



National Agricultural Marketing Council

Promoting market access for South African agriculture



Annual Report

2016/2017



**National Agricultural Marketing Council
Annual Report 2016/2017**

**RP228/2017
ISBN: 978-0-621-45679-0**



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

National Agricultural Marketing Council

Annual Report on Predetermined Objectives 2016/17

I have the honour of submitting the Annual Report for 2016/17
of the National Agricultural Marketing Council (NAMC)

Chairperson of the
National Agricultural Marketing Council

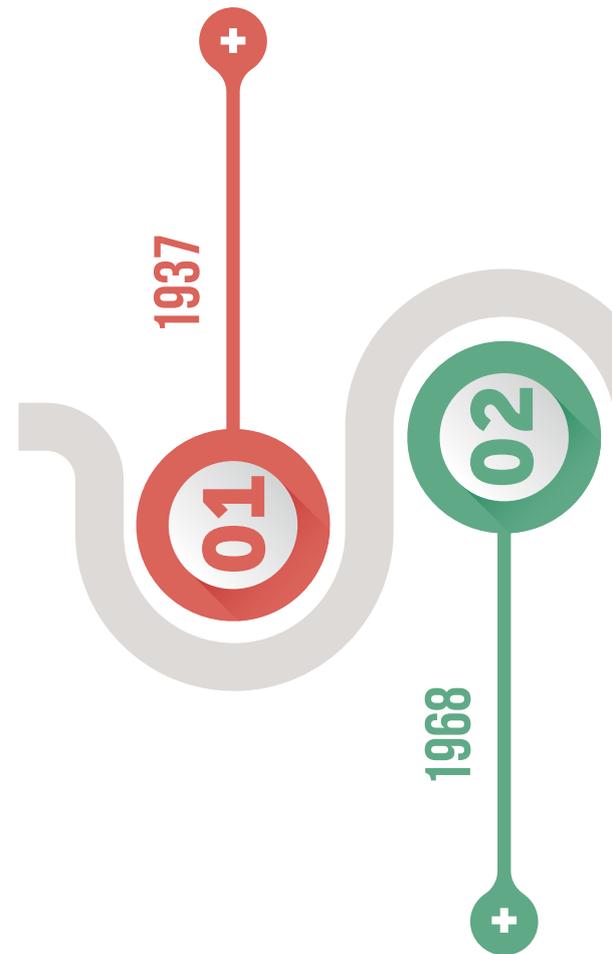


National Agricultural Marketing Council

Promoting market access for South African agriculture

The National Marketing Council (NMC) formed to administer the 1937 Marketing Act and advise the Minister of Agriculture on the provision of the Act.

Evolution of National Agricultural Marketing Council



One of the intensions with the promulgation of the MAP Act was that the NAMC should operate "arms-length" from the Department and subsequently became a statutory body. This meant that the NAMC will be only administering the MAP Act thereby serving as an advisory body. It also applied to the deregulation of the former Control Boards to Industry Trusts.

Marketing Act of 1937 was replaced by the 1968 Marketing Act 3 decades later the promulgation of the 1996 Marketing Act came into being.

NMC changed to the National Agricultural Marketing Council

MAP Act amended to inter alia make provision for certain aspects regarding the transfer of staff from the Department to the NAMC.

By this period, 80% of total agricultural production was subjected to statutory measures in South Africa/

1996



03

1997



04

1997



05

2001



06

2014



07

The NAMC officially formed with the Mandate to administer the Marketing of Agricultural Products Act (MAP Act)

MAP Act amended to inter alia make provision for the auditing of statutory levies by the Auditor-General.

CONTENTS



CONTENTS

NO	ITEM	PAGE
1	PART 1: PUBLIC ENTITY'S GENERAL INFORMATION	9
2	PART 2: STRATEGIC OVERVIEW	12
2.1	VISION	12
2.2	MISSION	12
2.3	CORE VALUES	12
2.4	STRATEGIC OUTCOMES ORIENTATED GOALS	12
2.5	ORGANISATIONAL STRUCTURE	13
2.6	FOREWORD BY THE ACTING CHAIRPERSON	14
2.7	CHIEF EXECUTIVE OFFICER'S OVERVIEW	15
2.8	CHIEF FINANCIAL OFFICER FINANCIAL OVERVIEW	17
2.9	COUNCIL MEMBERS	18
3	PART 3: PERFORMANCE INFORMATION	22
3.1	STATEMENT OF RESPONSIBILITY	22
3.2	KEY POLICY DEVELOPMENT AND LEGISLATIVE CHANGES	23
3.3	FUNDING	23
3.4	PROGRAMME PURPOSE	24
4	PART 4: PERFORMANCE INFORMATION	28
4.1	PROGRAMME 1: ADMINISTRATION	28
4.1.1	SUB-PROGRAMME 1: OFFICE OF THE CHIEF EXECUTIVE OFFICER	28
4.1.2	SUB-PROGRAMME 2: FINANCE AND ADMINISTRATION	29
4.1.3	SUB-PROGRAMME 3: HUMAN RESOURCES MANAGEMENT	30
4.2	PROGRAMME 2: MARKETS AND ECONOMIC RESEARCH CENTRE	31
4.3	PROGRAMME 3: STATUTORY MEASURES	34
4.4	PROGRAMME 4: AGRICULTURAL TRUSTS	35
4.5	PROGRAMME 5: AGRIBUSINESS DEVELOPMENT	36
4.6	NARRATIVES	37
5	PART 5: CORPORATE GOVERNANCE	76
6	PART 6: HUMAN RESOURCES OVERSIGHT STATISTICS	86
7	PART 7: FINANCIALS	93

Tables

No.	Table	Page
1	SABPP Human Resources Standards 2013	43
2	Statutory measures applicable during the 2016/17 financial year	56
3	Statutory levies collected per commodity during the 2016/17 financial year	57
4	Statutory levies allocated to the different functions during the 2016/17 financial year	58
5	Statutory information per commodity	60

Abbreviations

AEASA	Agricultural Economics Association of South Africa
AIT	Agricultural Industry Trusts
ADD	Agribusiness Development Division
AgriSETA	Agricultural Sector Education & Training Authority
APAP	Agricultural Policy Action Plan
CEC	Crop Estimates Committee
CELC	Crop Estimates Liaison Committee
CFP	Custom Feeding Programme
DAFF	Department of Agriculture, Forestry & Fisheries
DAGs	Directly Affected Groups
DTI	Department of Trade & Industry
FANRPAN	Food, Agriculture and Natural Resources Policy Analysis Network
GDP	Gross Domestic Product
IOL	Independent Newspapers
MANCOM	Management Committee
MAP ACT	Marketing of Agricultural Products Act
MERC	Markets and Economic Research Centre
Minister	The Minister of Agricultural Forestry and Fisheries
MTSF	Medium Term Strategic Framework
NAMC	National Agricultural Marketing Council
NRMDP	National Red Meat Development
NDP	National Development Programme
NRMDP	National Red Meat Development Programme
PIC	Project Implementation Committee
PPECB	Perishable Products Export Control Board
PMA	Produce Marketing Association
PSA	Potatoes South Africa
RMAA	Red Meat Abattoir Association
SAGAP	South African Good Agricultural Practice
SAMIC	South African Meat Inspectors Company
SAPPO	South African Pork Producers Association
TRALAC	Trade Law Centre of Southern Africa
TRC	Transformation Review Committee
WFP	World Food Programme

PART 1



**PUBLIC ENTITY'S
GENERAL INFORMATION**

PART 1: PUBLIC ENTITY'S GENERAL INFORMATION

REGISTERED NAME:	National Agricultural Marketing Council
REGISTRATION NUMBER (if applicable):	N/A
PHYSICAL ADDRESS:	536 Francis Baard Street Meintjiesplein Building Block A, 4th Floor, Arcadia Pretoria, 0002
POSTAL ADDRESS:	Private Bag X 935 Pretoria 0001
TELEPHONE NUMBER:	012 341 1115
FAX NUMBER:	012 341 1811
EMAIL ADDRESS:	info@namc.co.za
WEBSITE ADDRESS:	www.namc.co.za
EXTERNAL AUDITORS:	Auditor General
BANKERS:	Standard Bank of South Africa

Strategic Integrated Project 11

The Strategic Integrated Project (SIP) 11 is one of the eighteen flagship infrastructure projects of overseen by the Presidential Infrastructure Coordinating Commission (PICC). Its purpose is to ensure enabling agro-logistics and rural infrastructure investments that would unlock the potential of rural areas to create jobs.

The National Agricultural Marketing Council (NAMC) was appointed to coordinate SIP 11 with effect from May 2013. The NAMC reports to the PICC Secretariat at the Economic Development Department (EDD). As coordinator of SIP 11 the NAMC is charged with putting together and monitoring the implementation of a comprehensive business plan that addresses how the well-documented agro-logistics and rural infrastructure challenges will be addressed over the short-, medium- and long-term.

28 Anchor projects have been identified and some of the notable work done include;



01

Makhatini Flats

Rehabilitate **45000ha** scheme and develop ne **14 000ha** irrigation scheme. Project underway to construct livestock centers, infield roads, plant nursery and input stores.



02

Russel Stone Soya Processing Plan

Initiative by the IDC, project aims to create agro-processing capacity in the country. It is expected the soya crushing plant will process **240 000 tons** of soya per annum.



03

National Red Meat Development Programme

A programme by the Department of Rural Development and Land Reform. **22 feedlots** operational in three provinces. The aim is to increase beef provision in South Africa and introduce communal livestock farmers to formal red meat value chains.

PART 2



**STRATEGIC
OVERVIEW**

STRATEGIC OVERVIEW

2.1 Vision

Strategic positioning of agriculture in a dynamic global market.

2.2 Mission

To provide marketing advisory services to key stakeholders in support of a vibrant agricultural marketing system in South Africa.

2.3 Core Values

The following values are adopted as our commitment to entrench and deepen the "NAMC" way, both in our behaviour and service offering:

Integrity

- Honest • Ethical • Trustworthy • Transparent

Assertive

- Accountable • Responsible • Reliable
- Taking Ownership • Confident

Collaborative

- Consultative • Teamwork • Participative
- Cooperative

Service Excellence

- Performance-Driven • Target-Oriented
- Service-Oriented • Motivated
- Committed • Diligent

Fairness

- Equal Treatment • Respectful
- Tolerance • Consistency

Objective

- Analytical • Rational • Attention To Detail
- Conceptual

Innovative

- Creative • Proactive • Adaptive
- Flexible • Initiative

2.4 Strategic Outcomes Orientated Goals

Strategic Outcomes Oriented Goal

- Increasing market access to all market participants
- More efficient marketing of agricultural products
- Increased export earnings from agricultural products
- Enhanced viability of agricultural sector

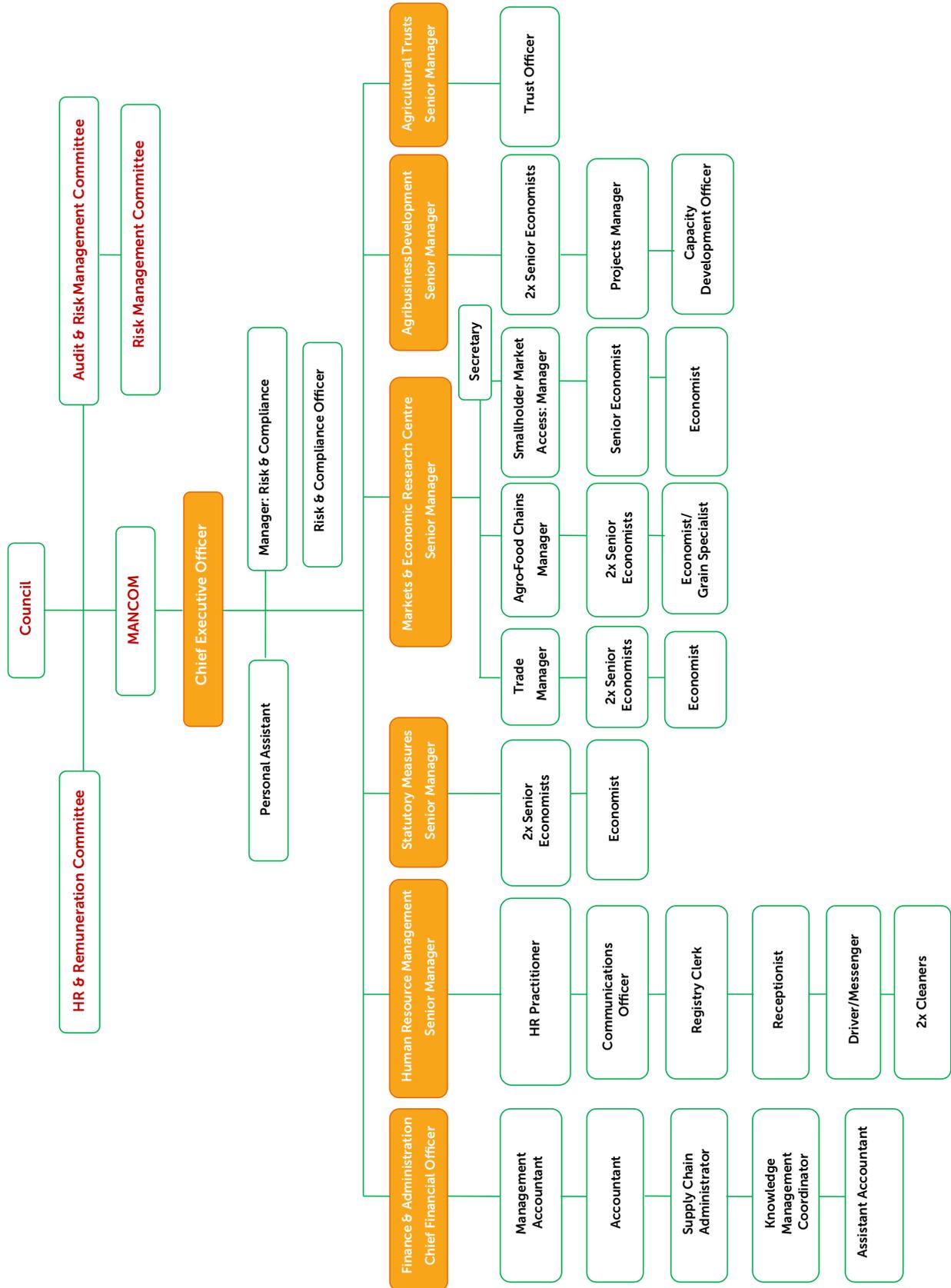
Goal Statement

To provide agricultural marketing advisory services to key stakeholders in support of a vibrant agricultural marketing system.

Five business strategic goals were identified as pillars underpinning the NAMC's mission. These goals were aligned with five organisational programmes, of which the first goal is a support goal and the other four goals are in the line of business goals.

The NAMC collaborates with the Department of Agriculture, Forestry and Fisheries in the roll-out of the following key projects: Trade Probes; Fruit Flow Reports; the Food, Agriculture and Natural Resources Policy Analysis Network (FANRPAN); Markets and Product Profiles; Development Schemes; and Training Programmes.

2.5 Organisational Structure



2.6 Foreword by the Chairperson



Prof P.K. Chauke

Honourable Minister, the newly appointed National Agricultural Marketing Council (NAMC) welcomes the mandate you have put on our shoulders. We have reviewed the 2016/2017 activities performed by our predecessors and are largely satisfied with their performance. We therefore endorse and present to you the NAMC annual report for the period under review.

There were no significant issues or deviations that affected corporate governance in the activities of the former Council in the period under review, during which the former Chief Executive Officer, Mr Ronald Ramabulana resigned. We are especially gratified Minister, to report that the Auditor General has once again awarded a clean audit certificate to the NAMC. We applaud the former Council for promptly appointing Mr Zama Xalisa to act as NAMC CEO, and aim to effect the appointment of a substantive CEO by September 2017 at the latest.

As a new Council we literally hit the ground running immediately after our appointment on the 25th May 2017. We specifically noted the stellar performance of the management committee despite the challenges that it encountered as it delivered on its day-to-day mandate of supporting the Council and steering the institution. A continuing and growing concern was the paucity of institutional financial and human capacity to meet the increasing demand from the sector to collaborate with the NAMC on matters of transformation, market access and research, training and development. This stretched the institution's resources to the limit.

The previous Council left this critical national institution in a condition to deliver on its crucial mandate. For this, on behalf of the Council, I want to express my gratitude to it for making this possible by serving the organisation and representing their individual industry with distinction. As a new Council we found two issues in our interaction with the sector that cried out for immediate attention, namely, sectoral transformation and smallholder access to the broader market environment. We consider our response to these as a fundamental opportunity for us to discharge the mandate of this historic institution.

Finally, Honourable Minister, as the incoming Council we appreciate the commitment of the NAMC Secretariat staff in carrying out their specific responsibilities and for the unstinting support of your department. We thank you for your continued strategic guidance and look forward to continuing positive engagement with your department and with the Parliamentary Portfolio Committee.

Prof P.K. Chauke

Chairperson: NAMC

30 May 2017

2.7 Chief Executive Officer's Overview



Zama Xalisa

In the financial year under review, the NAMC undertook interventions transitions of note. The first was the launch of Youth Agriculture (Y-Agriculture) Programme and the second, the convention of an Agricultural Research Symposium. These two significant causes put the NAMC at the centre of the agricultural sector discourse.

In that financial year, the sector was reeling from a drought, necessitating that the NAMC collaborate with the Agricultural Research Council and the Land Bank to jointly host an Agricultural Research Symposium. In the same period these three SOE's signed a Memorandum of Understanding to collaborate on research. This is a milestone for our organisation as it lessens the need to apply for more research resources. It also affords the NAMC the resources to review the various other interventions we are not able cover in the agricultural terrain. As our mandate is to advice the Minister, the annual Agricultural Research Symposium will serve as an important policy indicator for the country.

The Y-Agriculture Programme also received a favourable response from the sector at its inaugural launch-workshop on the 18th November 2016 at the Monument Function Centre. The primary objective of the workshop was to address the challenges faced by the youth within the agricultural sector. More importantly, the Y-Agriculture Program seeks to promote interest in professional careers in agriculture. The Y-Agriculture model was developed to enhance the Agricultural sector's career offerings and promote skills development. There was a commitment from the industries represented, to focus more on promoting professional careers in agriculture. In essence therefore, the programme supports the plan of the Department of Agriculture, Forestry and Fisheries to highlight agricultural careers more vigorously to high school learners.

Organisationally, the NAMC continued with normal operations. The NAMC received the records and returns submitted by the twenty-two industries subjected to statutory measures as charged by the MAP Act. The NAMC guidelines on the spending of the statutory levy funds requires that approximately 70 % of levy funds should be spent on functions such as research, information, and export promotion; at least 20 % on transformation; and not more than 10 % on the administration of the levy. The Statutory Levies collected and used for generic functions in the 2016/2017 amounted to a total of four hundred and eighty nine million, six hundred and thirty nine thousand, nine hundred and ninety four rand (R489 639 994).

Honourable Minister, during the period under review the NAMC contributed positively to develop enterprises directly and by disseminating information. Our schemes such as the National Red Meat Development Programme and the Vineyard Developed Scheme have a positive impact on the local economies by creating

jobs and skills transfer. The Supply and Demand Estimates Report we published during this period was successful and is referenced widely by business, government and civil society. We also published the quarterly Agri-Preneur newsletter aimed at highlighting successful smallholder farmers stories; as well as the Food Basket Price Monthly of selected foods prices affecting consumers. Finally, in proud moment of a stellar performance, the NAMC was nominated as one of three finalists in the categories of HR Risk, Learning and Development, and Performance Management of the audited companies of that period, during the 4th Annual HR Standards and Research in Practice Summit.

As management, we welcome the new Council and wish it well in its transformative role at this pivotal period in the development of our sector. I also take this opportunity to extend my gratitude to the previous Council and the former CEO, Mr R Ramabulana, for enabling us to present a positive report of this period under review, during which the National Agricultural Marketing Council served the nation. My appreciation goes to the Department of Agriculture, Forestry and Fisheries for working with us under the enormous strain of financial constraint and supporting our programmes. Last but by no means least, I would like to thank the staff of the Council secretariat for the professionally focused manner in which they have contributed positively to the continuing development of an equitable and competitive and agricultural sector.

Honourable Minister, we hereby submit the NAMC 2016/2017 Annual Report.



Zama Xalisa

Acting Chief Executive Officer

National Agricultural Marketing Council

30 May 2017



2.7 Chief Financial Officer's Report



Sarah Fhulufhedzani Netili

Introduction

2016/17 was a year of both successes and challenges. Through the support from the Department of Agriculture, Forestry and Fisheries the NAMC managed to overcome and endure the challenge. The support given to our initiatives gave us the assurance that the work we undertake is relevant and needed by the sector.

For the financial year 2016/17 the NAMC operated on an allocation of R35 million budget with additional income generated from investments. The NAMC generated other income from management fees charged on sponsors projects which assisted in carrying out some of the expenditure that could not be accommodated through the MTEF budget allocation.

Within the limited financial resources, we saw sustained progress in achieving its targets and delivering on the mandate as stipulated on the MAP Act.

Overall financial performance

The financial result for the financial year ended 31 March 2017, reflects a deficit of R61 thousand, this represents a decline in surplus of (R463 thousand) as compared to previous financial year restated surplus of R524 thousand.

The deficit for this financial year is as a result of the non-cash items such as depreciation and the loss on disposal of redundant assets. The total revenue of R80,1 Million has increased by 29% against last year's figure of R62 million due to the increase in the number of project managed on behalf of the sponsors.

The total expenses of R80,2 million has increased by 30% as compared to previous year's expenditure of R61,6 million as a result of increase in personnel costs of R5,9 million (20%) as compared to previous financial year's expenditure. This was driven by the annual salary adjustments combined with an increase in the number of employees- particularly on the National Red Meat Development Project, and also an increase in operational expenditure of R9,1 million (36%).

Financial position

Total assets increased by 4%, due to additional non-current assets purchased, increase in inventory on hand as at 31 March 2017. Total liabilities increased by 5% due to the amount of revenue deferred relating to sponsorship projects.

At the end of this financial year, the entity had cash and cash equivalents balance of R75,8 million. The bulk of this cash relates to sponsorship funding for project managed by the entity on behalf of sponsors.

Conclusion

The NAMC financial management practices remain sound and the entity will continue to manage its budget and expenditure in line with the government's initiatives for cost containment and thereby ensuring the future sustainability of the entity.

A handwritten signature in black ink, appearing to read 'Netili', written over a horizontal line.

Sarah Fhulufhedzani Netili

Chief Financial Officer
30 May 2017

2.9 Council Members



Prof Phineas Khazamula Chauke

Chairperson of NAMC Council

PhD Agriculture Economics (University of Venda), Masters in Agricultural Economics (University of Pretoria), Bachelor of Science in Agricultural, Economics (University of Fort Hare), Higher Education Diploma (University of Fort Hare)

Member of the Vhembe and Sekhukhune Land Development tribunals, MEC Advisory Council, Limpopo Department of Agriculture and Land Bank Chair for Univen.



Mr Harry Prinsloo

Deputy Chairperson of NAMC Council

Bachelor of Science in Agriculture (University of Free State). A former Chairman of National Wool Growers Association [NWGA], Member of cape wools board, Member at Wool Testing Bureau, Former Chairman of the Producers working group at the International wool and textile organization [IWTO], Chairman of the Commodity chamber and Commercial Agriculture Policy Committee.



Mr Sindile Sid Faku

NAMC Council Member

Master of Science (Jackson State University), Bachelor of Arts Honours Education (UKZN), Bachelor of Arts (Walter Sisulu University), Leadership in Local Government (Thailand), Postgraduate Diploma in Corporate Governance (IOD)

Member and Chair of HR Committee Western Cape Gambling Board, Non-Executive Director and Shareholder Stonevest Property Group, Audit Committee Chairman -Department of Human Settlements, Member – Audit and Risk Committee Eastern Cape Education, Chairman of Dakhile Property.



Ms Fezeka Mkile

NAMC Council Member

Bachelor of Administration (University of Durban Westville), Diploma Office Management (Infotech College), Introduction to Corporate Governance and Board Effectiveness (Institute of Directors Southern Africa), Certificate of Competence in Leadership and Team Building (Umbumbo Research and Development).

Director - ECDRA, Director Fezz Business Enterprises and Suppliers, Director Khanyisa Children's Home, Director at Kangela Citrus Farm, Independent Trustee at Cookhouse Trust.



Mr Happy Mohane

NAMC Council Member

Masters in Commerce Economics (University of Natal), Masters Science Agricultural Economics (University of Pretoria), Bachelor of Science Honours Degree Agricultural Economics (University of Pretoria), Bachelor of Science Agriculture (University of North West).

Board Member of Orange River Cellars (ORC); Board Member of the Orange River Tankers (ORT); Board Member of the South African Grain Information Service (SAGIS); Board member of the Grain Farmer Development Association (GFADA); Trustee of Sorghum Trust; Member of the Audit Committee of the Department of Economic Development, Environmental Affairs and Tourism (Free State).



Mr Boikanyo Mokgatle

NAMC Council Member

Bachelor of Agricultural Economics (University of Fort Hare), Bachelor of Agricultural Economics Honours (Fort Hare University).

Chair of Board of Directors South African Grain Laboratory; Commissioner at International Trade Administration Commission (ITAC); Member of RSA Steel Committee; Trustee at the Winter Cereal Trust Board; Industry representative at the International Grains Council (IGC), International Association of Operatives Millers and Global Millers Symposiums; Industry representative at various structures including DAFF CEO Forum, DTI Industry Forum, Wheat and Maize Forum, National Agricultural Research Forum, Crop Estimates Liaison Committee, Agricultural Trade Forum, JSE Advisory Committee, S&DE Committee, Crop Estimate Liaison Committee, etc.



Ms Nonie Mokose

NAMC Council Member

Bachelor of Nutritional Food Sciences: Community Nutrition (Cornell University, Ithaca – New York), MacDonald Global Certificate Diploma, Current studying towards a Master of Agriculture at University of Pretoria.

Board: Member – Previously involved in various roles in an agricultural commodity organisation including Chairing the Empowerment Committee and representing the Minister of Agriculture on the industry Trust. In addition, she has been involved in various agricultural developmental organisations as both director and Chairperson. Nonie is a member of the Smart Market Access Tracker Reference Group of the NAMC. Board member of African Women’s Entrepreneur Network (AWEP) South Africa.



Prof Diale Rangaka

NAMC Council Member

Master of Arts (Sussex), Masters in Education (Wits), Bachelor of Arts (University of Limpopo), Bachelor of Arts Honours (University of Limpopo), Management Development Programme (University of Stellenbosch).

Chairman of Kopanong Hospital Board, Chairperson of the African Vintners Alliance Cooperative, Board Membership (Wines of South Africa, South African Wine Industry Trust), Member (National English Literary Museum Council, HSPCSA Subcommittee Environment Health Officers Profession, KoelenhofKelders Co-op, Cape Winelands District Municipality), Chairman of Bright and Futures Foundation.



Mr Gerhardus Schutte

NAMC Council Member

Master in Agriculture, Baccalaureus Honours in Agriculture Animal Nutrition, Bachelor of Science Agriculture.

Member of CEO’s Forum,
Member of National Agricultural Research Forum,
Trustee (Meat Industry Trust, Red Meat Research and Development Trust, Animal Improvement Trust), Manager – National Stock Theft Prevention Forum, Chairman – Planning Committee Beef and Small Stock of Red Meat Research and Development,

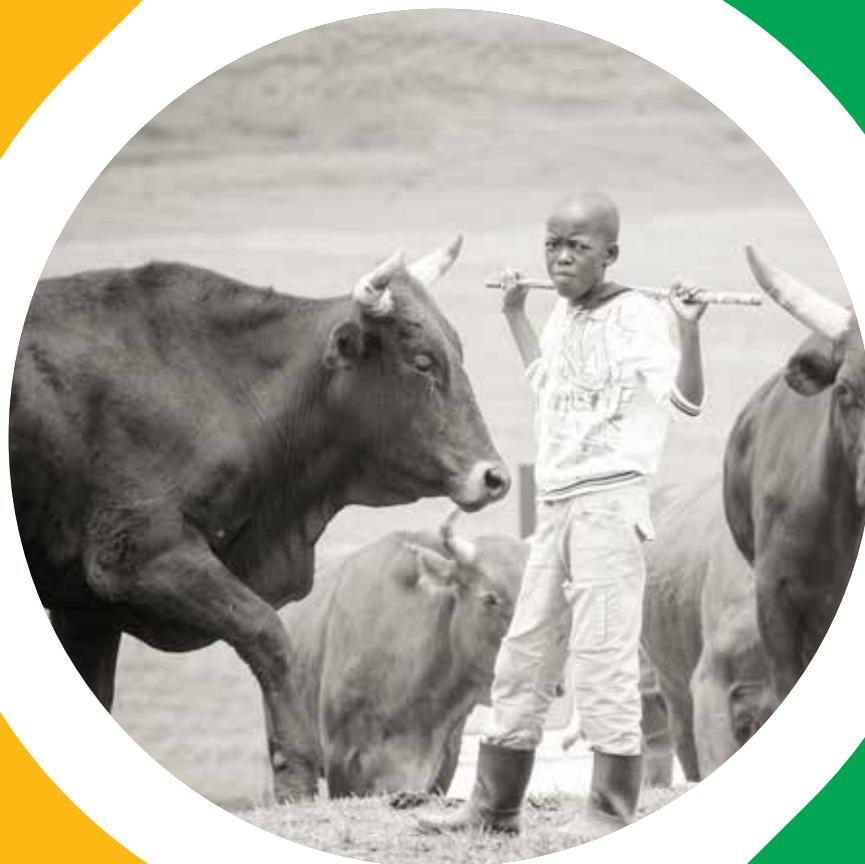


Mr Zandisile Wapi

NAMC Council Member

Master Degree in Sustainable Agriculture University of Free State, B-Tech Agricultural Management (UNISA), Diploma in Agriculture Fort Cox College.

PART 3



**OVERVIEW OF THE
PUBLIC ENTITY**

3.1. Statement of Responsibility for Performance Information

Official Sign-Off

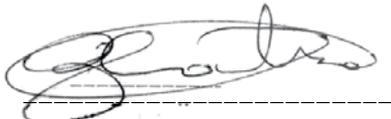
It is hereby certified that the Annual Report:

- Was developed by the management of the NAMC, under the guidance of the Executive Authority, Prof PK Chauke, Acting Chairperson of Council.
- Takes into account all the relevant policies, legislation and other mandates for which the NAMC is responsible
- Accurately reflects the achieved strategic objectives for the period 2016/17.



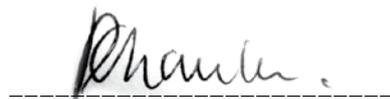
Ms. FS Netili

Chief Financial Officer



Mr. ZW Xalisa

Acting Chief Executive Officer



Approved by:

Prof. PK Chauke

Chairperson: Council



3.2. Key Policy Development and Legislative Changes

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

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

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

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

- a) Agricultural marketing policy and its application
- b) The coordination of agricultural marketing policy in relation to national economic, social and development policies and international trends and developments
- c) The possibilities for promoting the objectives of the MAP Act, mentioned in section 2 (2) of the MAP Act, and
- d) The effect that the marketing of products has on the objectives mentioned in section 2 (2) of the MAP Act.

In addition, in terms of section 9 (1) of the MAP Act, the NAMC shall monitor the application of statutory measures and report to the Minister, and shall review such measures, at least every two years. The arrangements for the accountability of the NAMC to the Minister for the National Department of Agriculture, Forestry and Fisheries are as follows:

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

3.3. Funding

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

The goal is to promote the achievement of the objectives of the MAP Act, which are to:

- a) Increase market access for all market participants
- b) Promote the efficiency of the marketing of agricultural products
- c) Optimise export earnings from agricultural products, and
- d) Enhance the viability of the agricultural sector.

During the period under review, there were no policy developments or legislative changes.

3.4. Programme Purpose

PROGRAMME 1: ADMINISTRATION

Strategic Goal 1	To ensure internal business excellence within the NAMC.
Goal statement	To ensure internal excellence in practices supporting the NAMC in effectively delivering on its mandate.
Justification	This aims to ensure that the NAMC functions optimally through effective business processes, corporate governance and resource support services.
Links	Government outcome 5 and 12 2009 Government Priority 7

The programme is currently structured in accordance with the following sub-programmes:

- Office of the Chief Executive Officer
- Financial Management Support (including ICT support)
- Human Resources Management Support.

PROGRAMME 2: MARKETS AND ECONOMIC RESEARCH CENTRE (MERC)

Strategic Goal 2	To produce quality research outputs to key stakeholders in support of agricultural marketing decision making.
Goal statement	Effectual agricultural marketing decisions will enhance competition, and result in more effective market structures and increased market access.
Justification	This aims to inform key stakeholders to contribute to policy debate and create a more efficient and inclusive marketing system
Links	National Development Plan Integrated Growth and Development Plan Agricultural Policy Action Plan Government outcome 4 and 7 2009 Government Priority 4 NAMC outcomes 1,2,3 and 4

The MERC programme has the following sub-programmes:

- Smallholder Market Access Research
- Agro Food Chain Research
- Trade Research
- Strategic Integrated Projects Coordination.

PROGRAMME 3: STATUTORY MEASURES

Strategic Goal 3	To produce statutory measure recommendations in support of an effective agricultural marketing system.
Goal statement	Providing objective recommendations to the Minister based on investigations conducted.
Justification	This aims to enable the agricultural sector to collect levies to finance generic functions, collect and disseminate information, to promote the efficiency of the marketing of agricultural products, to promote market access, and to increase export earnings, and when required, control exports.
Links	National Development Plan Integrated Growth and Development Plan Government outcome 4 and 7 2009 Government Priority 4 NAMC outcomes 1, 2 and 3

The Statutory Measures programme has the following sub-programmes:

- Field crop products
- Horticultural products
- Livestock products.

PROGRAMME 4: AGRICULTURAL TRUSTS

Strategic Goal 4	To provide advisory services to the Minister relating to Trusts and Agricultural Transformation.
Goal statement	To provide advisory services to the Minister based on the monitoring and operations of Trusts.
Justification	This aims to ensure that the viability of the agricultural sector is enhanced
Links	National Development Plan Integrated Growth and Development Plan Government outcomes 7 and 12 2009 Government Priority 2,4,6 and 7 NAMC outcomes 1 and 4 Agri-BBBEE code

Agricultural Trusts programmes has the following sub-programmes:

- Agricultural Industry Trusts support
- Industry transformation support.

PROGRAMME 5: AGRI-BUSINESS DEVELOPMENT

Strategic Goal 5	To provide agri-business development facilitation programmes that will link smallholder farmers / agri-businesses to markets.
Goal statement	To provide agri-business development facilitation programmes to smallholder farmers / agri-businesses to overcome their constraints in accessing markets.
Justification	This aims to increase access to markets by smallholder farmers / agri-businesses.
Links	National Development Plan Integrated Growth and Development Plan Government outcomes 4 and 7 2009 Government Priority 2, 4 and 6 NAMC outcome 1 Agricultural Policy Action Plan (APAP)

Agri-business Development programme has the following sub-programmes:

- Agri-business development planning support (*Commodity identification, Concept documentation, Business planning, Entrepreneur / stakeholder identification*)
- Agri-business development implementation support (*Resource mobilisation, Entrepreneur / stakeholder mobilisation, Training / mentoring, etc.*).

PART 4



**PERFORMANCE
INFORMATION**

4.1 PROGRAMME 1: ADMINISTRATION

4.1.1 OFFICE OF THE CHIEF EXECUTIVE OFFICER, PERFORMANCE INFORMATION

Strategic Objectives	Performance Indicator	Audited Performance 2015/2016	Planned Annual Targets 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement	Comments on deviations
Corporate Governance support	Compliance reports produced (n)	Compliance reports.	Produce (4) compliance reports by end of financial year.	(4) Compliance Reports were produced.	None	None
Corporate Governance support	Risk reports produced (n)	Risks reports.	Produce (4) risk reports by end of financial year.	(4) Risk Reports were produced.	None	None
Corporate Governance support	Council Committee Secretarial support reports produced (n)	Council Committee Secretarial support reports.	Produce (4) Council Committees Secretarial support reports by end of financial year.	(4) Council Committees Secretarial support reports were produced.	None	None
Corporate Governance support	Council committee performance evaluation report produced (n)	Council committee performance evaluation report.	Produce (1) Council committee performance evaluation report by end of financial year.	(1) Council committee performance evaluation report was produced.	None	None

4.1.2 FINANCE AND ADMINISTRATION PERFORMANCE INFORMATION

Strategic Objectives	Performance Indicator	Audited Performance 2015/2016	Planned Annual Targets 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement	Comments on deviations
Financial Management Support	Budget submitted for approval (n)	Approved budget	Submit (1) budget for approval by 28 February 2017.	(1) Budget was submitted for approval on the 28 February 2017.	None	None
Financial Management Support	Annual statutory financial report produced within prescribed time (n)	Approved Statutory Financial report	Produce (1) Annual Statutory Financial report by 31 July 2016.	1) Annual Statutory Financial report was produced.	None	None
Financial Management Support	Quarterly statutory financial reports produced within prescribed time (n)	Statutory Financial reports	Produce (4) statutory financial reports by end of financial year.	(4) Statutory financial reports were produced.	None	None
Financial Management Support	Monthly statutory financial reports produced within prescribed time (n)	Statutory Financial reports.	Produce (12) Statutory financial reports by end of financial year.	(12) Statutory financial reports were produced.	None	None
Financial Management Support	BBBEE procurement reports produced (n)	BBBEE procurement reports.	Produce (4) BBBEE procurement reports by end of financial year.	(4) BBBEE procurement reports were produced.	None	None
IT Support	IT performance reports produced (n)	IT performance reports	Produce (4) IT performance reports by end of financial year.	(4) IT performance reports were produced.	None	None

4.1.3 HUMAN RESOURCES MANAGEMENT PERFORMANCE INFORMATION

Strategic Objectives	Performance Indicator	Audited Performance 2015/2016	Planned Annual Targets 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement	Comments on deviations
Business Process Support	Strategic Plan produced (n)	Strategic plan	Produce (1) Strategic Plan by November 2016.	(1) Strategic Plan was produced on 29 November 2016.	None	None
Business Process Support	Annual Performance Plan produced (n)	Annual Performance Plan	Produce (1) Annual Performance Plan by February 2017.	(1) Annual Performance Plan was produced on 28 February 2017.	None	None
Business Process Support	Performance Information reports produced (n)	Performance Information reports	Produce (4) Performance Information reports by end of financial year.	(4) Performance Information reports were produced.	None	None
Business Process Support	Annual report produced (n)	Annual report	Produce (1) Annual report by end of financial year.	(1) Annual report was produced.	None	None
Business Process Support	Corporate communication service reports produced (n)	Corporate communication service reports	Produce (4) Corporate communication service reports by end of financial year.	Produce (4) Corporate communication service reports were produced.	None	None
Human Resources	Human resources reports produced (n)	Human resources reports.	Produce (4) Human Resources reports by end of financial year.	(4) Human Resources reports were produced.	None	None

4.2 MARKETS AND ECONOMIC RESEARCH CENTRE PERFORMANCE INFORMATION

Strategic Objectives	Performance Indicator	Audited Performance 2015/2016	Planned Annual Targets 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement	Comments on deviations
Smallholder Market Access Research	Smallholder Market Access Research reports produced (n)	Smallholder Market Access Research reports	Produce (4) Smallholder Market Access Research reports by end of financial year.	(4) Smallholder Market Access Research reports were produced.	None	None
Smallholder Market Access Research	Smallholder Market Access Academic Journal Articles produced (n)	Smallholder Market Access Journal Articles	Produce (2) Smallholder Market Access Academic Journal Articles by end of financial year.	(4) Smallholder Market Access Academic Journal Articles were produced.	2 more outputs achieved	Extra outputs achieved as a result of unanticipated obligations from an externally funded project
Smallholder Market Access Research	Agri-preneur reports produced (n)	-	Produce (4) Agri-preneur reports by end of financial year.	(4) Agri-preneur reports were produced.	None	None
Smallholder Market Access Research	Monitoring & Evaluation reports produced (n)	-	Produce (4) Monitoring & Evaluation reports by end of financial year.	(4) Monitoring & Evaluation reports were produced.	None	None

Strategic Objectives	Performance Indicator	Audited Performance 2015/2016	Planned Annual Targets 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement	Comments on deviations
Agro – Food Chain Research	Food Price Monitor Reports produced (n)	Food Price Monitor reports.	Produce (4) Food Price Monitor Reports by end of financial year.	Produce (4) Food Price Monitor Reports were produced.	None	None
Agro – Food Chain Research	Food Cost Review Report produced (n)	Food cost review report.	Produce (1) Food Cost Review report by end of financial year.	(1) Food Cost Review report was produced.	None	None
Agro – Food Chain Research	Input Cost Monitoring Reports produced (n)	Input Cost Monitoring reports.	Produce (4) Input cost monitoring reports by end of financial year.	(4) Input cost monitoring reports were produced.	None	None
Agro – Food Chain Research	Supply and Demand Estimates reports produced (n)	Supply and Demand Estimates reports	Produce (11) Supply and Demand Estimates reports by end of financial year.	(11) Supply and Demand Estimates reports were produced.	None	None
Agro – Food Chain Research	Agro Food Chain Research reports produced (n)	Agro food research reports	Produce (4) Agro food chain research reports by end of financial year.	(4) Agro food chain research reports were produced.	None	None
Agro – Food Chain Research	Agro food chain academic journal articles produced (n)	Agro food chain journal articles	Produce (2) Agro food chain academic journal articles by end of financial year.	(2) Agro food chain academic journal articles were produced.	None	None
Agro – Food Chain Research	Farm-to-retail price spreads (FTRPS) reports produced (n)	-	Produce (4) Farm-to-retail price spreads (FTRPS) reports.	(4) Farm-to-retail price spreads (FTRPS) reports were produced.	None	None

Strategic Objectives	Performance Indicator	Audited Performance 2015/2016	Planned Annual Targets 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement	Comments on deviations
Trade Research	Trade Probes reports produced (n)	Trade Probes reports	Produce (6) Trade Probes reports by end of financial year.	(6) Trade Probes reports were produced.	None	None
Trade Research	Fruit Flow reports produced (n)	Fruit Flow reports.	Produce (4) Fruit Flow reports by end of financial year.	(4) Fruit Flow reports were produced.	None	None
Trade Research	FANRPAN annual report produced (n)	FANRPAN report	Produce (1) FANRPAN annual report by end of financial year.	(1) FANRPAN annual report was produced.	None	None
Trade Research	ITAC report produced (n)	ITAC report	Produce (1) ITAC report by end of financial year.	(1) ITAC report was produced.	None	None
Trade Research	Agricultural Economic Professional Fellowship report produced (n)	Agricultural Economic Professional Fellowship report	Produce (1) Agricultural Economic Professional Fellowship report by end of financial year.	(1) Agricultural Economic Professional Fellowship report was produced.	None	None
Trade Research	Trade Research Reports produced (n)	Trade Research report	Produce (4) Trade Research reports by end of financial year.	(4) Trade Research reports were produced.	None	None
Trade Research	Trade academic journal articles produced (n)	Trade journal articles	Produce (2) Trade academic journal articles by end of financial year.	(2) Trade academic journal articles were produced.	None	None
Strategic Integrated Projects Coordination	SIP11 Project Monitoring reports produced (n)	SIP 11 Project Monitoring reports	Produce (4) SIP 11 Project Monitoring reports by end of financial year.	(4) SIP 11 Project Monitoring reports were produced.	None	None

4.3 STATUTORY MEASURES PERFORMANCE INFORMATION

Strategic Objectives	Performance Indicator	Audited Performance 2015/2016	Planned Annual Targets 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement	Comments on deviations
Statutory Measures Implementation	Statutory Measure Implementation reports produced (n)	Statutory Measures Implementation reports.	Produce (4) Statutory Measure Implementation reports by end of financial year.	(4) Statutory Measure Implementation reports were produced.	None	None
Statutory Measures Compliance Monitoring	Status of Statutory Measures report produced (n)	Status of Statutory Measures report.	Produce (1) Status of Statutory Measures report by end of financial year.	(1) Status of Statutory Measures report was produced.	None	None
Committee Secretarial Support	Committee Secretarial support report produced (n)	Committee Secretarial support report.	Produce (1) Committee Secretarial support report by end of financial year.	(1) Committee Secretarial support report was produced.	None	None
Register of Directly Affected Groups Administration	Register of Directly Affected Groups administration report produced (n) evaluation report produced (n)	-	Produce (1) Register of Directly Affected Groups administration report by end of financial year.	(1) Register of Directly Affected Groups administration report was produced.	None	None

4.4 AGRICULTURAL TRUSTS PERFORMANCE INFORMATION

Strategic Objectives	Performance Indicator	Audited Performance 2015/2016	Planned Annual Targets 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement	Comments on deviations
Agricultural Industry Trusts Support	Agricultural Industry Trusts reports produced (n)	Industry Trusts Reports	Produce (4) Agricultural Industry Trusts reports by end of financial year.	(4) Agricultural Industry Trusts reports were produced.	None	None
Agricultural Industry Trusts Support	Status Report of Agricultural Trusts produced (n)	Status Report of Agricultural Trusts report.	Produce (1) Status Report of Agricultural Trusts by end of financial year.	(1) Status Report of Agricultural Trusts was produced.	None	None
Industry Transformation Support	Industry Transformation support reports produced (n)	-	Produce (4) Industry Transformation support reports by end of financial year.	(4) Industry Transformation support reports were produced.	None	None

4.5 AGRI-BUSINESS DEVELOPMENT PERFORMANCE INFORMATION

Strategic Objectives	Performance Indicator	Audited Performance 2015/2016	Planned Annual Targets 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement	Comments on deviations
Agri-Business Development Planning Support	Agri-business Development planning support reports produced (n)	-	Produce (4) Agri-business Development planning support reports by end of financial year	(4) Agri-business Development planning support reports were produced.	None	None
Agri-Business Development Implementation Support	Agri-business Development Implementation Support Reports produced (n)	Agri-business Development Implementation Support Reports.	Produce (4) Agri-business Development implementation support reports by end of financial year	(4) Agri-business Development implementation support reports were produced.	None	None

NARRATIVES

PROGRAMME 1: ADMINISTRATION

Sub-programme 1: Office of the Chief Executive Officer

Risk Management

Compliance assessments were conducted during the 2016/17 financial year by the Risk and Compliance line function. The compliance reports provide information on non-compliance, as well as incidents that have an impact on NAMC operations. The NAMC held an annual risk assessment workshop during April 2016, which was attended by members from Council, the Human Resources and Remuneration Committee, the Audit and Risk Committee, and the Management Committee. A risk assessment workshop format enabled participants to both contribute and learn in a natural environment. The result was not only the compilation of a ranked list of key risks, but also a fascinating discussion about the control environment, risk appetite, and individual risk tolerances affecting the NAMC. Risk assessments were also conducted during the year and discussed in meetings held in April 2016, July 2016, November 2016, and January 2017.

Corporate Governance Support

The Council held five meetings during the financial year. During these meetings, members deliberated on specific issues and forwarded submissions to the Minister, through the Department of Agriculture, Forestry and Fisheries (DAFF). Submissions forwarded to the Minister included the South African Food Cost Review, Agricultural Trust Report, Section 7 Committee Report, and reports on investigations into the implementation of statutory measures. Council conducted an evaluation of the Audit and Risk Committee which focused on the role of the Audit and Risk Committee as a support Committee to Council.

Sub-programme 2: Finance and Administration

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

Strategic reviews and compliance with strategic objectives

Monthly and quarterly reviews of programme expenditure against budget were conducted and the processes contributed to the regular strategic reviews to ensure adherence to the strategic plan.

Supply Chain Management

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

Compliance with legislation and regulations in terms of reporting has been achieved. The supplier database has been updated with the new tax clearance certificate and BEE certificates. An advertisement for suppliers to register on our database has been placed and the supplier database was updated.

For the period under review, the NAMC acquired goods and services through a competitive bidding process, and this was for the following:

- Vineyard Development Scheme project
- Information Technology services

The NAMC conducted asset verifications, which resulted in the disposal of obsolete office equipment with a book value of R357.652,06 and assets relating National Red Meat Development Programme. Construction materials to the value of R534.254,77 were transferred to Gasekgonyane Corporative during the period under review.

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

Information Technology

The Information Technology (IT) functions had been outsourced to Application Technology, who had provided professional services with regard to IT on a daily basis. Their contract expired in October 2016. A new IT service provider, Praxis Computing, was appointed as from 1st of November 2016.

For the period under review, the IT Steering Committee continued to function and had to look at ensuring that the Information Technology (IT) Strategy and policies were being implemented within the NAMC. The IT Steering Committee also looked at addressing audit findings, as raised by both internal and external auditors, to ensure that the queries were being resolved within a specified time frame.

Risk assessment and management

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

Functioning Audit Committee

The NAMC's Audit and Risk Committee met four (4) times during the period under review.

Internal Audit function

The Internal Audit function of NAMC is outsourced to Nexia SAB & T, and during the period under review, the internal auditors conducted various reviews and assessments of NAMC's control environment, the results of which were reported to the audit and risk committee. No significant deviations from the internal audit were reported during the assessments.

Cost Containment Reporting: Conferences and Events Hosted by NAMC

The purpose of the report is to report on the Instruction Note, introduced by the National Treasury Department, Instruction Note 2 and 3 of 2016/17, and also on conjunction of the Annual Cost Containment Plan, clause 6 reporting of cost containment measures in the Annual Report.

1. Agribusiness Division

- Financial Management Training Workshop
- Management Training for Women Entrepreneurs Agbiz
- Market Making Matters

2. MERC Division

- Hemp Feasibility Stakeholder workshop

3. Statutory Measures Division

- Crop Estimates Liaison Committee (CELC)

4. CEO Office

- Risk Assessment Workshop
- NAMC Ethics Workshop

5. Human Capital Division

- Y – Agriculture Conference

1. Agribusiness Division

• Financial Management and Training Workshop

- a. Hosted by the Agribusiness Division
- b. Workshop held on 7-9 February, 2017
- c. Training was conducted in Middledrift – Eastern Cape
- d. 32 Attendees
- e. Purpose was to impart basic yet adequate knowledge and skills to farmers sourced by local authorities. This is a vital competency that is essential for equipping developing farmers, since it has been proven to assist beneficiaries in independently planning, sourcing and effectively accounting for their finances.
- f. Service level agreement with Buhle Farmers Academy to facilitate the workshops and training.
- g. Total cost incurred, R 46 968.00 all inclusive

• Management Training for Women Entrepreneurs Agbiz

- a. Management Training for Women Entrepreneurs Agbiz Conference
- b. Conference held on 15-20 May, 2016
- c. Held at the Lord Charles Hotel, Somerset West, In the Western Cape
- d. 60 Attendees
- e. The purpose of the workshop/training was to empower the women entrepreneurs within the South African Agribusiness Sector. This is a programme specifically designed to empower female entrepreneurs engaged with in- and off-farm production and services along the entire value chain of natural, food, and other agricultural products.
- f. Three quotations were sourced

according to the Supply chain management procedures and submitted to the Management Committee for approval.

- g. Total cost incurred was R 385 402.00, all inclusive of accommodation, conference daily package and sound equipment.

• Making Market Matters

- a. Making Market Matters conference
- b. Conference held on 8-13 May, 2016
- c. Held at the Lord Charles Hotel, Somerset West, in the Western Cape
- d. 15 Attendees
- e. The purpose of the programme is to increase the capacity of African agri-businesses to meet the ever-growing demands of today's global food system.
- f. Memorandum of Understanding exist.
- g. Total cost incurred, R147 000.00 inclusive of hiring of Venue, conference package material, meals, and airport transfers.

2. MERC Division

- Hemp Feasibility Stakeholder Workshop
 - a. Workshop held on the 24th March, 2017
 - b. Leriba hotel and spa – 245 End Avenue Clubview, Centurion
 - c. 59 Attendees
 - d. The purpose of the workshop was to share the hemp feasibility study's findings, obtain comments and/or inputs from stakeholders, and henceforth gather consensus on the findings, related to the feasibility study that was conducted on the study of hemp.

- e. Three quotations were sourced according to Supply Chain Management Procedures and thereafter submitted to the Management Committee for approval.
- f. Total cost incurred, R43 500.00 all inclusive (R435.00 pp)

3. Statutory Measures Division

- Crop Estimates Liaison Committee meetings
 - a. Crop Estimates Liaison Committee meeting held on the 12th of May 2016 and 10 February 2017
 - b. Meeting held at the auditorium of the Grain Building, 477 Witherite Road, The Willows, Pretoria
 - c. 12 May 2016 meeting– 19 Attendees
10 February 2017 meeting – 22 Attendees
 - d. During 1998, the Minister for Agriculture and Land Affairs requested the National Agricultural Marketing Council to chair the Crop Estimates Liaison Committee, which is representative of directly affected groups in the different grain industries. Currently, the Crop Estimates Liaison Committee serves as a watchdog of the Crop Estimates Committee and meets approximately two times in a year. The CELC held two meetings in the reporting year, namely on 12 May 2016, and its 51st meeting on 10 February 2017. Matters such as reporting on agreements and contracts between the crop estimates consortium and the ARC, reporting on Earth Observation and GEOGLAM, the role it plays

in crop estimates and food security, and the finalisation of the calculation of the winter and summer crops for 2016 were discussed at these two meetings.

- e. Quotations were sourced.
- f. Total expenditure for both meetings, R2,583.24, and R1,761.30 for catering and venue hire.

4. CEO Office

- Risk Assessment Workshop
 - a. Risk Assessment Workshop was held on the 19th of April 2016 at Burgers Park Hotel, Pretoria
 - b. 22 Attendees
 - c. The NAMC undertakes an annual risk assessment workshop to assess its risk environment. This session assists stakeholders (Council members, Audit Committee members and Management) in understanding the business operations, objectives and challenges that management is experiencing. They are equipped with the knowledge and the detailed analysis to make improved business decisions.
 - d. Three quotations sourced and thereafter submitted to the Management Committee for approval.
 - e. Total Cost Incurred, R37 204.40 inclusive of the conference package and facilitation fees.

- NAMC Ethics Workshop
 - a. Ethics workshop held on the following dates;
 - 27 September 2016
 - 25 October 2016
 - 27 October 2016
 - 4 November 2016
 - b. Workshops held at the NAMC offices
 - c. 52 attendees at all meetings
 - d. Business ethics ensure that employees will understand the goals and expectations in an organisation. Ethics determine the “rules of the road” for a particular entity, and so it is imperative to communicate the ethics that staff should follow in a way that makes sense at all organisational levels.
 - e. Three quotations sourced for the facilitator; thereafter submitted to the Management Committee for approval.
 - f. Total cost incurred was R 58 000.00 for facilitating of the workshop.
-
5. Human Capital Division
 - a. Y – Agriculture Workshop
 - b. The workshop was held on 18 November 2016
 - c. Monument Function centre, Pretoria
 - d. 90 Attendees
 - e. The Y – Agriculture model was developed to enhance the agriculture sector’s career offering and to promote skills development. Thus, the purpose of the programme is to address the various challenges faced by today’s youth within the agricultural sector.
 - f. Three quotations were sourced and thereafter were submitted to the Management Committee for approval.
 - g. The total cost incurred was R125810.40 inclusive of the conference package, meals and AV equipment.

Y-Agriculture

About Y-Agriculture

The Y-Agriculture Model spearheaded by the Human Resources Division is a programme developed to enhance the agriculture sector's career offerings and promote skills development. The purpose of the programme is to address the various challenges faced by today's youth within the agricultural sector. These challenges seem to be associated with lack of skills development espoused by the challenges outlined below:

- Lack of sufficient access to information, knowledge and education about agriculture at secondary level.
- Learners from non-Agricultural schools not having access to agriculture subjects as they are excluded in their syllabus.
- The inadequate preparation of learners by tertiary institutions for the work environment.

These challenges were addressed in the form of panel discussions by various industry experts during the Y-Agriculture workshop. Some of the solutions given by the panels include the promotion of youth participation in entrepreneurship and the introduction of the agricultural syllabus at schools across the nation. Addressing these challenges will result in an increased number of young people pursuing qualifications and careers in agriculture.

Y-Agriculture Process

Our goal is to not only make the youth aware of career offerings within the agricultural sector but to provide guidance and opportunities to assist them. One of the recommendations made during Y-Agriculture workshop was that NAMC should co-opt with other agricultural industries to adopt the Y-Agriculture Model. The next phase of the program will be to invite the youth and professionals from schools, universities and different industries to cross interact on youth development in agriculture.

The Y-Agriculture model starts at high school level – where learners are engaged on the various careers in agriculture. The NAMC encourages learners to apply for the bursaries to study towards a qualification in agriculture. Moreover, the NAMC in partnership with Pork SA facilitated the Y-Agriculture programme at Frans Rasimphi Secondary School, where a range of disciplines within agriculture were presented to the grade 11 and 12 learners.

Success

The NAMC has trained over 35 professional agriculturalists (agricultural economists, practitioners, field officer etc) through our internship and graduate placement program. Upon completion of their respective studies, learners are placed in an internship/ graduate placement program at either NAMC or in the industry. The graduates are assigned a mentor who assists in their career development. Several of these graduates are currently employed by the NAMC and different agricultural organisations, with some now occupying middle management positions.

Pictured on the left is Zwonaka Masingibiri who was a learner at Frans Rasimphi Secondary School. She was awarded a bursary to study Horticulture at Tshwane University of Technology in 2013. She has since completed her qualification. She was quoted 'While we were taught agricultural sciences, we were not aware of the many opportunities in agriculture. It was only after the NAMC's presentation that I enquired about corporate careers in agriculture' after the career guidance session. Soon thereafter, the school witnessed an increase in the number of learners applying for agricultural bursaries.

Future Prospects

The NAMC is in the process of developing a Y-Agriculture Portal, where the youth can have access to information on the available internship programmes, bursary opportunities and career guidance. Furthermore, the portal will provide the youth with the opportunity to be profiled and be exposed to crucial industry stakeholders/ organisations. This will build a platform to broaden youth's participation in the agricultural sector.





Virginia Nkobi
Senior Manager Human Resources

**Sub-programme 3:
Human Resources Management**

Highlights

- The Human Resources Strategy is in existence to ensure that we provide effective human resource services. It also improves workforce performance and promotes the development of employees. HR played a critical role in the establishment of a talent management forum. The forum ensures that we recruit, retain, and develop a diverse, talented and committed workforce. Below is a list of accomplishment for this reporting period:
- The Staff Representative Committee facilitated the conditions of employment issues with staff members.
- The affiliation with SABPP has enabled the HR division to benchmark its human resource processes with other organisations.

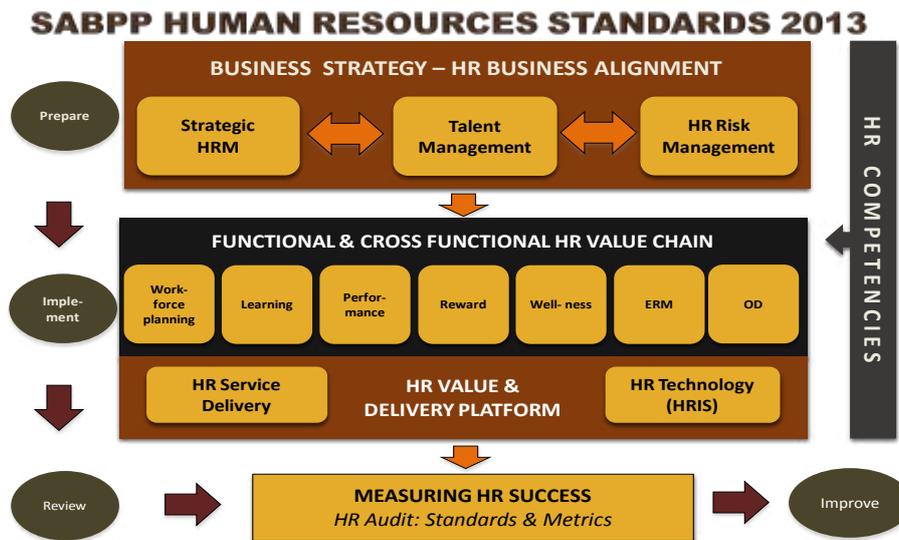
- NAMC was nominated as one of the top three finalists of the audited companies during the 4th Annual HR Standards and Research in Practice Summit. The categories were as follows HR Risk, Learning & Development and Performance Management.
- HR implemented an electronic pay slip system.
- An Animal Health Intern in the National Red Meat Development Programme was selected as the second best performing Intern at the AgriSETA Excellence Awards.
- The Y-Agriculture Model was successfully launched on the 18th of November 2016 at Monument Function Centre. The event was in the form of a workshop and a gala dinner. The Council, Human Resources & Remuneration Committee, Agricultural associations, Industrial stakeholders ranging from the Department of Agriculture, Forestry and Fisheries, Youth entrepreneurs, university students, internship youth and municipal officials participated in the event.

Human Resources Overall Performance

Strategic Human Resources Management

Guided by the Human Resources and Remuneration Strategy, HR played an instrumental role in applying human resources expertise and partnered with the Southern Africa Board for People Practices (SABPP). HR plans were developed and aligned to the NAMC Strategy. As part of the workforce planning, the right people with right qualifications and skills were attracted and retained. The HR report is aligned to the human resources standards highlighted in Table 1.

Table 1: SABPP Human Resources Standards 2013



Talent Management

The HR's vision is to become the employer of choice within the agriculture sector. In achieving our vision, more focus is on the implementation of talent management processes to ensure that NAMC has the right skills for future needs. Career guidance, information sharing, coaching and mentoring was provided to agricultural economists and school learners. HR in partnership with Potatoes SA provided career guidance to three agricultural schools.

Below are talent management initiatives that were undertaken during the financial year.

- The Talent Management procedure;
- The Internship procedure;
- The lists of professions who will provide coaching and mentors in the agriculture field;
- Leadership development programmes for managers;
- The implementation of career development plans and;
- The management of performance management, employee engagement and succession planning.

Y-Agriculture

The Y-Agriculture Model was successfully launched on the 18 November 2016 at Monument Function Centre. The model was developed to enhance the Agriculture sector's career offerings and promote skills development. The primary objective of the workshop was to address the challenges faced by today's youth within the agricultural sector. These challenges were addressed in the form of panel discussions by various industry experts and recommendations were made on how to tackle them in future. These challenges seem to be associated with lack of skills development espoused by the challenges outlined below:

- Lack of sufficient access to information, knowledge and education about agriculture at secondary level.

- Most learners from non-agricultural schools do not have access to agriculture subjects as they are excluded in their syllabus.
- The inadequate preparation of learners by tertiary institutions for the work environment.

The participants made recommendations and a Y-Agriculture report was produced.

The HR facilitated the Y-Agriculture programme at Frans Rasimphi Secondary School. Various disciplines within the agriculture were presented to the grade 11 and 12 learners. These includes careers in the agricultural sector:

- Agribusiness;
- Animal science/ production;
- Plant production/agronomy;
- Food science and technology;
- Soil science;
- Forestry and fisheries;
- Farming management; and
- Primary agriculture.

NAMC was profiled on Phalaphala FM on the Y- Agriculture Programme.

Human Resources Risk Management

An HR risk analysis was conducted and a number of high-impact risks were identified. Talent management and the implementation of critical and scarce skills are the main risks. Another risk is the potential loss of institutional knowledge in specialised areas. HR risk interventions for talent management, workforce planning, succession planning and training are monitored on a quarterly basis.

Workforce Planning

Recruitment

The key aspect of workforce planning is to ensure a steady pipeline of talent. One Senior Economist and a Cleaner were appointed.

In 2016, the HR facilitated the appointment of 08 graduates as part of the internship programme. The increase in graduate placements is attributed to the placements of graduates in agricultural industries. This allows us to build a talent pool of skilled employees for the future. These interns were assigned to different managers for training, coaching and mentorship.

Learning and Development

Training and Development

The HR seeks to attract, retain and continue to develop people with the requisite skills. HR conducted an intensive training needs analysis and organised 16 training sessions for employees.

Bursaries are funded using the Agri-SETA's discretionary grants of which NAMC received R607 000, 00. NAMC awarded bursaries to internal employees. We have supported 21 external learners from three universities with bursaries.

Performance Management

The HR plays an important role in facilitating performance management and ensures that regular feedback is given to employees. Performance contracts were aligned with the annual operational plan and employees agreed to the evaluation criteria. Managers were also required to attest that they have thoroughly reviewed the employees' performance and considered various portfolio of evidence.

HR facilitated the performance evaluations for the three trimester. The scores were moderated by the Performance and Development Moderating Committee. Of the 45 employees, 39 performed exceptionally and were rewarded with bonuses.

Reward and Recognition

Service benefits

Compensation plays an integral role in the successful delivery of NAMC's strategic objectives. Attracting and retaining the most capable employees is central to the NAMC's Remuneration Strategy. The Council approved the 6% salary increase for financial year 2016/17. Other benefits include a wide range namely, the Group Risk Benefit Scheme, Group Life Scheme for death cover, the Group Income Continuation Scheme for disability cover, Funeral Cover and the Provident Fund.

Employee Wellness

The Health and Safety Committee is responsible for employees' health and safety issues and works closely with HR on training and employee's welfare. All incidents and accidents pertaining to NAMC employees' and visitors are recorded. No injuries on duty were reported during this period. There is a clear process of support mechanisms for dealing with potential health and safety threats and safety representatives have been placed in each floor to provide assistance.

Employee Assistant Program

HR facilitated a wellness day and employees had access to services from the following professionals: Otolaryngologist, Ophthalmologist, Podiatrist and Dietitian. Financial wellness workshops were facilitated and counseling was also provided.

Employment Relations Management

We keep all our human resources policies under review to ensure they follow best practices and meet all our legal obligations. An area where we continue to compare favorably with other organisations is leave management. We have a well-established absence management process and have good support mechanisms in place, including an employee assistance programme

and health awareness programmes.

Labour Matters

HR facilitated the arbitration case at the Labour Court of South Africa.

Grievances

There were no grievances lodged during the reporting period.

Disciplinary Hearing

HR facilitated two disciplinary hearings.

Staff Representative Committee

The Staff Representative Committee held a meeting and the NAMC conditions of employment were discussed.

Organisational Development

Structure Review

The structure was reviewed to be in line with the annual operational plan. A project management reporting structure was introduced to encourage employees to work on specialised projects.

Human Resources Service Delivery

The human resources division plays an instrumental role in ensuring that timeous, consistent HR services are communicated to staff members. The HR facilitated the following service delivery initiatives:

Policy Awareness Sessions

The HR facilitated an awareness session on HR policies and procedures.

Induction

The HR facilitated the induction on NAMC policies and procedures to new employees.

Probation

Two employees were confirmed for probation.

Terminations

There were 4 terminations for the reporting period.

Exit Interview

The HR facilitated 4 exit interviews to obtain reasons for resignation.

Personnel files

All personnel files and necessary documents are updated on a monthly basis.

Leave Management

Leave reconciliations between the ESS and VIP system are conducted on a monthly basis.

Human Resources Technology

In order to extract and deliver effective HR information in real time, the following technological systems were introduced; Job description, Skills audits / Assessment tools, Job analysis and design, Quick skills system, Reward and Recognition, Job evaluation systems, VIP Payroll systems, Records management, and Employee Self Service (ESS).

Human Resources Measurement

The HR partnered with the SABPP to align and benchmark human resources processes. A scorecard to measure HR service delivery was developed.

Conclusion

The affiliation with SABPP has enabled the HR division to ensure the implementation of the National Human Resources Standards. We are presently implementing processes that will increase productivity and enable us to identify and address future skills requirements. These processes are as follows:

- The establishment of an organisational task team, Employee Value Proposition (EVP) which focus on the following component: The work environment provided by NAMC; personnel and employment benefits; remuneration philosophy; and learning and development offered to employees.
- The implementation of HR measurements/ metrics to help provide feedback on progress against HR strategies and targets set, and to assist continuous improvement/innovation in further aligning the HR strategy with that of the business.
- The implementation of talent management processes such as talent pools; succession plans; follow up and close-out of personal development plans for high-potential employees.
- The integration of Employment Equity processes, goals and targets with the Talent management processes and practices.



NAMC STAFF

Public Engagements

Communication with the public remains one of the fundamental core function of the NAMC. Without this role, most of the NAMC work would be delegated to the archives. We thus use communications for strategic purposes; a) research promotion to attract donors and potential research partners, b) clearly communicate policy outcomes for public understanding using visuals, audio and info-graphs and c) to comply with the King III on stakeholder relations and becoming a responsible corporate citizen. A huge part of NAMC work is covered in media especially on Food Prices, Supply and Demand Crop Estimates and the National Red Meat Development. These programmes are constant and communicated frequently. Some of the highlights of the public engagement;

Africa Agriculture Investment Indaba

The NAMC sponsored the exhibition of Agricultural Infrastructure Projects to attend and exhibit at the inaugural Africa Agriculture Investment Indaba. The NAMC presented on SIP 11 projects.

Beef Cattle Farming Indaba

The Department of Rural Development and Land Reform and the NAMC hosted the 5th Beef Indaba in Eastern Cape. This was to showcase the opening of the Idutwya Feedlot. The EC Department of Rural Development and Agrarian Reform has committed to assist the programme further in the province.

Climate Smart Agriculture

The NAMC is the Node host institution of the Food, Agriculture, Natural Resources Policy Analysis Network in South Africa. We hosted a workshop to work towards RSA developing a CSA policy.

Land Care Conference

The NAMC was invited to exhibit at the Land Care Conference in Kimberly. The event was an opportunity to interact with smallholder farmers from across the length and breadth of South Africa. The result is that farmers had no voice to speak their stories and frustrations. The NAMC is working towards developing an annual Agri-Preneur magazine.

Y-Agriculture

As part of the programme, the NAMC hosted a career guidance at Dimani Agriculture High School in Thohoyandou. We were also joined by Potatoes SA. We planted potatoes and later in the year went back to harvest. 20 bags (20kg) of potatoes.

Agricultural Research Symposium

Following the 1st Symposium, the Land Bank and Agricultural Research Council joined hands with the NAMC and signed an MOU.



Agricultural Research *Symposium*

An annual event convened by the Agricultural Research Council, Land Bank and the National Agricultural Marketing Council. The purpose of the Research Symposium is to set a new agriculture research agenda in pursuance to advise government, business and civil society adequately, and to create a platform for engagement and debate among stakeholders on current topics affecting the agricultural sector. The aim is to annually produce a policy brief on areas related to food security, agro-logistics, trade, crop insurance, finance and agricultural research.

Collaboration of the three SOE's is a result of sharing knowledge on common projects we work jointly on. The view of the Research Symposium is to gather all our stakeholders into one room and present the research work with a view to inform policy level. Recommendations following from the symposium are integrated in our individual organisational strategies.

Themes

1. Sub- theme 1:
Growing the global Market for South African Agricultural Products
2. Sub- theme 2:
Agricultural Finance and Insurance
3. Sub- Theme 3:
Enabling Food & Nutrition Security Through Climate Smart Agriculture

17 March 2017
Centurion Lake Hotel



PROGRAMME 2: MARKETS AND ECONOMIC RESEARCH CENTRE



Dr. Simphiwe Ngqangweni
Senior Manager: MERC

About MERC

The Markets and Economic Research Centre (MERC) was established in 2007 as part of the transformation of NAMC and expanding its functions beyond statutory measures. The vision was to develop an economic and market research programme that tracks economic trends, provides market information, and undertakes marketing policy research. MERC operations are informed by a 5-year research strategy (revised annually) and other key government and industry priorities (NDP, APAP, etc.). The strategy is anchored on three foundations (see the figure below), namely quantity (striving to increase productivity); quality (striving to improve on quality of products and services); and relevance (seeking to remain relevant in addressing pressing national and stakeholder issues). The strategy, implemented around six elements, namely research agenda (as guided by stakeholder needs and anchored in the MAP act), strategic partnerships, continuous enhancement of

research capacity, acquisition of the latest research tools, continuous fundraising for research, and dissemination of research outputs through relevant platforms.



MERC Research Strategy

In line with the “information” theme in this year’s NAMC Annual Report, the core of MERC’s work involves the acquiring, collection and packaging of data to enable the analysis and production of information and intelligence. Data are sourced from NAMC’s various stakeholders in industry, academia and government. MERC produces reports on a monthly, quarterly and annual basis under the following themes: agricultural trade, agro-food chains and smallholder market access. These are all published on NAMC’s research portal (www.namc.co.za/research-portal).

On the following page are some of MERC’s pre-eminent publications.

A. FOOD COST REVIEW



Data and information sources

This publication endeavours to provide more insight into the complex factors driving commodity and food prices. The publication of the *South African Food Cost Review* emanates from the recommendations by the Food Pricing Monitoring Committee in 2003 to monitor food prices in South Africa on a regular basis. The purpose of this publication is to reflect on food price trends, to review and monitor food prices, to review and monitor food processing costs, to review and monitor trends in trade of agricultural commodities and food products, and to review and monitor trends in input costs along the value chain.

Data is obtained from Statistics South Africa (Stats SA). The prices obtained are regarded as being representative of changes in food prices in South Africa for the following reasons: StatsSA's price data on all products are sampled from approximately 800 different data collection points across the country on a monthly basis. Food price data are not collected

from all the data collection points since some stores that are sampled do not necessarily sell food. In addition, certain food prices are not sampled in all provinces. The food price data collection by Stats SA involves fieldwork where price collectors visit stores to collect data, after which such data items undergo a rigorous process to ensure their integrity. The basket of food products included was derived from the Income and Expenditure Survey (IES) of 2014/15, compiled by Stats SA to ensure that the basket is representative of consumer spending on food. For more detailed information on the methodological process involved in the collection of prices, visit the Stats SA website: <http://www.Stats SA.gov.za/> Additional sources of data include Trade Map, AMTrends and Nielsen.

Stakeholders and beneficiaries

Beneficiaries include the consumer, industry specialists, academia, media, policymakers, and the general public.

B. SOUTH AFRICAN SUPPLY AND DEMAND ESTIMATES (SASDE) REPORT



Data and information sources

The importance of food security, volatile grain and oilseed prices, and the lack of sufficient information regarding future stock levels led to the establishment of the South African Grain and Oilseeds Supply and Demand Estimates Committee in 2012. Following the establishment of this committee, there were engagements with all industry key role players on the proposed South African Supply and Demand Estimates (SASDE) report. Subsequently, the NAMC was appointed as an acting secretariat. A Supply and Demand Estimates Committee (S&DEC) was later formed and it consisted of an official from the South African Grain Information Service (SAGIS), the secretariat of the Crop Estimates Committee (CEC), two independent members appointed by the industry, and officials from NAMC. The first official SASDE report was published at the end of June 2013. On the 3rd of March 2017, the Committee published its 45th official (SASDE) report. The NAMC is responsible for organising and ensuring the committee functions well. The primary objective of S&DEC is to publish official grain and oilseeds supply and demand estimates on a monthly basis. This occurs through the:

- Collection of trade, production and consumption information by the NAMC. The information is processed and reported in an aggregated manner during the S&DEC meetings.
- Extrapolation of historical data obtained from SAGIS, where necessary.
- Processing of the CEC information with regard to crop estimates in supply terms.
- Calculation of an official estimate on grain and oilseeds stock levels, at a specific month, for the rest of the marketing year.

The report provides an analysis of the fundamental conditions of the major grain and oilseeds in South Africa. This report is widely considered as the benchmark, to which private

and public agricultural forecasts are compared. The report is normally released within four to five working days after the CEC release. It is released into the public domain in accordance with approval of the South African Competition authorities. The report is published on this link: <http://www.namc.co.za/pages/research--publications/publications/supply--demand-estimates>

Stakeholders and beneficiaries

The report is widely used by global and national role players, such as academia, financial and investment institutions, government officials, grain millers, grain and oilseed traders, grain and oilseed importers and exporters, grain and oilseeds producers, grain and oilseed storage facilitators, input suppliers to the grain and oilseeds market, monitoring institutions, research institutions, and road, rail and sea freight transport organisations.

C. TRADE PROBE



Trade Probe
ISSUE 68/ March 2017

Trade Probe is a quarterly report produced by National Agricultural Marketing Council and the Department of Agriculture, Forestry and Fisheries. It reports and analyses agricultural products, trade performance in local and international markets. This publication is widely used by exporters and importers.

For more info contact Bonani Nyhodo at Bonani@namc.co.za

In this issue we cover the following topics:

- Trade analysis of the starch industry
- An analytical look into South Africa's chicken industry
- Outlook of the pork industry

Visit the NAMC Research Portal at: www.namc.co.za/research-portal

agriculture, forestry & fisheries
Department of Agriculture, Forestry and Fisheries
REPUBLIC OF SOUTH AFRICA

National Agricultural Marketing Council
Promoting rural growth for South African agriculture

Data and information sources

The Markets and Economic Research Centre (MERC) under the Trade Focus Area produces six (6) issues of Trade Probe, annually. The publication communicates easy to read and factual trade information on trade regarding agricultural products (merchandise trade in goods and associated services). The articles are presented in various ways that show the trend and lucrative markets of agricultural products. More attention is always given to South Africa's export markets, and less to South Africa as a market for other products where South Africa does not produce them in significant volumes or values. The following are the contents of the 2016/17 Trade Probe issues:

May Issue (No. 63)

- Trade profile of Garlic fresh and chilled (HS Code 070320)
- Trade-related developments and their implications for South Africa's banana trade
- Do eco-labelled products have a market in South Africa?
- Transatlantic Trade and Investment Partnership and its impact on third countries.

July Issue (No. 64):

- Trade profile of natural honey (HS code 0409)
- Trade profile of South Africa's oilcake (HS code 2306)
- Product profile for whey (HS code 040410) in South Africa
- Profile of South Africa's trade in oranges with Nigeria, Angola, Cameroon, Egypt and Kenya
- Analysis of South Africa's agricultural imports since the introduction of the Agreement on Agriculture (AoA).

September Issue (No. 65):

- Trade profile for pineapples (HS:080430)
- An overview of trade in soybean cake
- Market profile for fresh fish: horse mackerel (HS:030355) and frozen horse mackerel (HS:030245)

- Trade profile for olive oil and its fractions (HS:1509).

November Issue (No. 66):

- Trade profile for cottonseed, whether or not broken (HS 120720)
- Trade profile for fresh plums and sloes (HS 080940)
- Trade profile for live cattle (HS 010229)
- Market profile for South Africa's poultry meat (HS 0207)
- Regional integration as seen through intra-African trade.

January Issue (No. 67):

- South Africa's wine industry: A trade perspective
- Performance of South Africa's agricultural exports in Africa: The case of East African Community countries
- Exports to Brazil
- Intra-SADC trade in agricultural products
- Trade implications of Brexit for South Africa's agricultural trade and trade policy
- Outlook on the pork industry
- Is it an issue of production capacity or imports?
- An analytical look into South Africa's chicken industry.

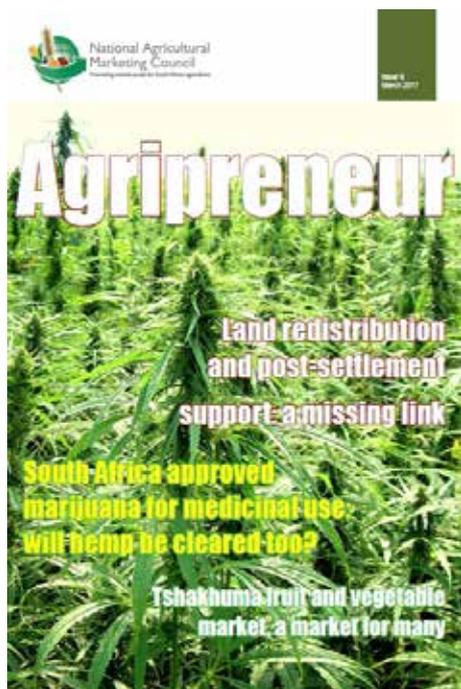
March Issue (No. 68):

- Trade profile of potatoes (HS 070190)
- Trade analysis of the starch industry in South Africa (HS 1108)
- Ocean economy profile of selected products
- Market profile of avocados (HS 080440).

Stakeholders and beneficiaries

The target market for the Trade Probe publication includes, but is not limited to, private sector stakeholders involved in trade. Public sector trade practitioners - and policy makers.

D. AGRIPRENEUR



Data and information sources

Agripreneur was introduced in 2015 in response to a need for a publication that would be accessed specifically by smallholder farmers who aspire to grow and become commercial farmers in their own right. The publication aims to communicate business-related information among smallholder farmers. Agriculture is a business and therefore this publication was designed to share information on business development and to inform farmers on the dynamics of the farm business in hope of improving entrepreneurship skills of the farmers. In addition, smallholder farmers face several challenges in their business environment, which negatively affect the marketing of their commodities. Through this publication, the NAMC seeks to create a platform where farmers, particularly smallholders, share their knowledge and skills, challenges, experiences, and insights with each other. It is believed that this publication will assist smallholders to learn from each other, develop strategies, adopt models, and become part of the value chain by marketing commodities that meet quality standards and are safe for consumption.

Stakeholders and beneficiaries

Agripreneur is currently distributed online through the NAMC website and the Research Portal. It is envisaged that the publication will in future be printed and distributed widely to platforms that target smallholder farmers.



PROGRAMME 3: STATUTORY MEASURES



Schalk Burger
Senior Manager: Statutory Measures

Introduction

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

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

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

- publish a notice setting out particulars of the request and an explanation in connection therewith in the *Government Gazette* and such magazines or newspapers as may be sufficient in order to bring the request to the attention of

directly affected groups, and inviting such directly affected groups to submit any comments relating to the request within a specified time (normally 14 days);

- consider such comments to ensure that there is sufficient support amongst directly affected groups for the proposed statutory measure; and
- report on its findings and make a recommendation to the Minister.

Statutory levies are implemented for the purpose of funding essential generic functions, such as research, information, generic promotion, and transformation, in a particular agricultural industry. All levy applications must include a business plan and reasonable level of industry support. In an effort to influence how the statutory levy funds should be spent, the NAMC requires that approximately 70 % of levy funds should be spent on functions such as research, information, and export promotion, at least 20 % on transformation, and not more than 10 % on the administration of the levy. A levy must not exceed 5 % of the price realised by a specific agricultural product at the first point of sale (average price at the first point of sale over a period not exceeding three years). The NAMC has compiled guidelines on what should be regarded as administration costs, generic promotions and transformation. These guidelines were compiled after the relevant agricultural industries were consulted.

Summary of Statutory Measures

The following table summarises the statutory measures that were applicable in the South African agricultural sector during the 2016/17 financial year:

Table 2: Statutory measures applicable during the 2016/17 financial year

INDUSTRY	Administration body	Statutory Measures		
		Statutory levy	Records and returns	Registration
Citrus exported	Citrus Growers' Association (CGA)	√	√	√
Cotton	Cotton SA	√	√	√
Dairy	Milk SA	√	√	√
Deciduous fruit	HORTGRO Services	√	√	√
Dried fruit	Dried Fruit Technical Services	√	√	√
Fynbos (proteas)	HORTGRO Services	√	√	√
Grains (maize, oilseeds, sorghum, and winter cereals)	South African Grain Information Service (SAGIS)		√	√
Lucerne	National Lucerne Trust	√	√	√
Macadamias	Southern African Macadamia Growers' Association (SAMAC)	√	√	√
Mangoes	Subtrop	√	√	√
Milk	Milk Producers' Organisation		√	√
Mohair	Mohair SA		√	√
Olives	SA Olive	√	√	√
Pecans	SA Pecan Producers' Association	√	√	√
Pomegranates	Pomegranate Association of SA	√	√	√
Pork	SA Pork Producers' Organisation	√	√	√
Potatoes	Potatoes SA	√	√	√
Red meat	Red Meat Levy Admin	√	√	√
Sorghum	Sorghum Trust	√		
Table grapes exported	SA Table Grape Industry	√	√	√
Grapes and grape juice intended for the production of wine	SA Wine Information and Systems (SAWIS), Wine Industry Network of Expertise and Technology (Winetech), Wines of South Africa (WOSA)	√	√	√
Winter cereals	Winter Cereal Trust	√		
Wool	Cape Wools SA		√	√

Statutory Levies

Table 3: Statutory levies collected per commodity during the 2016/17 financial year

Product	Total value at first point of sale R	Levy income R	Transformation R
Citrus (exported)	11 241 576 908	54 199 844	9 566 004
Cotton lint	168 000 000	1 933 555	398 910
Dairy products	9 784 000 000	46 585 458	7 250 846
Deciduous fruit	5 402 611 877	94 130 207	10 730 174
Dried fruit	569 626 735	5 816 018	1 236 109
Fynbos	59 818 787	367 495	69 213
Lucerne	268 898 000	2 443 252	891 825
Macadamias	276 000 000	11 551 652	233 060
Olives	66 043 180	871 754	275 652
Pecan nuts	651 000 000	1 571 913	607 000
Pork	4 772 306 000	24 737 146	4 118 942
Potatoes	7 100 000 000	38 203 447	9 056 651
Red meat	29 900 000 000	34 782 190	7 580 632
Sorghum	345 422 500	2 074 028	147 610
Table grapes	5 000 000 000	21 502 612	4 308 713
Wine	4 727 000 000	87 210 168	20 126 602
Winter cereal	7 663 128 267	61 861 825	12 248 081
TOTAL	87 965 432 354	489 842 564	88 846 024

Table 4: Statutory levies allocated to the different functions during the 2016/17 financial year

Functions	Amount spent	Percentage of total levy expenditure
	R	%
Administration	26 846 253	5,5
Transformation	88 846 024	18,1
Research	176 362 303	36,0
Local promotions	52 102 231	10,6
Export Promotions	81 121 908	16,6
Information	33 507 938	6,8
Quality control	16 994 722	3,5
Plant improvement	5 712 349	1,2
Production development	8 146 266	1,7
TOTAL	489 639 994	100,0

The conditions of approval for statutory levies include the following, namely that 70 % of levy income be spent on functions such as research, information, and promotion, at least 20 % on transformation, in line with the NAMC's new guidelines, and less than 10 % on administration. This report concludes that 76.3 % (R373.9 million) was spent on industry functions, 18.1 % (R88.8 million) on transformation, and 5.5 % (R26.8 million) on administration costs associated with the collection of levies. If the two statutory levies that are both not subjected to transformation, namely the area-wide fruit fly levy and the market development levy in the deciduous fruit industry, are excluded, 20.1 % of total levy income was spent on transformation.

Statutory Information

Introduction

In terms of Section 19 of the MAP Act, the Minister may, by notice in the Gazette, direct that any person mentioned with regard to an agricultural product or class thereof, to which the notice pertains and which such person has in his or her possession or under his or her control, shall be registered as specified in the notice.

Furthermore, in terms of Section 18 of the MAP Act, the Minister may, by notice in the Gazette, direct that any person shall keep such records and returns as may be specified with regard to the agricultural products or classes thereof to which the notice pertains and which such person has in his or her possession or under his or her control, and may direct that such records and returns be furnished to the institution or body of persons referred to in the notice. Such records and returns shall be kept for the period, or furnished at the time and in the manner, determined in the notice.

Although these two statutory measures are essential for the administration and inspection of statutory levies, the main objective of these measures is to provide a database of all role players involved in the industry and to gather information necessary for industry role players to take informed decisions about production and marketing issues in a particular industry.

Agricultural information

The maintenance of macro industry information is regarded as critical for strategic planning by all agricultural industries, as well as for individual directly affected groups. In order for the market to operate effectively, industries regard the supply of generic market information to all role players, on a continuous basis, as essential.

Farmers need reliable, up-to-date market indicators for their production planning and marketing of products. In the previous era of the one-channel marketing dispensation,

marketing boards fulfilled this requirement. Industry organisations continued with this service after the deregulation of the market. Unfortunately, with the current Competition Act, certain problems came to the fore with regard to the sharing of information. The Competition Commission had concerns regarding information exchanges between, and from, industry associations, as this might create a basis for anti-competitive behaviour. Industry organisations are directly affected by this legislation and this has led to the situation where certain important market information could not be disseminated to farmers and other role players in the value chain.

Most of the commodity organisations which are administering statutory measures relating to registrations, records and returns have done so without experiencing any of the concerns raised by the Competition Commission.

Confidentiality of statutory information

Section 23 of the MAP Act addresses the issue of the confidentiality of statutory information. It means that no individual information obtained should be disclosed by the holder of the information unless required to do so by a court of law or with the written consent by the Minister.

Status of registration, records and returns

Registration is a statutory measure that specifies which persons in a value chain should register in a specific commodity. The next table provides information about the role players who are registered in the 22 industries as a result of statutory measures that have been implemented. These role players include producers, processors, importers, exporters, and retailers.

Statutory measures relating to records and returns are also implemented for the same 22 industries, for the purpose of collecting market information. The role players responsible for rendering returns differ in each industry and are not necessarily the same as the role players who are registered.

Table 5: Statutory information per commodity

Industry	Role players registered	Types of information and users
Citrus	Commercial producers – 1 300 Registered exporters – 321	All producers and exporters of exported citrus fruit must register with Citrus Growers SA (CGA) and must submit records and returns to the CGA regarding export citrus fruit produced, received, sold, exported or otherwise utilised.
Cotton lint	Commercial producers – 112 Small-scale producers – 1063 Ginners – 6 Spinners – 4	All persons who produce seed cotton, buy seed cotton from producers, process seed cotton, purchase cotton lint from producers or ginners, and who import or export cotton must register with Cotton SA and keep records and render returns to Cotton SA. Information on local seed cotton and cotton lint stocks, and production and consumption data, as well as crop estimate data, are disseminated to the industry role players.
Dairy products and milk	Milk processors – 155 Importers – 115 Producer-distributors – 114	All dairy processors, traders, brokers, producer distributors, and importers and exporters of dairy products must register with Milk South Africa, and must keep records and furnish returns to Milk South Africa. The information and analysis thereof will enable Milk South Africa to make market signals available to role players and government institutions.
Deciduous fruit	Producers and traders – 240 Producers (fruit fly levies) – 523	All producers, exporters, traders and processors of the specified fruit destined for export and/or domestic fresh consumption must keep such records and render returns as may be required by HORTGRO relating to tree surveys, the volumes of fruit destined for domestic fresh consumption and/or export; and the volume of apples destined for processing of juice concentrate.
Dried fruit	Producers – 916	All importers, packers, exporters, processors and markets of dried fruit shall register with Dried Fruit Technical Services (DFTS) and shall keep complete records relating to dried fruit as specified in promulgated notices. Producers may be requested to supply any records, e.g. as to number of trees or vines or fruit produced, if required.
Fynbos (proteas)	Producers – 85 Exporters – 13	All the producers, packers and exporters of fynbos products must register with Cape Flora South Africa (CFSA) and must keep such records and render the returns as may be required by CFSA.

Industry	Role players registered	Types of information and users
Fruit industry	Exporters Producers Importers Municipal markets Retailers Processors	All producers, exporters, importers, municipal markets, retailers and processors in respect of pome fruit, stone fruit, grapes and citrus fruit must register with Agri-hub and are required to keep a copy of their data via the industry standard transmission files, namely the Dispatch transmission (PO) files and the Mates Transmission (MT) files.
Lucerne	Lucerne seed producers – 239 Lucerne seed cleaners – 7 Lucerne seed traders – 19 Lucerne hay producers – 505 Lucerne hay traders – 34	All lucerne seed and hay dealers must register with the National Lucerne Trust and keep complete records on seed and hay locally received, imported, exported, sold and balances on hand at end of each month, and furnish returns to the Trust.
Macadamias	Producers – 485 Handlers – 28	All producers, processors, traders, importers, exporters, persons who consolidate macadamia nuts, and nurseries of in-shell macadamia nuts, macadamia kernel and macadamia trees must register with the Southern African Macadamia Growers' Association (SAMAC) and must supply the information as prescribed in the <i>Government Gazette</i> .
Milk	Producers	All milk producers in the Republic of South Africa must register with the Milk Producers' Organisation and supply records and returns as prescribed in the relevant notices as promulgated in the <i>Government Gazette</i> .
Mohair	Brokers – 3 Buyers – 8 Producers – 1 013	All producers, brokers, traders and mohair buyers, processors, importers and exporters should register with Mohair SA and provide weekly weigh-in data from all brokers, as well as export and import figures for mohair.
Olives	Producers – 155 Importers – 14	All producers, importers and processors of table olives and olive oil must keep such records and render the returns as may be required by SA Olive relating to olive trees and volumes of table olives and olive oil.

Industry	Role players registered	Types of information and users
Pecan nuts	Producers – 550 Processors/exporters – 24	All producers, growers, processors, packers, importers and exporters of pecan nuts and/or pecan nut products must register with the South African Pecan Nut Producers' Association (SAPPA) and must keep records and submit such returns as may be required by SAPPA relating to pecan nut trees, volumes of pecan nuts and/or pecan nut products produced, and volumes of pecan nuts and/or pecan nut products imported and/or exported.
Pork	Registered abattoirs – 157 Exporters of live pigs – 2	All abattoirs slaughtering pigs and exporters of live pigs must register with Meat Statutory Measures Service (MSMS) and must supply the relevant information to MSMS. The latter is performing this function on behalf of the South African Pork Producers' Organisation.
Potatoes	Bag manufacturers – 6 Processors – 10 Potato certification services – 1 Importers – 4 Exporters – 9 Retailers – 12 Producers – 561 Fresh produce markets – 17	The following parties in the South African potato industry must register with Potatoes SA, namely Potato Certification bodies, Exporters, Fresh produce markets, Markets agents, Packaging material companies, Packaging material importers, Potato producers, Pre-packers, Processors and Traders. These parties must keep the relevant records and furnish returns to Potatoes SA.
Red meat	Abattoirs – 366 Livestock agents – 51 Exporters (hides & skins) – 10 Importers – 68 Meat processors – 17 Tanneries – 7	Directly affected Groups in the Red Meat industry must register and keep records and render the returns as may be required by the Levy Administrator for the designated animals, red meat, red meat products, hides and skins and processed pork.

Industry	Role players registered	Types of information and users
SAGIS (maize, oilseeds, sorghum and winter cereals)	Storers – 36 Processors – 501 Harbour silo owners – 20 Traders – 75 Bakeries – 405 Wheat millers – 28 Maize millers – 152 Maize and wheat importers – 4	The South African Grain Information Service (SAGIS), a section 21 company, is funded by the four Member Trusts, namely the Maize, Winter Cereal, Sorghum and Oil and Protein Seeds Development Trusts. SAGIS was specifically established for the purpose of handling information gathering, processing and dissemination on behalf of the various cereal and oilseed industries in South Africa. All end-consumers, importers, storers, exporters and processors of grain and oilseeds must register as such with the South African Grain Information Service (SAGIS) and must keep complete records for each calendar month in respect of grain and oilseeds handled, imported or exported by the persons in question.
Table grapes	Producers – 595	All producers and exporters of table grapes must register with the South African Table Grape Industry (SATI) and must keep such records and render the returns as may be required by SATI.
Wine	Primary producers – 3 440 Producer cellars – 50 Private cellars – 509 Producing wholesalers – 23 Exporters – 43	All bottlers, grape producers, wine exporters, wine producers and wine traders must keep such records and render the returns as may be required by SAWIS relating to Vines, Grapes and Grape juice, grape juice concentrate, drinking wine, distilling wine and wine spirit produced, received, stored, sold, exported or otherwise utilised.
Wool	Wool growers – 8 443 Developing farmers – 904 Wool brokers – 7 Wool buyers – 8 Wool processors – 2 Wool traders – 96 Exporters – 8	Producers, brokers, traders and wool buyers, processors, importers and exporters must register with Cape Wools SA, and each broker, trader and wool buyer, processor, importer and exporter of wool must keep the relevant records with regard to wool that he or she has in his or her possession or under his or her control.

Committee functioning

Crop Estimates Liaison Committee

During 1998, the Minister for Agriculture and Land Affairs requested the National Agricultural Marketing Council to chair the Crop Estimates Liaison Committee, which is representative of directly affected groups in the different grain industries. Currently, the Crop Estimates Liaison Committee serves as a watchdog of the Crop Estimates Committee and meets approximately two times in a year. The CELC held two meetings in the reporting year, namely on 12 May 2016, and its 51st meeting on 10 February 2017. Matters such as reporting on agreements and contracts between the crop estimates consortium and the ARC, reporting on Earth Observation and GEOGLAM, and the role it plays in crop estimates and food security, and the finalisation of the calculation of the winter and summer crops for 2016 were discussed at these two meetings.

Supply and Demand Estimates Committee

In light of the importance of food security, volatile grain and oilseed prices, and the lack of sufficient information regarding future stock levels, the South African Grain and Oilseeds Supply and Demand Estimates Committee (S&DEC) was established by the National Agricultural Marketing Council (NAMC) in 2012.

The first official Supply and Demand Estimates (SASDE) report was published at the end of June 2013. The NAMC is currently responsible for the proper organising and functioning of the Committee. The Committee consists of an official of the South African Grain Information Service (SAGIS), the secretariat of the Crop Estimates Committee (CEC), three independent specialists recommended and appointed by industry, and four officials from the NAMC.

Monthly meetings of the S&DEC are held to capture new information available in the market

at a specific time. The report provides an analysis of the fundamental conditions of the major grain and oilseeds in South Africa. The report is widely considered to be the benchmark, to which private and public agricultural forecasts are compared. The report is normally released within four to five working days after the CEC release. The report is released into the public domain in accordance with approval of the South African Competition authorities.

The report is widely used by global and national role players. Feedback provided from industry is that the report is well accepted and recognised by industry role players. Industry has also indicated that the reliability and integrity of the report is of the utmost importance.

Supply and Demand Estimates Liaison Committee

The Supply and Demand Estimates Liaison Committee (S&DELIC) was established by NAMC in 2012; it is chaired by the NAMC and is representative of directly affected groups in the different grain industries. It also serves as a watchdog of the S&DEC and meets once a year or as the need arises. The most recent meeting was held on 11 February 2016, where, amongst other things, the shortcomings in the current method and possible solutions were discussed. Some points agreed to were:

- S&DEC is working with estimates as inputs and not with actual information;
- The meeting agreed that there is already credibility in the system, and any intervention should be weighed against a possible minor increase in accuracy;
- Role players in the market should be again requested to supply information to the S&DEC.

The NAMC and the four Industry Trusts involved agreed to share the expenditure of the S&DEC.

PROGRAMME 4: AGRICULTURAL TRUSTS



Bonani Nyhodo

Acting Senior Manager: Agricultural Trusts

Introduction

The mandate of the Agricultural Trusts Division is to facilitate the communication process between the agricultural Industry Trusts and the Ministry of Agriculture, Forestry and Fisheries (DAFF). Moreover, concerning the Industry Trusts portfolio, the division is also entrusted to perform activities on transformation in the agricultural sector. The Agricultural Trusts Division is currently structured into two sub-programmes, which are:

Sub-programme 1: Agricultural Industry Trusts support; and

Sub-programme 2: Industry transformation support.

In this report, the activities of the Agricultural Trusts Division for the year are outlined under the theme "information".

Agricultural Trusts Division Sub-Programmes

Sub-programme 1: Agricultural Industry Trusts Support

Appointment of Ministerial Trustees

The Agricultural Trusts Division has developed a policy on Agricultural Trusts which serves as a guiding tool and strategic approach for Agricultural Industry Trusts. This is to ensure that Ministerial Trustees understand the background, objectives, and constituency of the Trusts in which they represent the Minister.

The process on the appointment of Ministerial Trustees:

The candidates submit their CVs to the NAMC, the NAMC then uses the selection criteria to identify the best suitable candidate(s), prepares a submission with the proposed names of new trustees, and presents this to Council for comments and approval. After receiving the approval of Council, the submissions are submitted to the Minister of Agriculture, Forestry and Fisheries for final approval.

Induction of the newly appointed Ministerial Trustees

The Agricultural Trusts Division conducts an induction for the newly appointed Ministerial Trustees. This creates a platform of information sharing and capacity building for the newly appointed Ministerial Trustees. In some instances, the trust administrators attend and/or invite the Agricultural Trusts Division to their inductions. The induction covers the background of the NAMC, an overview of the Industry Trusts' objectives and challenges, and the composition of the Trusts. The attendees are also given an opportunity to share information and partake fully in the discussions.

Status report on Agricultural Industry Trusts

Annually, the Agricultural Industry Trust Division prepares a status report on the Agricultural Industry Trusts (AIT). The main purpose of the AIT report is to advise the Minister of Agriculture, Forestry and Fisheries on the current operations of our respective Agricultural Industry Trusts, in terms of financial performance, current projects performance, and new projects implemented. Furthermore, the report updates the Minister on the work of the Trusts in terms of the transformation support in the agricultural sector.

Bearing in mind that the 2016/17 theme is information, Figure 1 presents the process of how the information is collected and the role that the Industry Trusts play in the sharing of the information with the NAMC and how the information is communicated to the Minister of Agriculture, Forestry and Fisheries.

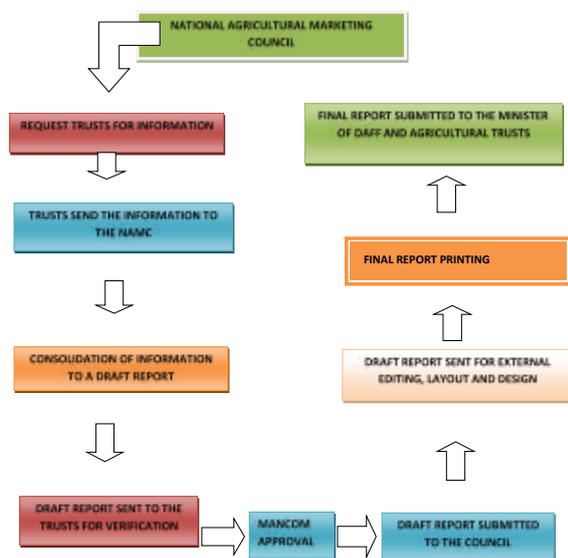


Figure 1: Process flow when compiling the Status Report on Agricultural Trusts
Information flow process

Step 1: The NAMC, through the Agricultural Trusts Division, drafts a standard questionnaire for the purposes of requesting information from the Agricultural Industry Trusts required for updating the Minister of Agriculture, Forestry and Fisheries.

Step 2: The questionnaire is sent to Trust Administrators/CEOs via email requesting information pertaining to the Trust for the previous financial year. The requested information includes;

- ✓ The names of Trustees (Ministerial/ Industry), Chairpersons, amendments to the original deed, if there were any in that year, etc.
- ✓ Financial information (Trusts attach audited financial statements for the year under review) and transformation projects funded for the year under review.

Step 3: The Trust Administrators submit the requested information to the NAMC, with guidance in the questionnaire.

Step 4: The NAMC, through Agricultural Trusts Division, consolidates the information received from all the Trusts and compiles a draft status report.

Step 5: Once consolidated, the report is sent back to the Agricultural Trusts Administrators for verification of information received;

Step 6: After verification of information, the draft report is submitted to the NAMC Management Committee, then to the Council for purposes of policy alignment and approval;

Step 7: Once approved, the draft report is sent for external editing, and layout and design for readability purposes;

Step 8: The final report is sent for printing and copies are distributed to the Ministry of Agriculture, Forestry and Fisheries, to the Parliamentary Portfolio Committee on Agriculture, Forestry and Fisheries, and to Agricultural Industry Trusts.

Important to note is that the information in the Status Report on Agricultural Trusts is a year behind because the NAMC has to wait for the Trusts to close their financial years and submit their audited financial statements. Any presentation requested by DAFF, to be made either to the Ministry or to the Portfolio Committee, is derived from the information supplied to the NAMC by the Trust Administrators.

The NAMC sits in as an observer in some of the meetings of Industry Trusts boards. This practice serves as a platform to share information and engage, face-to-face, with the Industry Trusts on issues of transformation and to provide guidance on the governance of the trusts. Moreover, strategic advice can be provided to the Trusts.

Agricultural Industry Trusts workshop

The NAMC, on an annual basis (subject to budget availability), conducts an Agricultural Trusts workshop. The purpose of the workshop is to share the successes and challenges that the Industry Trusts face in the agricultural sector, particularly on transformation. This serves as a platform for the Industry Trusts, comprised of industry and Ministerial Trustees, trust administrators, transformation managers, and other related stakeholders, for engaging with the Minister of Agriculture, Forestry and Fisheries on matters of interest.

Sub-Programme 2: Industry Transformation Support

Introduction

Through the Council, the Transformation Review Committee (TRC) was established in 2014 to independently review, comment on, and provide inputs to the transformation business plans supplied by the industries; to monitor the transformation activities supported

by the industries; and to establish how government can collaborate with industries in support of transformation.

The Committee was established to independently monitor the administration and utilisation of the 20% transformation levy's income and expenditure. Furthermore, the Committee ensures that industries adhere to the NAMC guidelines in spending allocations from the 20% levy fund.

Industry Transformation Business plans

The TRC reviews business plans submitted by the agricultural industries on the utilisation of the 20% levy that is aimed at supporting developing and/or smallholder farmers. During the process of review, the industry representatives meet with the NAMC to present their business plans, and the TRC provides inputs and comments. Furthermore, the TRC conducts site visits to these transformation projects to meet the beneficiaries and gather information on the ground in order to advise the Ministry accordingly. For the period under review, the following business plans were reviewed:

- Red Meat Industry
- South African Pork Producers' Organisation
- Milk SA
- Winter Cereal Trust

Site Visits

For the period under review, the TRC focused on the red meat industry. The TRC, together with representatives of the Red Meat Abattoir Association (RMAA), visited the G3 abattoir in Middleburg. This is a black-owned abattoir of approximately 20-unit size. The abattoir is funded by a certain portion of the 20% transformation levy and by external funding from other institutions. The abattoir had employed over 30 black youth (both males and females), including a female inspector operating on a daily basis. However, the challenges of skills requirements, quality equipment, and funding are a still a major concern.



G3 abattoir in Middleburg, Mpumalanga Province

The TRC has also engaged with the South African Meat Inspectors Company (SAMIC). On an annual basis, SAMIC hosts the National Carcass Competitions Awards for the participants (farmers) in the Red Meat Industry: Emerging & Commercial Farmers. This forms part of SAMIC's strategy to transform the status of communal farmers into commercial farmers. The awards are given to the best carcass in the categories of pork, sheep and beef producers.



Some of the winners of the National Carcass Competition, 2016

Stakeholder Matters

Potatoes South Africa (PSA)

The Enterprise Programme of PSA was reviewed to focus on the selection of six (6) farmers and to increase hectares under cultivation (between 10 and 15). The budget for the mentorship programme was increased to address the challenge of finding suitable mentors and extension officers. For example, co-opting commercial and retired farmers and input suppliers to mentor and provide advice, and shifting the focus to progressing existing farmers from smallholder or enterprise development farmers in order to graduate one commercial producer per year.

South African Pork Producers Association (SAPPO)

Following numerous discussions with SAPPO in 2016 regarding their transformation activities, a mutual feeling arose that training and mentorship is not regarded as constituting transformation. In this regard, the TRC drafted a proposal to SAPPO, aligned with the new NAMC transformation guidelines, which placed more emphasis on enterprise development. The proposal further highlighted the point that SAPPO should focus on and support a small group of farmers so that impact can be realised. SAPPO accepted the TRC proposal and drafted a business plan and selection criteria for farmers. This included the purchasing of quality sows and increasing production units from 50 to 200 sows, which would put farmers on a commercial level.

Agricultural Development Schemes

The NAMC collaborates with co-operatives, industry and wholesalers to develop agricultural schemes. These schemes are designed with the intention to provide previously disadvantaged group of farmers entry into the formal value chains and markets. The NAMC plays a project management unit function in these schemes. Notable schemes the NAMC has developed over the past 10 years include;



WINE DEVELOPMENT SCHEME

In 2004, the NAMC collaborated with the Wines of South Africa to develop a wine scheme to inter alia develop black wine brands and introduce African consumers to wine. This led to a number of black wine brands exporting to EU countries and the first township wine tasting – the Soweto Wine Tasting held in 2005



SUPPLY CHAINS AND LOGISTICS PROGRAMME

In 2010, the NAMC worked with the International Trade Centre to establish the Supply Chains Logistics Programme (SCLP). The SCLP assists small producers of fresh fruit and vegetables (FFV) in accessing international markets particularly in the European Countries, by enhancing productive capacities and enhancing compliance with technical requirements and promoting certification. The Western Cape Department of Agriculture later came on board.



VINEYARD DEVELOPMENT SCHEME

In 2011, the NAMC was appointed to facilitate the design and development of the Vineyard Development Scheme by the Northern Cape Department of Agriculture. The scheme is financed and resources through CASP and growers supply Distell, OWK Wine Cellars and Orange River Cellars with table grapes and raisins. To date, - 105 ha of table grapes and raisins have been planted with raisins, - 67 ha of wine grapes, and - 135 ha with table grapes.



DRY-BEANS DEVELOPMENT SCHEME

In 2013, the NAMC designed a pilot programme on 20 ha for 23 smallholder farmers and secured an off-take agreement with Tiger Brands to supply KOO. The pilot programme is based in Limpopo Province, Sekhukhune District. Harvesting begun in 2014 and the co-operative managed to supply the stipulated quantities of dry-beans in time.



RED MEAT DEVELOPMENT SCHEME

In 2009, working with ConMark Trust the NAMC designed a Red Meat Scheme for Eastern Cape communal livestock farmers. Only 5 feedlots were operational. In 2014, the Department of Rural Development and Land Reform came on board and launched the National Red Meat Development Programme. To date the NRMDP has 22 operational feedlot centres in 3 provinces (Eastern Cape, North West and Kwa-Zulu Natal) and additional feedlots are currently being established in other provinces.



PROGRAMME 5: AGRIBUSINESS DEVELOPMENT



Khumbuzile Mosoma

Senior Manager: Agribusiness Development

The Agribusiness Development Division (ADD) of the NAMC was established in 2006 to collaborate with various institutions, both nationally and internationally, in designing and implementing programmes that are aimed at increasing market access, encouraging new business development and capacity building of historically disadvantaged enterprises. The NAMC's strategic placement and relationships with public and private institutions, built over many years, enabled the Agribusiness Development Division to facilitate programmes that have the potential to achieve the government-defined outcomes.

The Agribusiness Development Division operates through four programmes, namely those for Capacity Building, Development Scheme, Market Access, and Business linkages. The planning and implementation of these programmes is guided by the availability of information that is collected from different sources. Statutory measures and Trust Divisions play a crucial role in providing information on the status of the industries and the funding available for transformation of the agricultural

sector, as well as services rendered by the industries to the farmers. With this information, the Agribusiness Development Division is able to draw on the technical expertise of the industries and resources in developing smallholder farmers. The research reports produced by MERC on the status and issues affecting the agricultural sector are assisting the ADD in facilitating the relevant and timeous intervention for smallholder farmers.

The ADD also sources information from desktop research that mostly informs the industry overview and prospects of the projects that are planned and implemented by the division. Other information is accessed through stakeholder engagement on forums such as Project Steering Committees (PSC) and Project Implementation Committees (PIC). Apart from collecting information from different sources, ADD also shares the market information through farmers' days, workshops, public members and radio stations. Examples of the projects under different programmes are discussed as follows:

Development Scheme

The NAMC, through the Agribusiness Development Division, designs and facilitates the implementation of the development schemes with both private and public institutions. The schemes are designed and implemented to uplift the black producers in the agricultural sector and to encourage their integration into the commercial mainstream. Development Schemes are demand driven and guided by the developmental impact, as well as feasibility studies. The examples of projects under the development scheme programmes are discussed as follows:

National Red Meat Development Programme

The South African livestock production set-up represents a major under-tapped source of income for many of the country's poorest

households. Even though many of the small-scale and developing farmers own livestock, they are often faced with multiple challenges in marketing their stock, and when they do, they rarely make it beyond the farm gate. Promising opportunities exist through increasing their participation in formal red meat markets, but gaining access to these markets has been constrained by distance, lack of suitable marketing channels, lack of adequate information, and poorly suited animals.

The NRM DP is thus a market facilitation programme that affords the developing farmers an opportunity to upscale their involvement and role playing in the marketing of their stock. The farmers are trained about the various markets, grading and classification, pricing, and formal markets such as livestock auctions, custom feeding programmes and feedlots.

The NAMC is working in collaboration with the Department of Rural Development and Land reform as a funder, and the Eastern Cape Department of Rural Development and Agrarian Reform, Chris Hani District Municipality, Intsika Yethu Local Municipality, Fort Cox Institute of Agriculture and Forestry, ASPIRE and other relevant stakeholders to yield positive results for the NRM DP. The Programme is operational in the Eastern Cape (10 CFP and 1 feedlot); Kwa-Zulu Natal (3 CFP operational and 1 constructed) and the North West (1 CFP operational and two under Construction). During the period under review, there were 6 550 animals sold through the NRM DP programme, with R33 739 000.00 being generated as income for the farmers.



Ndabazabantu on his arrival, and after 90 days in the Ngangegqili CFP, Idutywa – EC Vineyards Development Scheme

The NAMC, in partnership with the Northern Cape Department of Agriculture, Land Reform and Rural Development, Dried Fruit Technical Services, OWK, Distel Industrial Development Corporation and SATI, facilitated the implement of the vineyard development scheme in the Northern Cape Province. The aim of the project is to establish 500 ha for production of wine, raisins and table grapes in the Northern Cape Province. The scheme focuses on three commodities, viz. raisins, wine grapes and table grapes. Progress to date indicates that 184.02 ha of raisins, 65.87 ha of wines grapes, and 5.7 ha of table grapes have been planted since inception of the Vineyard Development Scheme.

During the 2016/2017 financial year, the Northern Cape Department of Agriculture, Land Reform and Rural Development allocated approximately R37 150 000.00 to be specifically utilised under the current MoU to support the vineyards projects in the Northern Cape province. There are 10 sub-projects that were supported during the period in review, namely Blocuso Trust, Eiland Wine project, Eksteenskuil Cooperative, Coboop Irrigation, Pella Irrigation Development, Onseepkans Irrigation Development, Nomalanga Trust, Silwer Moon, Lemoendraai Wine project and Ruimvasmaak Irrigation. The project is still operating through its two committees, the first of which is the



Project Implementation Committee (PIC). This committee includes the Project Adjudication Committee (PAC), which is the highest decision-making body that evaluates and appoints the service providers who provide different services to the project. The second committee is the Project Steering Committee (PSC), the high decision-making committee of the vineyard development scheme.

The NAMC's overall role is mainly to provide financial management and accounting support for the procurement of goods and services for the project, as well as monitoring and evaluation support for the project.

Business Linkages

The NAMC, through the ADD, supports smallholder farmers in their endeavours to export their products through a programme called Business Linkages. The Business Linkages Programme aims to assist small-scale producers of fresh fruits, vegetables and nuts in accessing the international markets by enhancing their productive capacities, enhancing compliance with technical requirements, and by promoting certification. This programme seeks to integrate small agro-businesses into sophisticated supply chains, whether domestic or international, as well as to help those producers seize opportunities for trade in horticulture and agri-food products. The key support under this programme is the technical support whereby a diagnostic analysis is done on each farm in order to identify the farm's technical needs. A technical assistance plan is drawn up and shared with key relevant stakeholders, who will then implement support for the smallholder farmers.

Supply Chain and Logistics Development Programme

The NAMC continues to implement the SCLP project in the Western Cape. The aim of the SCLP project is to assist small-scale producers of fresh fruits and vegetables (FFV) in accessing international markets, particularly the EU, by enhancing their productive capacities, enhancing compliance with technical requirements, and by promoting certification. NAMC is the PMU. The programme is currently being funded by the Department of Agriculture in the Western Cape (WCDoA). As the PMU, the NAMC implements specific business support activities, with inputs from WCDoA (i.e. capacity building in certification, quality control, and business linkages with potential buyers), by reverting to its existing network of partners and/or by contracting with new implementing agencies with the respective knowledge and resources. The first phase of the project started in 2010 and ended in September 2012 when the contract between NAMC and International Trade Centre (ITC) came to an end. The NAMC then signed the new MoU with WCDoA to continue with phase three of the project.

In the financial year 2016/2017, the NAMC provided technical and marketing support to 18 fruits producers from the Overberg, Grabouw, Ceres and Langkloof Divisions of the Western Cape Province. NAMC also participated in four Project Steering Committee (PSC) meetings which were held to assess the progress of the project.

Market Access

This programme aims at increasing market access for smallholder farmers. This programme is divided into three categories, namely market information, market access, and business development support.

Market Information

The NAMC shares information through different platforms that are presented by stakeholders and smallholder farmers. Some of the smallholder farmers contact the NAMC and request information on markets, funders and capacity building. Some farmers, through their industry bodies, invite the NAMC to give presentations at farmers' days about its programmes so they can tap into the wealth of the NAMC's knowledge, as well as the facilitation services to address their needs. Some of the smallholder farmers were capacitated in livestock, vegetables and fruits production. Some were linked to markets, while others managed to access funding and inputs through the networks and information of the NAMC. The NAMC also shares market information through SABC radio programmes on invitation and on arranged slots. All the efforts on market information have encouraged agribusiness transactions between small-scale farmers and commercial agribusinesses, which leads to the growth and expansion of the overall farming sector.

PART 5



**CORPORATE
GOVERNANCE**

CORPORATE GOVERNANCE

Introduction

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

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

Portfolio Committee

Parliament exercises its oversight role of the NAMC by evaluating its performance and interrogating its Annual Financial Statements and other relevant documents. This oversight role is fulfilled by the Portfolio Committee on Agriculture, Forestry and Fisheries and by the Standing Committee on Public Accounts (SCOPA).

The Portfolio Committee oversees service delivery and performance in accordance with the mandate and strategy of the NAMC. It reviews financial and non-financial information, such as efficiency and effectiveness measures, and therefore reviews the non-financial information contained in the Annual Report of the NAMC. SCOPA oversees the financial performance and accountability of the NAMC in terms of the PFMA. It therefore reviews the Annual Financial Statements and Audit Reports from the Auditor General of South Africa.

Executive Authority

Parliament oversees the Executive Authority, which is required to provide it with full and regular reports concerning matters under its control. The Executive Authority for the NAMC is the Minister of Agriculture, Forestry and Fisheries. The MAP Act, No. 47 of 1996, provides that the Executive Authority can appoint or dismiss members of Council, including the Chairperson, Vice-Chairperson and members of Council.

The appointment procedure for Council members is set out in subsection (4) of the MAP Act. Before the expiration of a member's term of office, the procedure set out in subsection (4) of the MAP Act must be followed for the appointment of a successor.

The NAMC Council submits quarterly reports on actual performance against pre-determined objectives to the Executive Authority within 30 days of the end of a quarter.

The Accounting Authority / Council

Introduction

The MAP Act, No. 47 of 1996, provides guidelines for the composition of the Council. The Minister of Agriculture, Forestry and Fisheries is responsible for appointing one of the members of the Council to the position of Chairperson and another member as Vice-Chairperson. The Council is composed of 10 members. The current Council was appointed on 25 May 2017 and their term of office is four (4) years.

Functions of Council

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

(1) Subject to the provisions of section 2, the Council –

(a) shall, when requested by the Minister, or of its own accord, investigate in terms of section 11 (2), the establishment, continuation, amendment or revocation of statutory measures and other regulatory measures affecting the marketing of agricultural products, evaluating the desirability, necessity or efficiency of, and if necessary proposing alternatives to, the establishment, continuation, amendment or repeal of a statutory measure, or other regulatory measure, and to report to and advise the Minister accordingly;

(b) shall prepare and submit to the Minister for consideration statutory measures and changes to statutory measures which the Minister directs it to prepare;

(c) shall, whenever requested by the Minister, and at least once annually, report on the activities of the Council;

(d) may direct any institution or body of persons designated for the purpose of the implementation or administration of a statutory measure in terms of section 14, to furnish the Council with such information pertaining to a statutory measure as the Council or the Minister (or the parliamentary committees) may require;

(e) may undertake investigations and advise the Minister regarding:

(i) agricultural marketing policy and the application thereof;

(ii) the co-ordination of agricultural marketing policy in relation to national economic, social and development policies and international trends and developments; and

(iii) the possibilities for promoting the objectives mentioned in section 2 (2); and

(iv) the effect that marketing of products has on the objectives mentioned in section 2 (2).

(f) shall monitor the application of statutory measures and report thereon to the Minister, and shall evaluate and review such measures at least every two years;

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

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

Council Charter

As recommended by the King III Corporate Governance Report, the Council is governed by a Charter, which details the roles, structures and functions of the Council and its various sub-committees.

COMPOSITION OF THE COUNCIL BOARD

Name	Designation (in terms of Public entity board structure)	Date appointed	Date resigned	Qualifications	Area of expertise	Board Directorship (List of entities)	Other committees or task teams (e.g. Audit Committee/ Ministerial task team)	No. of Meetings attended
Mr. Andre Young	Acting Chairperson of NAMC Council Deputy Chairperson	27 October 2011	-	Bachelor of Administration	Agricultural Economics including agricultural marketing and international agricultural trade	President: South African Union Food Markets. Chairperson: Section 7 Committee - Restructuring of Fresh Produce Markets. Senior Manager: Durban Fresh Produce Market. Former Board Member: Agricultural Research Council. Former Board Member: Research Council. Former Board Member: Agricultural Produce Agents Council Former Council Member: University of Kwa-Zulu-Natal	Chairperson of HR and Remuneration Committee	4 out of 5
Mr AM Cronje	Council Member	27 October 2011	-	Masters of Science in Agricultural Economics	Commercial production of agricultural products	Chairman of Organic Aloe in Albertinia. Agricultural Research Specialist: Tiger Brands	-	5 out of 5

Name	Designation (in terms of Public entity board structure)	Date appointed	Date resigned	Qualifications	Area of expertise	Board Directorship (List of entities)	Other committees or task teams (e.g. Audit Committee/ Ministerial task team)	No. of Meetings attended
Mr A Hendericks	Council Member	March 2014	-	Management of Business Administration; Agricultural Leadership Development	Agricultural product related trade and industry	President : Western Cape National African Farmers Union Western Cape President of National African Farmers Union of South Africa representing black farmers in South Africa Board Member Agri-SETA Board Member Wine Industry Development Association Director & Board Member Agri-sector Unity Forum (ASUF) Member of IODSA Institute of Directors of South Africa	-	5 out of 5
Ms MM Gill	Council Member	27 October 2011	-	Computer Literate Certificate	The production and marketing of agricultural products by small scale and previously disadvantaged	Chairperson of Women in Agriculture and Rural Development in the Northern Cape Province; National Secretary of ANC Ward, Board Member of the National Lucerne Trust	HR and Remuneration Committee	5 out of 5

Name	Designation (in terms of Public entity board structure)	Date appointed	Date resigned	Qualifications	Area of expertise	Board Directorship (List of entities)	Other committees or task teams (e.g. Audit Committee/ Ministerial task team)	No. of Meetings attended
Mrs JM Van Der Merwe	Council member	27 October 2011	-	Master in Business Leadership (MBL)	Consumer issue relating to agricultural products including issues relating to previously disadvantaged communities	Executive Committee (SANCU), National Water Forum of TAU, Security and Risk Committee of SABS, Trustee Oil & Protein Seeds Development Trust, Director of Health Quality Assessment	HR and Remuneration Committee	5 out of 5
Dr. JL Purchase	Council Member	27 October 2011	-	PhD in Agricultural Economics	Agricultural product related trade and industry	Board Member of the Land & Agricultural Development Bank of South Africa Trustee of The Maize Trust Board Member of the International Food and Agribusiness Management Association (IFAMA)	Section 7 Committee Chairperson of Crop Estimates Liaison Committee Chairperson of Grain & Oilseeds Supply and Demand Liaison Committee	3 out of 5

Name	Designation (in terms of Public entity board structure)	Date appointed	Date resigned	Qualifications	Area of expertise	Board Directorship (List of entities)	Other committees or task teams (e.g. Audit Committee/ Ministerial task team)	No. of Meetings attended
Mrs TE Zimu	Council Member	27 October 2011	-	Bachelor of Arts in Nursing Science	The production and marketing of agricultural products by small scale and previously disadvantaged	-	Audit and Risk Committee	5 out of 5
Dr LL Magingxa	Council Member	27 October 2011	-	PhD in Agricultural Economics	Agricultural Economics including agricultural marketing and international agricultural trade	-	Audit and Risk Committee	4 out of 5

COUNCIL COMMITTEES – 1 APRIL 2016 TO 31 MARCH 2017

AUDIT AND RISK COMMITTEE

No	Name	Role	Meetings Attended
1	Mr P Slack	Chairperson	4 out of 4
2	Ms GR Dinga	Audit and Risk Committee Member	4 out of 4
3	Ms AR Ngwenya	Audit and Risk Committee Member	4 out of 4
4	Dr L Magingxa	Council Member	4 out of 4
5	Ms TE Zimu	Council Member	4 out of 4

HUMAN RESOURCES & REMUNERATION COMMITTEE

No	Name	Role	Meetings Attended
1	Ms JM van der Merwe	Acting Chairperson	3 out of 3
2	Mr AD Young	Acting Council Chairperson	1 out of 3
3	Ms MM Gill	Council Member	3 out of 3

RISK MANAGEMENT COMMITTEE

No	Name	Role	Representative attended meeting	Number of meetings attended
1.	Ms A.R. Ngwenya	Chairperson Audit and Risk Committee Member	-	4 out of 4
2.	Mrs F. Muvhulawa	Chief Financial Officer	0 out of 1	3 out of 4
3.	Ms V. Nkobi	Senior Manager: Human Resources Management	1 out of 2	2 out of 4
4.	Dr Simphiwe Ngqangweni	Senior Manager: Markets and Economic Research Centre	3 out of 4	0 out of 4
5.	Mr S. Burger	Senior Manager: Statutory Measures	-	4 out of 4
6.	Ms K. Mosoma	Senior Manager: Agribusiness Development	2 out of 2	2 out of 4
7.	Mr Z. Xalisa	Senior Manager: Agricultural Trusts	4 out of 4	0 out of 4
8.	Mr T. Maphatane	Compliance & Risk Manager	-	4 out of 4

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

We are pleased to present our report for the financial year ended 31 March 2017

Audit & Risk Committee Members and Attendance

The Audit & Risk Committee consists of the members listed hereunder and meets four times per annum as per its approved terms of reference. During the current year four (4) meetings were held.

No	Name	Role	Number of meetings Attended
1.	Mr PK Slack	Chairperson Independent member	4 out of 4
2.	Dr LL Magingxa	Council member	4 out of 4
3.	Ms AR Ngwenya	Independent member	4 out of 4
4	Mrs GR Dinga	Independent member	4 out of 4
5.	Mrs TE Zimu	Council member	4 out of 4

Audit & Risk Committee Responsibility

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

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

The effectiveness of internal control

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

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

The quality of in-year management and quarterly reports submitted in terms of the PFMA.

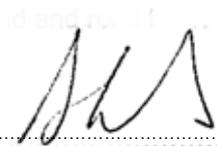
The Audit & Risk Committee has noted and is satisfied with the content and quality of the quarterly reports prepared and issued by the Accounting Officer during the year under review. Suggestions were made and implemented to improve deficiencies on the reports.

Evaluation of Annual Financial Statements

The Audit & Risk Committee has:

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

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



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

Date.....

PART 6



HR STATISTICS

PART 6: HR STATISTICS

PERSONNEL COST BY PROGRAMME PERMANENT EMPLOYEES

Programme	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel Expenditure as a % (R'000)	No of Employees	Average personnel cost per employee (R'000)
Programme 1: CEO's Office	5 437	4 276	15%	4	1069
Programme 1: Finance & Administration	13 252	4 142	15%	6	690
Programme 1: Human Resources	6 205	3 975	14%	8	497
Programme 2: Markets & Economic Research Centre	14 886	9 832	35%	14	702
Programme 3: Statutory Measures	2 849	2 588	9%	4	647
Programme 4: Agricultural Trust	1 601	1 396	5%	2	698
Programme 5: Agribusiness Development	3 062	1 987	7%	7	284
TOTAL	47 292	28 196	100%	45	4 587

OTHERS PERSONNEL COST					
Programme	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel Expenditure as a % (R'000)	No of Contracts Internships & Council Committees	Average personnel cost per employee (R'000)
The Red Meat Programme	31 693	5 135	69%	104	49
Council & Other Committees	1 218	572	8%	23	25
Contracts	0	1 254	17%	8	157
Internships	0	481	6%	15	32
TOTAL	32 911	7 442	100%	150	263

PERSONNEL COST BY SALARY BAND					
Level	Personnel Expenditure (R'000)	Personnel Expenditure as % of Personnel Costs	No. Employee	Average Personnel Cost Per Employee (R'000)	
Top Management	3 383 703	1%	2	1 692	
Senior Management	5 668 843	3%	5	1 134	
Professional Qualified	15 319 478	16%	26	589	
Skilled	1 689 228	22%	5	338	
Semi-skilled	1 766 489	5%	4	442	
Unskilled	368 260	52%	3	123	
TOTAL	28 196 000	100%	45	4 317	

PERFORMANCE REWARDS

Level	Personnel Expenditure (R'000)	Personnel Expenditure as % of Personnel Costs	No. Employee	Average Personnel Cost Per Employee (R'000)
Top Management	664 566	22%	2	332
Senior Management	1 001 496	33%	5	200
Professional Qualified	941 129	31%	18	52
Skilled	145 111	5%	7	21
Semi-skilled	199 327	7%	4	50
Unskilled	39 224	2%	3	14
TOTAL	2 990 853	100%	39	669

TRAINING & BURSARY COSTS

Programme	Personnel Expenditure	Training Expenditure (R'000)	% Of Training Expenditure Of Personnel Cost (R'000)	No. Of employees trained	Average training cost per employee
Programme:1 CEO's Office	4 276	10 952	1%	2	5 476
Programme 1: Finance & Administration	4 142	93 128	7%	3	31 043
Programme 1 : Human Resources	3 975	182 456	14%	5	36 491
Programme 2: MERC	9 832	187 671	15%	13	14 436
Programme 3: Statutory Measures	2 588	30 090	3%	2	15 045
Programme 4: Agricultural Trust	1 396	15 555	1%	2	7 777
Programme 5: Agribusiness Development	1 987	70 491	5%	3	23 497
External Students	0	694 214	54%	21	33 058
TOTAL	28 196	1 284 559	100%	51	25 187

NUMBER OF EMPLOYEES AND VACANCIES						
Programme	2015/2016 No of Employees	2016/2017 Approved Posts	2016/2017 No. Of Employees	2016/2017 Vacan- cies	% of Vacancies	
Programme 1: CEO	4	4	4	0	0	
Programme 1: Finance & Administration	6	6	6	0	0	
Programme 1: Human Resources	8	8	8	0	0	
Programme 2: MERC	14	14	14	0	0	
Programme 3: Statutory Measures	4	4	4	0	0	
Programme 4: Agricultural Trusts	2	2	2	0	0	
Programme 5: Agribusiness Development	7	7	7	0	0	
TOTAL	45	45	45	0	0	

REASONS FOR STAFF LEAVING

Category	Number	Percentage
Death	0	0%
Resignation	4	100%
Retrenchment	0	0%
Retirement	0	0%
ILL Health	0	0%
Expiry of Contract	0	0%
Dismissal	0	0%
TOTAL	4	100%

NUMBER OF DISABLED PERSONNEL

Levels	Female	Female Target	Male	Male Target
Top Management	0	0	0	0
Senior Management	0	0	0	0
Professional qualified	0	0	1	0
Skilled	0	0	0	0
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
TOTAL	0	0	1	0

EMPLOYMENT EQUITY FEMALES

Levels	Female African	Female White	Female Coloured	Female Indian
Top Management	1	0	0	0
Senior Management	2	0	0	0
Professional qualified	6	6	1	0
Skilled	3	0	0	0
Semi-skilled	0	3	0	0
Unskilled	2	0	0	0
TOTAL	14	9	1	0

EMPLOYMENT EQUITY MALES

Levels	Male African	Male White	Male Coloured	Male Indian
Top Management	1	0	0	0
Senior Management	2	1	0	0
Professional qualified	12	1	0	0
Skilled	3	0	0	0
Semi-skilled	0	0	0	0
Unskilled	1	0	0	0
TOTAL	19	2	0	0

LABOUR RELATIONS: MISCONDUCT & DISCIPLINARY ACTION

Nature Of Disciplinary Action	Number Of Personnel Disciplined
Verbal Warning	0
Written warning	0
Final written warning	0
Dismissal	0
TOTAL	0

PART 7



**ANNUAL FINANCIAL
STATEMENTS**

CONTENTS

	PAGE
Report of the Auditor General	94
Report of the Chief Executive Officer	99
Statement of Responsibility	108
Statement Of Financial Position	109
Statement Of Financial Performance	111
Statement Of Changes In Net Assets	112
Cash Flow Statement	113
Statement of Comparison of Budget and Actual Amounts	114
Accounting Policies	115
Notes to the Annual Financial Statements	131

Report of the auditor-general to Parliament on the National Agricultural Marketing Council

Report on the Audit of the Financial Statements

Opinion

1. I have audited the financial statements of the National Agricultural Marketing Council (NAMC) set out on pages 109 to 167, which comprise the statement of financial position as at 31 March 2017, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the National Agricultural Marketing Council as at 31 March 2017, and its financial performance and cash flows for the year then ended in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) together with the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Accounting authority for the financial statements

6. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with SA Standards of GRAP and the requirements of the PFMA and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, the accounting authority is responsible for assessing the NAMC's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the accounting authority either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

8. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. A further description of my responsibilities for the audit of the financial statements is included in the annexure to the auditor's report.

Report on the audit of the annual performance report

Introduction and scope

10. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected objectives presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
11. My procedures address the reported performance information, which must be based on the approved performance planning documents of the public entity. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
12. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected objectives presented in the annual performance report of the public entity for the year ended 31 March 2017:

Objectives	Pages in the annual performance report
Programme 2: Markets and Economic Research Centre	31 – 33
Programme 3: Statutory Measures	34
Programme 5: Agribusiness Development	36

13. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
14. I did not identify any material findings on the usefulness and reliability of the reported performance information for the following objectives:
 - Programme 2: Markets and Economic Research Centre on pages 31 to 33
 - Programme 3: Statutory Measures on page 34
 - Programme 5: Agribusiness Development on pages 36

Other matter

15. I draw attention to the matter below. My opinions are not modified in respect of this matter.
Achievement of Planned Targets
16. Refer to the annual performance report on page(s) 28 to 36; for information on the achievement of planned targets for the year and explanations provided for the under/overachievement of a number of targets.

Report on audit of compliance with legislation

Introduction and scope

17. In accordance with the PAA and the general notice issued in terms thereof I have a responsibility to report material findings on the compliance of the public entity with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
18. I did not identify any instances of material non-compliance with selected specific requirements of applicable legislation, as set out in the general notice issued in terms of the PAA.

Other information

19. The NAMC's accounting authority is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report thereon and those selected objectives presented in the annual performance report that have been specifically reported on in the auditor's report.
20. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

21. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected objectives presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed on the other information obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact.

22. I have nothing to report in this regard

Internal control deficiencies

23. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. I did not identify any significant deficiencies in internal control.]

Auditor-General -



A U D I T O R - G E N E R A L
S O U T H A F R I C A

Auditing to build public confidence

Annexure – Auditor-general’s responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected objectives and on the public entity’s compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in the auditor’s report, I also:
 - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity’s internal control.
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting authority.
 - conclude on the appropriateness of the accounting authority’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the NAMC’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of the auditor’s report. However, future events or conditions may cause a public entity to cease to continue as a going concern.
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

3. I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting authority that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and here applicable, related safeguards.

Report of the Chief Executive Officer

1. Financial Overview of the Business and Operations

1.1 Namc Funding and Financial Performance

The NAMC received funding of R 35 million from the Department of Agriculture, Forestry and Fisheries during the period under review, whilst other income amounted to R38,5 million, management fee of R1,8 million and interest generated amounted to R4,9 million. Total expenditure amounted to R80,2 million.

1.2 Statement of Financial Position as at 31 March 2017

The financial position of the NAMC as at 31 March 2017 is as follows:

- Total assets increased by 4%, due to additional non-current assets purchased, increase in inventory on hand as at 31 March 2017
- Total liabilities increased by 5% due to the amount of revenue deferred relating to sponsorship projects.

1.3 Cash-Flow

The NAMC's cash position as at 31 March 2017 was R75,7 million. This entails unutilised sponsorship funding relating to projects as disclosed under note 18 of the annual financial statements.

1.4 BUDGET VS ACTUAL FOR THE PERIOD APRIL 2016 – MARCH 2017

Description	Final budget	Actual amounts on a comparable basis	% of actual against budget	Notes
	R'000	R'000	%	
Revenue				1.4.1(a)
Grant received	35 005	35 005	100%	
Other income and sponsorship income recognised	-	38 477	100%	
Management fee	-	1 750	100%	
Interest received	1 500	4 926	-228%	
Total revenue	36 505	80 157	120%	
Expenses				
Personnel expenditure: (Excl. NRM DP)	24 762	29 249	-18%	1.4.1(b)
Personnel expenditure (NRM DP project)		6 389	100%	1.4.1(b)
Administration expenses (Excl. projects)	7 376	4 279	42%	1.4.1(c)
Administration expenses (Projects)		1 069	100%	
Operating expenses (Excl. projects)	2 119	9 779	-361%	1.4.1(d)
Operating expenses (Projects)		25 765	100%	
Depreciation & amortisation	711	3 674	-417%	1.4.1(e)
Finance costs	37	15	58%	
Total expenses	35 005	80 218	-129%	

1.4.1 Narrations on Actual against budget

a) Revenue

An increase in total revenue of R43,7 million mainly relates to:

- R37 million received and utilised for sponsorship projects as disclosed under note 18 of the financial statements and new contracts signed for NAMC to provide services which were completed in the current financial year for an amount of R1,5 million,
- An increase in interest of R3,4 million was generated from investment of surplus funds;
- R1,8 million for management fee on projects.

b) Personnel expenses

An unfavourable variance of (18%) is as a result of salaries for interns and performance bonuses.

The intern's salaries were paid through AgriSeta funding and performance bonus which were funded through management fee on projects and interest from investments.

Disclosed separately is the amount of personnel expenditure which relates to National Red Meat Development Project.

c) Administration Expenses

A favourable variance of 42% is as a result of decrease in internal audit fees, Audit committee fees and training and development as some of the training were paid for through Agrisetat funding. Other variance is as a result of the allocation between operational and administration expenditure in terms of the expenditure on travel and accommodations, as per the MTEF budget allocations.

d) Operating expenses

The operating expenditure shows a variance percentage of (361%), this reflects an over expenditure on the total budget allocated as a result of increase in rental of office space. Other income which includes interest and management fee as disclosed under note 3 of the annual financial statements was generated and financed this over-expenditure.

Disclosed separately is the amount of operating expenses which relates to sponsored projects.

e) Depreciation & amortisation

A variance of (417%) on depreciation and amortisation due to the increase in the number of assets acquired for National Red Meat Development Project.

2. UTILISATION OF SPONSORSHIP FUNDING

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

Name of project	Opening balance R'000	Amount received/receivable R'000	Amount Utilised R'000	Closing balance R'000
Strategic Infrastructure Project: Sip 11	1 507	-	946	561
Vineyard Development Scheme	13 349	32 517	41 179	4 687
Supply Chain Logistic Programme (Western Cape)	477	500	513	464
National Red Meat Development Project	19 221	25 405	30 563	14 063
Agricultural Information Management System: (AIMS)	37 398	9 000	171	46 227
Agricultural Sector Education, Training Authority (AgriSeta)	617	978	1 592	3
Smallholder Farming in Agro-processing industry	400	250	110	540
Australian Centre for International Agricultural Research (ACIAR)	-	942	33	909
Ceres Abattoir project	-	6 000	17	5 983
Operation Phakisa	-	3 058	2 841	217
Food and Agriculture Organisation of the United Nations (FAO)	-	217	202	15
The Maize Meat Hub Feedlot project	-	4 930	-	4 930
Total	72 969	83 797	78 168	78 598

a) Strategic Infrastructure Project: SIP 11

An amount of R1,5 million was deferred to the statement of financial position during the previous financial year 2015/16. The funding was provided by Department of Agriculture Forestry and Fisheries for the implementation of the Strategic Infrastructure Project. An amount of R946 thousand was utilised. The balance of R561 thousand was deferred to the statement of financial position.

b) Vineyard Development Scheme project

An amount of R13,3 million was deferred to the statement of financial position in 2015/16 financial year, an additional amount of R32,4 million was received from Northern Cape Department of Agriculture, Land Reform and Rural Development, for the purpose of facilitating the implementation of the Vine Yard Development Scheme in the Northern Cape Province.

Interest amounting to R112 thousand was generated from the investment of surplus fund for Vineyard Development Scheme.

An amount of R41,1 million was utilised, and the balance of R4,7 million was deferred to the statement of financial position.

c) Supply Chain Logistic Programme: Western Cape Department of Agriculture

An amount of R477 thousand was deferred to the statement of financial position in 2015/16 financial year an additional amount of R500 Thousand was received, these funds were received for the purpose of implementing the Southern Africa Development Community Supply Chain & Logistics Development programme.

An amount of R513 thousand was utilised. The balance of R464 thousand was deferred to the statement of financial position.

d) National Red Meat Development Project

An amount of R19,2 million was deferred to the statement of financial position in 2015/16 financial year, these funds were received for the development of Red Meat Production Centres in nine (9) provinces. An amount of R25,4 million was received from the Department of Rural Development

An amount of R30,6 million was utilised, and the balance of R14,0 million was deferred to the statement of financial position.

e) Agricultural Information Marketing System: (AIMS)

An amount of R37,4 million was deferred to the statement of financial position in 2015/16 financial year; an additional amount of R9 million was received, these funds were received to implement the National roll-out of Agricultural Information Marketing System.

An amount of R171 thousand was utilised and the balance of R46,2 million was deferred to the statement of financial position.

f) Agricultural Sector, Education Training Authority (AgriSeta)

An amount of R617 thousand was deferred to the statement of financial position in 2015/16 financial year, an additional amount of R978 thousand was received from AgriSeta for bursaries and internship for 2016/17 financial year.

An amount of R1,592,000 was utilised and the balance of R3 thousand was deferred to the statement of financial position.

g) Smallholder Farming in Agro-processing industry

An amount of R400 thousand was deferred to the statement of financial position in 2015/16 financial year, these funds were received from Gauteng Department of Agriculture and Rural Development to conduct research on meaningful economic contribution of smallholder farmers in Gauteng province, promotion of gender and youth participation in Agro-processing and provide sustainable socio-economic benefits.

An additional amount of R250 thousand was received during the period under review.

An amount of R110 thousand had been utilised and the balance of R540 thousand was deferred to the statement of financial position.

h) Australian Centre for International Agricultural Research (ACIAR)

An amount of R942 thousand was received from Department of Agriculture, Forestry and Fisheries, to identify, modify and develop a wider range of market systems and value chains available for small scale and emerging beef farmers in South Africa.

An amount of R33 thousand had been utilised and the balance of R909 thousand was deferred to the statement of financial position.

i) Ceres Abattoir project

The Department of Rural Development and Land Reform has appointed NAMC for governance, implementation, formal structuring and mentoring of beneficiaries as well as to give advice on how improvement of livestock should be undertaken, the Ceres Abattoir project is implemented in the Western Cape.

An amount of R6 million was received towards the end of the current financial year, an amount of R17 thousand had been utilised and the balance of R5,983,000 was deferred to the statement of financial position.

j) Operation Phakisa

The Operation Phakisa: Agriculture and Land Reform platform is aimed at generating consensus around the challenges facing the agricultural sector and finding lasting solutions in line with the country's long-term vision as articulated in the National Development Plan: Vision 2030.

It is supported by knowledge and information generated through research. Hence the Department of Agriculture, Forestry and Fisheries (DAFF) commissioned the National Agricultural Marketing Council (NAMC) to undertake the research to support Operation Phakisa: Agriculture and Land Reform over a six-month period from September 2016 to February 2017.

An amount of R3,1 million was received for the implementation of this project, an amount of R2,8 million had been utilised and the balance of R217 thousand was deferred to the statement of financial position.

k) Food and Agriculture Organisation of the United Nations (FAO)

The NAMC entered into a service level agreement with FAO for:

- conducting of a study to ascertain availability of agricultural inputs in South Africa for export to other countries in the region;
- ascertaining the capacity of drought affected vulnerable communities and households in Swaziland to timely access inputs, given the eroding impact of the El Nino drought on farmers.

An amount of R217 thousand was received for the implementation of this project, an amount of R202 thousand had been utilised and the balance of R15 thousand was deferred to the statement of financial position.

l) The Maize Meat Hub Feedlot project

The Department of Rural Development and Land Reform has appointed NAMC to manage the construction of the Maize Meat Hub Feedlot in Elundini Local Municipality.

An amount of R4,9 million has been received towards the end of the financial year for the implementation of this project and as at 31 March 2017, no project expenditure was incurred. The total amount received was deferred to the statement of financial position.

3. EVENTS AFTER THE REPORTING DATE

See note 33 of the annual financial statements.

4. MATERIALITY FRAMEWORK

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

5. GOING CONCERN

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

6. ANNUAL FINANCIAL STATEMENTS

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

To the best of my knowledge, all representations made in the annual financial statements are appropriate and valid.

7. CORPORATE GOVERNANCE

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

In the governance of the NAMC, the Council is responsible for policy making and control, while the CEO has been delegated the responsibility of the day to day execution of the policies and objectives as directed by the Council. The members of the Council are appointed by the Minister of Agriculture,

Forestry and Fisheries on the basis of their expertise in the field of agriculture, business, financial management and research.

7.1. Governance Structures

In order to comply with these principles, the Council has and continues to design and implement appropriate governance structures across the organisation. The Council acknowledges that, for it to set up an effective governance framework, robust governance structures need to be in place.

The following Council Committees were functional as at 31 March 2017, their respective terms of reference are outlined in the form of Committee charters:

- Audit and Risk Committee;
- Human Resources and Remuneration Committee.

7.2. The Role Of Governance Committees

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

7.2.1 Risk Management

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

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

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

The risk management committee continued to function during the period under review. The Audit & Risk Committee has been assigned to play an oversight role in the enterprise-wide risk management activities.

7.2.2 Internal Control

The Council has the ultimate responsibility for establishing a framework for internal controls, including an appropriate procurement and provisioning system. This function is delegated to the executive management to ensure that the strategic risks in particular are properly managed.

The controls throughout the entity focus on the critical risk areas identified and confirmed by management. The Council relies on the Audit & Risk Committee, Risk Management Committee and Internal Auditors to monitor and report on the status of internal control at NAMC.

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

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

7.2.3. Internal Audit

As from 01 August 2015, the internal audit is outsourced to Nexia SAB & T for a period of three (3) years. In line with the PFMA requirements, the internal auditor's objectives are to provide the Audit and Risk Committee and management with objective assurance that the internal controls are appropriate and effective. This is achieved by means of an objective appraisal and evaluation of the risk management processes, internal controls and governance processes, as well as identifying corrective action and suggested enhancements to the controls and processes.

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

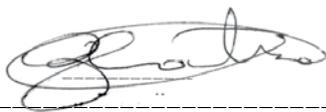
During the period under review, the internal auditors conducted IT General Control Review audit, Project management audit, Supply chain management review, Audit on Predetermined objectives, follow-up on prior year audit findings and follow-up on Anti-fraud and corruption audit, of which the results were reported to the Audit and Risk Committee. Internal audit findings were reported during the assessments and the recommendations by internal auditors were implemented.

7.2.4 Compliance With Laws And Regulations

The NAMC has established and implemented various policies to consider compliance with applicable laws and regulations on a regular basis.

7.2.5 Code Of Conduct

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



Acting Chief Executive Officer

Mr. ZW Xalisa

Statement of Responsibility

For the year ended 31 March 2017

The Accounting Authority is responsible for the preparation, integrity and fair presentation of the financial statements of the National Agricultural Marketing Council. The annual financial statements presented on pages 13 to 54 have been prepared in accordance with the South African Statements of Generally Recognised Accounting Practice (GRAP), including any interpretations, guidelines and directives issued by the Accounting Standards Board, and include amounts based on judgements and estimates made by management. The Accounting Authority also prepared the other information included in the annual report and is responsible for both its accuracy and its consistency with the financial statements.

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

The annual financial statements were approved and signed by the Accounting Authority on the 31 July 2017.



Chairperson of Council

Prof. PK Chauke

Statement of Financial Position

as at 31 March 2017

		2017	2016
	Notes	R'000	R'000
ASSETS			
Non-current assets		7 214	6 370
Property, plant and equipment	11	6 606	5 994
Intangible assets	12	358	125
Rental Deposit	14	251	251
Current assets		78 677	76 006
Inventory	13	2 505	1 281
Receivables from non- exchange transactions	14	384	7 779
Receivables from exchange transactions	14	121	11
Cash and cash equivalent	15	75 666	66 935
Total assets		85 892	82 376

Statement of Financial Position

as at 31 March 2017

		2017	2016
	Notes	R'000	R'000
LIABILITIES			
Non-current liabilities		41 290	11
Finance lease liability	16	63	11
Deferred liability	18	41 227	-
Current liabilities		40 567	78 270
Finance lease liability	16	49	80
Payables from exchange transactions	17	3 051	5 163
Deferred liability	18	37 371	72 968
Operating lease liability	20	96	59
Total liabilities		81 858	78 281
Total net assets		4 034	4 095
NET ASSETS			
Reserves			
Accumulated surplus		4 034	4 095
Net assets		4 034	4 095

Statement of Financial Performance

For the period ended 31 March 2017

		2017	2016
	Notes	R'000	R'000
Revenue		80 157	62 136
Non-exchange revenue	2	73 482	58 444
Exchange revenue	3	6 675	3 692
Expenses		79 377	61 605
Administrative expenses	4	5 347	4 436
Personnel expenditure	5, 9 & 10	35 638	29 727
Operating expenses	6	34 702	25 596
Depreciation and amortisation	7	3 674	1 832
Finance cost	8	15	14
Loss on disposal of property, plant & equipment		(74)	(7)
Asset transferred		(534)	-
Impairment loss on property, plant & equipment		(227)	-
Impairment loss on inventory		(6)	-
(Deficit)/Surplus for the year		(61)	524
(Deficit)/ Surplus for the year attributable to owners of the controlling entity		(61)	524
(Deficit)/ Surplus for the year		(61)	524

Statement of Changes in Net Assets

For the period ended 31 March 2017

		Accumulated surplus
	Notes	R'000
Balance as at 1 April 2015		3 571
Surplus for the year 2016		1 753
Prior period error	27	(1 229)
Accumulated surplus as at 31 March 2016 (Restated)		4 095
Deficit for the year as at 31 March 2017		(61)
Closing balance as at end of March 2017		4 034

Cash Flow Statement

For the period ended 31 March 2017

		2017	2016
	Notes	R'000	R'000
Cash flow from operating activities			
Cash receipts		128 077	112 058
Grants and transfers	2	35 005	34 635
Project receipts		91 650	75 936
Other receipts		1 422	1 487
Cash paid to suppliers and employees			
Employee costs		(118 896)	(82 949)
Project Employee costs		(29 249)	(25 927)
Suppliers payments (Project)		(6 389)	(3 541)
Suppliers		(71 576)	(49 249)
Suppliers		(11 682)	(4 232)
Cash generated from operations	19	9 181	29 109
Interest received	3	4 757	2 841
Net cash flows from operating activities		13 938	31 950
Cash flow from investing activities			
Proceeds on disposal assets		10	7
Acquisition of property plant and equipment	11	(4 748)	(1 288)
Acquisition of intangible assets		(329)	(93)
Net cash flows from investing activities		(5 067)	(1 374)
Cash flows from financing activities			
Finance lease payments		(125)	(148)
Finance costs	8	(15)	(14)
Net cash flows from financing activities		(140)	(162)
Net increase/(decrease) in cash and cash equivalents		8 731	30 414
Cash and cash equivalents at the beginning of the year	15	66 935	36 521
Cash and cash equivalents at end of year	15	75 666	66 935

Statement of comparison of budget and actual amounts

For the period ended 31 March 2017

Description	Approved budget	Adjustments	Final budget	Actual amounts on a comparable basis	Difference between final budget and actual	Var. %	References
	R'000	R'000	R'000	R'000	R'000		
Revenue							
Grant received	35 005	-	35 005	35 005	-	-	
Other income		-	-	38 477	(38 477)	100	
Management fee				1 750	(1 750)	100	
Interest received	1 500	-	1 500	4 926	(3 426)	-228%	
Total revenue	36 505	-	36 505	80 157	43 652	120	25.1.A
Expenses							
Personnel expenditure	24 762		24 762	29 249	(4 487)	-18%	25.1.B
Personnel expenditure (NRMDP Project)	-		-	6 389	(6 389)	100	25.1.B
Administration expenses	7 376		7 376	4 279	3 097	42%	25.1.C
Administration expenses (Projects)	-		-	1 069	(1 069)	100	25.1.C
Operating expenses	2 119		2 119	9 779	(7 660)	-361%	25.1.D
Operating expenses (Projects)	-	-	-	25 765	(25 765)	100	25.1.D
Depreciation & Amortisation	711		711	3 674	(2 963)	-417%	25.1.E
Finance cost	37		37	15	22	58%	
Total expenses	35 005	-	35 005	80 218	(45 213)	(129)	
Surplus/(deficit) for the period	1 500	-	1 500	(61)	1 561	11	

Accounting Policies

For the year ended 31 March 2017

1. Accounting Policies

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

1.1 Reporting institution

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

1.2 Functional and presentation currency

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

1.3 Basis of preparation

The financial statements have been prepared in accordance with Section 55(1) of the Public Finance Management Act, (Act No 1 of 1999) and the Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

1.4 Use of estimates and judgements

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

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

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

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

Accounting Policies

For the year ended 31 March 2017

Trade and other receivables

The NAMC assesses its trade receivables and other receivables for impairment at each reporting date. In determining whether an impairment loss should be recorded in surplus or deficit, the NAMC makes judgments as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset. The impairment for trade and other receivables is calculated on a portfolio basis and all debts over three months old, where payments are not being received, are impaired.

Useful lives of property, plant and equipment, and intangible assets

The NAMC determines the estimated useful lives and related depreciation charges for property, plant and equipment, and intangible assets. This estimate is based on the condition and use of the individual assets in order to determine the remaining period over which the asset can and will be used.

1.5 Revenue recognition

Revenue is recognised when it is probable that future economic benefits or service potential will flow to the entity and these benefits can be measured reliably.

Revenue from exchange transactions

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished and directly gives approximate equal value primarily in the form of goods, services or use of assets or services to the other party in exchange. The entity revenue from exchange transactions comprises of interest generated from investments and management fee. The management fee recognised in the statement of financial performance is based on the stage of completion of the project, that is, project cost incurred to date as a percentage of total project cost multiplied by the total management fee.

Measurement

Revenue from exchange transaction is measured at the fair value of the consideration received or receivable. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Interest income

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

Accounting Policies

For the year ended 31 March 2017

Revenue from non-exchange transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Recognition

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset and there is not a corresponding liability in respect to the related conditions.

Measurement

Revenue from non-exchange transactions are measured at the cost of asset received, less the amount of any liabilities that are also recognised due to conditions that must still be satisfied.

Where there are conditions attached to a grant, transfer or donation that gave rise to a liability at initial recognition, that liability is transferred to revenue as and when the conditions attached to the grant are met.

Grants without any conditions attached are recognised in full when the asset is recognised, at an amount equalling the cost of the asset received.

Interest earned on investment is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor.

1.6 Finance cost

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

1.7 Irregular, fruitless and wasteful expenditure

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

- The Public Finance Management Act, Act 1 of 1999", or
- Contravention of the entity's supply chain management policy.

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

Accounting Policies

For the year ended 31 March 2017

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

1.8 Property, plant and equipment

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

An item of property, plant and equipment is recognised as an asset if it is probable that economic benefits or service potential associated with the item will flow to the entity and the cost or fair value can be measured reliably. Cost includes expenditure that is directly attributable to bringing asset to the location and condition necessary for it to be capable of operating in a manner intended by management.

Tangible non-current assets are initially recognised as assets on acquisition date and are initially recorded at cost where acquired through exchange transactions.

Tangible non-current assets are measured at cost less any subsequent accumulated depreciation and accumulated impairment losses. These assets are depreciated on the straight-line basis at rates which will result in each asset being written off over its useful life. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the entity will obtain ownership by the end of the lease term, then it is depreciated over its useful life and not the lease term.

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

Residual values

The residual value of an asset is determined as the estimated amount that could currently be obtained from the disposal of assets, after deducting the estimated costs of disposal, if the asset was already at the age and in the condition expected at the end of its useful life.

Depreciation

Depreciation is determined using the straight line method. It is calculated based on the assets' historical cost less residual value, over the useful life of the asset.

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

Accounting Policies

For the year ended 31 March 2017

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

<i>Class</i>	<i>Estimated useful life in years</i>
Office equipment	4 - 12 years
Vehicles	5 - 12 years
Computer Equipment	3 - 12 years
Furniture and Fittings	6 - 13 years
Leased equipment	2- 3 years
Leasehold improvements	3 - 5 years
Farming equipment	3 - 5 years
Project assets	1 - 5 years

Subsequent cost

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

Leasehold improvements are capitalised as the entity controls the assets for the lesser useful life or period of the lease.

Project assets are capitalised for the lesser useful life or the period of the contract.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the assets) is included in the Statement of Financial Performance in the year it is recognised.

1.8.1 Construction Work- in- Progress

Construction Work-in-Progress (WIP) is a non-current asset account in which the costs of constructing long-term assets are recorded. The Construction Work-in-Progress account will have a debit balance and is reported on the statement of financial position as part of the entity's Property, Plant and Equipment.

The construction (WIP) includes materials, labour and overhead costs that are either directly related or allocated to the construction or development of an assets.

Accounting Policies

For the year ended 31 March 2017

The costs of a constructed asset are accumulated in the Construction Work-in-Progress account until the asset is available for use. When the asset is completed and available for use, the account Construction Work-in-Progress will be credited with the accumulated costs of the asset and debited to the appropriate Property, Plant and Equipment account. Depreciation is charged when the asset is available for use. The Construction Work-in-progress is disclosed under note 11 of these financial statements.

1.9 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance.

An intangible asset is recognised when:

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

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

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

Gains and losses on disposal of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible asset, and are recognised within the surplus or deficit. The amortisation period and the amortisation method for intangible assets are reviewed at the end of each reporting period.

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

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

The amortisation of intangible assets is disclosed in the statement of financial performance as part of the depreciation and amortisation line item.

1.10 Impairment

Impairment of cash-generating assets

A cash-generating unit is the smallest identifiable group of assets held with the primary objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets

Accounting Policies

For the year ended 31 March 2017

The entity assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the recoverable amount of the relevant asset is estimated.

A cash-generating asset is impaired when its carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the cash-generating asset's fair value less costs to sell and its value in use.

The recoverable amount is determined for individual assets, unless the asset generates cash inflows that are largely dependent on other assets or groups of assets. In this case the recoverable amount for the cash-generating unit is determined.

Value in use is the present value of the asset's remaining future cash flows that the entity expects to derive from the continuing use of the asset and from its disposal at the end of its useful life. The estimate of these cash flows is based on the asset's current condition, and by applying an appropriate discount rate.

If there is an indication that an individual asset may be impaired, an impairment loss is recognised immediately in surplus and deficit when the asset's recoverable amount is less than the carrying amount. The impairment loss is recognised by reducing the asset's carrying amount to its recoverable amount. The impairment loss is treated as a revaluation decrease. If the cash-generating asset belongs to a cash-generating unit, an impairment loss is recognised for the cash-generating unit if the recoverable amount of the unit is less than its carrying amount.

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

Impairment of non- cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets. At each reporting date, the entity reviews by considering the internal and external factors whether there is an indication that a non- cash generating assets may be impaired. If any such indication exists, the recoverable service amount of the asset is estimated.

A non-cash-generating asset will be impaired when its carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of the non-cash-generating asset's fair value less costs to sell and its value in use.

Accounting Policies

For the year ended 31 March 2017

Value in use is the present value of the asset's remaining service potential. This is determined using one of three approaches: depreciated replacement cost, restoration cost or service units. The choice of the most appropriate approach depends on the availability of data and the nature of the impairment.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable service amount.

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

1.11 Leases

Operating leases as the lessee

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

Finance leases as the lessee

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

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

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

Finance lease liabilities

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

Accounting Policies

For the year ended 31 March 2017

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

1.12 Financial instruments

The entity classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or residual interest in accordance with the substance of the contractual arrangement.

Initial recognition

Financial assets and liabilities are recognised in the statement of financial position only when the entity becomes a party to the contractual provisions of the instrument. Financial instruments are initially recognised at cost and any directly attributable transaction costs.

The entity recognises financial assets using trade date accounting.

Measurement

Financial assets

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

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

Trade and other receivables

Trade and other receivables are measured at cost.

Short term receivables are not to be discounted to present values if the original credit period granted are in line with the public-sector credit period.

Cash and cash equivalents

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

Accounting Policies

For the year ended 31 March 2017

Financial liabilities

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

Trade and other payables

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

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

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

Short-term payables are not discounted to present values if the original credit period granted are in line with the public sector credit period.

Finance income, gains and losses

Finance income is recognised using the effective interest method with gains and losses recognised in the statement of financial performance (surplus or deficit).

Finance income includes interest earned on deposits and short terms investments. Finance cost includes interest on finance lease liabilities.

Method and significant assumptions in determining fair value

Fair values of financial assets, non-financial assets and liabilities have been determined for measurements and / or disclosure purposes based on the methods indicated below. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The carrying amount of cash and cash equivalents approximates fair value due to the relatively short-term maturity of these financial assets.

The fair value of trade and other receivables is calculated as the present value of future cash flows, discounted at a market rate of interest at the reporting date.

Accounting Policies

For the year ended 31 March 2017

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

Offsetting

The entity did not offset financial assets, financial liabilities and revenue and expenses in the statement of financial performance and position.

Derecognition of financial instruments

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

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

1.13 Provisions

A provision is a liability of uncertain timing or amount.

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

Measurement

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date. Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation. Where some or all of the expenditure required to settle provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation. Where discounting is used, the

Accounting Policies

For the year ended 31 March 2017

carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

1.14 Inventories

Initial recognition

Inventories are recognised as an asset if it is probable that future economic benefits or service potential associated with the item will flow to the entity and that the cost of the inventories can be measured reliably.

Measurement at recognition

Inventories that qualify for recognition as assets shall initially be measured at cost. Where inventories are acquired through a non-exchange transaction, shall also be measured at cost as at the date of acquisition.

Measurement after recognition

Inventories shall be measured at the lower of cost and current replacement cost where they are held for:

- Distribution through a non-exchange transaction, or
- Consumption in the production process of goods to be distributed at no charge or for a nominal charge.

The cost of inventories is based on the first-in-first-out (FIFO) principle, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The cost of inventories, shall be assigned using the weighted average cost formula.

1.15 Related parties

The entity operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the national sphere of government are considered to be related parties.

Accounting Policies

For the year ended 31 March 2017

Related party transactions are transactions that involve the transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly. The remuneration of the Council members and senior managers are disclosed under note 9 and 10 of the annual financial statements.

1.16 Commitments

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

Commitments are not recognised in the statement of financial position as a liability and assets but are included in the disclosure notes.

Commitments for the period under review are as disclosed under note 26.

1.17 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events that are beyond the control of the entity.

A contingent liability is a present obligation that arises from past events but is not recognised because:

- It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, or
- The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past event and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

1.18 Employee benefit cost

Short –term employee benefits

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

Accounting Policies

For the year ended 31 March 2017

Post-employment benefits

Defined contribution plan

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

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

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

Accrual for leave pay

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

1.19 Budget information

Budget information in accordance with GRAP 1 and 24, has been provided in a separate statement of comparison of budget and actual amounts and material the budget differences and the basis of budget preparation are as per disclosure note 25 of these annual financial statements.

1.20 Comparative figures

Where necessary comparative figures have been adjusted to conform to changes in the presentation of the period under review. The nature and reason for such reclassifications and restatements are also disclosed under note 28.

1.21 Events after reporting date

Events after the reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The entity adjusts the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

Accounting Policies

For the year ended 31 March 2017

The entity discloses the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.22 Segment reporting

The segment reporting standard requires entities to present more specific and detailed information about the major activities undertaken by an entity during a particular period, along with the resources allocated to those activities, to enable users of the financial statements to evaluate the nature and financial effects of the activities in which it engages and the economic environment in which it operates.

Segments information and reports are disclosed under note 29 of the annual financial statements.

Accounting Policies

For the year ended 31 March 2017

1.23 Effects of new GRAP standards

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

GRAP 32	Service Concession Arrangements: Grantor
GRAP 20	Related party disclosures
GRAP 34	Separate Financial Statements
GRAP 35	Consolidated Financial Statements
GRAP 36	Investments in Associates and Joint Ventures
GRAP 37	Joint Arrangements
GRAP 38	Disclosure of Interests in Other Entities
GRAP 108	Statutory Receivables
GRAP 109	Accounting by Principals and Agents
GRAP 110	Living and Non-living Resources
iGRAP 17	Service Concession arrangements where a Grantor controls a Significant Residual interest in an Asset

The effective date of the above standards is not yet determined by the Minister of Finance. The effect of adopting these GRAP Standards when they become effective is not expected to have a significant impact on the financial statements

Notes to the Financial Statements

For the year ended 31 March 2017

	2017	2016
	R'000	R'000

2. Non-exchange revenue

Department of Agriculture – MTEF allocation	35 005	34 635
Other income/sponsorship utilised	38 477	23 809
Total	73 482	58 444

3. Exchange revenue

Interest held at amortised cost	4 926	2 841
Management fee for rendering of service	1 750	851
Total	6 675	3 692

3.1 Management fee for rendering of service

The amount included in rendering of services arose from exchange transactions of R1,641 000. (2016: R851,000,00) relating to Vine Yard Development Scheme and R109,284. for Operation Phakisa.

4. Administrative expenses

General administrative expenses	633	491
IT costs	1 279	1 215
Audit committee fees	228	340
Audit fees: External	660	534
Bank charges	44	39
Fruitless & Wasteful expenditure	12	-
Internal audit fees	281	370
Promotions and publicity	1	2
Refreshments and catering	113	137
Stationery and printing	811	572
Training and development	1 285	736
Total	5 347	4 436

Notes to the Financial Statements

For the year ended 31 March 2017

	2017	2016
	R'000	R'000

5. Personnel expenditure

Salaries and related costs – non-senior management	23 408	18 296
Basic salaries	18 635	14 180
Performance awards	1 197	1 245
Other non-pensionable allowance	909	621
Leave payments on resignation	30	55
UIF	105	68
Other salary related cost	321	271
Pension	2 211	1 856
Senior management remuneration	11 658	10 852
Council members' remuneration	572	579
Total	35 638	29 727

Notes to the Financial Statements

For the year ended 31 March 2017

	2017	2016
	R'000	R'000
6. Operating expenses		
Communication costs	231	255
Courier and delivery charges	57	20
Computer consumables	8	12
Maintenance, repairs and running costs	119	67
Office Rent	4 443	3 288
- Municipal charges	267	225
- Levy costs	697	455
- Rentals in respect of operating lease	3 479	2 608
Project expenses	24 997	16 307
Research & workshops	2 186	2 638
Section 7 Committees and Consultancy	468	777
Travel and subsistence	2 192	2 232
Total	34 702	25 596
7. Depreciation and amortisation		
Depreciation on property, plant and equipment	3 579	1 786
Amortisation on intangible assets	95	46
Total	3 674	1 832
8. Finance costs		
Finance leases	15	14
Total	15	14

Notes to the Financial Statements

For the year ended 31 March 2017

9. Council members' emoluments

Members Name	2017		2016	
	Fees for services	Other payments	Total amount paid	Total amount paid
	R'000	R'000	R'000	R'000
Mr. A Young	107	1	108	120
Mr. A Hendricks	45	1	46	40
Mr. AM Cronje	-	-	-	31
Dr. JL Purchase	28	-	28	43
Mrs. JM vd Merwe	85	1	86	85
Dr. LL Magingxa (Audit & Risk Committee member)	98	1	99	84
Ms. M Gill	100	1	101	90
Ms TE Zimu (Audit & Risk Committee member)	103	1	104	86
Total	566	6	572	579
Remuneration paid to audit and risk committee members			R'000	R'000
			228	340
Chairperson: P Slack			57	103
Member: AR Ngwenya (Audit & Risk Committee member and Chairperson of Risk Management Committee)			112	139
Member: GR Dinga			59	98

Notes to the Financial Statements

For the year ended 31 March 2017

10. Senior managers' emoluments

Members Name	Basic Salary	Allowances	Performance bonus	Pension contribution payments	UIF	Other	Total amount paid 2017	Total amount paid 2016
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Mr R Ramabulana	1 682	172	385	240	1	-	2 480	2 270
Chief Executive Officer								
Ms F Netili	1 278	-	280	183	1	-	1 742	1 667
Chief Financial Officer								
Mr Schalk Burger	992	-	217	142	1	-	1 352	1 250
Senior Manager – Statutory measures								
Mr Z Xalisa	992	-	132	142	1	-	1 267	1 232
Senior Manager – Agritrust								
Ms V. Nkobi	992	-	217	142	1	-	1 352	1 232
Senior Manager: Human resources								
Dr. S Nggangweni	992	-	217	142	1	-	1 352	1 250
Senior Manager – MERC								
Ms KC Mosoma	992	-	217	142	1	-	1 352	1 250
Senior Manager – Agribusiness Development								
Mr .T Maphathane	558	-	122	80	0	-	760	703
Compliance and Risk Manager								
Total	8 478	172	1 788	1 213	7	-	11 658	10 852

11. Property, Plant and Equipment

2016/17	Balances as at 01 April 2016			Movement for the year					Balances as at 31 March 2017		
	Cost R'000	Accumulated depreciation R'000	Net carrying amount R'000	Additions R'000	Transfer of asset at cost R'000	Impairment loss R'000	Disposal R'000	Depreciation R'000	Gross carrying amount R'000	Accumulated depreciation and impairment R'000	Net carrying amount R'000
Own Assets											
Office Equipment	244	(194)	50	8			2	(18)	227	(189)	38
Vehicles	457	(120)	337	-			-	(55)	458	(175)	283
Computer Equipment	1 541	(940)	601	351			11	(330)	1 634	(1 023)	611
Office Furniture & Fittings	1 020	(696)	324	6			-	(74)	1 028	(773)	255
Farming Equipment	36	(30)	6	-			-	(2)	36	(32)	4
Leased assets											
Leased office equipment	399	(315)	84	145			38	(88)	274	(171)	103
Leasehold improvements	1 263	(1 098)	165	-			-	(94)	1 264	(1 192)	72
Project related assets											
Project assets: NRMDDP	4 901	(1 235)	3 666	3 323			29	(2 918)	8 159	(4 117)	4 042
Project assets: NRMDDP (WIP)	761	-	761	1 198	534	227	534	-	1 198	-	1 198
Total	10 622	(4 628)	5 994	5 031	534	227	614	(3 579)	14 278	(7 672)	6 606

Project assets are assets purchased for the National Red Meat Development project.

Construction Work-in-progress for Tubatse Feedlot in Limpopo province was vandalised and the materials used for constructions were stolen. An amount of R226,979 was written off.

Due to lack of funding from Northern Cape Department of Agriculture, Land Reform & Rural Development, construction materials to the value of R534,255, that was not utilised for the past two financial years (2015/16 and 2016/17), were transferred to GaSegeonyane Farmer's Cooperatives.

Notes to the Financial Statements

For the year ended 31 March 2017

11. Property, Plant and Equipment

2015/16	Balances as at 01 April 2015			Movement for the year				Balances as at 31 March 2016			
	Cost R'000	Accumulated depreciation R'000	Net carrying amount R'000	Additions R'000	Transfer of asset at cost R'000	Impairment loss R'000	Disposal R'000	Depreciation R'000	Gross carrying amount R'000	Accumulated depreciation and impairment R'000	Net carrying amount R'000
Own Assets											
Office Equipment	246	(179)	67	12	-	-	7	(22)	244	(194)	50
Vehicles	458	(47)	411	-	-	-	-	(73)	457	(120)	337
Computer Equipment	1 480	(770)	710	158	-	-	7	(260)	1 541	(940)	601
Office Furniture & Fittings	992	(610)	382	25	-	-	-	(83)	1 020	(696)	324
Farming Equipment	36	(28)	8	-	-	-	-	(2)	36	(30)	6
Leased assets											
Leased office equipment	406	(219)	187	41	-	-	-	(145)	399	(315)	84
Leasehold improvements	1 263	(842)	421	-	-	-	-	(256)	1 263	(1 098)	165
Project related assets											
Project assets: NRM DP	1 902	(290)	1 612	866	2 132	-	-	(945)	4 901	(1 235)	3 666
Project assets: NRM DP (WIP)	2 667	-	2 667	227	(2 132)	-	-	-	761	-	761
Total	9 450	(2 985)	6 465	1 329	-	-	14	(1 786)	10 622	(4 628)	5 994

2016/17

	Balances as at 01 April 2015			Movement for the year				Balances as at 31 March 2016			
	Cost R'000	Accumulated depreciation R'000	Net carrying amount R'000	Additions R'000	Transfer of asset at cost R'000	Impairment loss R'000	Disposal R'000	Amortisation Charge R'000	Gross carrying amount R'000	Accumulated depreciation and impairment R'000	Net carrying amount R'000
Computer software	440	(389)	51	329	-	-	1	(58)	696	(375)	321
Computer software (NRMDP)	89	(15)	74	-	-	-	-	(37)	89	(52)	37
Total	529	(404)	125	329	-	-	1	(95)	785	(427)	358

Intangible assets are not pledged as security for liabilities**12. Intangible assets**

2015/16	Balances as at 01 April 2015			Movement for the year				Balances as at 31 March 2016			
	R'000	R'000	R'000	Additions	Transfer of asset at cost	Impairment loss	Disposal	Amortisation Charge	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
	-	-	-	89	-	-	-	(15)	89	(15)	74
Computer software (NRMDP)											
Total	436	(359)	77	93	-	-	-	(46)	529	(404)	125

Notes to the Financial Statements

For the year ended 31 March 2017

	2017	2016
	R'000	R'000
13. Inventory		
Consumable stores	42	53
Inventory stock on hand (Feed)	2 463	1 228
Total	2 505	1 281

Inventories were not pledged as security.

The amount of any write-down of inventories to current replacement cost and all losses of inventories shall be recognised as an expense in the period in which the write down or loss occurs.

Inventory expenditure recognised in the statement of financial performance	13 603	5 342
--	--------	--------------

14. Receivables from exchange transactions

Prepayments	121	11
Rental deposit (property lease) (classified under non-current assets)	251	251
Total	372	262

14.1 Receivables from non-exchange transactions	384	7 779
The balance of receivables mainly relates to invoice raised for sponsored projects	384	7 779

Accounts receivable Age analysis	2017		2016	
	Gross	Impairment	Net amount outstanding	Net amount outstanding
Not past due	319	-	149	7 779
Past due for less than one month	-	-	-	-
Past due for longer than one month but for less than one year	65	-	65	-
Past due for longer than one year	-	-	-	-
Total	384	-	214	7 779

Notes to the Financial Statements

For the year ended 31 March 2017

	2017	2016
	R'000	R'000
15. Cash and cash equivalents		
Current account and fixed deposits	75 665	66 934
Cash on hand	1	1
Total	75 666	66 935

Cash and cash equivalents comprise cash and short-term highly liquid investments, that are held with registered banking institutions with maturities of three months or less and that are subject to insignificant interest rate risk. The cash held by the entity as at year end relates to unutilised conditional grants as disclosed under note 18 of the annual financial statements.

16. Finance lease liability

Finance lease liability	112	91
Less: Current portion	(49)	(80)
Outstanding balance	63	11

The National Agricultural Marketing Council has during the period under review made a total contribution of R140,000.00 to finance leases as defined in GRAP13.

The finance lease liability for the entity are photocopying machines and cellular phones. At the inception of the lease the interest rate was estimated at the prime rate. The entity leased photocopiers from Minolta and Cellular phone from Vodacom for a period of 36 and 24 months respectively.

Terms and conditions

- i) All the leases are for an agreed period of 24 - 36 months, with an option to renew.
- ii) The photocopiers are installed and then the contract will continue on a monthly basis until the entity decides to terminate the contract with one month's written notice.
- iii) The contract will be renewed for a period of one year if the entity does not give written notice of cancellation of contract.

Reconciliation between the minimum lease payments and the present value:

<i>Minimum lease payments</i>	112	91
Payable not later than 1 year	59	85
Payable later than 1 and not later than 5 years	67	11
Less interest portion	(14)	(5)
 <i>Present value of minimum lease payments</i>	 112	 91
Payable not later than 1 year	49	80
Payable later than 1 and not later than 5 years	63	11

Notes to the Financial Statements

For the year ended 31 March 2017

	2017	2016
	R'000	R'000
17. Payables from exchange transactions		
Trade creditors	2 303	4 656
17.1 Employee benefits due		
Leave accrual	748	507
Total	3 051	5 163

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

18. Deferred liabilities

18.1 Deferred revenue

	2017			
	Opening balance	Amount received/receivable	Amount utilised	Closing balance
Name of project	R'000	R'000	R'000	R'000
Strategic Infrastructure Project: SIP 11	1 507	-	946	561
Supply Chain Logistic Programme (WesternCape)	477	500	513	464
National Red Meat Development Project (NRMDP)	19 221	25 405	30 563	14 063
Agricultural Sector Education, Training Authority (AgriSeta)	617	978	1 592	3
Agricultural Information Management System: (AIMS)	37 398	9 000	171	46 227
Smallholder Farming in Agro-processing industry	400	250	110	540
Ceres abattoir	-	6 000	17	5 983
Operation Phakisa	-	3 058	2 841	217
Food and Agriculture Organisation of the United Nations (FAO)	-	217	202	15
Total	59 619	45 408	36 956	68 072

Notes to the Financial Statements

For the year ended 31 March 2017

18.1 Deferred revenue

Name of project	2016			
	Opening balance	Amount received/receivable	Amount utilised	Closing balance
	R'000	R'000	R'000	R'000
Strategic Infrastructure Project: SIP 11	3 331	1 482	3 306	1 507
Supply Chain Logistic Programme (Western Cape)	74	500	97	477
National Red Meat Development Project (NRM DP)	9 166	27 700	17 645	19 221
Agricultural Sector Education, Training Authority (AgriSeta)	-	1 463	846	617
Agricultural Information Management System: (AIMS)	13 392	24 590	184	37 798
Norms and Standard	111	(100)	12	(1)
Total	26 074	55 635	22 090	59 619

Deferred revenue reflects the amount of income received during the current and previous financial year, but which will be utilised in the subsequent years.

18.2 Agent and principal liability

Nature of the relationship

18.2.1 Vineyard Development scheme

The NAMC has entered into a service level agreement with Northern Cape Department of Agriculture, Land Reform and Rural Development for the purpose of facilitating the implementation of Vine Yard Development Scheme in the Northern Cape. The contract value is R37,150,000. The NAMC act as an agent and the Department is the principal. NAMC will charge R1,857,500 management fee which is 5% of the contract value and only R1,641,000 was utilised and recognised in the statement of financial performance.

18.2.2 Maize Meat Hub Feedlot

The NAMC has entered into a service level agreement with the Department of Rural Development and Land Reform for the management of the construction of the Maize Meat Hub feedlot in Elundini Local Municipality, the contract value is R4,930,000.00. The NAMC act and as an agent and the Department is the principal.

Notes to the Financial Statements

For the year ended 31 March 2017

18.2.3 Australian Centre for International Agricultural Research (ACIAR)

The NAMC has entered into a service level agreement with the Department of Agriculture, Forestry and Fisheries, to identify, modify and develop a wider range of market systems and value chains available for small scale and emerging beef farmers in South Africa. The contract value is R919,000.00. The NAMC act and as an agent and the Department is the principal.

Name of project	2017			
	Opening balance	Amount received/receivable	Amount utilised	Closing balance
	R'000	R'000	R'000	R'000
Vineyard Development Scheme	13 349	32 517	41 179	4 687
Maize Meat Hub Feedlot	-	4 930	-	4 930
Australian Centre for International Agricultural Research (ACIAR)	-	942	33	909
Total	13 349	38 389	41 212	10 526
Total liabilities 2016/17				78 598

Included in the amount received for Vine Yard Development Scheme and ACIAR, is interest of R112,000 (2016: R715,000) and R23,089 generated from investments of surplus funds respectively.

Name of project	2016			
	Opening balance	Amount received/receivable	Amount utilised	Closing balance
	R'000	R'000	R'000	R'000
Vineyard Development Scheme	17 223	27 764	31 638	13 349
Total	17 223	27 764	31 638	13 349
Total liabilities 2015/16				72 968

Notes to the Financial Statements

For the year ended 31 March 2017

	2017	2016
	R'000	R'000
19. Reconciliation of (deficit)/surplus for the year to net cash flows from operating activities		
(Deficit)/Surplus	(61)	524
Adjusted for:		
- Loss on disposal of property, plant & equipment	74	7
- Assets transferred	534	-
- Impairment loss on inventory	6	-
- Impairment loss on property, plant and equipment	227	-
- Amortisation on intangible assets	95	46
- Depreciation on property, plant and equipment	3 579	1 786
- Interest received/receivable	(4 926)	(2 841)
- Finance cost(Finance lease)	15	14
Operating cash flows before working capital changes	(455)	(464)
Working capital changes	9 636	29 573
(Increase)/decrease in receivables from exchange & non-exchange transactions	7 284	(2 755)
(Increase)/decrease in inventories	(1 224)	(1 195)
Increase/(decrease) in payables	3 577	33 523
Net cash utilised in operations	9 181	29 109

Due to lack of funding from Northern Cape Department of Agriculture, Land Reform & Rural Development, construction materials to the value of R534,255. that was not utilised for the past two financial years (2015/16 and 2016/17), were transferred to GaSegonyane Farmer's Cooperatives.

Notes to the Financial Statements

For the year ended 31 March 2017

	2017	2016
	R'000	R'000
20. Operating lease commitment		
Up to 1 year	3 894	916
Between 2 and 5 years	1 302	83
Total	5 196	999

The operating leases for the entity are for office rental and telephone management system with a lease period of 36 months. The escalation rate for rental of office space is 8% p.a. and no escalation clause for the telephone management system.

Operating expenditure recognised in the statement of financial performance on a straight line basis.

Amount accrued to the statement of financial position due to straight-lining

	3 479	2 608
	96	59

Notes to the Financial Statements

For the year ended 31 March 2017

21. Financial instruments

Introduction and overview

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

Risk management

Financial risk management

The entity's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The entity has developed a comprehensive risk strategy in terms of Treasury Regulation 28.1 in order to monitor and control these risks. Internal Audit function reports quarterly to the Audit and Risk Committee, an independent body that monitors risks and policies implemented to mitigate risk exposures. The risk management process relating to each of these risks is discussed under the headings below.

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

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

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

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

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

Notes to the Financial Statements

For the year ended 31 March 2017

		Carrying amount 2017	Carrying amount 2016
	Note	R'000	R'000
Financial assets at amortised cost		76 301	74 965
Cash and cash equivalents	15	75 666	66 935
Receivables	14	635	8 030
Financial liabilities at amortised cost		3 163	5 254
Finance leases	16	112	91
Payables	17	3 051	5 163

Prepayments are excluded from financial instruments in both financial years

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

	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
	R'000	R'000	R'000
2017			
Interest income	4 926	-	4 926
Finance costs	-	(15)	(15)
Total	4 926	(15)	4 910

	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
	R'000	R'000	R'000
2016			
Interest income	2 841	-	2 841
Finance costs	-	(14)	(14)
Total	2 841	(14)	2 827

Notes to the Financial Statements

For the year ended 31 March 2017

Exposure to risks: Credit risk

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

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

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

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

Financial assets at amortised cost

Cash and cash equivalents

Receivables

	Carrying amount 2017 R'000	Carrying amount 2016 R'000
	76 301	74 965
Cash and cash equivalents	75 666	66 935
Receivables	635	8 030

Notes to the Financial Statements

For the year ended 31 March 2017

21. Financial instruments (continued)

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

Exposure to risks: Liquidity risk

The entity minimises this risk by ensuring that enough working capital (cash reserves and short-term receivables) are available to cover its current liabilities through the analysis of the commitments against the cash available in our current and call accounts.

	2017		2016	
	Gross	Impairment	Gross	Impairment
	R'000	R'000	R'000	R'000
Cash and equivalents		-	-	-
Neither past due nor impaired	75 666	-	66 935	-
Receivables		-	-	-
Past due but not impaired	65	-	-	-
Neither past due nor impaired	570	-	8 030	-
Total	76 301	-	74 965	-

The following table provides information regarding the maturity analysis on NAMC's contractual undiscounted cash flows for its payables:

	Carrying amount	Total contractual cash flows	Not later than one year	2-5 years
	R'000	R'000	R'000	R'000
31-Mar-17				
Finance lease liabilities	112	112	49	63
Payables	3 051	3 051	3 051	-
Total	3 163	3 163	3 100	63

Notes to the Financial Statements

For the year ended 31 March 2017

	Carrying amount	Total contractual cash flows	Not later than one year	2-5 years
	R'000	R'000	R'000	R'000
31-Mar-16				
Finance lease liabilities	91	91	80	11
Payables	5 163	5 163	5 163	-
Total	5 254	5 254	5 243	11

Exposure to risk: Market risk

Interest rate risk

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

Concentration of interest rate risk

	2017	2016
	R'000	R'000
Variable rate instruments		
Financial assets	75 666	66 935
Financial liabilities	(112)	(91)
Total	75 554	66 844
Fixed rate instruments		
Financial assets: Accounts receivable	635	8 030
Financial liabilities: Accounts payable	(3 051)	(5 163)
Total	(2 416)	2 867

Notes to the Financial Statements

For the year ended 31 March 2017

21. Financial instruments (continued)

The exposure to the changes in interest rates primarily affects NAMC's current and call accounts and finance lease arrangements.

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

	Change in interest rate	Current balance	Upward change (+1%)	Downward change (-1%)
2017		R'000	R'000	R'000
Net surplus for the year		(61)	696	(818)
Change in net surplus			-1241%	1241%
Cash and cash equivalents	1%	75 666	757	(757)
Net surplus for the year		(61)	(62)	(60)
Change in net surplus			1,84%	-1,84%
Finance lease	1%	112	(1)	1
2016		R'000	R'000	R'000
Net surplus for the year		524	1 193	-145
Change in net surplus			128%	-128%
Cash and cash equivalents	1%	66 935	669	(669)
Net surplus for the year		524	523	525
Change in net surplus			-0,17%	0,17%
Finance lease	1%	91	(1)	1

The upward and downward effect of the % change in interest rate would be immaterial and not bear a significant effect on the financial position. Reference has been made to the changes in prime rate.

Notes to the Financial Statements

For the year ended 31 March 2017

	2017	2016
	R'000	R'000

22. Tax exemption

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

23. Related parties

Parties related to National Agricultural Marketing Council:

Relationship	Name of related party
Executive Managers	
Controlling entity	Department of Agriculture, Forestry and Fisheries
National department - (under common control with controlling entity)	Department of Rural Development and Land Reform
Land and Agricultural Bank of South Africa (under common control with NAMC)	Land and Agricultural Bank of South Africa

During the year, the entity in the ordinary course of business entered into various transactions with related parties. Transactions entered into and balances outstanding between these parties are as follows:

Related transactions

Department of Agriculture, Forestry and Fisheries - Grant	35 005	34 635
Department of Agriculture, Forestry and Fisheries -Strategic Infrastructure Project, Operation Phakisa and ACIAR.	3 821	3 218
Department of Rural Development and Land Reform- National Redmeat Development, Ceres abattoir and Maize Hub Project	30 580	19 173
Land and Agricultural Bank of South Africa	-	50
Agricultural Research Council (ARC)	-	750

The transaction with related party transactions indicate the amounts utilised from grants from related parties during 2016/17.

69 406

57 826

Key management personnel: refer to note 9 & 10 of the financial statements

Notes to the Financial Statements

For the year ended 31 March 2017

	2017	2016
	R'000	R'000
Related parties balances		
Department of Agriculture, Forestry and Fisheries -Strategic Infrastructure Project, Operation Phakisa and ACIAR	1 686	1 506
Department of Rural Development and Land Reform,	24 976	10 673
The balances on related parties indicates the conditional grants remaining to be utilised during the financial year 2017/18. The balances disclosed are interest free and not secured.	26 662	12 179

24. Significant estimates and judgement made by management

Estimates and judgements are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

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

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

24.1 Change in accounting estimates

During the current period management have reviewed the useful lives and residual values of the entity's property, plant and equipment and have restated the depreciation figures prospectively. The effect of this review has decreased the annual depreciation charges for the current and future periods by R59,230.

Notes to the Financial Statements

For the year ended 31 March 2017

25. Budget differences

25.1 Material differences between budget and actual amounts

A. Revenue

An increase in total revenue of R43,7 million mainly relates to R37 million received and utilised for sponsorship projects as disclosed under note 18 of the financial statements, and new contracts signed for NAMC to provide services which were completed in the current financial year for an amount of R1,5 million, an increase in interest of R3,4 million was generated from investment of surplus funds and R1,8 million for management fee on projects.

B. Personnel expenditure

An unfavourable variance of (18%) is as a result of salaries for interns and performance bonuses. The intern's salaries were paid through AgriSeta funding and performance bonus which were funded through management fee on projects and interest from investments. Disclosed separately is the amount of personnel expenditure which relates to National Red Meat Development Project.

C. Administration expenses

A favourable variance of 42% is as a result of decrease in internal audit fees, Audit committee fees and training and development as some of the training were paid for through Agriseta funding. Other variance is as a result of the allocation between operational and administration expenditure in terms of the expenditure on travel and accommodations, as per the MTEF budget allocations.

D. Operating expenses

The operating expenditure shows a variance percentage of (361%), on the total budget allocated as a result of increase in rental of office space. Other income which includes interest and management fee as disclosed under note 3 of the annual financial statements was generated to finance this over-expenditure. Disclosed separately is the amount of operating expenses which relates to sponsored projects.

Notes to the Financial Statements

For the year ended 31 March 2017

E. Depreciation

A variance of (417%) on depreciation and amortisation due to the increase in the number of assets purchased for National Red Meat Development Project, which is not budgeted for as it relates to project.

25.2 Budget and the actual amounts basis of preparation and presentation

The budget is approved on an accrual basis by nature of classification. The approved budget covers the period from 1 April 2016 to 31 March 2017. Which is based on the MTEF budget allocation that is published on the Estimation of National Expenditure by National Treasury every year. The project funding is not budgeted for, however a separate budget control to track expenditure against the actual funding received is in place. The budget and annual financial statements are both on the accrual basis. The financial statements are prepared using classification on the nature of expenses in the statement of financial performance. The difference between approved and final budget is due to reallocation between various programmes and line items within the programmes.

Notes to the Financial Statements

For the year ended 31 March 2017

26. Commitments

26.1 Capital commitments

There were no capital commitments made as at year end.

27. Prior period error

27.1 Project accrual

Nature of prior period error

The correction of prior period error relates to the incorrect recognition of expenditure for National Red Meat Development Project for an amount of R298 440. An accrual was raised prior to performance by the service provider. The goods were delivered in April 2016.

The effect of the prior period error is as follows:

The impact in accumulated surplus as at 31 March 2017

Statement of financial position

		2017
		R'000
Decrease in accrual	Note 15	299
Increase in deferred revenue	Note 18	(299)

The impact in accumulated surplus as at 31 March 2016

Statement of financial performance

		2016
		R'000
Decrease in revenue		299
Decrease in operating expenses	Note 6	(299)

Statement of financial position

Decrease in accrual	Note 15	299
Increase in deferred revenue	Note 18	(299)

Notes to the Financial Statements

For the year ended 31 March 2017

27.2 Inventory

Nature of prior period error

The correction of prior period error relates to the inventory for feed bought for the National Red Meat Development Project. As at 31 March 2016 inventory to the value of R1,228,630 was incorrectly recognised as income and the deferred revenue was reduced by the same amount. This was supposed to be recognised as revenue as and when inventory is utilised or expensed.

The effect of the prior period error is as follows:

The impact in accumulated surplus as at 31 March 2017

Statement of financial position		2017
		R'000
Increase/(decrease) in accumulated surplus		(1 229)
Increase/(decrease) in deferred revenue	Note 18.1	1 229
 Statement of financial performance		 2016
The effect of the correction of error is as follows:		
Increase/(decrease) in NRMDP project income	Note 2	1 229
Increase/(decrease) in operating expenses NRMDP	Note 6	(1 229)

Notes to the Financial Statements

For the year ended 31 March 2017

28. Reclassifications

28.1 Deferred revenue

An amount of R400,000.00 for Smallholder farming in agro processing industry was previously included in the closing balance for Agricultural Marketing Information System under deferred revenue instead of being disclosed separately. This has now been disclosed separately under note 18.1 of these annual financial statements.

28.2 Rental deposit

An amount of R251,000.00 for rental deposit was previously classified under current assets instead of being disclosed as non-current assets as the refund of the deposit is not expected to be receivable within the next 12 months.

28.3 Venues and facilities - Office Parking

An amount of R282,000 for office parking previously allocated under Administrative expenditure has now been classified as Operating expenditure due to straightlining of operating lease, which was previously not straight-lined.

28.4 Rental operating leases

An amount of R295,000. for operating costs previously disclosed under levy costs has now been disclosed under the rental operating lease as a result of straightlining of operating leases.

29. Segment reporting

29.1 Measurement of segment surplus or deficit, assets and liabilities

The accounting policies of the segments are the same as those described in the summary of significant accounting policies.

Notes to the Financial Statements

For the year ended 31 March 2017

29.2 Segment information

The entity is organised and reports to Accounting Authority and Executive Authority on the basis of five segments. The segments were organised around the type of services they deliver/provide. Management uses these same segments for determining strategic objectives.

Information reported about these segments is used by management as a basis for evaluating the segment's performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

The NAMC's financing (including finance costs and finance income) and revenue from taxes and transfers are allocated to operating segments. Inter-business unit services are not valued and are deemed to have been supplied for no consideration, and are therefore not eliminated. However, the quality of services provided internally is monitored as part of the non-financial service performance information through quarterly performance information reports.

The entity business operations offices are in Pretoria, and with satellite offices for the National Red Meat Development project.

The NAMC has the following five primary reportable segments:

Programme 1: Administration

The purpose of this programme is to provide support services towards achieving internal business excellence within the NAMC. The programme is currently structured in accordance with the following sub- programmes:

Sub Programme 1.1 Office of the Chief Executive Officer

Sub Programme 1.2 Finance & Administration and;

Sub Programme 1.3 Human Resources

Notes to the Financial Statements

For the year ended 31 March 2017

29.2 Segment information (continued)

The segments were aggregated on the basis of services delivered as management considered that the economic characteristics of segments throughout the NAMC were sufficiently similar to warrant aggregation.

Programme 2: Markets and Economic Research Centre (MERC)

The purpose of this programme is to provide quality research to key stakeholders in support of agricultural marketing decision making.

Programme 3: Statutory Measures

The purpose of this programme is to facilitate the process to implement statutory measures in order to promote the efficiency of the marketing of agricultural products.

Programme 4: Agricultural trusts

The purpose of this programme is to provide advisory services relating to trusts to the Minister.

Programme 5: Agri-business Development

The purpose of this programme is to provide development programmes that will link small holder farmers to markets.

Notes to the Financial Statements

For the year ended 31 March 2017

29.2 Segment information (continued)										
2017		Segment surplus or deficit, assets and liabilities								
	ADMINISTRATION	MARKETS AND ECONOMIC RESEARCH CENTRE(MERC)	STATUTORY MEASURES	AGRICULTURAL TRUSTS	AGRI-BUSINESS DEVELOPMENT	ELIMINATIONS	TOTAL			
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
REVENUE										
Revenue from non-exchange transactions	20 059	15 327	2 290	1 500	34 306	-	73 482			
Revenue from exchange transactions	-	109	-	-	1 640	-	1 750			
Inter-segment transfers	-	-	-	-	-	-	-			
Share of surplus of associates	-	-	-	-	-	-	-			
Total segment revenue	20 059	15 436	2 290	1 500	35 947	-	75 231			
EXPENSES										
Salaries & Wages	13 447	9 832	2 588	1 396	8 376	-	35 638			
Depreciation & Amortisation	719	-	-	-	2 955	-	3 674			
Other Expenses	11 947	5 054	261	205	23 424	-	40 891			
Total segment expenses	26 113	14 886	2 849	1 601	34 755	-	80 203			
Total segment surplus	(6 054)	550	(559)	(101)	1 192	-	(4 972)			
Interest revenue	4 926	-	-	-	-	-	4 926			
Interest expense	15	-	-	-	-	-	15			
Unallocated expenses	-	-	-	-	-	-	-			
Surplus for the period	(1 144)	550	(559)	(101)	1 192	-	(61)			

29.2 Segment information (continued)		Segment surplus or deficit, assets and liabilities							
2017	ADMINISTRATION	MARKETS AND ECONOMIC RESEARCH CENTRE(MERC)	STATUTORY MEASURES	AGRICULTURAL TRUSTS	AGRI-BUSINESS DEVELOPMENT	ELIMINATIONS	TOTAL		
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
ASSETS									
Segment assets (tangible assets)	1 366	-	-	-	5 240	-	6 606		
Segment assets (intangible assets)	321	-	-	-	37	-	358		
Receivable from exchange and Non-exchange transactions	545	212	-	-	-	-	757		
Inventory	42	-	-	-	2 463	-	2 505		
Cash and cash equivalent	2 485	54 675	-	-	18 506	-	75 666		
Total assets	4 759	54 887	-	-	26 246	-	85 892		
LIABILITIES									
Other liabilities	597	178	85	18	105	-	983		
Segment liabilities	262	54 727	-	-	25 887	-	80 875		
Total liabilities	859	54 905	85	18	25 992	-	81 858		
OTHER INFORMATION									
Capital expenditure*	839	-	-	-	4 521	-	5 360		
Non-cash items excluding depreciation	74	-	-	-	2 289	-	2 363		
Accrued expense	259	275	-	-	1 743	-	2 277		
Deferred revenue	3	54 452	-	-	24 144	-	78 598		

29.3 Segment information (continued)

Segment surplus or deficit, assets and liabilities							
2016	ADMINISTRATION	MARKETS AND ECONOMIC RESEARCH CENTRE(MERC)	STATUTORY MEASURES	AGRICULTURAL TRUSTS	AGRI-BUSINESS DEVELOPMENT	ELIMINATIONS	TOTAL
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
REVENUE							
Revenue from non-exchange transactions	18 874	15 331	2 092	935	21 214	-	58 446
Revenue from exchange transactions	-	-	-	-	851	-	851
Inter-segment transfers	-	-	-	-	-	-	-
Share of surplus of associates	-	-	-	-	-	-	-
Total segment revenue	18 874	15 331	2 092	935	22 065	-	59 297
EXPENSES							
Salaries & Wages	11 756	8 787	2 267	969	5 948	-	29 727
Depreciation & Amortisation	872	-	-	-	960	-	1 832
Other Expenses	9 512	5 319	127	270	14 813	-	30 041
Total segment expenses	22 140	14 106	2 394	1 239	21 721	-	61 600
Total segment surplus	(3 266)	1 225	(302)	(304)	344	-	(2 303)
Interest revenue	2 841	-	-	-	-	-	2 841
Interest expense	14	-	-	-	-	-	14
Unallocated expenses	-	-	-	-	-	-	-
Surplus for the period	(439)	1 225	(302)	(304)	344	-	524

29.3 Segment information (continued)

Segment surplus or deficit, assets and liabilities							
2016	ADMINISTRATION	MARKETS AND ECONOMIC RESEARCH CENTRE(MERC)	STATUTORY MEASURES	AGRICULTURAL TRUSTS	AGRI-BUSINESS DEVELOPMENT	ELIMINATIONS	TOTAL
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
ASSETS							
Segment assets (tangible assets)	1 567	-	-	-	4 427	-	5 994
Segment assets (intangible assets)	51	-	-	-	74	-	125
Receivable from exchange and Non-exchange transactions	805	-	-	-	7 236	-	8 041
Inventory	53	-	-	-	1 228	-	1 281
Cash and cash equivalent	5 186	39 350	-	-	22 399	-	66 935
Total assets	7 662	39 350	-	-	35 364	-	82 376
LIABILITIES							
Segment liabilities	642	47	10	-	1 327	-	2 026
Other liabilities	338	164	47	32	76	-	657
Other payables from exchange transactions	1 086	39 350	6	7	35 149	-	75 598
Total liabilities	2 066	39 561	63	39	36 552	-	78 281
OTHER INFORMATION							
Capital expenditure*	240	-	-	-	1 481	-	1 721
Non-cash items excluding depreciation	21	-	-	-	-	-	21
Accrued expense	469	45	6	7	2 103	-	2 630
Deferred revenue	617	39 305	-	-	33 046	-	72 968
							-

Notes to the Financial Statements

For the year ended 31 March 2017

30. Contingent liabilities

Categories of contingent liability	Nature of contingent liability	Estimated amount
		2017
		R'000
Claims against NAMC by a service provider, including interests	Breach of contract by NAMC	6 806
Total		6 806

Litigation claim against NAMC by service provider

On the 14th of October 2016, The NAMC received legal summons from the High Court of South Africa (Northern Cape High Court, Kimberly), the matter relates to a service provider (Altivex 731 (Pty) Ltd), who was appointed to provide construction material for Vineyard development project, during 2013/14 financial year. The service provider is suing NAMC for breach of contract.

31. Contingent Assets

31.1 Claims against a service provider by NAMC	Breach of contract by Altivex	3 352
Total Contingent Assets		3 352

Litigation claim against the service provider by NAMC

31.1 The NAMC's annual reporting date is 31 March 2017, and on the 14th of October 2016, The NAMC received legal summons from the High Court of South Africa (Northern Cape High Court, Kimberly), the matter relates to a service provider (Altivex 731 (Pty) Ltd), who was appointed to provide construction material for Vineyard development project, during 2013/14 financial year. The service provider has sued NAMC for breach of contract for an amount of R6,033,866, Interest accrued of R272,000 and legal costs of R500,000.

NAMC in pleading to the particulars of claims of ALTIVEX, made a counterclaim against ALTIVEX 731 (PTY) LTD of an amount of R3,351,566 as per legal opinion. The NAMC's plea and counterclaim has been filed and ALTIVEX 731 is yet to plea to NAMC's counter claim.

The Lawyers are of the opinion that the case is favourable to the NAMC.

Notes to the Financial Statements

For the year ended 31 March 2017

	2017	2016
	R000	R000
32. Fruitless and wasteful expenditure		
Reconciliation of fruitless and wasteful expenditure		
Opening balance -	-	-
Add: Fruitless and wasteful expenditure - current year	12	-
Add: Fruitless and wasteful expenditure - prior year	-	-
Less: Condoned or written off by relevant authority	-	-
Less: Transfer to receivables for recovery	-	-
Fruitless and wasteful expenditure closing balance	12	-

The fruitless and wasteful expenditure relates to the payment of R11,750. made to an incorrect bank account. As at year end the matter was still under investigation.

33. Subsequent event after reporting date

33.1 Litigation claim in respect of unfair dismissal of employee

The NAMC's reporting date is 31 March 2017 and on the 8th of June 2017, As at 31 March 2017, the NAMC disclosed an amount of R500, 000.00 as contingent liability in respect of unfair dismissal of an employee. On the 8th of June 2017 the NAMC received judgement from labour court in favour of NAMC. This is classified as a an Adjusting event as conditions existed at the reporting date relating to this litigation claim.

ANNEXURE A: CONTACT DETAILS

CONTACT DETAILS OF INDUSTRY TRUSTS

Name	Commodities	Contact details	Tel	Fax	E-mail and website
Citrus Industry Trust	Citrus	Dr Konanani Liphadzi Grain Building Agrihub Office Park 477 Witherite Road The Willows, Pretoria, 0040	012 007 1150	012 667 3128	ceo@fruitsa.co.za
Cotton Trust	Cotton	Mr Hennie Bruwer PO Box 912232 SILVERTON 0127	012 8041462	012 804 8616	henniebruwer@cottonsa.org.za
Deciduous Fruit Industry Development Trust	Deciduous fruit	Mr Anton Rabe PO Box 163 PAARL 7620	021 870 2900	021 871 1305	anton@hortgro.co.za
Dry Bean Trust	Dry beans	Mr CF Kleingeld PO Box 15587 PRETORIA 0039	012 808 1660	012 808 1662	marketing@beanseed.co.za http://www.beans.co.za
Lucerne Seed Industry Research and Development Trust	Lucerne	Mr Derick Engelbrecht PO Box 185 OUDTSHOORN 6620	044 272 8991	044 329 2838	lusern@mweb.co.za
Maize Trust	Maize	Mr Leon du Plessis PO Box 74626 Lynnwood Ridge 0040	012 807 3958	012 349 8707	l-lagric@mweb.co.za
Meat Industry Trust	Red meat	Ms Alet Calitz PO Box 36802 MENLOPARK 0102	012 348 7572	012 361 9837	aletd@levyadmin.co.za
Mohair Trust	Mohair	Mr Deon Saayman PO Box 2243 PORT ELIZABETH 6056	041 487 1386	041 487 1336	info@mohair.co.za

CONTACT DETAILS

CONTACT DETAILS OF INDUSTRY TRUSTS

Name	Commodities	Contact details	Tel	Fax	E-mail and website
Oil and Protein Seed Development Trust	Oilseeds	Mr Gerhard Keun PO Box 5562 RIVONIA 2128	011 234 3400	011 234 3402	oliesade@worldonline.co.za
Potato Industry Development Trust	Potatoes	Ms Elsabe Els Private Bag x 135 PRETORIA 0001	012 349 1906	012 325 6102	ggeyer@agric.co.za www.potatoes.co.za
Sorghum Trust	Sorghum	Mr Leon du Plessis PO Box 74626 Lynnwood Ridge 0040	012 807 3958	012 349 8707	l-lagric@mweb.co.za
Winter Cereal Trust	Winter cereals	Dr Simon Letsoalo PO Box 7088 CENTURION 0046	012 663 1660	012 663 3109	wct@grainmilling.co.za
SA Wine Industry Trust	Wine	Mr Charles Erasmus Private Bag x 5034 STELLENBOSCH 7599	021 809 3164	021 889 5900	www.sawit.co.za
Wool Trust	Wool	Mr André van de Venter PO Box 2500 PORT ELIZABETH 6056	041 484 4307	041 484 4309	andre@wooltrust.co.za

CONTACT DETAILS

CONTACT DETAILS OF LEVY ADMINISTRATORS AND TRANSFORMATION MANAGERS

Administering Body	Contact Person	Transformation Manager
Cape Flora SA	Karien Bezuidenhout T 021 870 2900 F 021 870 2915 karien@hortgro.co.za	
Citrus Growers' Association of SA	Mr Justin Chadwick T 031 765 2514 F 031 765 8029 justchad@iafrica.com	Mr Lukhanyo Nkombisa 072 257 8386 lukhanyo@cga.co.za
Cotton SA	Mr Hennie Bruwer T 012 804 1462/7 F 012 804 8616 henniebruwer@cottonsa.org.za	Mr Peter Komane 012 804 1462 082 952 9871 peter.cottonsa@vodamail.co.za
National Lucerne Trust	Mr Derick Engelbrecht T 044 272 8991 F 044 279 2838 lusern1@mweb.co.za	
Milk SA	Mr Nico Fouché T 012 460 7312 F 012 460 9909 nico@milksa.co.za	Mr Godfrey Rathogwa 012 460 7312 082 900 6712 godfrey@milksa.co.za
Fruit Fly	Nando Baard T 021 882 9541 F 086 756 8656 nando@fruitfly.co.za	
HORTGRO	Mr Anton Rabe T 021 870 2900 F 021 870 2915 anton@hortgro.co.za	
Mohair South Africa	Mr Deon Saayman T 041 4871386 F 041 487 1336 deon@mohair.co.za	
SA Macadamia Growers' Association	Mr Barry Christi T 015 306 6240 info@subtrop.co.za	Ms Nomvuyo Matlala 0790419696 0848820763 nomvuyo@subtrop.co.za

CONTACT DETAILS

CONTACT DETAILS OF LEVY ADMINISTRATORS AND TRANSFORMATION MANAGERS

Administering Body	Contact Person	Transformation Manager
SA Olive Industry	Karien Bezuidenhout T 021 870 2900 F 021 870 2915 (F) karien@hortgro.co.za	Mr John Scrimgeour 0218683120 0833815287 buffet@icon.co.za
SA Table Grape Industry	Mr Willem Bestbier T 021 872 1438 F 021 872 4375 rhomona@SATI.co.za	Mr Wilton September T 021 872 1438 F 021 872 4375 wilton@SATI.co.za
Dried Fruit Technical Services	Mr Dappies Smith T 021 870 2925 F 021 871 2192 dappies@dtd.co.za	
SA Cultivar & Technology Agency (SACTA)	Mr Leon du Plessis T 012 807 3958 F 012 349 8707 l-lagric@mweb.co.za	
South African Pecan Producers' Association	Mr Heiko W Meyer T 083 979 6822 F 012 870 2915 admin@sappa.za.org	Mr Andre Coetzee 083 271 6577 andrecoetzee@hortgro.co.za
South African Pork Producers' Organisation	Mr Simon Streicher T 012 361 3920 F 012 361 4069 info@sapork.com	Ms Kgadi Senyatsi T 012 361 3920 / 012 361 3943 073 861 3588 F 012 361 4069 kgadi@sapork.com
Pomegranates	Mr Jack Whittle 083 2842363 jwittles@paarlmail.co.za	
Potatoes SA	Dr Andre Jooste T 012 349 1906 F 012 349 2641 elsabe@potatoes.co.za	Mr Nomvula Xaba T 012 349 1906 F 012 349 2641
Red Meat Levy Admin	Ms Alet Calitz T 012 348 7572 F 012 361 9837 aletd@levyadmin.co.za	Ms Michelle de Lange 079 162 6465 manager@rmif.co.za www.redmeatsa.co.za

CONTACT DETAILS

CONTACT DETAILS OF LEVY ADMINISTRATORS AND TRANSFORMATION MANAGERS

Administering Body	Contact Person	Transformation Manager
Sorghum Trust	Mr Leon du Plessis T 012 807 3958 F 012 349 8707 l-lagric@mweb.co.za	
SAGIS (South African Grain Information Service)	Mr Nico Hawkins T 012 941 2050 F 086 543 2639 management@sagis.org.za	
SAWIS	Ms Yvette van der Merwe T 021 807 5719 F 021 807 6000 yvette@sawis. co.za	Wine industry Transformation Committee Mr Gerhard van Wyk gerhard@sawit.co.za
Winter Cereals Trust	Dr Simon Letsoalo T 012 0071200 0743384276 Simon.letsoalo@wctrust.co.za	
WOSA	Ms Siobhan Thompson T 021 883 3860 x 204 F 021 883 3868 sthompson@wosa.co.za	Gerhard van Wyk gerhard@sawit.co.za
Winetech	Mr Gerard Martin T 021 276 0498 F 086 611 7817 Marting@winetech.co.za	Gerhard van Wyk gerhard@sawit.co.za
Cape Wools SA	Mr Louis De Beer T 041 484 4301 F 041 484 6792 capewool@ capewools.co.za	





National Agricultural Marketing Council

Promoting market access for South African agriculture

Contact Details

Private Bag X935, Pretoria, 0001
Block A, 4th Floor, Meintjiesplein Building
536 Francis Baard, Arcadia
Tel: 012 341 1115
Fax: 012 341 1811
Email: info@namc.co.za
Website: www.namc.co.za



9 780621 456790