



**National Agricultural
Marketing Council**
Promoting market access for South African agriculture

2016/17 SURVEY



STATUS REPORT

ON AGRICULTURAL INDUSTRY TRUSTS

This report was compiled by the NAMC Agricultural Industry Trusts Division

By

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ACRONYMS

ARC	Agricultural Research Council
AWUTEC	Agriculture Workers' Empowerment Trade Union Council
BEE	Black Economic Empowerment
CGA	Citrus Growers' Association
CIT	Citrus Industry Trust
DAFF	Department of Agriculture, Forestry and Fisheries
DFI	Deciduous Fruit Industry
DRDAR	Department of Rural Development and Agrarian Reform
FAWU	Food and Allied Workers' Union
GDP	Gross Domestic Product
GM	Genetically Modified
GFADA	Grain Farmer Development Association
IDC	Industrial Development Corporation
LDI	Laborie Dialogue Initiative
MAP Act	Marketing of Agricultural Products Act
MOU	Memorandum of Understanding
MSc	Master of Science
NWGA	National Wool Growers' Association
PSA	Potatoes South Africa
SAWIT	South African Wine Industry Trust
SMME	Small, Medium and Micro Enterprises

PREFACE

Macbeth's first words to his wife (Lady Macberth) after killing King Duncan were "I have done the deed. Didst thou not hear a noise". Unfortunately, the same words cannot be said about the work of the Trusts following the completion of a year – as the work is more continual than just an event. A historical context of agricultural Trust is that, at the sunset or after the disbandment of the Control Boards a new dawn was born, the emergence of the Agricultural Industry Trusts as they are presently known. In simplistic terms, these industry Trusts are the inheritors of the assets of the control boards. The Agricultural Industry Trusts are governed in terms of two Acts of Parliament.

The governance or institutional setup of the Trusts is as prescribed by the Trust Property Act (57) of 1998. This Act provides for the legal personality of the Trusts (such as the Deed of Trust, Board of Trustees, Types of Trusts and Beneficiaries). The objectives of the Trusts are aligned with the objectives of the Marketing of Agricultural Products Act (47) of 1996. This Act also provides for the appointment of Trustees. It needs to be noted that the Minister of the Department of Agriculture, Forestry and Fisheries is represented in all the Trusts, however, the number of Ministerial Trustees differ across the Trust.

The National Agricultural Marketing Council (NAMC) on behalf of the Department of Agriculture, Forestry and Fisheries (DAFF) plays the liaison role between the Minister and the Agricultural Industry Trusts. The role playing of the NAMC did not start during the new dawn as the disbandment process was coordinated by the NAMC. Noteworthy, is to outline that the total asset value of all the Agricultural Industry Trusts stands at about R2,4 billion in 2017, March (and declined by R50 million from 2016 value). It needs



Bonani Nyhodo: Senior Manager of Agricultural Industry Trusts Division (NAMC)

to be noted that the initial inherited assets value was around R660 million and this has increased to what is currently the value. This document presents a picture of the activities of the agricultural industry Trust for the financial year 2016/17. I am indebted to the great work, as the NAMC, that the Trust administrators have done in collaborations with the Trust Chairpersons.

I would also like to stress on the important role all the Trustees are playing in growing and prioritising strategic industry work to be financed by the Trust. I equally and more sincerely appreciate the role played by the Ministerial Trustees in ensuring that government priorities are kept within the radius of the Trust focal areas. On behalf of the Agricultural Industry Trusts Division team that, I have the honour and pleasure to present the Status of Agricultural Industry Trust report. As an optimist let me use the popular phrase that: "Aluta Coninua": and victory is certain.

SUMMARY

The Agricultural Industry Trusts were established (from 1997) in terms of the Trust Property Act, (57 of 1988), and the Marketing of Agricultural Product Act, (47 of 1996). The establishment of the Trusts was part of the market deregulation process. The mandates of the Trusts are i) to protect the assets, ii) grow the asset in line with the consumer price index (CPI plus), and iii) use the proceeds to finance industry work. In accordance with the Trust Property Act, each Trust has a Deed of Trust that specifies the objectives of the Trust and the beneficiaries, who then prescribe the type of the Trust, led by Board of Trustees. Industry stakeholders are represented on the Boards of Trustees and the Minister appoints Ministerial Trustees. The Ministerial representation in different Trusts is coordinated by NAMC. As such, the NAMC is a custodian of the appointment process, and the ultimate decision is that of the Minister. The NAMC is required to communicate annually with the Minister regarding the affairs/developments of the Trusts.

Therefore, this report presents that status of all Agricultural Industry Trusts (in 2017) to the Minister, the Portfolio Committee, and the Directly Affected Groups. All the information used in the report was

received from the Trusts. It is important to note that three Trusts also administer statutory measures, namely: The Winter Cereal Trust (WCT), the National Lucerne Trust (NLT), and the Potatoes Industry Development Trust (PIDT). In compiling the reports, the NAMC sent a questionnaire to all the Trusts, and all the Trusts responded, giving a 100% response rate. All other Trusts are administered by Not for Profit Companies (NPCs) as stipulated in the Companies Act (Section 21). The NAMC regards the Industry Trusts as key actors in the realisation of a viable sector that is efficient and internationally competitive.

The governance is composed of eighty-one (81) Trustees, of whom twenty-five (25) are Ministerial and fifty-six (56) are industry Trustees. These Ministerial Trustees are specially delegated to ensure that government priorities are addressed in line with the objectives of the Trust Deeds. In 2016, the total value of the Trusts was R2,44 billion and in 2017 the total value stood at R2,38 billion (a decrease of R50,5 million). Collectively, the Trusts spent approximately R48 million on Transformation, with a key focus on enterprise development and skills development.



SECTION 1:

Activities of the NAMC's Agricultural Industry Trusts Division

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1.1. Ministerial Trustees

Various activities were undertaken to capacitate the Ministerial Trustees and to create better understanding between the NAMC and the different industry Trusts. Firstly, training was organised and convened to capacitate Ministerial Trustees on matters relating to governance matters. Secondly, appointments of Ministerial Trustees were made to the Trusts to replace those Trustees whose terms had come to an end. Thirdly, an engagement was convened between the NAMC Board and the chairpersons and administrators of the Trusts to build relationships and ensure mutual understanding of matters relating to the Trusts.

1.2. Corporate Governance and Ethics

On 15 March 2018, the Agricultural Industry Trusts Division facilitated training on principles of Corporate Governance and Ethics for all Ministerial Trustees. This was aimed at ensuring that the roles and responsibilities of the Trustees are clearly understood. It was important to give clarity on the legal obligations/commitments that each Trustee assumes when agreeing to become, and being registered by the Master of High Court, as a Trustee. Furthermore, the training sessions served to create a platform for Ministerial Trustees to engage with one another and create the necessary network among themselves to share notes.

1.3. Appointment of Trustees

The Agricultural Industry Trust Division facilitates the appointment process of the Ministerial Trustees and recommends candidates to the Minister. The Ministerial Trustees have a legal obligation to take responsibility to represent the interests of the Minister, DAFF, in the Trusts. During the period under review, the following Trusts had Ministerial Trustees whose terms of office had lapsed. In the Meat Industry Trust (MIT), the following persons were appointed by the Minister: Dr T. Hewu, Ms N. Motshegoa, and Ms B.S. Tlhabane. Unfortunately, it was ascertained during the registration process at the office of the Master of High Court that these persons could not also be registered as Ministerial Trustees for the Red Meat Industry Research Development Trust (RMIRD). Accordingly, the NAMC has sent a Ministerial Submission to request the Minister to appoint the same colleagues. In the Maize Trust, Ms M. Mabe and Mr Z. Ngejane were appointed for the Maize Trust, and lastly in the Oil and Protein Seeds Development Trust, Mr K Gaoraelwe was appointed.

Table 1 presents a full picture of the replacements and the terms of the new Trustees.

Trust Name	Ministerial Trustees		Term of office
	In	Out	
Oil and Protein Seeds Development Trust	Mr K. Gaoraelwe	Mr G. Rathogwa	2 years
Maize Trust	Ms M. Mabe & Mr Z. Ngejane	Ms N. Mahlali & Dr T. Hewu	2 years
Meat Industry Trust	Dr T. Hewu, Ms B. Tlhabane & Ms N. Motshegoa	Dr P. Maduna & Dr Toni. V. Penxa	3 years

1.4. Workshop between NAMC Council and Agricultural Industry Trusts

On 22 August 2017, the NAMC Board/Council and Industry (Chairpersons and Administrators) held an Agricultural Trusts Workshop. The purpose of the engagement was for the Agricultural Trusts Industry to meet with the NAMC Council and foster the much-needed relationship. All industries actively delivered presentations on the background of their Trusts, objectives, composition of Trustees, financial information, transformation initiatives, and lastly, the challenges pertinent to each industry.



SECTION 2:

Agricultural Industry Trust's Background and Objectives

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2.1. Background information regarding the Agricultural Industry Trusts

The Agricultural Industry Trusts, as legal entities, do not have a long history. The legal instruments that guide their existence are the Trust Property Act, 57 (1988) and the Marketing of Agricultural Product Act, 47 (1996). However, the functions they support do have a long history. It is noted that in the 1930s, the Department of Agriculture maintained various agricultural schemes, each administered by an industry agricultural board. In 1996, the Marketing of Agricultural Products Act (Act No. 47) was enacted. Section 27(2) of the MAP Act stipulates that schemes established under the MAP Act would be valid for a period of one year following the first meeting of the NAMC (06 January 1997), or until repealed by the Minister – which ever occurred first.

Subsequently, all the boards submitted business plans in terms of section 26(1) of the MAP Act to the NAMC for Ministerial approval, which detailed a new industry structure within which the activities of the various industries would be performed after the vacation of the schemes. The new structures were Trusts and section 21 companies. The business plans were approved by the Minister, who stipulated the requirements for the formation of the Trusts, their objectives, and representation on the Trusts, as well as any transfer of boards' funds to the Trust, subject to approval of the Minister. These business plans were accompanied by the respective Trust deeds. The Trust deeds contain the objectives of each Trust and govern the management and operations of the Trusts.

2.2. Objectives of the Trusts

This section outlines all the objectives of the agricultural Trusts, as presented in their respective deeds of Trusts. This is to ensure that all the operational discussions provided for each Trust are understood in the perspective of the objectives, as stipulated. The Trusts are positioned under three broad categories: horticulture, field crops, and livestock.

2.2.1. Horticultural Trusts

Citrus Industry Trust

The primary objective of the Citrus Industry Trust is to enhance the viability of the South African citrus industry and specifically to:

- Finance basic and applied research relating to the production and marketing of citrus,
- Grant bursaries or financial aid to persons in the furtherance of their studies relating to the citrus industry,
- Finance the collection and dissemination of marketing and other information relevant to the citrus industry,
- Finance and nurture marketing skills in the citrus industry,
- Finance the promotion of the citrus industry in a national context and especially overseas,
- Finance mechanisms for the social development and welfare of all directly affected groups in the citrus industry including labour,
- Finance any organisation or institution that has as its aims one or more of the above objectives; and
- Promote the aims of the citrus industry by providing financial aid.

Potatoes Industry Development Trust

The objective of the Trust is to receive statutory levies in terms of the Marketing of Agricultural Products Act, 1996 (Act 47 of 1996) and to authorise expenditure as set out in levy announcements as amended from time to time which mainly include the following:

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

Deciduous Fruit Industry Development Trust

The objectives of the Deciduous Fruit Development Trust are to benefit, either directly or indirectly, beneficiaries that have been previously disadvantaged. It is important to understand that Trustees cannot alter the objectives of the Trust; they can only amend the priority of funding. The objectives of the Trust contained in the Trust Deed are as follows, to:

- Fund the development, upliftment and promotion of beneficiaries, with particular emphasis on the transformation, exposure and upliftment of previously disadvantaged individuals and communities, focusing on training, mentoring and providing information, amongst other things,
- Provide assistance to beneficiaries with their entry into and participation in the industry, particularly of members from previously disadvantaged communities,

- Identify and recruit suitable candidates from within the ranks of the beneficiaries for

training and advancement in the deciduous fruit industry in South Africa, with particular emphasis on the transformation and upliftment of previously disadvantaged individuals and communities that qualify as beneficiaries,

- Liaise with Provincial Members of the Executives (MECs), the National Minister of Agriculture, the Department of Agriculture, the NAMC and other interest groups in the deciduous fruit industry, with a view to collaborating on a development and training policy so as to promote training and development of the beneficiaries, and
- Facilitate and fund market research and the generic promotion of the deciduous fruit industry to the benefit of the beneficiaries.

2.2.2. Field Crop Trusts

Maize Trust

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

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

Oil and Protein Seeds Development Trust

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

- The financing of research projects with regard to the improvement, production, storage, processing or marketing of oil seeds,
- The financing for the provision of information and advisory services relating to the Oil Seeds Industry with regard to the production of oil seeds and marketing conditions
- The investment and conservation of the assets of the Trust,
- The 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
- The financing of market access or of any further conduct which is in the interest of the oilseeds industry provided that it is in accordance with the objectives and purposes of the Act.

Sorghum Trust

The objectives of the Sorghum Forum are as follows: The main objective of the Sorghum Trust is to maximise the income of the Trust and to provide funding for the benefit of the sorghum industry, particularly for sorghum research and development projects and the updating and dissemination of information required by the South African sorghum industry. The Sorghum Forum scrutinises all funding applications that are submitted to the Sorghum Trust. The Trustees take due cognisance of the recommendations made by the Forum.

The objectives of the Sorghum Forum are as follows:

- To act in the interests of the sorghum industry and those of the community and to deal with matters

that may affect the common interests of the members,

- To act as a mouthpiece for the sorghum industry,
- To consider and to motivate submissions to the Minister for statutory measures,
- To recommend to the Sorghum Trust that funds are made available for employment in furthering the interests of the sorghum industry,
- To recommend to the Department of Agriculture any amendment to the quality standards/regulations,
- To consider and to motivate research projects to be conducted in the interests of the sorghum industry,
- To continuously keep all of the members informed regarding the progress and results of such projects,
- To identify new information to be collected and to apply for statutory measures in this regard, and
- To keep the members informed about feedback on submissions to the Minister and other institutional developments.

Winter Cereal Trust

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

- The maintenance of information required by the Winter Cereal Industry in the republic of South Africa,
- The broadening of the market for South African produced winter cereals, and
- The administration of the wheat forum, as structured at the time of the establishment of the Winter Cereal Trust.

2.2.3. Livestock Trusts

Meat Industry Trust

The main objectives of the Trust are as follows:

- Research relating to the improvement, production, manufacture, processing, storing or marketing of red meat or red meat producers,
 - The provision, distribution and dissemination of information relating to any matter which may be relevant to the meat industry,
 - The rendering of assistance by means of a grant or loan or in any other manner to anybody of persons established or instituted to promote any branch of the agricultural industry which relates to meat or red meat products or which has similar objectives as this Trust,
 - The benefitting of the meat industry by whatever lawful means the Trustees from time to time in their discretion may decide, within the ambit of the provisions of this clause,
 - The provision of training, support or assistance to emerging farmers in order to improve capacity to start and manage agricultural operations,
 - Research relating to, and the promotion of livestock welfare, and
 - The granting of loan or bursary to any person for the purpose of facilitating tertiary education, directly or indirectly relating to the meat industry.
- Provided that:

- (a) Trust funds may only be utilised for purposes envisaged under the Marketing of Agricultural Products Act, 1996 (Act No. 47 of 1996), once the requirements prescribed in that Act have been complied with,
- (b) Trust funds, as far as possible, be used to further the interests of the industry in general, and
- (c) The Trust shall comply with the provisions of section 30 of the Income Tax Act at all times.

Mohair Trust

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

- The promotion and maintenance of quality standards,
- The promotion of international relations which will serve to benefit the mohair industry,
- Liaising and market development between producers, dealers, brokers, purchasers and manufacturers of mohair,
- The collection, processing and dissemination of reliable marketing and production statistics in respect of mohair,
- Promotion of research and the production of mohair,
- The granting of financial assistance
- With regard to research related to the improvement, production, manufacturing, storage and marketing of mohair
- To institutions established or which arise to promote the mohair business,
- The establishment of an information service in order to inform producers periodically regarding general marketing conditions or the state of the mohair industry in particular,
- Financial assistance shall be granted in order to promote stability in the mohair industry, to:
 - (a) Producers through mechanisms which may include –
 - (i) The provision and implementation of a floor price system through voluntary participation of producers, and
 - (ii) The operation of voluntary marketing pools for the sale of mohair

(b) The promotion of the demand for mohair through developing markets via an institution or institutions, provided that financial assistance in respect of (a) above shall be submitted for evaluation and approval in terms of Section 17 of the Marketing of Agricultural Products Act, 1996 (No. 47 of 1996).

National Lucerne Trust

The objectives for which the Trust has been constituted are for the development and promotion of the lucerne industry by:

- utilising funds for research projects related to lucerne;
- the collection and distribution of production and marketing information on lucerne;
- providing guidance and information to the lucerne industry;
- coordination and liaison between producers, cleaners, traders ; processors and end-users; and government agencies;
- promotion of lucerne within market;
- increasing market access for all participants within the lucerne industry;
- working towards equity and participation by all in the industry; and
- strengthening the long-term sustainability of the lucerne industry of South Africa.

Wool Trust

The objectives of the Wool Trust are:

- The protection of the Trust assets and the Trust capital

- The productive utilisation of the assets and capital of the Trust so as to increase the value thereof and to maximise the income;
- The enhancement of the viability of the South African wool industry through the financing of:
 - o Research in connection with the improvement, production, manufacturing, processing, storage or marketing of wool; and/or
 - o Activities designed to promote wool production and stimulate and increase the demand for and consumption of South African wool; and/or
 - o The provision of training and information to existing and prospective wool producers;
- To ensure that funds allocated to the wool industry are utilised effectively.

3.2.4 Trusts Governance

All the Trusts are governed through a structure – the Board of Trustees – composed of industry stakeholders and Ministerial Trustees representing the Minister of Agriculture, Forestry and Fisheries. Currently, there are 25 Ministerial Trustees and 56 industry Trustees, which makes a total of 81 Trustees in all Trusts, combined. Table 2 below presents the names of the representatives in the respective Trusts.

Table 2: List of Trusts with their administrations and Trustees

Trust Name	Administrator	Ministerial Trustees	Industry Trustees
Maize Trust	Mr L du Plessis	Mr S.S. Ndlungwane (vice-Chairperson), Mr Z. Ngejane & Ms M. Mabe	Dr J.L. Purchase (Chairperson), Mr D.J. Mathews & Mr B.C. Schoonwinkel
Wool Trust	Mr Andre van Der Venter	Ms N. Dlula	Mr H.A. van Schalkwyk (Chairman), Mr H.N. Bonner, Mr A.R. Kidson, Mr P.E. Kingwill, Mr J.P. Stucken, & Ms N.O. Sigidi,
Oil and Protein Seeds Development Trust	Mr Gerhard Keun	Mr M.G Rathogwa replaced by Mr K. Gaoraelwe NAMC is facilitating the appointment of a second Ministerial Trustee.	Mr A.R Moosa (Chairperson), Mr J.D Boshoff (Vice-chairperson), Mr A. Botha, Mr R.E Monaisa, Mr D.I Schutte & Ms M. van der Merwe
Mohair Trust	Mr Deon Saayman	Mr T. Mashologu	Mr D.W. Herold (Chairperson), Mr B.D.C. Sniijman (Vice-Chairman), Mr R.J. Smith, Mr P Stucken, Mr C. Martins, Mr M. Shires, Mr A. Greeff, Mr AM Short, Mr A Wood, Mr A.B. Hobson, Mr JL de Klerk, Mr DR Nel & Ms K Miners
Winter Cereal Trust	Mr Ishmael Tshiame	Mr N.H. Masithela (Chairperson), Ms M.E. Mabe, Mr B.B. Make, Ms M. Maphanga, Mr V. Mongoato & Mr A. Bartlett	Mr A.P. Theron, Mr J.F. de Villiers, Ms M. Purnell, Mr B. Mokgatle (vice-chairperson), Mr G.F. Penny & Ms J.M. van der Merwe
Meat Industry Trust	Ms Alet Calitz	Dr T Hewu, Ms N Motshegoa & Ms B Mothabane	Adv. H.W.L Kugel (Chairperson), Mr G.M Schutte & Mr B.J Swart
Sorghum Trust	Mr Leon du Plessis	Mr H Mohane	Mr. A.A.A. Nebe (Chairperson), Mr. W. Groothof (Vice-Chairperson), Mr. J.D. Boshoff & Mr. R.E. Pholo
Citrus Industry Trust	Dr Konanani Liphadzi	Ms P. Motlogeloa (Chairperson), Mr A. Sithole & Ms H. Ngwenya	Mr M. Fry (Vice-Chairperson), Mr R. Mavimbela & Mr J. Brand
Deciduous Fruit Industry Development Trust	Anton Rabe	Mr I. Motala (Chairperson), Ms M. Rangaka (vice-Chairperson), Mr E. Jeffhas & Mr J. Sauls	Mr T. Abrahams & Mr N. Dicey
Potato Industry Development Trust	Ms Elsabe Els	Mr S.M. Mabuza	Mr G.E. Yzel (Chairperson), Dr F.I. du Plooy, Ms S.E. Moolman & Mr W.M. Fourie
National Lucerne Trust	Ms Sunet Vermeulen Fenthum	Ms M.M Gill	Mr H.W.F Potgieter (Chairperson), Mr A. Swiegers (Vice-Chairman), Mr R. Roselt, Mr D.E Malan, Mr P.J Van Niekerk & Mr R. Strydom



SECTION 3:

Financial Information

SECTION 3: Financial Information

3.1.1. Introduction

The Trusts are entrusted with ensuring that the Trusts' asset values remain evergreen. This means the Trusts are prohibited from depleting the assets, and are entrusted with growing the asset base through investing the capital of the Trusts with trusted fund managers on different investment platforms and/or portfolios. After the establishment of Trusts from 1994, under the watch of the NAMC, the Trusts' asset value has grown and is currently valued at over R2.38 billion (both monetary and fixed property). The figure below indicates the Trusts' Asset Value since establishment, with Trusts' inherited assets, as at 2016/17. It needs to be noted that the combined asset value has declined from the 2016 value by R50,5 million (as presented in Table 3). Unlike 2016, in 2017 there were about six Trusts that experienced reduced asset values, namely the Citrus Industry Trust (R493 084,00), the Maize Trust (R26,95 million), the National Lucerne Trust (R5,5 million), the Oil and Protein Seeds Development Trust (R13,92 million), the Potato Industry Development Trust (R475 295,00), and the Winter Cereal Trust (R26,60 million). Other Trusts experienced increases in their asset values.

3.1.2. Horticulture Trusts

Citrus Industry Trust (CIT) – The CIT was established in 1999 with R16 689 489 in assets inherited from the former control boards. However, over the past few years, the asset value of this Trust has been steadily decreasing, resulting in an asset value of R15 692 866. This indicates a negative growth of R996 623 since its establishment, and between 2016 and 2017, the decline amounted to R493 084. The asset base of the Citrus Industry Trust has been decreasing due to the investment strategy chosen for growing the

asset. The Trust is in the process of changing the investment managers, with a key mandate FOR increasing the Trust asset figures.

Deciduous Fruit Industry Development Trust (DFIDT) – Over the past 19 years, the DFIDT has shown growth, and has a current asset value of R16 058 272. This represents a growth in asset value of R2 336 272 since its establishment. Between the years 2016 and 2017, the DFIDT's asset base has been increasing at an average of 3%.

Potato Industry Development Trust – The PIDT was established 13 years ago, with absolutely no assets. Over the years, it has accumulated growth and for the current financial year, the Trust has total assets valued at R14 047 094. The Potato Industry Development Trust has been increasing its asset value by an average of 4.97%, annually, since its inception.

3.1.3. Field Crops Trusts

Maize Trust – this is the largest of all the Trusts in terms of asset value, as its asset value stands at R1 056 337 269, having inherited assets of R319 234 732 in 2000. This indicates that the Trust has accumulated R737 102 537 (an average of approximately 17% growth, annually).

Oil and Protein Seeds Development Trust – The OPDT's asset value amounts to R317 808 519 in the year under review, representing a growth in value of R243 722 455 since 1997. Sorghum Trust – During the 2016/17 financial year, the asset value of the Trust amounts to R27 322 929. The Trust's asset value has been growing over the past 20 years, with an accumulated total growth of R20 768 794.

Since its inception, the asset base of the Sorghum Trust has been increasing by an average of about 6%, annually.

Winter Cereal Trust – The WCT was established in 1997, with R11 239 713 in asset value. Today, the Trust has a total asset value of R118 081 032, showing a growth of R80 241 340. For the current reporting period, the asset value of the Trust has increased to R18 657 975 from R17 479 279 from the previous year. The increase in the asset base is R1 178 696.

3.1.4. Livestock Trusts

Meat Industry Trust – for the financial year under review, the asset value stands at R42 794 555, a slight decrease from the previous year. However, the MIT has grown by R1 368 880 from 1998. Over the period from its inception, the asset value of this Trust has been increasing by an average of 12.05%.

Mohair Trust – The asset value of this Trust is currently R278 662 445, presenting a commendable increase of about R7 030 850 from the previous year. Noteworthy is the fact that the Trust's asset value has been increasing by an average 5% per year, since its inception.

National Lucerne Trust – In 1997, the NLT inherited the smallest of the asset values, at R2 952 398. Interestingly, by 2016 this Trust had an asset value of R7 932 337. However, in 2017 a negative growth value of R5 489 895 was experienced, resulting in a current asset value of R2 442 442. The National Lucerne Trust's asset base has been increasing, on average, by approximately 2–3% annually, since its inception.

Wool Trust – This Trust has, over the last 20 years, managed to achieve a positive growth in asset value of R437 485 509. Currently, the Trust is worth R525 110 831, an increase of about R17 444 857.

Table 3: Outlook of the Agricultural Trusts (2017)

Trust Name	Date established	Age	Total Inherited Assets (R)	2016 asset value (R)	2017 asset value (R)	Growth/ Decline (R) between 2016&2017
Citrus Industry Trust	Feb-99	19	R16 689 489	R 16 185 950	R 15 692 866	- R493 084
Deciduous Fruit Industry Development Trust	Aug-98	20	R13 692 000	R 15 487 968	R 16 058 272	R 570 304,00
Maize Trust	Aug-00	18	R319 234 732	R 1 083 282 392	R 1 056 337 269	-R26 945 123
Meat Industry Trust	May-98	20	R44 363 570	R 42 794 555	R 46 327 6780	R 0
Mohair Trust	Sep-97	21	R101 391 436	R 271 631 595	R 278 262 445	R 6 630 850
National Lucerne Trust	Aug-97	21	R2 952 398	R 7 932 337	R 2 442 442	- R5 489 895
Oil and Protein Seeds Development Trust	Oct-97	21	R74 086 064	R 331 729 485	R 317 808 519	-R13 920 966
Potato Industry Development Trust	04-Sep	14	R0	R 14 522 389	R 14 047 094	-R475 295
Sorghum Trust	Feb-99	19	R6 554 135	R 26 112 890	R 27 322 929	R 1 210 039
Winter Cereal Trust	Nov-97	21	R11 239 713	R 118 081 032	R 91 481 053	- R26 599 979
Wool Trust	Aug-97	21	R87 625 322	R 507 665 974	R 525 110 831	R 17 444 857
Total/Average		15,7	R677 828 859	R2 438 364 462	R 2 387 852 728	- R50 511 734

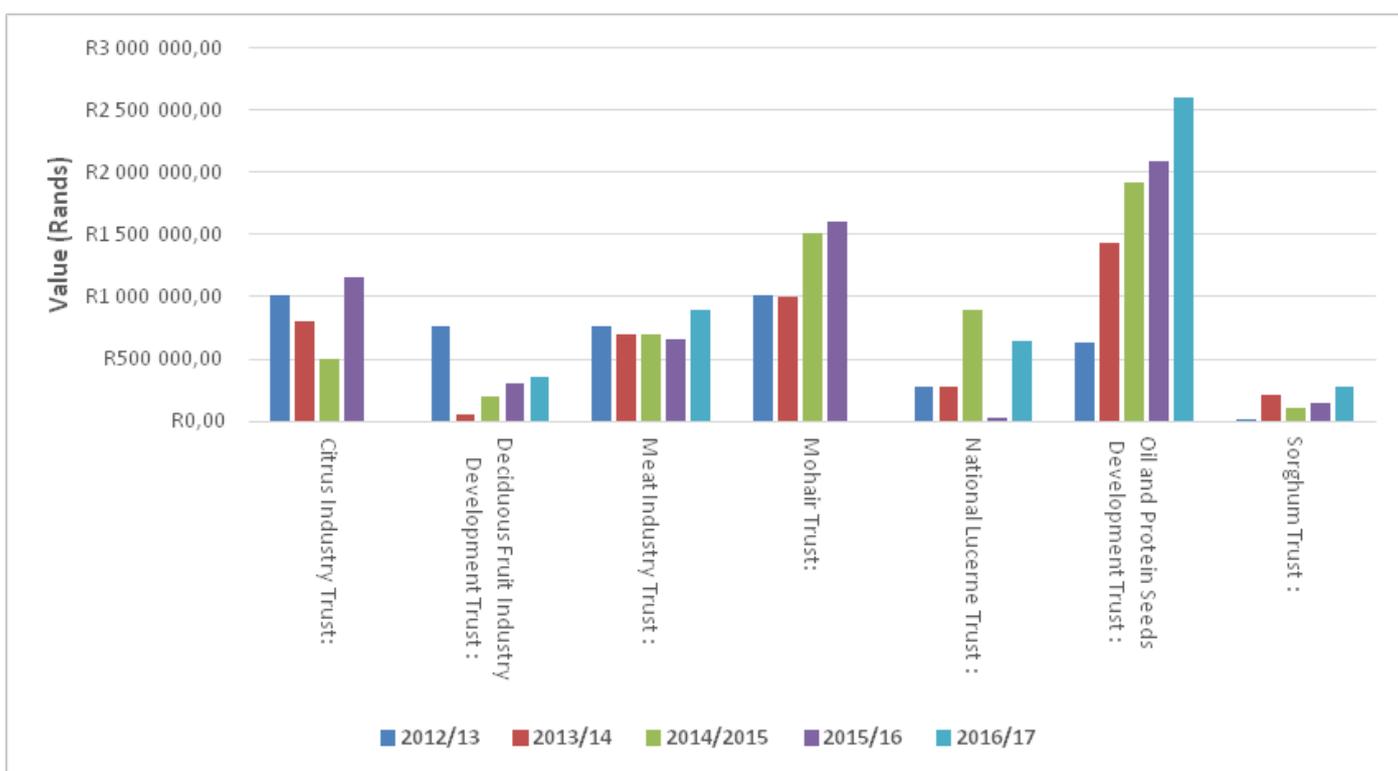


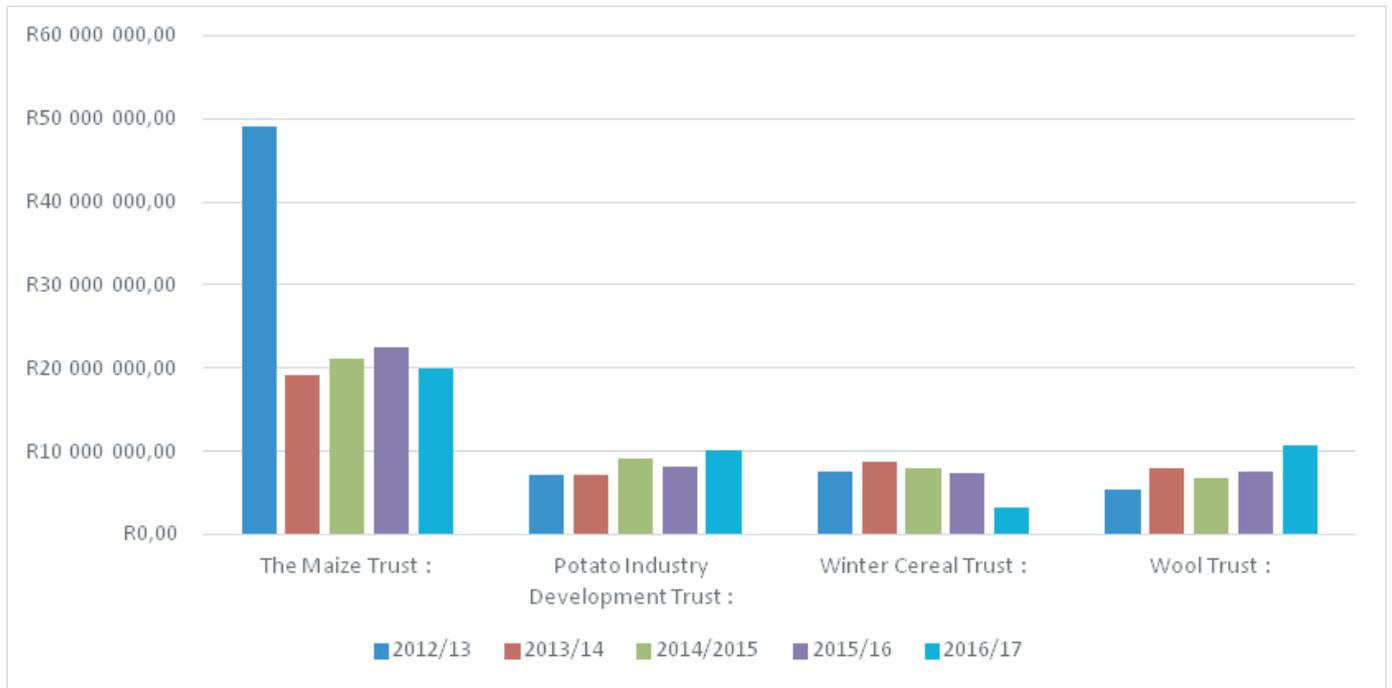
SECTION 4: TRANSFORMATION INFORMATION



SECTION 4: TRANSFORMATION INFORMATION

The Agricultural Industry Trusts play an important role in advancing transformation in the agricultural sector through using the Trust funds to support previously disadvantaged individuals. The most popular activity is the granting of bursaries to students who are mostly doing post-matric qualifications. Furthermore, support is given to smallholder farmers who produce agricultural products, with the ultimate aim to graduate them to the commercial level. Over the years, the Agricultural Industry Trusts have played a major role in contributing towards the transformation of the agricultural industry, at large. Guided by the NAMC, the Agricultural Industry Trusts have contributed a total of about **R271 million** towards various transformation initiatives. As a result, such initiatives have given birth to the likes of GFADA (Grain Farmers Development Association), the Mohair Empowerment Trust, and other transformation entities that serve as transformation champions within specific commodity groups. It is important to note that the Trusts have collectively spent over R48 million annually on transformation, supporting black farmers and previously disadvantaged students.





Figures 3&4: Trust Transformation Expenditure, 2012 to 2017

It can be seen from the Figures above, that for all Agricultural Industry Trusts, the transformation expenditure has been unstable. This may be as a result of the market forces in the financial sector, since some of the Trusts’ portfolios are invested in foreign markets. Furthermore, the agricultural sector has been affected by natural disasters, such as drought, and other governance issues, such as the land issue which exacerbated the downward trend in terms of investments. With the exception of 2013 and 2014, it can be observed that the total expenditure for transformation increased from R50 707 439 to R51 496 036. It is important to note that the Maize Trust is the leading role player in contributing towards transformation initiatives, followed by the Potato Industry Development Trust, the Wool Trust and the Winter Cereal Trust.

4.1.1. Field Crops Trusts

The Grain Trusts have reached a consensus that GFADA should be the sole transformation vehicle in the industry. This Report highlights the transformation activities of the Grain Trusts (Maize Trust, Sorghum Trust, Winter Cereal Trust, and Oil and Protein Seeds Development Trust), as championed by GFADA. The contribution of each Grain Trust is highlighted below, as follows:

Table 4: Grain Trusts Subscriptions for 2016/17

Member	Percentage %	Subscriptions (R'000)
The Maize Trust	74	3 542
Winter Cereal Trust	13	634
The Oil and Protein Seeds Development Trust	11	539
The Sorghum Trust	1	52
TOTAL	100	4 767

Maize projects funded by the Maize Trust through GFADA

Currently, the transformation focuses in the Maize Trust are on direct farmer assistance, technology transfer and training, potential commercial farmers, mentorship, study groups, and bursaries. It is interesting to note that the Maize Trust has accepted the Grain Farmer Development Association (GFADA) as its preferred vehicle for purposes of transformation funding in the maize industry, although at the same time it acknowledges the fact that training, farmer skills development and technology transfer do not necessarily form part of the current mandate of GFADA. For this reason, transformation funding by the Trust is granted to a number of complimentary programmes, in an effort to achieve a broad spectrum of transformation functions that are needed to create new black commercial maize farmers. Funding is annually granted to GFADA for direct farmer support, to Grain SA for training, technology

transfer and farmer skills development, and to the Agricultural Research Council for technology transfer and research activities directly aimed at emerging farming operations and requirements.

The Trust also manages an annual bursary scheme for MSc and PhD students. The aim is to stimulate studies in maize-related fields and to create skilled capacity in South African agriculture. In terms of the Trust's policy, at least half of the bursaries are granted to previously disadvantaged students from all the South African universities. Invitations for bursaries are sent annually in November to all universities. In addition to the above, the Maize Trust funds a national schools programme to inform learners in previously disadvantaged communities of possible careers in South African agriculture and to teach them about the value added by agriculture.

Table 5: Number of participants in the Maize Trust transformation projects

ALLOCATION				FINAL UTILIZATION		
Province	No. farmers	Hectares	Amount	No. farmers	Hectares	Amount (R)
Eastern Cape	14	2 350	3 250 420	14	1 761	1 911 711
Free State	15	2 996	2 430 159	13	1 347	1 219 744
Gauteng	8	2 333	2 784 483	7	1 511	1 204 629
Mpumalanga	11	3 296	6 068 250	9	1 926	3 339 409
North West	2	288	410 057	1	104	23 073
Total	50	11 263	14 493 369	44	6 6449	7 758 565

Sorghum Projects funded by the Sorghum Trust Through GFADA

The Sorghum Trust focuses on farmer development and bursaries. The Grain SA Farmer Development Programme received an amount of R276 734 for enterprise development. However, no bursaries were awarded during the reporting period. Sorghum is a diminishing industry due to the lower demand for sorghum. Production is decreasing and there is little interest among developing farmers in the production of sorghum. Sorghum is mainly produced by developing farmers for their own consumption, and not for commercial use. In 2016, however, the Trust and the Grain Farmer Development Association (GFADA) identified a suitable black sorghum farmer who could be assisted.

Oil and Protein Seed projects funded by the Oil and Protein Seeds Development Trust

The Oil and Protein Seeds Development Trust (OPDT) officially became a member of GFADA during the 2016/2017 financial year and contributed towards the administration budget of GFADA for the year under review. No oilseeds projects were funded by OPDT under GFADA in respect of the 2016/2017 season. However, the following projects were handed to GFADA for coordination and monitoring: the development and training of entry-level soy farmers and consumers, with further progression to soypreneurs level. The OPDT addresses food insecurity by supporting economic growth for emerging farmers. It also promotes household production and processing of soybean as major source of quality protein, and it mentors groundnut farmers. It is important to note that the OPDT has managed and funded the transformation projects which included farmer development by GrainSA: Pula/Imvula; farmer development: Training, Oil and Protein Seeds Transformation Initiative, Bursary scheme; and a nutritious, soy-based snack food development for promoting SMMEs in the soy industry.

Winter cereals projects funded by Winter Cereal Trust through GFADA

The Winter Cereal Trust (WCT) transformation focus is placed on enterprise development and skills development.

(i) Enterprise development

The table below presents the winter cereals projects supported by GFADA through the Winter Cereal Trust. An amount of R3 342 479, 20 was utilised on key components of enterprise development (soil correction, crop insurance, mentorship and production inputs). A total of 16 farmers were supported, under 1828 hectare of land, in four provinces (KwaZulu-Natal, Free State, Northern Cape, and Western Cape) of South Africa.

Table 6: Winter Cereal Trust project supported by GFADA

Focus areas	Province	Allocation			Utilization		
		No. farmers	Ha	R' 000	No. farmers	Ha	R'000
Enterprise development	Free State	9	330	2 207	7	330	1 621
	KwaZulu-Natal	1	92	1 077	1	92	644
	Northern Cape	2	50	450	2	50	231
	Western Cape	4	1356	1 386	4	1356	847
Total		16	1828	5 120	14		3 343

Winter crop under irrigation

In addition to the above, the Trust also funded the training provided by Grain SA with a funding provision that was made in respect of the 2015/2016 financial year. Accordingly, the actual utilisation of the aforementioned provision is R858 108 for training.

(ii) Skills development Training

In addition to the above, the Trust also funded the training provided by Grain SA with a funding provision that was made in respect of the 2015/2016 financial year. Accordingly, the actual utilisation of the aforementioned provision is R 858 108 for training

Bursaries granted for the 2016/2017 financial year
The Winter Cereal Trust awarded 12 bursaries in the 2017 academic year. Good successes are being achieved with the development of new black commercial farmers. GFADA has adopted

a transformation strategy that has achieved good results, over time. The Trust has also decided to improve collaboration between the transformation service providers, and this process is ongoing.

4.1.2. Horticultural Trusts**Citrus Industry Trust**

The Citrus Industry Trust (CIT) funds the Citrus Academy (CA) to render transformation services in the industry through the trust funds. For the year under review, the CA received a total amount of R561 400 from the CIT to fund bursaries. The Citrus Academy is tasked with addressing the challenges of – amongst other things – scarce and critical skills supply, employment equity, and transformation in the Southern African citrus industry. The aim is to create and maintain a steady flow of educated and qualified young people into the industry; young people who are also excited about the industry and who are looking to forge long and happy careers in it.

Table 7: Demographics of the beneficiaries of the Citrus Academy

Total number of participants	31
Number of females	18
Number of males	13
Number of black students	28
Number of white students	3
Number of students graduated at the end of 2017	5
Number of graduates that started new qualifications in 2018	4
Number of students to continue with qualifications in 2018	25

Source: Citrus Academy, 2017

POTATO INDUSTRY DEVELOPMENT TRUST

The Potato Industry Development Trust currently focuses on four pillars of transformation programmes, comprising enterprise development, small-grower development, farm-based training, and the tertiary skills pipeline. For the period under review, the Trust spent an amount of R5 587 283 on enterprise development, R149 482 on small-grower development, R300 200 on farm-based training, and R1 028 460 on the tertiary skills pipeline, respectively. The details of each programme are outlined in Table 8.

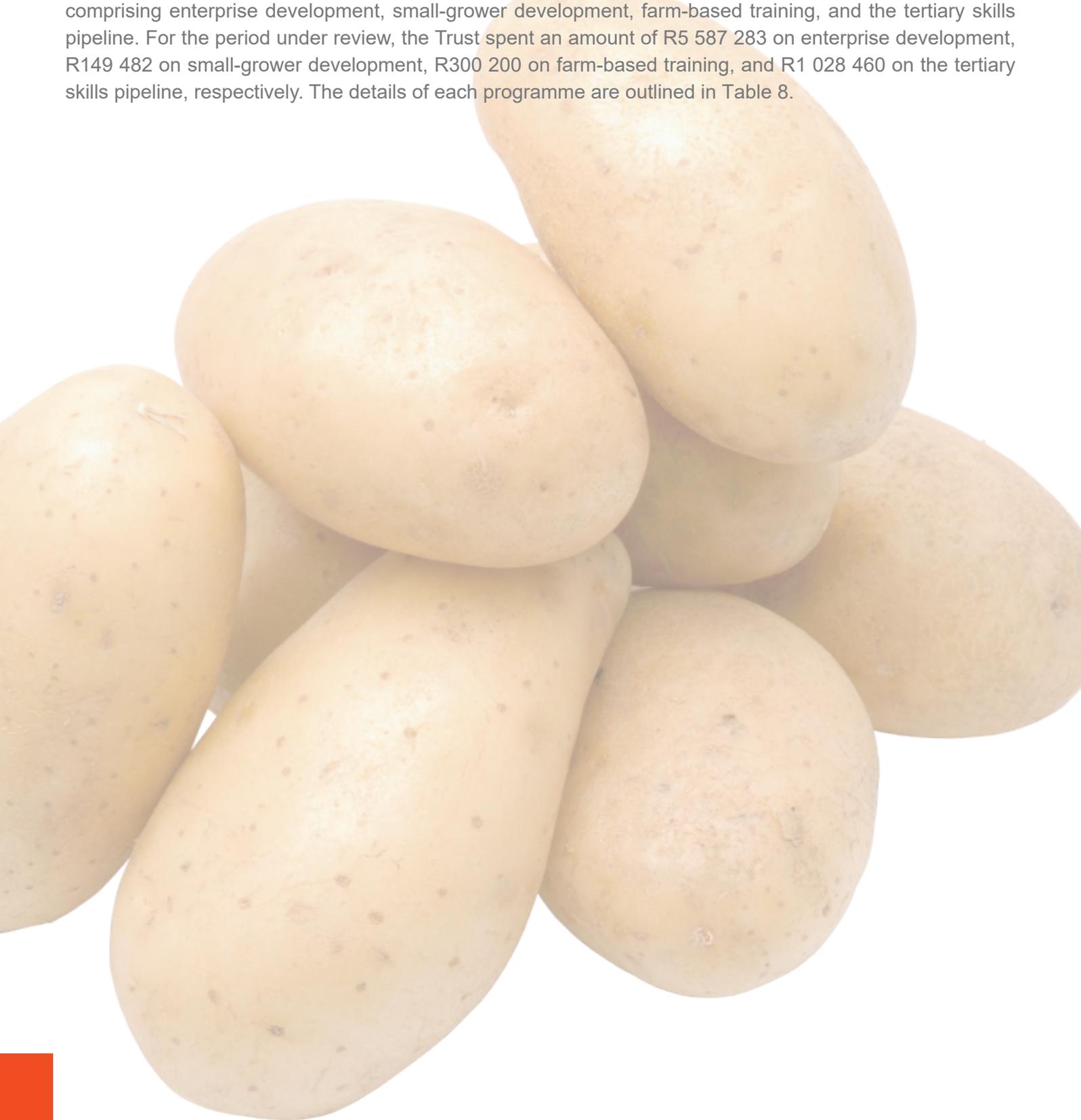


Table 8: Details of the PIDT Transformation activities

Programme	Activities	Aim & Objectives
<i>Enterprise development</i>	Procurement of seed, Mentorship, Business plans, Pre-feasibility studies, New farmer induction.	The Enterprise Development Programme aims to assist in setting up, supporting and growing viable new black-owned potato-producing enterprises. The objectives of this programme are to assist in setting up, supporting and growing viable new black-owned potato-producing enterprises; develop an economic programme that is aimed at sustainable potato production by smallholder farmers in order to utilise available land and assist to the maximum benefit of an integrated production system; grow and produce commercially in a sustainable way; and establish sustainable fully fledged commercial farmers.
<i>Small-grower development</i>	Information dissemination	The Small Grower Development Programme involves farmers, who plant potatoes mainly for food security, with the remaining crop sold to the immediate community. The goals of this programme are to disseminate production and business information through demonstration trials; support food security within the rural communities; ensure best practices of potato production; and identify farmers that have potential to grow into the Enterprise Development Programme.
<i>Farm-based training</i>	Skills development	Training is key to achieving the objectives of black farmer development. A skills audit was conducted during the previous financial year. The following skills gap was identified and called for training needs, aimed at uplifting the skills of the emerging farmers, focusing on decision-making and understanding their roles; developing potato farmers with technical and business skills to enable them to farm profitably; and improving the quality of potato production by enhancing the knowledge base of the potato producers. The objectives are to provide a limited number of short courses to the beneficiaries; identify and develop new farmers' skills; ensure development of new farmers so as to ensure sustainability and good practice; and develop farmers to work more effectively.
<i>Tertiary skills development</i>	Bursaries (25), internships (7) and work place experience (2).	The goals of the programme are to develop the technical capacity of the farming enterprise by offering bursaries to deserving students; develop students from the farming enterprises to acquire technical tertiary education so that they can return value to the farming enterprises; enhance their skills through internships and workplace experience programmes; provide internship training opportunities, primarily for bursars in relevant study disciplines with practical training and exposure as prerequisite for qualification; and provide workplace experience training opportunities, primarily for bursars in relevant study disciplines requiring workplace experience to enhance employment opportunities.

(a) Projects funded under each programme

The Potato Trust supported twenty (20) enterprises, as presented in Table 9, which also shows their distribution across the country. One important aspect that needs a concerted effort is the issue of gender in the ownership of the beneficiary enterprises and the size that can be addressed.

Table 9: Potatoes Enterprise Development Projects

Province	No. of beneficiaries	Gender		Total (ha)	Total jobs created
		M	F		
1. KwaZulu-Natal	3	2	1	17	20
2. Eastern Cape	1	1	0	30	45
3. Free State	3	2	1	17	20
4. Limpopo	11	11	0	129.5	152
5. Gauteng	1	1	0	15	17
6. Mpumalanga	1	1	0	5	6
7. Western Cape	1	1	0	5	6
TOTAL	20			218.5	266

Table 10 below shows that a total of 17 projects were supported in KwaZulu-Natal and Eastern Cape, on an average total land size of approximately 3.3 hectares.

Table 10: Small Grower Development Projects

Project	Province	Total Ha
Jozini Project, Harding Project, Appelsbosch Project, Weenen Project, Wartburg Project and Port Edward Project	KwaZulu-Natal	1.2
Mthatha Project, Mqanduli Project, Qumbu Project, Tsolo Project, Libode Project, Ngqeleni Project, Port St John's Project, Lusikisiki Project, Flagstaff Project, Bizana Project and Stutterheim Project	Eastern Cape	2.1
Total hectares		3.3

DECIDUOUS FRUIT INDUSTRY DEVELOPMENT TRUST

Currently, the DFIDT focusses on bursary funding to the previously disadvantaged students studying in the field of agriculture at the University of Stellenbosch. The aim is to raise awareness of the existence of the Deciduous Fruit Industry as a sector and source of career opportunities, training, education and development.

4.1.3. Livestock Trusts

Meat Industry Trust

The Meat Industry Trust currently focuses on funding post-graduate students, with a special focus on the meat industry. The Trust has spent a total amount of R660 000 on bursaries for twelve students.

Mohair Trust

The transformation activities of the Mohair Trust are implemented by a separate entity called the Mohair Empowerment Trust. The Empowerment Trust was established in 2010 to drive black economic empowerment projects within the mohair industry. The following empowerment partners have been identified, as at February 2017, which have received Angora goats from the Trust.

Table 12: Projects supported with the provision of Angora goats

Project name	No. of participants		Total jobs	No. of angora goats	Value (R)
	Male	Female			
Weltevrede	7	1	8	293	297 186.38
Brakfontein	8	0	8	319	412 632.70
Irene	8	0	8	322	412 426.59
Doornrivier	8	0	8	1257	1 100 579.56
Tulpleegte	4	0	4	200	170 000.00
Matatiele	4	0	4	8	31 190 .24
Total	39	1	40	2399	2 420 015 .17

Source: Mohair Trust, 2017

The objectives of these projects are to facilitate the beneficiaries to run commercially viable Angora goat operations; become self-sufficient and sustainable, and become black commercial producers. With that in mind, the Empowerment Trust is also responsible for the following: all costs associated with the transportation and delivery of consignments, or any part thereof, to the empowerment partner; serving as a member of the Project Management Team (PMT) and overseeing the functions and operations of the PMT; and remaining involved in the project through its participation in the PMT for the duration of the agreement.

The PMT meets every 2 months at the property of the empowerment partner. The PMT is responsible for the following: conducting physical inspections, from time-to-time; the evaluation and monitoring of clip quality; the evaluation and assessment of financial and administrative procedures in respect of commercial mohair farming operations; assessing whether the empowerment partner maintains

sufficient cash reserves for operating a commercial mohair-farming operation; assessing the general commercial viability of the project and identifying risks; and monitoring whether the empowerment partner adheres to the sustainable mohair guidelines published by the mohair industry.

National Lucerne Trust

Currently, the Lucerne Trust supports 40 black farmers with 10 ha of land, each under pivot irrigation, on 400 ha planted under lucerne in Taung, North West Province. The Trust's contribution for the 2016/17 financial year was R650 000.00. The beneficiaries are assisted in the cultivation and utilisation of their lucerne hay, as well as with marketing and extension services.

Wool Trust

The Wool Trust transformation activities focus on enterprise development and skills development. The table below provides a summary of the activities and amount spent under the key focus area of the Trust.

Table 13: Summary of Transformation Projects Funded

PROJECTS	Activities	Amount spend (R)
Enterprise development	Queenstown Production Advisor	836 110
	Zulukama Youth Wool Project	255 000
	Bursaries	160 000
	Internship (one person)	180 000
Skills development	Training and Development	6 364 742
	Job creation (Shearer Training)	2 857 862
TOTAL		10 653 714

8.2.8.2.1. Enterprise Development (July 2016 to June 2017)

Production Advisors

The Wool Trust has contributed funding towards rural development programmes in the Eastern Cape, Free State and KwaZulu-Natal provinces since 1997. Production Advisors train these communities in basic skills for effective wool sheep production, wool handling and classing, handling and movement of sheep, breeding and selection, disease control and animal health, predation management, and veld, pasture and nutrition management. A Production Adviser has been placed in the Queenstown area on a three-year contract basis to mentor and train emerging black communal farmers; to train youth groups in the Zulu Kama area of Whittlesea; and to establish a veld ram club in Elliott. The demographics of the farmers in this area have changed considerably over the past few years, with many black emerging communal farmers receiving commercial farms under the land reform programme. The magisterial districts of Maclear, Ugie, Lady Grey, Elliott, Indwe, Dordrecht, Sterkstroom, and Queenstown need special mention. These farmers have a tradition of wool sheep farming, but their levels of wool production are lower than those of the previous land owners are due to their relative low commercial farming skills. There was a need for an experienced Production Adviser, who is fluent in Xhosa, to train,

guide and mentor/coach these farmers to develop into fully fledged and successful wool farmers.

Zulu Kama Project (Ongoing)

“Indibano” (“to harvest”) is a private-sector-led economic development implementation organisation, based in East London with operations throughout the Eastern Cape, and is backed by the three founding partners, the Kula Investment Group, Phambili Vuna Investments, and Price Waterhouse Coopers. The Zulu Kama Community Investment Trust was established in 2006 and supports 36 villages in terms of economic development related issues, with a strong emphasis on rural development and agriculture. Indibano, in partnership with the Zulu Kama Community Investment Trust, has launched a pilot project to empower the Zulu Kama youth with the ability to improve the wool production of the area, and thereby create true economic benefit through the full utilisation of the grazing land available to the community. The main objective of the pilot project was to demonstrate that rural communities are able to become commercially viable wool producers through quality stock and technical inputs, and this should motivate primary industries to increase their participation in developing these communities.

Enterprise Development projects funded in partnership with DRDLR

(i) Emerging Ram Breeders

The objective of this initiative is to fast-track the establishment of previously disadvantaged wool sheep farmers as ram breeders. Mr. Maduna is one of the existing breeders in Lady Grey. After deliberation, 8 rams from Mr. Maduna, and 18 from Mr. Kama, were selected for the GIP to be distributed to communal farmers during April/May this year. So far, ± 340 ram lambs have been born in 2016, which will go through all the selection phases for inclusion in the Project during 2018.

Young stud rams bred on the farm of Mr. L. Maduna from Lady Grey

(ii) Veld Ram Club

The objective of the club is to provide an opportunity for superior rams that are bred in communal areas to become part of the communal ram project. The club also opens up an opportunity for commercial breeders outside the existing group of breeders to participate in this prestigious programme. Two open days (22 August 2016 and 23 February 2017) were held during the period under review. Initially, 22 ram lambs from 5 communal farmers were selected to join this club, from which 5 eventually passed all the selection phases to go into the GIP.

The First Veld Ram Club open day

(iii) Genetic Improvement Project (GIP)

A total of 17808 rams were distributed among communal wool farmers between 2011 and 2017.

(iv) Flock Competitions

From 2011/12 to 2016/17, 1963 wool producing communities benefited from the project. It is estimated that there are 3 million wool sheep ewes in the communal areas of the Eastern Cape, and a farmer needs one ram for every 30 to 40 ewes. A total of at least 75000 rams are therefore required for the ewe flock in the communal areas. The GIP should therefore be continued to pursue this objective. Flock competitions are a good method for appraising the improvement in the wool sheep flock. They are also a good showcase for the improvements attributable to the GIP. During the period May 2017 to August 2017, 9 regional flock competitions were organised, as well as a very successful interregional competition.

(v) Job Creation

The Trust annually funds a shearer-training programme that provides employment opportunities for many unemployed, previously disadvantaged persons. Table 13 shows details of the shearing training conducted during the reporting period.

Table 14: Shearer Training (2016/17)

	Achieved
New recruits - Blade shearing	372
Intermediate and advance - Blade shearing	193
New recruits - Machine shearing	76
Intermediate and advance - Machine shearing	230
Total	871

South Africa has dominated the blade-shearing event at the World Sheep Shearing Championships since 1996. Zweliwile Hans won this event in 1998, 2000, 2008 and 2012. Mayenseke Shweni won the World Championships in Ireland in 2014 and was successful in defending his title during the recent World Championships in New Zealand (February 2017). The South African Blade Shearing Team won the blade shearing team event in 1998, 2000, 2003, 2005, 2008, 2010, 2012, 2014 and 2017. This performance is proof of the quality of shearer training, which yields shearers who are qualified and skilled to compete with the best in the world. Four regional competitions were hosted, taking place in Queenstown, Maclear, Stutterheim and Lady Grey. Shearing competitions in the communal areas are sponsored in total by the Lotto, via the South African Sheep Shearing Federation. Shearing competitions in these deep rural areas are costly, as all the shearing infrastructure and equipment must be transported on two trailers that are towed by rented 4X4-bakkies. The money available for shearing

competitions allows for only four competitions per annum. Six provincial competitions were hosted, taking place in Philipolis, Carolina, Tarkastad, Riversonderend, Bultfontein and Jagersfontein, as well as an inter-schools' competition in Reddersburg. The South African National Championships were hosted in Bloemfontein, while the Golden Shears World Championships were held in New Zealand.

Improvement in Communal Shearing Shed Outputs
The average price received by communal sheds during the 2017 production year (R51.59/kg vs R52.35/kg the previous year) was 63% of that of the national average (R82.05/kg). The weight of wool sold through the auction system in the 2016 wool season increased from 3.6 million kg to 4.5 million kg, an increase of 0.9 million kg. The figure for the 2017 wool season increased to 5.8 million kg, which represents an increase of 1.3 million kg. The value increased from R131 million in 2015 to R234 million in 2016, and R300 million in 2017.

Bursaries

Table 15: Transformation Bursaries 2017

Field of study	Gender (Totals)		Demographic group	Amount
	M	F		
MSc/Btec Agriculture	1	1	(R) 6 Blacks (3 females & 3 males)	160 000
BSc Agriculture	2	3	1 Asian (Female)	

Training and Development

Production Advisor Project for the Communal Areas

The communal areas started off with 846 Wool Growers' Associations (or Shearing Sheds) in 1997, which increased to 1400 by 2017. There is a dire need for Production Advisory Services in these areas. The Wool Trust is funding the deployment of 6 Production Advisors in the Eastern Cape Communal areas that had previously been funded by the DRDAR. The Wool Trust has committed itself to funding this critical project to the amount of R9,3 million, over the period 30 June 2017 until 30 June 2020.

5. CHALLENGES ENCOUNTERED BY THE TRUSTS

All industry Trusts experience different challenges and some of the challenges are common across the Trusts. The most cited challenge comprises the parallel industry interventions between government and industry role players, while the issue of limited industry finances is second.

5.1. Mohair Trust

The Mohair Trust is faced with the challenges of ownership of land, needed to provide security for acquiring finance; farms that are in the hands of people who fail to produce; small farms that are not economically viable; constraints regarding infrastructure; and the lack of younger generations on the farms.

5.2. Sorghum Trust

Sorghum is a diminishing industry due to the lower demand for sorghum. Production is decreasing and there is little interest among developing farmers in the production of sorghum. Sorghum is mainly produced by developing farmers for their own consumption, and not for commercial use.

5.3. Potato Industry Development Trust

At the recent Transformation Committee meeting, members were requested to list the critical issues that have an impact on the sustainability of the developing farmers. The issues or challenges were listed according to priority and seriousness. These were ranked in the following order: entrepreneurship, business acumen, access to land and other resources, support services, access to machinery/equipment, and partnership.

5.4. Wool Trust

The Wool Trust has identified a huge need for an intervention in the communal areas, especially for the shearing shed equipment and shearing sheds themselves (increasing the size of already existing structures and building more in areas where they have not been built). The Wool Trust has identified a need for collaborations with government, especially the provincial departments responsible for agriculture.

6. ANNEXURES

Annexure A: Bursaries granted for the 2016/2017 financial year as respective Agricultural Industry Trusts.

6.1. Citrus Academy Bursary Fund

Qualifications	No of students	Gender		Amount allocated (R)
		F	M	
Postgraduate	4	2	2	235 000
Undergraduate	9	6	3	277 986
BEEBS	14	9	5	310 000
Total	27	17	10	822 986

6.2. Deciduous Fruit Industry Development Trust

NAME	EQUITY	INSTITUTION	COURSE	COMPLETE	Amount (R)
Anthono Kayster	CM	University of Stellenbosch	BSc	2017	50 000
Sekata Lebotse	AM	University of Stellenbosch	BScAgric (Econ Analysis & Mngt)	2018	50 000
Jason Ockhuis	CM	University of Stellenbosch	BS Agric	2017	50 000
Chad van Wyk	CM	University of Stellenbosch	BSc Horticulture	2018	50 000
Msizi Mdakane	AF	University of Stellenbosch	BSc Agronomy	2017	50 000
Danielle Brown	CF	University of Stellenbosch	BSc Agric Horticulture	2019	50 000
Boitumelo Mokoena	AF	University of Stellenbosch	BAgricAdmin	2017	50 000

6.3. Potato Industry Development Trust

Name	Gender	Year of Study	Postgraduate/ undergraduate	Institution	Amount (R)
Kamogelo Eugena Leburu	Female	3rd	Undergrad	Central University	31 250
Mamotshabo Rakgwale	Female	3rd	Undergrad	Central University	31 250
Mlungisi Mzuvukile Sangweni	Male	3rd	Undergrad	Central University	31 250
Zama Siyethemba Nyathi	Female	2nd	Undergrad	Mangosuthu University	31 250
Thato Somo	Female	2nd	Undergrad	Potch College of Agric	12 500
Rebotile Sophy Thaba	Female	4th	Undergrad	University of Venda	31 250
Mahlatse Motlanthi	Female	3rd	Undergrad	University of Limpopo	12 500
Jabulile Nxumalo	Female	2nd	Undergrad	University of Zululand	12 500
Welile Mlando Dlamini	Female	2nd	Undergrad	University of Zululand	12 500
Xolani Hlatshwayo	Male	4th	Undergrad	University of Zululand	31 250
Loyola Gauzela	Male	4th	Undergrad	University of Zululand	31 250
Mhlengi Siboniso Khambule	Male	4th	Undergrad	University of Zululand	31 250
Innocent Noah Mazibuko	Male	M - 2	Postgrad	Tshwane University	20 000
Kgothatso Andronicah Chauke	Female	M - 1	Postgrad	Tshwane University	20 000

6.4. Winter Cereal Trust

Name	Gender	Degree	University	Amount (R)
Phumzile Sibisi	Female	PhD in Plant biotechnology	UJ	89 590
Frederick Becker	Male	MSc in Agronomy	US	73 300
Hendrik Smith	Male	MSc in Agronomy	US	73 300
Sibongiseni Silwana	Male	MSc in Agronomy	US	73 300
Johannes Neethling	Male	MSc in Agronomy	US	73 300
Zanele Sosibo	Female	PhD in Crop Science	UKZN	89 590
Bongani Ntombela	Male	MSc in Agronomy	US	73 300
Gerrie Maree	Female	MSc in Agronomy	UFS	36 650
Nicola van Zyl	Female	MSc in Food Science	US	73 300
Thandeka Sikhakhane	Female	PhD in Life Sciences	UNISA	44 795
Zamolotshwa Thungo	Female	PhD in Crop Science	UKZN	92 675
Zandre Germishuys	Male	PhD in Food Science	US	89 590
TOTAL				882 690

6.5. Wool Trust

Name	Gender	Degree	Amount (R)
Phumzile Sibisi	Female	PhD in Plant biotechnology	25 000
Frederick Becker	Male	MSc in Agronomy	30 000
Hendrik Smith	Male	MSc in Agronomy	20 000
Sibongiseni Silwana	Male	MSc in Agronomy	25 000
Johannes Neethling	Male	MSc in Agronomy	20 000
Zanele Sosibo	Female	PhD in Crop Science	20 000
Bongani Ntombela	Male	MSc in Agronomy	20 000
Gerrie Maree			160 000

6.6. Meat Industry Trust

Name	Gender	Degree	University	Amount (R)
Mrs C. Van Loggerenberg	F	PhD Animal Science	UP	60 000
Ms L. Robbertse	F	PhD Genetics specializing in immunophenotyping	UP	60 000
Ms T. Stempa	F	PhD Animal Sciences	UFH	60 000
Ms D.A Linde	F	M Sc Animal Science	UP	60 000
Ms N.D Rasebotsa	F	M Sc Food Science	UFS	60 000
Ms T. Sikhosana	F	MSc Biochemistry	UP	60 000
Ms S. Baron	F	PhD Genesis	UP	60 000
Ms A. Basson	F	PhD Animal Science	UP	60 000
Mrs T.D. Ramulongo	F	PhD Microbiology	UP	60 000
Ms. Z. Soji	F	PhD Animal Science	UFH	60 000
Ms M. Ferreira	F	PhD Genetics	UP	60 000
Ms J. Steyn	F	PhD Medical Virology	UP	60 000
Ms B.van Wyngaard	F	PhD Meat Science	UFS	60 000
Ms T. Needham	F	PhD Animal Science	US	60 000
Mrs C. Van Loggerenberg	F	PhD Animal Science	UP	60 000
Ms L. Robbetse	F	PhD Genetics specializing in immunophenotyping	UP	60 000
Ms T. Stempa	F	PhD Animal Sciences	UFH	60 000
Ms D.A Linde	F	M Sc Animal Science	UP	60 000
Ms N.D Rasebotse	F	M Sc Food Science	UFS	60 000
Ms T. Sikhosana	F	MSc Biochemistry	UP	60 000
Ms S. Bacon	F	PhD Genesis	UP	60 000
Ms A. Basson	F	PhD Animal Science	UP	60 000
Mrs T.D. Ramulongo	F	PhD Microbiology	UP	60 000
Ms. Z. Soji	F	PhD Animal Science	UFH	60 000
Ms M. Ferreira	F	PhD Genetics	UP	60 000
Ms J. Steyn	F	PhD Medical Virology	UP	60 000
Ms B.van Wyngaard	F	PhD Meat Science	UFS	60 000
Ms T. Needham	F	PhD Animal Science	US	60 000

6.7. Maize Trust

Name	University	Degree & Title	Amount (R)
Hawwa Gabier	Cape Town	PhD:Phosphoproteomic analysis of Maize and Xerophyta viscosa under dehydration stress	100 506
Karliën van Zyl	Stellenbosch	PhD: Deciphering structural physio-chemical and genetic resistance in maize to infection and fumonisin production by Fusarium Verticillidies	100 506
Asheeqah Cassiem	Stellenbosch	MSc: Role of phenolic compounds in the infection and mycotoxin production of Fusarium spp. associated with maize	83 034
Richard Gavin Kotze	Pretoria	PhD Plant Science	100 506
Yoneal Bless	Stellenbosch	PhD: Validation of putative QTL's conferring resistance to FER and fumonisin contamination in maize	100 506



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Design & Layout:
Sylvester Moatshe | Daniel Rambau



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