



# Agri-Trust digest

Issue No.: 02

*In this issue we cover the following topics:*

1. **The Maize Trust**
2. **The Winter Cereals Trust**
3. **The Oil and Protein Seeds Development Trust**
4. **The Sorghum Trust**
5. **How the grain trusts fund their transformation initiatives**



National Agricultural  
Marketing Council  
Promoting market access for South African agriculture

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## **AGRI-TRUST DIGEST**

*Agri-Trust Digest is a monthly report that is produced by the National Agricultural Marketing Council through the Agricultural Industry Trusts Division. The publication aims to communicate developments as they happen around the different agricultural trusts. The focus of this issue is on four grain trusts: (i) Maize Trust and (ii) Winter Cereals Trust, Oil and Protein Seeds Development Trust and Sorghum Trust. The division has three digests which cover Food Agriculture Natural Resource Policy Analysis Networks (FANRPAN), Agricultural Transformation and Agricultural Industry Trusts. Agri-Trust Digest reports on the monthly key developments coming from the operation of different industry trusts.*

**Contributors to this Issue:**

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**1. THE MAIZE TRUST**  
**By**  
**Elekanyani Nekhavhambe**

**1.1 Background**

The Maize Trust was established in August 2000 and is currently the largest of all the agricultural industry trusts in terms of asset value, as its asset value stands at **R1.1 billion**, having inherited assets of **R319.2 million** in 2000. Due credit shall be given to the trustees of the Maize Trust (past and present) for their sterling work in ensuring that the assets of the Trust are safeguarded and grown.

**1.2 What is it that the Maize Trust stands for?**

As stated in the Deed of 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).

**1.3 Trust representation – Ministerial trustees need to be known**

The Maize Trust is governed by a board of six trustees and three of them represent the Minister of the Department of Agriculture, Forestry and Fisheries (DAFF). It is important that a short brief about each of them is presented for the agricultural community and the public to know who represents the Minister in the Maize Trust.

**Mr Sandile Ndlungwane**



**Figure 1:** A photo of Mr Sandile Ndlungwane

**Mr Ndlungwane** is currently one of the ministerial trustees and the vice-chairperson of the Maize Trust. He is also the director of the Grain Farmer Development Association (GFADA) and further serves as the non-executive director of the City of Johannesburg Market. Over and above being a farmer, he is pursuing opportunities in the broad red meat value chain as the executive chairperson of Agri-Inyama.

Mr Ndlungwane is the co-founder of Cida City Campus (university). He is the co-founder of the African Institute of Social and Economic Transformation (AFRISET) and served as its CEO until he was appointed as the special advisor to the Minister of Basic Education. He holds a position as the president of the Peace Government Southern Africa. Mr Ndlungwane served on several municipalities as a manager, including the City of Johannesburg and the Eastern Cape Metropolitan Local Council.



## Ms Mmaphefo Mabe



Figure 2: A photo of Ms Mmaphefo Mabe

**Ms Mabe** currently serves as one of the ministerial representatives in the Maize Trust and also the Winter Cereals Trust. She is a director of the Grain Farmer Development Association (GFADA). It is encouraging to note that she also serves as a portfolio manager at the Small Enterprise Finance Agency (SEFA).

Her duties include, among others, ensuring preceding conditions are complied with prior to disbursement; ensuring consistency between business plan and cash flow forecast, and client monitoring in all aspects, in particular ensuring adherence to the loan agreement and making recommendations for appropriate action where necessary. Ms Mabe holds a diploma in Business Management from the University of Johannesburg and a diploma in Business Studies from the University of Botswana and Swaziland.

## Mr Zovuyo Ngejane



Figure 3: A photo of Mr Zovuyo Ngejane

**Mr Ngejane** is one of the ministerial trustees on the Maize Trust. He is currently a managing director and a partner of Dimacorp (Pty) Ltd (Lucknow Farms) in East Griqualand. The farm is currently producing 8 000 tons of first-grade yellow maize and 700 tons of wheat per season, with a capacity to store 5 000 tons of maize in the silos. The farming enterprise has collaborated with PSP Investments in Kokstad, which has the capacity to store 25 000 tons of maize.

At PSP Investments, the company is able to process 1 500 tons of animal feed per month. Mr Ngejane is also the founder and director of Mbali Rural Developers CC, which is an agricultural contracting business.

## 2. THE WINTER CEREALS TRUST

By  
**BM Mpyana**

### 2.1 Background

The Winter Cereals Trust was established in November 1997. The Trust on its establishment inherited a total of **R11.2 million** from the Winter Cereals Board. The Trust has grown the Trust asset to its current value of **R91.4 million** worth of assets. The growth of the assets shows a healthy environment and sustained future of the industry. Important to note is that the assets need to be safeguarded to ensure that the Trust remains evergreen. This picture alone presents a healthy environment where the future of the industry is safeguarded. As such, due credit shall be given to all the trustees (past and present) for their sterling work from inception.

### 2.2 What does the Winter Cereals Trust stand for?

As specified in the Deed of Trust, the principal objective of the Trust is to provide financial support for scientific, technical or industrial research with regard to the production of winter cereals in the Republic of South Africa. The secondary objective of the Trust is to further the winter cereals industry in the Republic of South Africa by supporting the following:

- The maintenance of information required by the

- winter cereals 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 Cereals Trust.

### 2.3 Trust representation – Ministerial trustees need to be known

The Winter Cereals Trust is governed by a board of twelve trustees and six of them represent the Minister of the Department of Agriculture, Forestry and Fisheries (DAFF). It is important that a short brief about each of them is presented for the agricultural community and the public to know who represents the Minister in the Winter Cereal Trust.

#### Mr Neo Harrison Masithela



Figure 4: Photo of Mr Neo Harrison Masithela

**Mr Masithela** is the chairperson of the Winter Cereals Trust and works at MPS Consulting Engineers and Town Planners as executive director. Mr Masithela has previously served in various positions in the Parliament of the Republic of South Africa, Free State Provincial Government and more. Mr Masithela serves on three boards namely the Bokoena Family Trust, Khora Investment and Epidex (Pty) Ltd. Lastly, he holds a master's in Development Studies, a postgraduate diploma in Land and Agrarian Studies, and a bachelor of arts in Management Leadership.

#### Ms Neo Mary Maphanga



Figure 5: Photo of Ms Neo Mary Maphanga

**Ms Maphanga** is currently centre manager at Region 9 Development Centre. Region 9 Development Centre is a non-profit organisation (NPO) that was formally started in 2003 with the objectives of community development and poverty alleviation interventions. This is done through activities that are aimed at the appropriate provision of psychological, development and support services to its beneficiaries through intervention services that render social relief programmes within this region's community where state social relief programmes cannot support people. Advisory services on skills development, social support programmes and business entrepreneurship are provided to vulnerable youth, children and their families and the unemployed persons in the area.

**Ms Maphanga** also worked for Madineo Trading Enterprises as a manager/marketer, where she performed the activities of a broker, marketing jobs for people with trucks. She also worked at the Shell oil company. She also has skills in leadership, facilitating, etc. She was awarded for most improved admin in 1994 and admin of the year in 1995 and 1997. She won the award for administrator of the year and the award for good admin and going the extra mile in property management.

### Mr Butana Bhadi Make



Figure 6: Photo of Mr Butana Bhadi Make

**Mr Make** has held various occupational positions such as being a guarantee manager at Themban International Guarantee Fund, account executive at the National Housing Finance Corporation, area manager in Emerging Markets at Nedbank and more. In addition, he has received an award for being one of top ten business counsellors in the corporation, in recognition of his performance. Mr Make holds a diploma in Business Studies from Harare Polytechnic in Zimbabwe, a postgraduate certificate in Management Studies and several other certificates.

### Mr Victor Mongoato



Figure 7: Photo of Mr Victor Mongoato

**Mr Mongoato** has been a grain farmer in Matatiele since 2000. He is leasing land and has been farming ever since and also started a construction business. He expanded his business to animal feed and veterinary

medicine. He is also on the board of Grain SA and a committee member of Agri Eastern Cape, and Matatiele Grain Company. He is the chairperson of the District Land Reform Committee and the Farmer Development Working Group Committee (Grain SA). He is the vice-chairperson of Matatiele Grain Company (Pty) Ltd, Grain SA and AgriSA Transformation Committee.

### Mr Andrew Bartlett



Figure 8: A photo of Mr Andrew Bartlett

**Mr Bartlett** is currently the director for ICT Continuity and Sustainability at the Department of Agriculture, Forestry and Fisheries (DAFF). His job purpose includes providing strategic, administrative, efficient leadership and support in the development, testing, implementation, maintenance and review of the Department's Business Continuity Policy and Plan (BCP). He previously served as chief of staff at DAFF where his job was to manage, delegate, monitor and evaluate, follow up and assess that decisions that are implemented in the office of the Executive Authority render effective and efficient support services to the Authority. He is the former director at the National Department of Higher Education and Training.

### 3. THE OIL AND PROTEIN SEEDS DEVELOPMENT TRUST

By  
Mr BM Mpyana

#### 3.1 Background

The Oil and Protein Seeds Development Trust was established on October 1997. The Trust inherited a total of **R74.1 million**, and it currently has over **R317.8 million** worth of assets. Credit needs to be given to all the trustees (past and present) of the Oil and Protein Seeds Development Trust from inception for this sterling work.

#### 3.2 What does the Oil and Protein Seeds Development Trust stand for?

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, as 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 oilseeds,
- The financing of the provision of information and advisory services relating to the oilseeds industry with regard to the production of oilseeds 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 interests of the oilseeds industry provided that it is in accordance with the objectives and purposes of the Act.

#### 3.3 Trust representation –Ministerial trustees need to be known

The Oil and Protein Seeds Development Trust is governed by a board of seven trustees and one of them represents the Minister of the Department of Agriculture,

Forestry and Fisheries (DAFF). Noteworthy is the consideration of the second ministerial trustee, whom the NAMC is facilitating, and the names of the nominees are currently in the ministerial office for approval. It is important that a short brief about him is presented for the agricultural community and the public to know who represents the Minister in the Oil and Protein Seeds Development Trust.

#### Mr Katlego Gaoraelwe

**Mr Gaoraelwe** serves in various boards as the non-executive director at Sedibeng Water Board, non-executive director at South African Grain Information Services (SAGRI) and as a trustee in the Winter Cereals Trust. Previously Mr Katlego Gaoraelwe has also served as non-executive director at Agribank - North West Province and as a trustee for the Meat Industry Trust. Besides his involvement in various boards and trusts, Mr Gaoraelwe is a farmer, owner and manager of Kopano Butchery. Mr Gaoraelwe holds a diploma in Industrial Relations, an LLB from the then University of Natal and a BLuris from UNIBO.

### 4. THE SORGHUM TRUST

By  
Precious Nomantande Yeki

#### 4.1 Background

In terms of asset value, the Sorghum Trust is the smallest trust within the grain industry, having being established in 1999 with over **R6.5 million** worth of assets. The Trust is currently valued at over **R91.4 million**. Given the challenges in the sorghum industry such as high costs of production and few farmers producing sorghum, the trust asset base has been growing for years, and due credit shall be given to all the trustees (past and present) for their commitment in ensuring that the Trust remains evergreen.

#### 4.2 What does the Sorghum Trust stand for?

As stated in the Sorghum Trust Deed, the main objective of the Sorghum Trust is to maximise the income of the Trust and to provide funding for the benefit of the sorghum industry, 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.

**4.3 Trust representation – Ministerial trustees need to be known**

The Sorghum Trust is governed by a board of five trustees and one of them represents the Minister of the Department of Agriculture, Forestry and Fisheries (DAFF). It is important that a short brief about him is given for the agricultural community and the public to know who represents the Minister in the Sorghum Trust.

**Mr Happy Mohane**



**Figure 9:** A photo of Mr Happy Mohane

**Mr Mohane** is currently a ministerial trustee in the Sorghum Trust. He also serves in various boards including the NAMC, Orange River Cellars (ORC), Orange River Tankers (ORT); South African Grain Information Service (SAGIS); and Grain Farmer Development Association (GFADA). He is the founder and managing director of Trade Afrika Investment, which is a South African-based company that invests in various economic sectors.

Prior to establishing his own company, he was employed as a senior manager for Agribusiness Development at the National Agricultural Marketing Council. While at the NAMC, Mr Mohane was instrumental in facilitating development schemes such as the Vineyard Development Scheme, Red Meat Development Scheme (now operating as the National Red Meat Development Programme) and business linkages like the Supply Chain Logistics Programme which was funded by the Flemish government. Mr Mohane holds two master's degrees in Commerce Economics and Agricultural Economics.



## 5. HOW DO THE GRAIN TRUSTS FUND TRANSFORMATION?

By

Precious Nomantande Yeki and BM Mpyana

### 5.1. Introduction

The Grain Trust is comprised of the Maize Trust, Winter Cereals Trust, Sorghum Trust and Oil and Protein Seeds Development Trust. The Grain and Oilseeds Trusts reached a consensus to establish a sole entity to drive transformation initiatives in the industry, referred to as the Grain Farmer Development Association (GFADA).

### 5.2 What does GFADA stand for?

The Grain Farmer Development Association (GFADA) is a non-profit company that is owned by the four grain trusts and aimed at establishing successful competitive black commercial farmers. The main objective of GFADA is to facilitate and oversee transformation functions on behalf of the member trusts in the grains and oilseeds industries in South Africa, with specific focus on the establishment and development of “emerging grain farmers” of previously disadvantaged backgrounds.

### 5.3 Expenditure Trends

Collectively, the grain trusts are worth approximately R1.1 billion. For the past five years (2012 - 2017) the grain trusts spent over R175.9 million on transformation. This was spent specifically on projects aimed at advancing enterprise development and skills development. **Table 1** below presents the grain trusts’ expenditure on transformation for a period of 5 years.

**Table 1:** Grain trusts’ expenditure on transformation for a period of 5 years.

| Period       | Trust name   |   |               |                      |
|--------------|--------------|---|---------------|----------------------|
|              | Maize Trust  | Oil and Protein Seeds Development Trust | Sorghum Trust | Winter Cereals Trust |
| 2012/13      | R49 m        | R630k                                   | R16k          | R7m                  |
| 2013/14      | R19m         | R1m                                     | R217k         | R8m                  |
| 2014/15      | R21m         | R1m                                     | R106k         | R7m                  |
| 2015/16      | R22m         | R2m                                     | R143k         | R7m                  |
| 2016/17      | R19m         | R2m                                     | R275k         | R3m                  |
| <b>Total</b> | <b>R131m</b> | <b>R8m</b>                              | <b>R758k</b>  | <b>R34m</b>          |

Source: NAMC status report (2017)

### 5.4. Conclusion

Sole entities like GFADA are evidently playing a crucial role in stimulating and advancing transformation within the agricultural sector. Lastly the grain industry is thus far the biggest industry in terms of asset value and a major role player in transformation initiatives.

For more information, visit [www.namc.co.za](http://www.namc.co.za) or contact Mr B. Nyhodo – Senior Manager: Agricultural Industry Trusts Division email: [bonani@namc.co.za](mailto:bonani@namc.co.za)

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