



National Agricultural Marketing Council

Promoting market access for South African agriculture



REPORT BY THE NAMC

NATIONAL AGRICULTURAL MARKETING
COUNCIL AND AGRICULTURAL INDUSTRY
TRUST – AGRICULTURAL TRUST WORKSHOP

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HOLIDAY INN, SUNNYPARK, PRETORIA

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1. PROGRAMME DIRECTOR

– Mr B Nyhodo

The Programme Director came from the Secretariat, and Mr Bonani Nyhodo, who is currently the Acting Senior Manager: Agricultural Industry Trusts Division, was tasked with directing the programme. In his opening remarks, he greeted all industry participants led by the chairpersons of the various industry trusts, as well as Council members led by the Council Chairperson, Prof. PK Chauke, and staff members present led by the acting CEO, Mr Zama Xalisa. At 09h05 Mr B Nyhodo declared the engagement open. He furthermore requested that all attendees introduce themselves, and the apologies were tendered. No materialistic amendments were made to the programme and the attendance register was circulated. The Programme Director indicated that the meeting had been called for industry to meet with the NAMC Council, as it is relatively new. He argued that ordinarily a meeting for the Industry Trust is organised with the Minister or representative of the Minister and that this year the engagement had a bilateral aim. The Programme Director indicated that he would be a boring Director, as he does not have any jokes to share, and he urged all presenters to be on time. The Programme Director then called upon the Chairperson of the NAMC Council to outline the objectives of the engagement from the Council perspective.

2. WELCOMING REMARKS AND OBJECTIVES

– Prof PK Chauke

The Chairperson of the NAMC Council, Prof. PK Chauke, welcomed the NAMC Council, representatives of the agricultural industry trusts, the acting CEO of the NAMC, and NAMC staff members present. Prof. Chauke applauded the Agricultural Industry Trusts for playing critical role in the country's agricultural sector and the economy at large in terms of food security,

employment and contribution to the GDP in South Africa. The Chairperson reminded the meeting of the mandate of the NAMC as derived from the Marketing of Agricultural Products Act (Act No, 47 of 1996, as amended). He emphasised the mandate to be aligned with the four objectives of the MAP Act, namely:

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

Prof. Chauke further indicated that the NAMC as an institution was established in terms of the MAP Act. The NAMC played a crucial role in the process of abolishing the control boards, leading to the emergence of an institutions such as industry trusts and commodity associations to facilitate some of the important functions needed for a competitive sector. Prof. Chauke noted that it is against this backdrop that the agricultural industry trusts inherited the funds (in the form of assets) from the former control boards when the latter were phased out. He argued that the activities of every trust are guided by the Deed of Trust, which was approved by the Minister when the funds were transferred from the former control boards.

Prof. Chauke concluded his address by reminding those in attendance that the Council of the NAMC was recently appointed by the Minister of Agriculture, Forestry and Fisheries (DAFF). The main purpose of the meeting was for the Council members to introduce themselves to the agricultural industry trusts and to understand the work of the trusts; and furthermore, to establish a way forward for future engagements between the NAMC Council and the Industry Trusts. He further pointed out that after the engagement, the NAMC Council would arrange meetings with each Industry Trust individually to engage on issues pertinent to that specific trust.

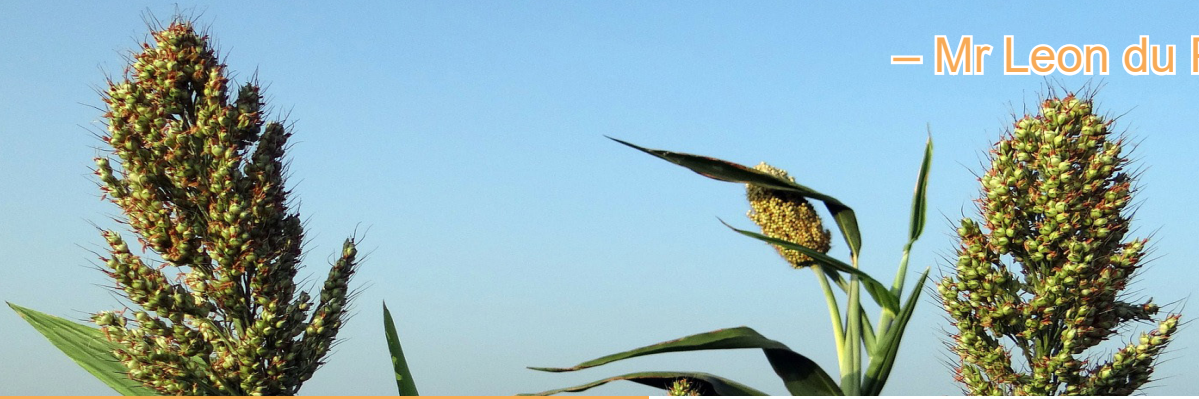


3. PRESENTATIONS BY AGRICULTURAL INDUSTRY TRUSTS

The Programme Director repeated the call that each presentation had been allocated ten minutes and he urged presenters to do their best to keeping to the allotted time. He then called upon Mr Leon du Plessis to come forward and deliver the presentations on the Sorghum Trust and the Maize Trust. It is noteworthy that Mr. Leon du Plessis is currently the Administrator of both the Sorghum Trust and the Maize Trust.

3.1. SORGHUM TRUST PRESENTATION

– Mr Leon du Plessis



Mr Leon du Plessis provided some brief background information on the sorghum industry, including challenges in the sorghum industry and how to overcome them, as well as the funding and spending overview of the trust. Mr du Plessis indicated that the trust has two main objectives, namely to maximise income and to provide funding for the benefit of the industry, particularly for sorghum research and development, transformation projects, and the maintenance of information required by the industry.

He noted that the industry also collects statutory levies. He further noted that the statutory levies are administered and accounted for separately from the trust's discretionary funds. He stated that the current levy in the sorghum industry stands at R10/ton. The industry is facing certain challenges, such as low demand for sorghum – hence the industry decision to terminate the levies on 28 February 2018 (at the end of the current levy cycle). He alerted the meeting to the fact that communication to this effect was sent to the NAMC. In addition, he said that the industry is of the view that the trust's current investments in monetary value, amounting to R26 million, are deemed sufficient to sustain the industry considering its size. He further outlined the challenges contributing to the decline of the sorghum industry as follows: Lack of interest and/or support from the DAFF and provincial departments of agriculture (PDAs); lack of extension services to producers; decline in commercial brewing of sorghum; and yield and price giving producers an incentive to plant maize over sorghum.

Mr du Plessis argued that in response to the abovementioned challenges, this creates new opportunities for sorghum producers and the industry as a whole, which can be outlined as follows: Conversion of subsistence farmers to small-scale commercial producers; conversion of emerging farmers to commercial producers; retention and encouragement of commercial producers to expand sorghum area planted; and co-ordinated sorghum development projects between DAFF/PDAs, NAMC, Sorghum Forum, GSA, GFADA and producers. Mr du Plessis made reference to the NAMC transformation guidelines, and stated that for the 2016/17 year the Trust invited bursary applications for MSc and PhD studies. After a lengthy selection process, it was determined that none of the proposals were sorghum related. However, bursary invitations will again be sent out in 2018.

In closing, he indicated the following challenges encountered with regard to transformation initiatives: Finding transformation projects; and very few sustainable black sorghum farmers.

In responding to the challenges related to transformation projects, the following interventions were introduced: NAMC and GFADA requested to assist in identifying projects; commercialisation, trial plots, study groups and training courses offered; and GFADA identified one suitable black sorghum farmer who is currently supported by the Trust.

3.2. MAIZE TRUST PRESENTATION

– Mr Leon du Plessis



Mr du Plessis briefly outlined the origin and the three objectives of the Maize Trust, namely research, market information and market access. He elaborated that the third objective, i.e. market access, was formed when the Trust Deed was negotiated. The Trust decided to use a wider term to encompass everything that can be funded in terms of market access, including transformation, farmer development and other market initiatives. In his presentation, Mr du Plessis highlighted the following initiatives that have either been started by the Trust or where the Trust plays an important role: Bureau for Food and Agricultural Policy (BFAP); Grain Farmers' Development Association (GFADA); Conservation agriculture; World Trade Organisation (WTO); Mycotoxin research; and Maize Trust bursary scheme.

Mr du Plessis indicated the activities and expenditure of each initiative. Furthermore, he reported the major beneficiaries of the Trust, which

are the Agricultural Research Council; Grain Farmers' Development Association; Southern African Grain Information Service; Southern African Grain Laboratory; Grain South Africa; Universities; Bureau for Food and Agricultural Policy; and Bursary students' ad hoc research, information and transformation service providers. He further informed the attendees that the Trust does not administer statutory levies and that the funding is solely generated from investment income. In addition, approximately R66 million of Trust funds was allocated for the activities of the Maize Trust for the 2017/18 financial year and distributed as follows: 8 % on administration, 40 % on research, 20 % on market information, 20 % on transformation initiatives and 2 % on bursary schemes or school programmes. In closing, he urged the NAMC Council to attend all Maize Trust functions, particularly the forums and AGMs.





3.3. OIL AND PROTEIN SEEDS DEVELOPMENT TRUST

– Mr Gerhard Keun

Mr Keun is currently the Administrator of the Oil and Protein Seeds Development Trust. He gave a brief presentation covering the background of the Trust, the allocation of funds and transformation initiatives. He opened his presentation by outlining the main objective of the Trust, which is the promotion and development of the oilseeds industry in South Africa through the financing of research projects with regard to improvement, production, hoarding or marketing of oilseeds; financing for the provision of information and advisory services; investment and conservation of the assets of the Trust; productive utilisation of the assets of the Trust from time to time in such a manner that the real value thereof is maintained or increased, as far as possible; and financing of market access.

Mr Keun further indicated that currently the Trust has a maximum number of seven (7) trustees; one (1) ministerial representative and six (6) representatives from the oil and protein seeds industry. He also noted in this regard that amendments will be made to the Trust Deed to appoint an additional representative of the Minister of Agriculture, Forestry and Fisheries. Mr Keun indicated that on 31 July 2017 funds stood at R330 021 388 and the Trust does not administer statutory levies. He further added that for the 2017/2018 financial year a budget of R31 069 344 million has been approved.

Some of the Trust's transformation initiatives are: Farmer development (by GrainSA); bursary scheme (eight students awarded bursaries annually); promoting household production and processing of soybeans as a major source of quality protein; planting canola and soybean trials in the Eastern Cape; soybean awareness DVD (GrainSA); and mentoring of groundnut farmers (GrainSA).

In conclusion, it is interesting to note is that that the Oil and Protein Seeds Development Trust decided to become a member of GFADA, which will serve as a vehicle to drive transformation initiatives of the Trust with a special focus on soybean and sunflower development farmers. The Trust will on an annual basis make funds available to GFADA to execute its activities. Furthermore, groundnut cultivar trials will be conducted in Mpumalanga. Lastly the future plans of the Trust include investment, conservation and utilisation of the assets of the Trust in such a manner that the real value thereof is maintained and/or increased in order to finance research projects to the benefit of the oilseeds industry and the expansion of GFADA projects.



3.4. NATIONAL LUCERNE TRUST

– Mr Derick Engelbrecht

Mr Engelbrecht is currently the Administrator of the National Lucerne Trust. In his opening, he congratulated the new appointees of the NAMC Council on their new role and informed them that he would be retiring this year, after being in the lucerne industry for 38 years. He further stated that the National Lucerne Trust is the representative body for the South African lucerne seed and hay industry. He indicated that the Trust Deed accounts for seven trustees on the board; however, there is one vacant position for a small-scale farmers' representative. He further noted that the Trust administers statutory levies to finance its activities. Great emphasis is put on the importance of the statutory levies to ensure that continuous, timely and accurate information relating to lucerne seed and hay is available to all role players.

Mr Engelbrecht indicated the recommended expenditure distribution of statutory levies, in line with the MAP Act as guided by the NAMC, as follows: 70 % on core activities such as research and development, information and export promotion; 20 % on transformation project(s); and 10 % on administration costs. Mr Engelbrecht indicated that amongst other activities, the Trust has two core activities: research and development, and the export of lucerne hay to Saudi Arabia. The industry is

currently finalising the exportation of lucerne hay to China in collaboration with DAFF. With respect to transformation initiatives, he outlined that the total spent on seed and hay levy income over four years (2014 - 2017) amounts to R 6.3 million, with R 1.5 million or 24 % being spent on transformation. The Trust's transformation initiatives include the Taung lucerne hay project, which has 40 small-scale lucerne farmers on 400 ha.

The Trust supports beneficiaries with lucerne seed and assistance with harvesting and marketing. Lastly Mr Engelbrecht indicated that the Trust supports the decision taken during the 2016 meeting between the trusts and the Minister, to the effect that there should be an entity that drives transformation in the agricultural sector in order to track sector transformation. The Trust initially made a decision to transfer transformation funds to GFADA, which will be responsible for transformation activities under the chairmanship of Dr John Purchase from the Agricultural Business Chamber. However, this is still on hold and has not yet been implemented.



3.5. MEAT INDUSTRY TRUST

– Adv. Les Kugel

Adv. Kugel is currently the Chairperson of the Meat Industry Trust (MIT). He made a brief presentation outlining the Trust, fund allocation, MIT Bursary Scheme, research, ad hoc funding and key MIT and Red Meat Research and Development Trust (RMRDT) challenges. In his opening, he provided brief background information on the Trust and indicated that the Minister had approved the establishment of the RMRDT and MIT on termination of the Meat Board with 50/50 representation from ministerial and industry trustees, consisting of six (6) representatives in total. MIT beneficiaries are from various organisations, such as the South African Meat Industry Company (SAMIC), National Emergent Red Meat Producers' Organisation (NERPO), Red Meat Abattoirs' Association (RMAA) and research institutions. RMRDT strictly focuses on research funding. He further indicated that both the MIT and RMRDT are so-called "legacy trusts" because neither is funded under the MAP Act (levies). The Trust preserves its capital and allocation of income in terms of perpetuity principles. In a nutshell, the MIT and RMRDT funds for June 2017 were R 44 million and R 26 million respectively. The breakdown allocation of funds for RMRDT research for 2016 amounted to R 6 200 000 million, and R 6.3 million in 2017. During 2016 and 2017 the MIT spent R 890 000 and R 840 000 respectively.

Furthermore, the criteria for the awarding of bursaries are as follows: Given that most red meat industry functions are funded via a levy under the MAP Act, which falls under the Red Meat Industry Forum, the MIT presently mainly devotes funds (income) for postgraduate bursaries; applications and allocations are administered by a Bursary Working Committee, which is a subcommittee of the MIT, with an MIT member and NAMC observer member; the Committee developed a

criterion for the allocation of bursaries; and the initial enrolments were mainly white females, but the equity allocations have since improved with black students opting more for postgraduate studies.

The RMRDT has a Research Committee, which is guided by a service provider in terms of recommending research projects for funding both locally and internationally. The RMRDT SA is comprised of two (2) sub-planning committees from the pork industry and from the beef and small stock industry. Furthermore, the MIT may consider funding for ad hoc requests and has in the past provided funding for many projects to the benefit of the industry, including NERPO and SAMIC funding of approximately R 3 million and R 8 million respectively. The MIT makes available grant funding of R 600 000 to the RMAA for training in the following aspects: slaughter techniques; care and storage of abattoir equipment; hygiene awareness; and awareness of meat safety. The MIT also provided grant funding of R 282 000 to the Agency for Food Safety (AFS) for the establishment of a National Animal Health Information System.

Mr Kugel mentioned some of the challenges encountered by the Trust, which are mostly caused by external factors such as uncertain investment climate; limited capital base versus objectives; limited funds leading to prioritised funding opportunities; and slow appointment of substitute ministerial trustees. He concluded his presentation by saying that the MIT and RMRDT are well managed due to the internal governance mechanisms – bursary and research committees; professional fund managers; excellent administrators and advisers; and clean audits since inception.

3.6. MOHAIR TRUST

– Mr Deon Saayman



Mr Saayman is currently the Administrator of the Mohair Trust. He opened his presentation by indicating that South Africa is the largest producer of mohair with a share value of 52 %, followed by Lesotho with a 17 % share value. He expressed his concern about the lack of spinners, as there are currently only two (2) mohair spinners in South Africa. These spinners are stationed in the Eastern Cape Province. It is important to note that approximately 85 % of all exports are in a processed form. He further outlined the other structures in the mohair industry, and their objectives, as follows:

The Mohair Trust, which manages the assets in such a way that income is optimised for the advancement of the mohair industry locally and internationally; Mohair SA, which is responsible for the marketing and promotion of mohair and which represents the mohair industry within the country; and the Mohair Empowerment Trust, which is responsible for empowering black mohair farmers to become commercially viable. To date the Trust has invested R 2 692 742 in six (6) empowerment projects.

Mr Saayman mentioned that the challenges facing the mohair industry include: ownership/title deeds; reinvestment; problems with unproductive farms; farms not being economically viable due to size; lack of and/or limited infrastructure, or infrastructure in poor condition; need for a younger generation on farms; ongoing monitoring and guidance; better understanding and closer involvement from government; identification of commercially viable projects to ensure cash flow requirements; and a dedicated industry veterinarian.

In conclusion, Mr Saayman informed the meeting that Mohair South Africa has identified the need to make the mohair fibre recognisable and thus enable consumers to identify the products that contains mohair. This is key to the growth and advancement of the mohair industry.

3.7. WOOL TRUST

– Mr Andre van der Venter

Mr van der Venter is currently the Administrator of the Wool Trust. He made a brief presentation covering, amongst other things, the background to the Trust, the allocation of Trust funds, transformation initiatives, challenges and future plans of the Trust. Opening his presentation, he indicated that the Wool Trust was established in 1997 with the aim to achieve sufficient capital growth and income generation from assets, and to maximise the funding of activities to the benefit of the wool industry and the role players involved at both producer and pipeline level on a long-term, sustainable basis. The Wool Trust's income is generated from a well-diversified investment portfolio and rental income from investment properties. The Trust does not raise any levies from producers and receives no funding from government.

He further outlined that the Trust's funding of the wool industry is based on an internal funding and investment policy. This funding and investment policy has norms to ensure that the Trust's funding of the wool industry will be sustainable over the long term. Since the deregulation of the former SA Wool Board in 1997, the Wool Trust has received R 136.2 million and has paid R232,2 million to the wool industry, which represents 90 % of the Trust's cash generated from operations over the same period. The Trust's total assets amounted to R 525.1 million as on 28 February 2017, which included fixed investments (R 340.4 million) and fixed property (R 180.7 million). He further outlined the key activities funded by the Trust, which include production advice and development; shearer training; research and development projects; and information and statistics.

Moreover, smallholder producers in communal areas became involved in the organised wool industry in 1995 as observers. After the establishment of the Trust in 1997, these farmers started to organise themselves into wool growers' associations based around shearing sheds. There are currently more than 1400 of these wool growers' associations in the communal areas.

The National Wool Growers' Association of South Africa (NWGA) is a national organisation and is the most representative wool producer organisation in South Africa. The NWGA has a voluntary membership of approximately 22 990, of which 18 880 (or 82 %) are small-scale wool producers, who are represented through 944 communal shearing sheds.

The transformation initiatives that are funded by the Trust are implemented by the NWGA as a sub-contractor to Cape Wools SA. The service is provided to all wool producers and not only to the members of the NWGA. The Trust's

funding of NWGA services enables the NWGA to leverage additional funding from government and other sources for transformation purposes. He also indicated that the transformation initiative funds from 2007-2018 amounted to R 73 245 067. Since 2002, a total of 45 796 quality rams have been introduced into communal flocks to improve the genetic make-up and to improve the quality and quantity of wool as part of the Woolled Sheep Development Programme within the communal areas. The purchase of these rams was funded by the Eastern Cape Government until 2010 and by Department of Rural Development and Land Reform since 2011. The distribution, collection and disposal of inferior rams is done by the NWGA using Wool Trust funding.

A total of 229 communities benefited from the ram initiative during 2016/17. There is a general consensus in the wool industry that the quality of wool from communal areas has improved enormously over the past few years due to the ram project.

He further reported that a study conducted in the communal wool-producing areas revealed that the number of households with savings accounts increased from 49 % in 2004 to 84 % in 2015 and is set to continue upwards; and the number of households having to borrow money for school fees decreased from 77 % in 2005 to 48 % in 2015.

Mr van der Venter further outlined the challenges affecting the wool industry and he said "a major inhibitor of further progress, especially for the improvement of reproduction, which is key to greater profitability, is the difficulty of implementing sound grazing management in the communal land ownership environment; stock- and wool theft is eroding the profitability of emerging farmers and discouraging new entrants; predation; and market access is made difficult by the poor roads in areas where emerging farmers are farming".

He further pointed to one of the Wool Trust's future plans as being to continue funding the wool industry on a long-term sustainable basis. There is huge potential to increase the wool production of communal producers and to convert communal producers into commercial producers. The wool industry has developed a Wool Industry Growth Plan and the Wool Trust will contribute funds toward this plan, but due to the extent thereof, substantial additional funding would be required from other sources. In conclusion, he indicated that for the 2016/17 season about 64.2 % of the SA wool clip, valued at R4.290 billion, was exported to China.

3.8. WINTER CEREALS TRUST

– Dr Simon Letsoalo

Dr Letsoalo is currently the Administrator of the Winter Cereals Trust (WCT). The presentation covered the background, finances, transformation initiatives and challenges of the Trust. Dr Letsoalo indicated that the Trust was established from the former Wheat Board. He outlined the objectives of the Trust as to undertake and/or financially support scientific, technical or industrial research; to support the maintenance of information required by the winter cereals industry; and to broaden market access. The Board of Trustees is comprised of twelve (12) trustees, six (6) representatives of the Minister of Agriculture, Forestry and Fisheries, and six (6) industry representatives. In terms of finances, the Trust generates income from statutory levies and investments, and spends its funds according to the guidelines prescribed by the NAMC. For the 2013/2014 and 2014/2015 financial years an amount of R 11 822 038 and R 12 248 081 respectively was collected from statutory levies.

For the current financial year, R 6 400 000 has been spent on transformation initiatives. Dr Letsoalo indicated that the transformation initiatives include production programmes, education and internship programmes. Annually the Winter Cereals Trust makes available funds for capacity building and specifically the ARC's institute involved in winter cereals research, as well as other relevant organisations. In addition, the WCT also administers a bursary scheme that supports 12 masters' and doctoral students to the benefit of the winter cereals industry.

He concluded by pointing out the challenges encountered in the winter cereals industry, including high levy tariffs; climate change; lack of competitive enterprises; and inadequate new entrants to production.

3.9. POTATO INDUSTRY DEVELOPMENT TRUST

– Dr Andre Jooste

Dr Jooste is currently the Chief Executive Officer of Potatoes South Africa. He made a brief presentation outlining the historic context, statutory levies, core business activities and the governance of the Trust. In his opening statement, he indicated that the Control Boards were abolished in 1997 with the enactment of Marketing of Agricultural Products Act (1996). He further outlined the objectives of the MAP Act, which makes provision for statutory measures.

He further outlined that the statutory levy in the potato industry is used to fund core functions such as transformation; the inclusion of black economic empowerment, e.g. by creating market access for emerging farmers, as well as development projects related to the potato production and marketing chain; basic as well as applied agricultural research, including potato cultivar evaluation and the dissemination of all relevant technical information; the gathering, processing, analysing and compiling of industry-related information, including market statistics, and the dissemination thereof; marketing, inclusive of the development of foreign markets for South African potatoes and generic product promotion; and administrative services rendered by the appointed administrator.

Dr Jooste further informed the meeting that the Potato Industry Development Trust uses the guidelines stipulated by the NAMC on how to utilise the statutory levies. The levy in the potatoes industry as per the NAMC guidelines is distributed in such a way that administration accounts for only 7.95 %, transformation for 21.80 %, and the majority 70.25 % for core business activities. The core business activities for the potato industry include market development and product promotion. He added that

for market development, the formation of stakeholder relationships (government, fresh produce market, etc.) is important, as are trade policy and interventions. He also indicated that the Trust has made a strategic decision to focus more on reaching out to the consumers by making use of television, radio, print, and social media for product promotion. The Trust has noted that consumers are spending R1.2 billion more per annum on potatoes than 10 years ago. With regard to transformation activities, the industry is focusing more effort on enterprise development, small grower development, farm-based training and the tertiary skills development pipeline.

He further highlighted some of the achievements in terms of enterprise development, reporting that approximately R 6 million was spent on farmer identification, soil analysis, pre-feasibility studies, mentorship and business plan development, including the identification of partners and the implementation of projects. On the other hand, achievements in terms of small grower development projects include achieving 55 projects in the past five years; reaching more than 4000 people; and entering into partnerships with the KwaZulu-Natal and Eastern Cape provincial governments.

Thus far the Potato Industry Development Trust has spent approximately R 1.3 million on the technical and business skills upliftment of black producers, the development of young talent through college and university studies; and young individual workplace experience. Dr Jooste concluded by saying that research on development technology transfer remains critical, as this plays a pivotal role in the potato industry.

3.10. DECIDUOUS FRUIT INDUSTRY TRUST

– Mr Louis van Zyl

Mr van Zyl is currently the Administrator of the Deciduous Fruit Industry Development Trust. His brief presentation covered the background to and objectives of the Trust, the allocation of Trust funds and projects funded by the Deciduous Fruit Industry Development Trust (DFIDT). The Trust was established in 1999 and following deregulation in 1997, the Trust inherited all the funds from the former Deciduous Fruit Board. He indicated that the Trust has six (6) members on the board of trustees, with four (4) representing the Minister and two (2) representing the industry. He further outlined the objectives of the Trust as being to benefit, either directly or indirectly, beneficiaries that have been previously disadvantaged; to fund the development, upliftment and promotion of beneficiaries; to provide assistance to beneficiaries; to identify

& and recruit beneficiaries for training and development; to liaise with ministers, the DAFF, NAMC, interest groups and DFI; and to facilitate and fund market research / generic promotion.

In closing, Mr van Zyl reported that a total of seven (7) bursaries were awarded to students in the field of agriculture, with special focus on the deciduous fruit industry. The Trust will continue to fund bursaries with a vision to grow the investment of the Trust over the next two (2) years.



3.11. CITRUS INDUSTRY TRUST

– Ms Vuyo Gxotiwe

Ms Gxotiwe made the presentation on behalf of Dr Konani Liphadzi who had prior commitments and was unable to attend the meeting. Ms Gxotiwe gave a very brief introduction to the Trust and the transformation initiatives. She stated that the Trust was established in 1999 with an initial investment of R 16 689 489 and that the Trust uses profits from investment to fund its operations. The main objective of the Trust is to enhance the viability of the South African citrus industry. The Board of Trustees has appointed Fruit SA as the Trust administrators. The Board of Trustees is comprised of six (6) members with equal representation from the Minister and the industry. In 2016, an amount of R 500 000 was spent on bursaries, R 114 000 on administration and R 30 000 on audits.

Ms Gxotiwe elaborated on the aims of the Citrus Academy Bursary, i.e. to address challenges such as scarce and critical skills supply, employment equity and transformation in the Southern African citrus industry. She further highlighted that in 2016, a total of 27 (24 black and three white) participants were awarded bursaries. In closing, she reported that the future plans of the Trust include expanding their offerings by assisting emerging citrus growers; however, this requires more financial resources than what the Trust currently has.

4. SOME GENERAL COMMENTS FROM ATTENDEES

The attendees were reminded that the initial intention of the meeting was to provide the new NAMC Council with information, to outline the progress made, and to note the challenges. The following points emerged from the comments made by the attendees:

- Good relations between the NAMC and the trusts, as well as the commodity associations, are crucial for the development of the sector.
- All in attendance indicated the need to reconsider the commitment to more research, as it plays an important role in improving the productivity of the sector and thereby invariably increases competitiveness. The general feeling was that research spending is of concern in terms of the trend.
- The meeting was unanimous in seeing the importance of transformation, and the trusts were applauded for their work, but it was noted that a lot still needs to be done.
- The meeting also outlined the need for visible private and public-sector collaborations, due to the project funding disparities identified between government and industry in the advancement of transformation in the agricultural sector.
- This engagement was long overdue, and the industry trusts expressed their appreciation of the newly appointed Council and said they were looking forward to future engagements.

5. THE WAY FORWARD BY THE NAMC DEPUTY CHAIRPERSON

- MR Prinsloo

The Deputy Chairperson of the NAMC Council expressed a vote of thanks on behalf of the Council and highlighted the following:

- That the NAMC Council will organise meetings with the individual Trusts to address their specific challenges and the questions for clarity in terms of the way forward;
- Such meeting dates will be communicated to the individual Trusts and will always be aligned with Council meetings;
- The NAMC Council intends to also meet with Development Agencies (like GFADA) and other transformation bodies to unpack transformation and development with a broader perspective; and
- That history is starting to show that it is ideal to encourage other Trusts with common objectives to establish entities like GFADA to drive transformation in the agricultural sector.

In closing, the Deputy Chairperson thanked everyone in attendance, particularly the Industry Trusts for their meaningful contributions, as well as the other members of the NAMC Council and NAMC staff for honouring the invitation to engage on matters relating to trusts. The meeting concluded at 12h30.

For more information on *Agricultural Trusts Workshop*, contact:

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