilities		66	65
Finance lease liability	16	66	65
Current liabilities		1,555	1,757
Payables	17	1,000	988
Operating lease liability	20	155	182
Finance lease liability	16	108	56
Deferred revenue	18	292	531
Total liabilities		1,621	1,822
Total net assets		2,498	1,542
NET ASSETS			
Reserves			
Accumulated surplus		2,498	1,542
Net assets		2,498	1,542

STATEMENT OF CHANGES IN NET ASSETS

For the year ended 31 March 2012.

	Notes	Accumulated surplus R'000
Balance at 1 April 2010		2,540
Deficit for the year		(998)
Balance at 1 April 2011		1,542
Surplus for the year		956
Balance at 31 March 2012		2,498

CASH FLOW STATEMENT

For the year ended 31 March 2012.

		2012	2011
	Notes	R'000	R'000
Cash flow from operating activities			
Cash receipts		36,604	32,645
Grants and transfers		36,049	31,194
Other receipts		555	1,451
Cash paid to suppliers and employees		(36,702)	(35,508)
Employee costs		(22,794)	(20,633)
Suppliers		(13,908)	(14,875)
Cash generated from operations	19	(98)	(2,863)
Interest received		937	1,022
Finance cost		(40)	(24)
Net cash flows from operating activities	19	799	(1,865)
Cash flow from investing activities			
Proceeds on disposal of non-current assets		17	-
Acquisition of property plant and equipment		(282)	(193)
Acquisition of intangible assets		(104)	(88)
Net cash flows from investing activities		(369)	(281)
Cash flows from financing activities			
Finance lease payments		(134)	(159)
Net cash flows from financing activities		(134)	(159)
Net increase/(decrease) in cash and cash equivalents		296	(2,305)
Cash and cash equivalents at the beginning of the year	15	1,606	3,911
Cash and cash equivalents at end of year	15	1,902	1,606

ACCOUNTING POLICIES

For the year ended 31 March 2012.

1. Accounting Policies

The following are the principal accounting policies of the National Agricultural Marketing Council, which are in all material respects, consistent with those applied in the previous year. The historical cost convention has been used, except where indicated otherwise. The financial statements have been prepared on a going concern basis.

1.1 Reporting institution

The National Agricultural Marketing Council ("NAMC") is an entity domiciled in South Africa. The address of the NAMC's registered office is 536 Schoeman Street, Arcadia, Pretoria, 0002. The NAMC's primary business is to provide strategic advice to the Minister of Agriculture, Forestry and Fisheries and directly affected groups in the agricultural sector. The full responsibilities of the NAMC are contained in the Marketing of Agricultural Products Act of 1996, as amended by Act no. 59 of 1997 and Act no. 52 of 2001.

The financial statements were approved by the Accounting Authority in May 2012.

1.2 Functional and presentation currency

The financial statements are presented in South African Rand which is the entity's functional currency. All financial information has been rounded to the nearest thousand.

1.3 Basis of preparation

The financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

1.4 Use of estimates and judgements

The preparation of financial statements in conformity with GRAP requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 24: significant estimates and judgements used by management.

1.5 Revenue recognition

Revenue is recognised when it is probable that future economic benefits or service potential will flow to the entity and these benefits can be measured reliably. Revenue is measured at fair value of the consideration received or receivable and represents the amounts receivable for services provided in the normal course of business.

Revenue from exchange transactions

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished and directly gives approximate equal value primarily in the form of goods, services or use of assets or services to the other party in exchange.

ACCOUNTING POLICIES

For the year ended 31 March 2012.

Interest income

Interest income comprises interest on funds invested. Interest income is recognised on a time proportion basis using the effective interest method.

Revenue from non-exchange transactions

Non-exchange transactions are not exchange transactions and include Government Grants and donations.

Government grants

Grants are recognised when there is reasonable assurance that:

- The entity will comply with the conditions attached to them; and
- The grant will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs, is recognised as income in the period in which it becomes receivable.

Grants relating to income are presented as a credit in the statement of financial performance.

1.6 Finance cost

Finance cost comprises of interest expense on borrowings and finance lease liabilities. All borrowing costs are recognised in surplus or deficit using the effective interest method.

1.7 Irregular, fruitless and wasteful expenditure

Irregular expenditure means expenditure incurred in contravention of, or not in accordance with a requirement of any applicable legislation, including:

- The Public Finance Management Act, Act 1 of 1999, or
- Any provincial legislation providing for procurement procedures in that provincial government.

Fruitless and wasteful expenditure means expenditure that was made in vain and would have been avoided had reasonable care been exercised.

All irregular, fruitless and wasteful expenditure are recognised as expenditure in the statement of financial performance in the period in which they are incurred, and where recovered, are subsequently accounted for as revenue in the statement of financial performance.

1.7.1 Unauthorised expenditure

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government or organ of state and expenditure in the form of a grant that is not permitted in terms of the Public Finance Management Act No. 29 of 1999.

When an unauthorised expenditure is discovered, it is recognised as an asset in the statement of financial position until such time as the expenditure is either approved by the relevant authority, recovered from the responsible person or written-off as irrecoverable in the statement of financial performance.

ACCOUNTING POLICIES

For the year ended 31 March 2012.

1.8 Property, plant and equipment

Property, plant and equipment are tangible assets which are held for use in the production or supply of goods and services or for administrative purposes and are expected to be used during more than one financial period.

An item of property, plant and equipment is recognised as an asset if it is probable that economic benefits associated with the item will flow to the entity and the cost can be measured reliably. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Property, plant and equipment are measured at cost less any subsequent accumulated depreciation and accumulated impairment losses. These assets are depreciated on the straight-line basis at rates which will result in each asset being written off over its useful life. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonable certain that the entity will obtain ownership by the end of the lease term.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised within surplus or deficit.

The estimated useful lives, residual values and depreciation methods are reviewed at the end of each financial year and adjusted if necessary.

The estimated useful lives of property, plant and equipment are:

<i>Class</i>	<i>Estimated useful life in years</i>
Office equipment	4 - 12 years
Vehicles	5 - 12 years
Computer Equipment	3 - 12 years
Furniture and Fittings	6 - 13 years
Leased equipment	3 years
Leasehold improvements	3 - 5 years
Farming equipment	3 - 5 years

Subsequent cost

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the entity and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised as expenditure in the statement of financial performance.

Leasehold improvements are capitalised as the entity controls the assets for the period of the lease.

1.9 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

ACCOUNTING POLICIES

For the year ended 31 March 2012.

Intangible assets are initially recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets with finite useful lives are amortised on straight line basis over their useful lives.

The amortisation period and the amortisation method for intangible assets are reviewed at the end of each reporting period.

Amortisation is provided to write down the intangible assets, on a straight line basis, over their useful lives from the date that they are available for use, as follows:

<i>Item</i>	<i>Estimated useful life in years</i>
Computer software	3-5 years

1.10 Impairment

Non-financial assets

At each reporting date, the entity reviews the carrying amounts of its assets to determine whether there is any indication that those assets may be impaired. If any such indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. In determining the value in use, the estimated future cash flows of the asset are discounted to their present value based on discount rates that reflects current market assessments of the time value of money and the risks that are specific to the asset.

Impairment losses are recognised as an expense in statement of financial performance.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income in statement of financial performance

1.11 Leases

Operating leases as the lessee

Leases of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating lease are charged to statement of financial performance on a straight-line basis over the term of the relevant lease.

Finance leases as the lessee

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised as assets at their fair value at the inception of the lease or, if lower at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

ACCOUNTING POLICIES

For the year ended 31 March 2012.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the statement of financial performance.

1.12 Financial instruments

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Initial recognition

Financial assets and liabilities are recognised in the statement of financial position only when the entity becomes a party to the contractual provisions of the instrument. Financial instruments are initially recognised at fair value plus, for instruments not at fair value through surplus or deficit, any directly attributable transaction costs.

Measurement

Financial assets

The entity's principle financial assets comprise trade and other receivables and cash and cash equivalents. These financial assets are classified as loans and receivables.

Subsequent to initial recognition, non-derivative financial assets are measured as described below:

Trade and other receivables

Trade and other receivables are measured at amortised cost using the effective interest method.

Short term receivables with no stated interest rate are measured at the original invoice amount, if the effect of discounting is immaterial.

Cash and cash equivalents

For purposes of the cash flow statement as well as the statement of financial position, cash and cash equivalents comprise cash on hand, deposits held and other short-term investments. Cash and cash equivalents are stated at amortised cost.

Financial liabilities

The entity's principal financial liabilities comprise of trade and other payables and finance lease liabilities. Fair value of non-derivative financial liabilities is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases the market rate of interest is determined by reference to similar lease agreements.

Trade and other payables

The entity's principal trade and other payables relates to the amount owed to the suppliers.

Trade and other payables are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost, using the effective interest rate method. Interest expenses on these items are recognised in surplus or deficit and they are included in 'finance costs'.

The entity's accrual amount represents goods and services that have been delivered, and an invoice has been received from the supplier but remain unpaid as at year-end.

ACCOUNTING POLICIES

For the year ended 31 March 2012.

Short-term payables with no stated interest rate are measured at the original invoice amount, if the effect of discounting is immaterial.

Finance lease liabilities

Finance lease liabilities are initially recognised at the commencement of the lease term at the fair value of the leased asset, or the present value of the minimum lease payments (if lower). If it is not practicable to determine the interest rate implicit in the lease payments, the incremental borrowing rate of the entity will be used in the calculation.

Subsequent to initial measurement, the outstanding lease liability is periodically reduced over the lease term by that portion of the minimum lease payments that will result in finance charges being allocated over the lease term at a constant periodic interest rate on the remaining balance of the liability.

Derecognition of financial instruments

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the entity is recognised as a separate asset or liability.

Financial liabilities are derecognised when the obligation is discharged, cancelled or expires.

1.13 Provisions

Provisions are recognised when the entity has a present obligation as a result of a past event and it is probable that this will result in an outflow of economic benefits that can be estimated reliably. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

1.14 Inventories

Inventories are measured at the lower of cost or net realisable value. The cost of inventories is based on the first-in-first-out (FIFO) principle, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Net realisable value for consumables is assumed to approximate the cost price due to the relatively short period that these assets are held in stock.

1.15 Related parties

Related party transactions are transactions that involve the transfer of resources, services or obligation between related parties, regardless of whether a price is charged. Implicit to the definition of related party, there are other government entities and joint ventures which have a significant influence on the National Agricultural Marketing Council and its activities.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly.

ACCOUNTING POLICIES

For the year ended 31 March 2012.

1.16 Commitments

Commitments represent the orders issued to the suppliers that have been approved, but where no delivery has taken place as at year end.

Commitments are not recognised in the statement of financial position as a liability and assets but are included in the disclosure notes (Note 25 commitment schedule for orders issued to the suppliers as at 31 March 2012).

1.17 Employee benefit cost

Short-term employee benefits

Short-term employee benefits are measured on an undiscounted basis and are expensed in the statement of financial performance in the reporting period that they are incurred.

Post employment benefits

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

The entity operates defined contribution retirement benefit plans for its employees.

Payments to defined contribution plan are charged as an expense as they fall due in the statement of financial performance and they represent the contribution paid to these plans by the entity at a rate specified by the entity's policy.

Accrual for leave pay

Employee entitlements to annual leave are recognised when they accrue to employees. A provision based on the total cost to company is raised for estimated liabilities as a result of services rendered by employees up to the reporting date.

1.18 Effects of new GRAP standards

At the date of authorisation of these financial statements, the following accounting Standards of Generally Recognised Accounting Practice (GRAP) were in issue, but not yet effective;

- GRAP 20: Related Party Disclosures
- GRAP 18: Segment Reporting
- GRAP 25: Employee Benefits
- GRAP 106: Transfer of Functions between Entities under Common Control
- GRAP 107: Transfer of Functions between Entities under Common Control
- GRAP 103: Mergers.

The effective date of the above standards is not yet determined. The effect of adopting these GRAP Standards when they become effective is not expected to have a significant impact on the financial statements as the principles are similar to those already applied under the equivalent Statements of SA GAAP.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2012.

	2012	2011
	R'000	R'000
2. Non-exchange revenue		
Department of Agriculture – MTEF allocation	36,049	31,194
Other income	555	1,451
Total	36,604	32,645
3. Exchange revenue		
Interest revenue - bank	937	1,022
Total	937	1,022
4. Administrative expenses		
General administrative expenses	717	660
Audit committee fees	173	156
Audit fees: External	265	281
Bank charges	25	29
Internal audit fees	166	382
Promotions and publicity	61	52
Refreshments and catering	260	382
Stationery and printing	554	457
Training and development	541	453
Venues and facilities – office parking	237	218
Total	2,999	3,070
5. Personnel expenditure		
Salaries – non-senior management	12,742	11,640
Basic salaries	11,097	10,378
Performance awards	1,277	942
Other non-pensionable allowance	318	275
Leave payments on resignation	50	45
Social contributions	1,488	1,217
UIF	63	47
Other salary related cost	52	27
Pension	1,373	1,143
Senior management remuneration	7,942	7,582
Council members' remuneration	676	478
Total	22,848	20,917

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2012.

	2012	2011
	R'000	R'000
6. Operating expenses		
Communication costs	192	221
Consultants, contractors and special services	147	160
Courier and delivery charges	21	16
Computer consumables	32	18
Maintenance, repairs and running costs	20	26
Office Rent	1,478	1,394
- Municipal charges	260	210
- Levy costs	274	245
- Rentals in respect of operating lease	944	939
Research, workshops and investigations	5,238	5,899
Section 7 and workgroup investigations	1,108	240
Travel and subsistence	1,996	2,166
Total	10,232	10,140
7. Depreciation, amortisation and impairment		
Depreciation on property, plant and equipment	418	454
Amortisation on intangible assets	40	78
Total	458	532
8. Finance costs		
Finance leases	40	24
Total	40	24

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2012.

9. Council member's emoluments

Members Name	2012		2011	
	Fees for services R'000	Other payments R'000	Total amount paid R'000	Total amount paid R'000
Ms Ntombi Msimang	185	3	188	112
Prof Mohammad Karaan	6	-	6	12
Ms Mina Gill (Audit & Risk Committee member)	92	35	127	102
Ms Makgoro Mannya	33	11	44	63
Mr Andre Young	36	7	43	52
Prof Johann Kirsten (Audit & Risk Committee member)	46	-	46	35
Ms Cynthia Molo	-	-	-	22
Mrs Lillibeth Moolman	52	1	53	48
Mr Derrick Montshwe	11	3	14	32
Mr AM Cronje	25	1	26	-
Dr LL Magingxa	20	1	21	-
Dr JL Purchase	19	-	19	-
Mr SC Symington	6	-	6	-
Mrs JM vd Merwe	33	-	33	-
Mr L Maduma	20	-	20	-
Ms TE Zimu	25	5	30	-
Total	609	67	676	478

Remuneration paid to audit and risk committee members

Chairperson: P. Slack	174	156
Member: R. Matlou	55	43
Member: M. Moja	77	63
	42	50

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2012.

10. Senior managers' emoluments

Members Name	Basic Salary		Allowances		Performance bonus		UIF		Other		Total amount paid	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Mr R Ramabulana, CEO	1,073		172		237		1		-		1,661	1,620
Mrs F Muvhulawa, CFO	946				180		1		-		1,262	1,242
Prof A Jooste	765		60		140		1		-		1,082	1,059
Senior Manager - MERC												
Mr Schalk Burger	734				140		1		-		980	923
Senior Manager – Statutory measures												
Mr H Mohane	734				140		2		-		981	891
Senior Manager – Agribusiness												
Mr Z Xalisa	734				140		2		-		981	891
Senior Manager – Agritrust												
Ms V Nkobi	734		13		140		2		-		994	956
Senior Manager: Human Resources												
Total	5,720		245		1,117		11		-		7,942	7,582

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2012.

11. Property, Plant and Equipment

	Balances as at 01 April 2011				Movement for the year				Balances as at 31 March 2012				
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	R'000	Additions	Transfer of asset at cost	Transfer accumulated depreciation	Disposal	Depreciation	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	R'000
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Own Assets													
Office Equipment	162	(98)	64	24	87	(87)	-	(14)	273	(199)	74		
Vehicles	321	(267)	54	107	-	-	10	(2)	370	(221)	149		
Computer Equipment	831	(394)	437	106	-	-	24	(123)	794	(398)	396		
Office Furniture & Fittings	722	(321)	401	45	-	-	-	(67)	766	(388)	378		
Farming Equipment	36	(11)	25	-	-	-	-	(7)	36	(18)	18		
Leased assets													
Leased office equipment	251	(137)	114	147	-	-	-	(104)	311	(154)	157		
Leasehold improvements	502	(254)	248	-	-	-	-	(101)	502	(355)	147		
Total	2,825	(1,482)	1,343	429	87	(87)	34	(418)	3,052	(1,733)	1,319		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2012.

2010/11	Balances as at 01 April 2010			Movement for the year			Balances as at 31 March 2011		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions	Disposal	Depreciation	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Own Assets									
Office Equipment	161	(85)	76	1	-	(13)	162	(98)	64
Vehicles	321	(267)	54	-	-	-	321	(267)	54
Computer Equipment	719	(250)	469	112	-	(144)	831	(394)	437
Office Furniture & Fittings	638	(256)	382	84	-	(65)	722	(321)	401
Farming Equipment	36	(4)	32	-	-	(7)	36	(11)	25
Leased assets									
Leased office equipment	690	(569)	121	164	(47)	(124)	251	(137)	114
Leasehold improvements	502	(153)	349	-	-	(101)	502	(254)	248
Total	3,067	(1,584)	1,483	361	(47)	(454)	2,825	(1,482)	1,343

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2012.

12. Intangible assets

2011/12	Balances as at 01 April 2011				Movement for the year			Balances as at 31 March 2012		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	R'000	Additions	Disposal	Amortisation charge	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Computer software	279	(164)	115	104	-	(40)	383	(202)	181	
Total	279	(164)	115	104	-	(40)	383	(202)	181	

2010/11	Balances as at 01 April 2010				Movement for the year			Balances as at 31 March 2011		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	R'000	Additions	Disposal	Amortisation charge	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Computer software	191	(86)	105	88	-	(78)	279	(164)	115	
Total	191	(86)	105	88	-	(78)	279	(164)	115	

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2012.

	2012	2011
	R'000	R'000
13. Inventory		
Consumable stores	55	38
Total	55	38

Inventories were not pledged as security.

14. Receivables

Sundry debtors	69	153
Prepayments	495	15
Rental deposit (property lease)	98	94
Total	662	262

15. Cash and cash equivalents

Current account	1,900	1,603
Cash on hand	2	3
Total	1,902	1,606

Cash and cash equivalents comprise cash and short-term highly liquid investments, that are held with registered banking institutions with maturities of three months or less and that are subject to insignificant interest rate risk. The carrying amount of these assets approximates their fair value.

16. Finance Lease Liability

Finance lease liability	174	121
Less: Current portion	(108)	(56)
Outstanding balance	66	65

The National Agricultural Marketing Council has during the period under review made a total contribution of R134,000 to finance leases as defined in IAS 17.

Reconciliation between the minimum lease payments and the present value:

<i>Minimum lease payments</i>	174	121
Payable within 1 year	132	65
Payable within 1 - 5 years	74	69
Less interest portion	(32)	(13)
 <i>Present value of minimum lease payments</i>	 174	 121
Payable within 1 year	108	56
Payable within 1 - 5 years	66	65

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2012.

	2012	2011
	R'000	R'000
16.1. Finance lease liability		
The entity as lessee		
Up to 1 year		
- Future minimum lease payments	132	65
- Less: Finance charges	(24)	(9)
- Present value of the future minimum lease payments	108	56
Between 1 and 5 years		
- Future minimum lease payments	74	69
- Less: Finance charges	(8)	(4)
Present value of the future minimum lease payments	66	65

17. Payables

Trade creditors	426	468
Leave accrual	574	520
Total	1,000	988

The leave accrual is calculated by using the daily total cost to company of the employee, multiplied by the leave days due at year end.

18. Deferred revenue

	2012			2011
Name of project	Opening balance	Amount utilised	Closing balance	
International Trade Centre	369	338	31	369
Agricultural Marketing Scheme and Grain Farmer Development Trust (AMS&GFD)	162	-	162	162
Agribenchmark	99	-	99	-
Total	630	338	292	531

Deferred revenue reflects that amount of income received during the current and previous financial year, but which will be utilised in the 2012/13 financial year for research projects and Agricultural Marketing Scheme and Grain Farmer Development Trust. Conditions to the contract have not been met as at 31 March 2012.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2012.

	2012	2011
	R'000	R'000
19. Reconciliation of surplus for the year to net cash flows from operating activities		
Surplus/(deficit)	956	(998)
Adjusted for:		
Profit/ Losses on disposal of fixed assets	8	(18)
- Amortisation on intangible assets	40	78
- Interest received	(937)	(1,022)
- Finance cost	40	24
Donation received	-	4
Accrued income	(5)	-
- Depreciation on property, plant and equipment	418	454
Operating cash flows before working capital changes	520	(1,478)
Working capital changes	(618)	(1,385)
Increase in receivables	(400)	533
Increase in inventory	(17)	(4)
Decrease in payables	(201)	(1,914)
Net cash utilised in operations	(98)	(2,863)
20. Operating lease commitment		
Up to 1 year	1,063	910
Between 1 and 5 years	358	1,357
Total	1,421	2,267
Operating lease expenditure recognised in the statement of financial performance on a straight line basis.		
	944	939
Amount deferred to the statement of financial position due to straight-lining	155	182

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2012.

21. Financial instruments

Introduction and overview

This note represents information about the entity's exposure to each of the below risks, the entity's objectives, policies and processes for measuring and managing risk, and the entity's management of capital. Further quantitative disclosures are included throughout these financial statements.

The entity has exposure to the following risks from its use of financial instruments:

Credit risk - the risk of financial loss to the entity if a counterparty to a financial instrument fails to meet its contractual obligations.

Liquidity risk - the risk that the entity will not be able to meet its financial obligations as they fall due.

Market risk - the risk that changes in market prices, such as interest rates, will affect the entity's income or the value of its holdings of financial instruments. Market risk comprises interest rate risk, currency risk and other price risk.

The Chief Executive Officer has the overall responsibility for managing and monitoring the financial risks to which the entity is exposed and how financial risks in general are managed and monitored.

The following are the carrying values of the NAMC's financial instruments per category:

		Carrying amount 2012	Carrying amount 2011
	Note	R'000	R'000
Loans and receivables		2,069	1,853
Cash and cash equivalents	15	1,902	1,606
Receivables	14	167	247
Financial liabilities at amortised cost		1,174	1,109
Finance leases	16	174	121
Payables	17	1,000	988

The carrying amount of receivables approximates fair value due to the relatively short-term maturity of this financial asset.

The carrying amount of payables approximates fair value due to the relatively short-term maturity of this financial liability.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2012.

The following table presents the gains or losses per financial instrument category:

	Loans and receivables	Other financial liabilities	Total
	R'000	R'000	R'000
2012			
Interest income	937	-	937
Finance costs	-	(40)	(40)
Total	937	(40)	897
2011			
Interest income	1,022	-	1,022
Finance costs	-	(24)	(24)
Total	1,022	(24)	998

Exposure to risks: Credit risk

Financial assets, which potentially subject the entity to the risk of default by counter parties and thereby subject the entity to concentrations of credit risk, consist mainly of cash and cash equivalent and receivables. Receivables consists mainly of prepayments made to suppliers per request by the suppliers, rental deposits and trade receivables with a maximum exposure to credit risk equal to the carrying value of these instruments.

Cash and cash equivalents are placed with high credit quality financial institutions therefore the credit risk with respect to cash and equivalents is limited.

Credit risk with respect to receivables is limited due to the nature of the NAMC's revenue transactions. The NAMC trades only with recognised, creditworthy third parties and all debtors are requested to settle their accounts within 30 days. The entity does not have any significant exposure to any individual customer or counter-party. Accordingly, the entity does not consider there to be any significant concentration of credit risk, which had not been adequately provided for. Receivables are presented net of the allowance for doubtful debts.

The maximum exposure to credit risk at the reporting date was:

	Carrying amount 2012	Carrying amount 2011
	R'000	R'000
Loans and receivables	2,069	1,853
Cash and cash equivalents	1,902	1,606
Receivables - unrated	167	247

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2012.

21. Financial instruments (continued)

The following table provides information regarding the credit quality of assets which may expose the NAMC to credit risk:

	2012		2011	
	Gross	Impairment	Gross	Impairment
	R'000	R'000	R'000	R'000
Cash and equivalents				
Neither past due nor impaired	1,902	-	1,606	-
Receivables				
Neither past due nor impaired	167	-	247	-
Total	2,069	-	1,853	-

Exposure to risks: Liquidity risk

The entity minimises this risk by ensuring that enough cash reserves are available to cover its current liabilities through the analysis of the commitments against the cash available in our current and call accounts.

The following table reflects the NAMC's exposure to liquidity risk from financial liabilities:

	Carrying amount	Total contractual cash flows	Not later than one year	1-5 years
	R'000	R'000	R'000	R'000
31-Mar-12				
Finance lease liabilities	174	174	108	66
Payables	357	357	999	357
Total	531	531	1,107	423
31-Mar-11				
Finance lease liabilities	121	121	56	65
Payables	988	988	988	-
Total	1,109	1,109	1,044	65

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2012.

21. Financial instruments (continued)

Exposure to risk: Market risk

Interest rate risk

The entity's exposure to market risk (in the form of interest rates risk) arises primarily from the entity's investment in cash and cash equivalents and the obligations in respect of the entity's finance leases. The entity's financial assets and financial liabilities are managed in such a way that the fluctuations in variable rates do not have material impact on the surplus or deficit as the entity settles its outstanding obligation within 30 days and interest on outstanding debts is charged monthly using the applicable interest rates. Refer to the sensitivity analysis below to illustrate the possible effect of changes in the variable interest rate on the financial assets and liabilities.

	2012	2011
	R'000	R'000
Concentration of interest rate risk		
<i>Variable rate instruments</i>		
Financial assets	1,902	1,606
Financial Liabilities	(174)	(121)
Total	1,728	1,485
<i>Fixed rate instruments</i>		
Financial liabilities: Accounts payable	1,000	988
Financial assets: Accounts receivable	167	247
Total	1,167	1,235

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2012.

21. Financial instruments (continued)

A 1% change in the market interest rate on the outstanding balances of the following instruments at year end will have the following effect per annum:

	Change in interest rate	Increase/(decrease) in net surplus for the year	
		Upward change	Downward change
	%	R'000	R'000
2012			
Cash and cash equivalents	1	19	(19)
Finance lease	1	(1)	1
2011			
Cash and cash equivalents	1	16	(16)
Finance lease	1	(3)	3

The upward and downward effect of the % change in interest rate would be immaterial and not bear a significant effect on the financial position.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2012.

	2012	2011
	R'000	R'000

22. Tax exemption

The NAMC is exempted from income tax in terms of Section 10(1)(a) of the Income Tax Act, 1962.

23. Related parties

Relationship

In accordance with the requirements of IPSAS 20 and SAICA circular 04/05, all public entities within the national sphere of government are related parties.

The following are the transactions and balances between the NAMC and its related parties:

Transactions

Department of Agriculture - Grant	36,049	31,194
Telkom – telephone expenses	192	221
South African Revenue Services – PAYE/UIF	5,201	4,797

Outstanding balances

Telkom - Telephone expenses	-	16
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No conditions are attached to the transactions and balances and no guarantees are given or received.

24. Significant estimates and judgement made by management

The entity has in the period under review assessed the useful lives of property plant and equipment and intangible assets.

The assumption used in determining the useful lives and residual values were based on the following:

- (i) Asset type and what it is made of.
- (ii) Asset special features.
- (iii) Asset condition i.e the physical condition and age of the assets.
- (iv) The rate of use of assets, number of users and location.
- (v) The residual value for vehicles were set at the industry second hand value

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2012.

25. Reconciliation of budget with surplus in the statement of financial performance

	R'000
Net surplus per the statement of financial performance	956
Adjusted for:	
Loss on the sale of assets	8
Proceeds from insurance	(17)
Increase in provisions for the year	54
Movement in operating lease liability	26
Inventory valuation adjustment	(18)
Depreciation and Amortization	458
Theft and losses	14
Overspending on finance charges	17
Underspending on assets purchased	35
Sponsorship and other income received in excess of budget	(555)
Overspending on personnel expenditure	1,135
Underspending on other expenditure	(2,113)
Net surplus / (Deficit) per approved budget	-

26. Commitments schedule for the orders issued to the suppliers as at 31 March 2012

Shereno Printers	5
Budget car rental	3
Phuthumani IT solution	10
PALAMA	1
RepoRisk (Pty) Ltd	10
KPMG	65
Emergence Growth	100
Southern cross valuation	10
Total	204

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2012.

	2012	2011
	R'000	R'000

27. Change in accounting estimate

During the current period management have reviewed the useful lives and residual values of the entity's property, plant and equipment and have restated the depreciation figures prospectively. The effect of this review has decreased the depreciation charges for the current and future periods by R81,207.04

28. Reconciliation of irregular expenditure

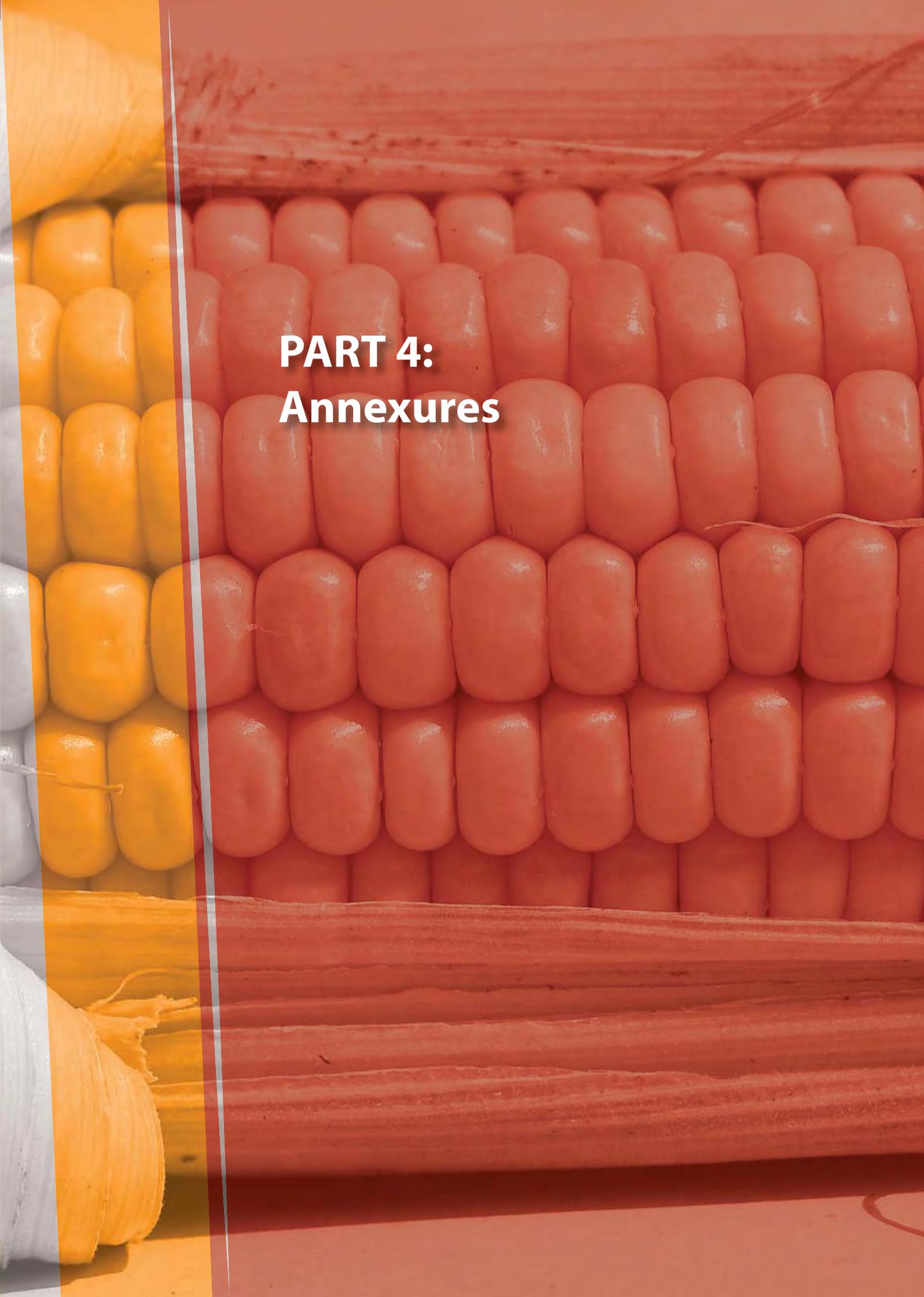
Opening balance	-	1,051
Less amount condoned	-	(1051)
Closing balance	-	-

29. Reclassification

Leased equipment

An amount of R87,000.00 previously classified as financed leased assets has now been classified as office equipment as NAMC took ownership of the assets as at the expiry of the lease contract (April 2011).





PART 4:
Annexures

Annexure A: NAMC Council Members



Mrs NF Msimang
Chairperson



Mr LD Maduna
Vice Chairperson



Mr AM Cronje



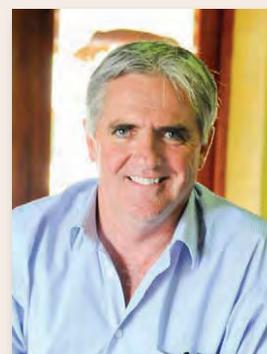
Ms MM Gill



Dr LL Magingxa



Dr JL Purchase



Mr SC Symington



Mrs JM van der Merwe

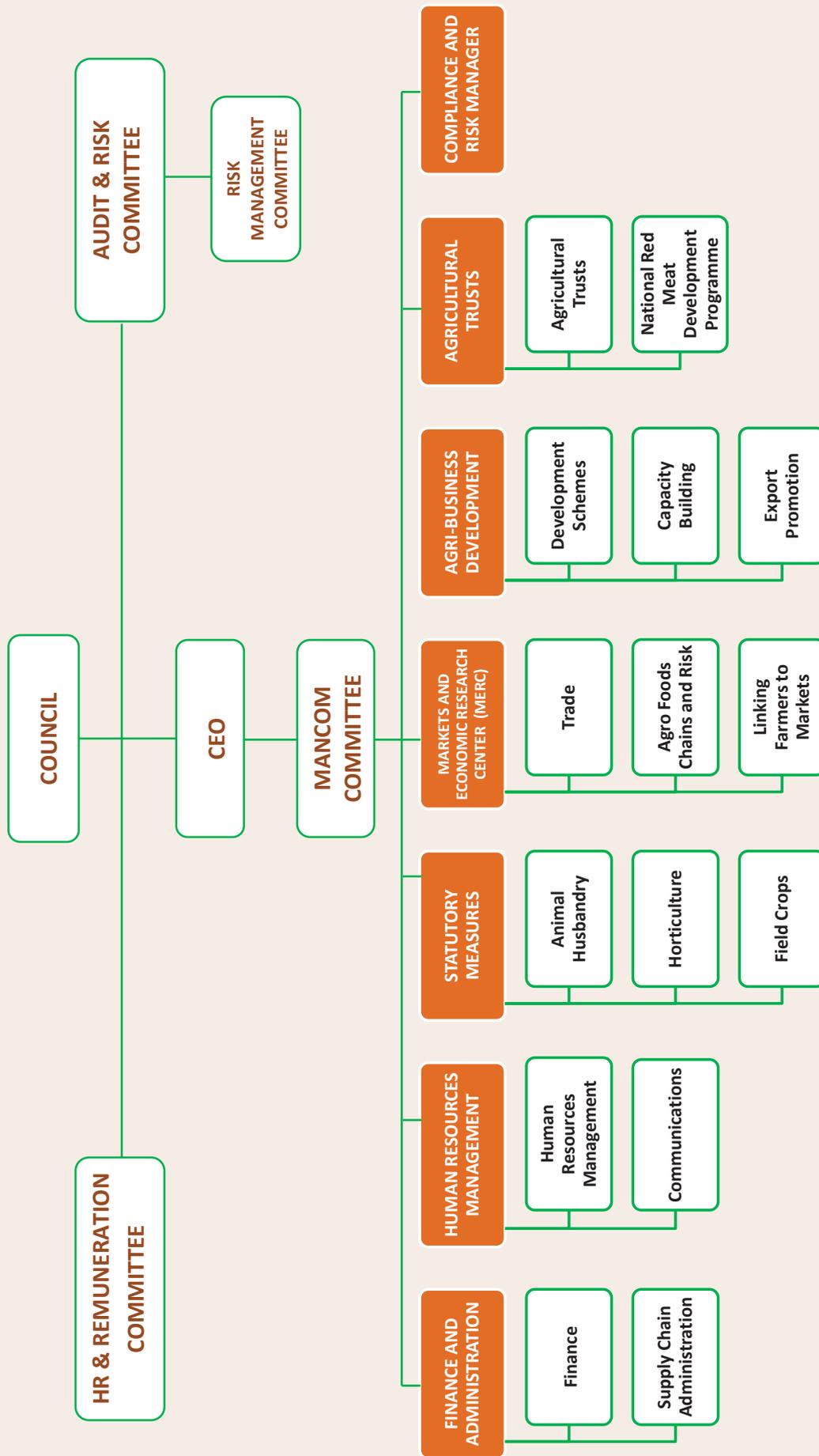


Mr AD Young



Mrs TE Zimu

Annexure B: NAMC Structure



Annexure C: Contact Details

1. Contact details of Industry Trusts

Name	Commodities	Contact details	Tel	Fax	E-mail and website
Citrus Industry Trust	Citrus	Ms Elsa Taylor PO Box 359 GROENKLOOF 0027	012 667 3113	012 667 3128	emttaylor@iafrica.com
Cotton Trust	Cotton	Mr Hennie Bruwer PO Box 912232 SILVERTON 0127	012 8041462	012 804 8616	henniebruwer@cottonsa.org.za
Deciduous Fruit Industry Development Trust	Deciduous fruit	Mr Anton Rabe PO Box 163 PAARL 7620	021 870 2900	021 871 1305	anton@hortgro.co.za
Dry Bean Trust	Dry beans	Mr CF Kleingeld PO Box 15587 PRETORIA 0039	012 808 1660	012 808 1662	marketing@beanseed.co.za http://www.beans.co.za
Lucerne Seed Industry Research and Development Trust	Lucerne	Mr Derick Engelbrecht PO Box 185 OUDTSHOORN 6620	044 272 8991	044 329 2838	lusern@mweb.co.za
Maize Trust	Maize	Mr Leon du Plessis PO Box 74626 Lynnwood Ridge 0040	012 807 3958	012 349 8707	l-lagric@mweb.co.za
Meat Industry Trust	Red meat	Ms Alet du Plessis PO Box 36802 MENLOPARK 0102	012 348 7572	012 361 9837	aletd@levyadmin.co.za
Mohair Trust	Mohair	Mr Deon Saayman PO Box 2243 PORT ELIZABETH 6056	041 487 1386	041 487 1336	info@mohair.co.za
Oil and Protein Seed Development Trust	Oilseeds	Mr Gerhard Keun PO Box 5562 RIVONIA 2128	011 234 3400	011 234 3402	oliesade@worldonline.co.za
Potato Industry Development Trust	Potatoes	Mr Gawie Geyer Private Bag x 135 PRETORIA 0001	012 349 1906	012 325 6102	ggeyer@agric.co.za www.potatoes.co.za
Sorghum Trust	Sorghum	Mr Leon du Plessis PO Box 74626 Lynnwood Ridge 0040	012 807 3958	012 349 8707	l-lagric@mweb.co.za
Winter Cereal Trust	Winter cereals	Mr Awie Coetzee PO Box 7088 CENTURION 0046	012 663 1660	012 663 3109	wct@grainmilling.co.za
SA Wine Industry Trust	Wine	Mr Charles Erasmus Private Bag x 5034 STELLENBOSCH 7599	021 809 3164	021 889 5900	www.sawit.co.za
Wool Trust	Wool	Mr André van de Venter PO Box 2500 PORT ELIZABETH 6056	041 484 4307	041 484 4309	andre@wooltrust.co.za

2. Contact Details of Industry Service Section 21 Companies

Name	Commodities	Contact details	Tel	Fax	E-mail and website
Cape Wool SA	Wool	Mr Louis de Beer PO Box 2191 Port Elizabeth 6056	041 484 4301	041 484 6792	louise@capewools.co.za www.capewools.co.za
Citrus Growers' Association of Southern Africa	Citrus	Mr Justin Chadwick PO Box 461 HILLCREST 3650	031 765 2514	031 765 8029	justchad@iafrica.com www.cga.co.za
Cotton SA	Cotton	Mr Hennie Bruwer PO Box 912232 SILVERTON 0127	012 804 1462	012 804 8616	http://www.cottonsa.org.za
Dried Fruit Technical Services	Dried fruit	Mr Dappies Smit PO Box 426 PAARL 7620	021 872 1502	021 872 2675	dappies@dtd.co.za
Lucerne Seed Organisation	Lucerne seed	Mr Derick Engelbrecht PO Box 185 OUDTSHOORN 6620	044 272 8991	044 329 2838	lusern@mweb.co.za
Milk Producers' Organisation	Milk	Dr Koos Coetzee PO Box 1284 Pretoria 0001	012 843 5600	012 804 4811	Koos.coetzee@,po.co.za
Milk South Africa	Dairy	Mr Nico Fouche PO Box 1961 BROOKLYN SQUARE 0075	012 460 7312	012 460 9909	nico@milksa.co.za
Mohair South Africa	Mohair	Mr Deon Saayman P O Box 2243 SYDENHAM PE 6056	041 487 1386	041 487 1336	deon@mohair.co.za www.mohair.co.za
SATI (The South African Table Grape Industry)	Table grapes	Ms Elaine Alexander P O Box 2932 PAARL 7620	021 872 1438	021 872 4375	rhomona@satgi.co.za www.satgi.co.za
SAGIS (South African Grain Information Service)	Barley, canola, groundnuts, maize, oats, sorghum, soybeans, sunflower seed and wheat	Ms Anna Enslin PO Box 669 PRETORIA 0001	012 523 1400	012 523 1401	management@sagis.org.za www.sagis.org.za
South African Grain Laboratory	Wheat, oats, maize, malt, sorghum and other grains	Ms Wiana Louw PostNet Suite #391 Private Bag x1 The Willows 0041	012 807 4019	012 807 4160	Info@sagl.co.za www.sagl.co.za
South African Ostrich Business Chamber	Ostriches	Mr Anton Kruger PO Box 952 OUDTSHOORN 6620	044 272 3336	044 272 3337	akruger@saobc.co.za www.ostrichsa.co.za
South Africa Poultry Association	Poultry	Mr David Hughes PO Box 1202 HONEYDEW 2040	011 795 2051	011 795 3180	sapa@sapoultry.co.za www.sapoultry.co.za
SAWIS (South African Wine Industry Information & Systems)	Wine	Ms Yvette van der Merwe PO Box 238 PAARL 7620	021 807 5703	021 807 6003	Yvette@sawis.co.za www.sawis.co.za

Name	Commodities	Contact details	Tel	Fax	E-mail and website
WINETECH (Wine industry Network of Expertise and Technology)	Wine	Mr Gerard Martin PO Box 528 SUIDER-PAARL 7624	021 807 3324	021 807 3385	marting@winetech.co.za http://www.winetech.co.za
WOSA (Wines of South Africa)	Wine	Ms Su Birch PO Box 987 STELLENBOSCH 7599	021 883 3860	021 883 3861	info@wosa.co.za http://www.wosa.co.za
Potatoes SA	Potatoes	Mr Gawie Geyer Private Bag X135 PRETORIA 0001	012 349 1906	012 325 6102	ggeyer@agric.co.za
SA Olive Industry Association	Olives	PO Box 357 PAARL 7620	021 870 2900	021 870 2915	info@saolive.co.za
South African Protea Producers and Exporters Association	Flowers	Me Maryke Middlemann Private Bag X12 BOT RIVER 7185	028 284 9745	028 284 9777	sappex@honingklip.co.za
SA Pecan Producers Association (SAPPA)	Pecans	Ms Harriet Hofsink PO Box 321410 Totiusdal 0134	012 329 9868	012 329 9869	harriet@sappa.za.org www.sappa.za.org
SAMIC (South African Meat Industry Company)	Red meat	Mr Rudi van der Westhuizen PO Box 26151 ARCADIA 0007	012 361 4545	012 361 6004	ceo@samic.co.za www.samic.co.za

3. Contact Details of Forums / Broader Industry Policy Bodies

Name	Commodities	Contact details	Tel	Fax	E-mail and website
Fresh Produce Exporters' Forum	Citrus, deciduous fruits and subtropical fruit	Mr Stuart Symington PO Box 190 NEULANDS 7725	021 674 3202	021 683 6280	info@fpf.co.za www.fpf.co.za
Deciduous Canning Fruit Forum	Deciduous Canning Fruit	Mr SJ Victor PO Box 414 PAARL 7620	021 872 1401	021 872 2675	inmaak@mweb.co.za
Meat Industry Forum	Red meat	Mr Dave Ford PO Box 244 LA MONTAGNE 0184	012 667 1189	012 667 1246	dave@safeedlot.co.za www.safeedlot.co.za
SA Groundnut Forum SA Sunflower Forum SA Soya Bean Forum	Groundnuts Sunflowers Soya beans	Mr Gerhard Keun PO Box 5562 RIVONIA 2128	011 234 3400	011 234 3402	oliesade@worldonline.co.za
Sorghum Forum	Sorghum	Mr Leon du Plessis PO Box 74626 Lynnwood Ridge 0040	012 807 3958	012 349 8707	l-lagric@mweb.co.za
Wheat Forum	Wheat	Mr Leon du Plessis PO Box 74626 Lynnwood Ridge 0040	012 807 3958	012 349 8707	l-lagric@mweb.co.za

Name	Commodities	Contact details	Tel	Fax	E-mail and website
Wool Industry Forum	Wool	Mr Andre Strydom PO Box 2191 NOORDEINDE PORT ELIZABETH 6056	041 484 4301	041 484 6792	capewool@capewools.co.za
Lucerne Industry Forum	Lucerne seed	Mr Derick Engelbrecht PO Box 185 OUDTSHOORN 6620	044 272 8991	044 329 2838	lusern@mweb.co.za
Maize Forum	Maize	Mr Leon du Plessis PO Box 74626 Lynnwood Ridge 0040	012 807 3958	012 349 8707	l-lagric@mweb.co.za

Annexure D: Council Members' Contact Details

Members	Contact details	Physical addresses	Postal addresses
Mrs NF Msimang (Chairperson)	Tel.: (011) 314 2833 Fax: (011) 314 1173 Cell: 0836354860 Email: noirconsult@iafrica.com	No. 42, Plot 131 Elevation Road Randjiesfontein MIDRAND	P.O. Box 50065 RANDJIESFONTEIN 1683
Mr AM Cronje	Tel : (021) 870 5000/370 9216 Fax : 0865088398 Cell : 0823709216 Email : andries.cronje@tigerbrands.com	78 Goedemoed Street Goedemoed DURBANVILLE 7550	78 Goedemoed Street Goedemoed DURBANVILLE 7550
Ms MM Gill	Tel: (053) 474 2138 Fax: (053) 474 2138 Cell: 0738148457 Email: gillmina32@yahoo.com	House no. 15 Olympia Road Bonita Park HARTSWATER 8570	P.O. Box 2665 HARTSWATER NORTHERN CAPE 8570
Dr LL Magingxa	Tel: (012) 686-0960/70 Fax: (012) 0865480389 Cell: 0827963364 Email: llmagingxa@landbank.co.za	Land Bank 420 Witch Hazel Avenue South Eco Glades 2, Block D Eco Park CENTURION	Land Bank P.O. Box 375 PRETORIA 0001
Dr JL Purchase	Tel: (012) 807 6686 Fax: (012) 807-5600 Cell: 0824412308 Email : john@agbiz.co.za	Agricultural Business Chamber Grain Building 477 Witherite Road THE WILLOWS 0041	Agricultural Business Chamber P.O. Box 76297 LYNNWOOD RIDGE 0040
Mrs JM vd Merwe	Tel : (012) 345 3678 Cell : 0824527713 Email : marievdmerwe@absamail.co.za	447 Lawrie Street ELARDUS PARK 0181	P.O. Box 31060 WONDERBOOMPOORT 0033
Mr AD Young	Tel: (031) 311 5120 Fax: (031) 465 4222 Cell: 0832514046 Email: youngandre@durban.gov.za	325 Randles Road SYDENHAM DURBAN 4091	325 Randles Road SYDENHAM DURBAN 4091
Mrs TE Zimu	Cell : 0722287035 Email : thamizimu@mweb.co.za	21A Izinga Ridge Ithafa Close UMHLANGA RIDGE 4021	21A Izinga Ridge Ithafa Close UMHLANGA RIDGE 4021

Annexure E: Abbreviations and Acronyms

ARC	Agricultural Research Council
BRICS	Brazil, Russia, India, China and South Africa
CELC	Crop Estimates Liaison Committee
CEO	Chief Executive Officer
CFP	Custom Feeding Programme
DAFF	Department of Agriculture, Forestry and Fisheries
DAGs	Directly Affected Groups
DTI	Department of Trade and Industries
ECRMP	Eastern Cape Red Meat Programme
EE	Employment Equity
ENE	Estimation of National Expenditure
EWP	Employee Wellness Programme
FAO	Food and Agricultural Organisation
FPM	Food Price Monitoring
GRAP	Generally Recognised Accounting Practice
HR	Human Resources
HRM	Human Resources Management
IT	Information Technology
ITC	International Trade Centre
MAPA	Marketing of Agricultural Product Act
MERC	Markets and Economic Research Centre
MTEF	Medium Term Expenditure Framework
NAMC	National Agricultural Marketing Council
NERSA	National Energy Regulator of South Africa
NLT	National Lucerne Trust
ORCA	Outsourced Risk and Compliance Assessment
PAA	Public Audit Act
PDIs	Previously Disadvantaged Individuals
PFMA	Public Finance Management Act
PPI	Producer Price Index
PSA	Potatoes South Africa
SAFEX	South African Futures Exchange
SAGIS	South African Grain Information Service
SAMIC	South African Meat Industry Company
SAPA	Southern African Poultry Association
SAPPO	South African Pork Producers' Organisation
SAWIS	South African Wine Industry Information and System
VAT	Value Added Tax
WIDA	Wine Industry Development Association
WINETECH	Wine Industry Network of Expertise and Technology
WOSA	Wine of South Africa
WTO	World Trade Organisation





National Agricultural Marketing Council

Promoting market access for South African agriculture



536 Francis Baard Street
Meintjiesplein Building
Block A, 4th floor
Private Bag x935 | Pretoria | 0001
Tel | +27 12 341 1115
Fax | +27 12 341 1181/1911
E-mail | StephenM@namc.co.za
Web | www.namc.co.za