



National Agricultural Marketing Council

Strategic positioning of South African Agriculture
in dynamic global markets

2008/ 2009

ANNUAL REPORT



RP192/2009

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MISSION

To advise the Minister of Agriculture, Forestry and Fisheries and directly affected groups on all agricultural marketing issues in the agriculture and food industry, taking into account the needs of stakeholders.

VISION

To be an effective and efficient main advisor to the Minister, the Department of Agriculture (DoA) and Industry on the marketing of agricultural products.

VALUES

- To be accountable
- To act with integrity
- To value individual performance
- To value personal respect and equal treatment
- To act in partnership with directly affected groups





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PART 1:

GENERAL INFORMATION



1. SUBMISSION OF THE 2008/09 ANNUAL REPORT TO THE EXECUTIVE AUTHORITY

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

The report covers the operations of the NAMC during the financial year 1 April 2008 to 31 March 2009.

2. LEGISLATIVE MANDATE

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

The mandate as spelled out in the MAPA reads as follows:

- a) 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;
- b) The NAMC shall prepare and submit to the Minister for consideration all statutory measures and changes to statutory measures that the Minister directs it to prepare;
- c) The NAMC shall, whenever requested by the Minister and at least once annually, report on the activities of the Council;
- d) The NAMC 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 may require;

- e) The NAMC may undertake investigations and advise the Minister regarding-
 - i) Agricultural marketing policy and the application thereof;
 - ii) The coordination of agricultural marketing policy in relation to national, economic, social and development policies and international trends and development;
 - iii) The possibilities for promoting the objectives mentioned in section 2(2);
 - iv) The effect that marketing of products has on the objectives mentioned in section 2 (2);
- f) The NAMC 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.

The accountability arrangements of the NAMC to the Minister for Agriculture, Forestry and Fisheries are as follows:

- The Minister, as the Executive Authority of the NAMC, annually approves the Council's budget and business plan before the beginning of each financial year.
- According to section 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 shall submit a three-year strategic plan to the Executive Authority six months before the beginning of each ensuing financial year for its consideration and guidance.
- The NAMC, through submissions and quarterly reports, shall appraise the Minister of progress made on the approved business plan.
- The Council, which is the Accounting Authority of the NAMC, sits at least four times per year to consider its business.

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. The aim of the NAMC is to provide strategic agricultural marketing advice to the Minister 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 MAPA, which are to:

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

4. MESSAGE FROM THE CHAIRPERSON



The year 2008/9 will be remembered as the year that the country witnessed unprecedented levels of food price increases and input cost hikes. The NAMC mandate came to the fore as Government grappled with solutions to these challenges.

The National Agricultural Marketing Council continues to monitor urban and rural food prices. This information was particularly useful to many stakeholders over the past year to inform the debates and policy decisions pertaining to high food prices. In addition, the availability of this information also allows for the opportunity to properly engage with stakeholders in the agro-food chain and to investigate and understand business practises in the agro-food chains in South Africa. The NAMC also produced briefing documents for the Food Price Summit in Polokwane, as well as for the Inter-Ministerial Committee on food prices that was responsible to design interventions to address the impact of high food prices on especially the poor and vulnerable people in South Africa. The monthly TradeProbe in collaboration with the

Directorate International trade in the Department of Agriculture provides the gateway to disseminate information on agricultural trade related issues and discussions on potential markets for South African agricultural products.

The Marketing of Agricultural Products Act of 1996 makes provision for the introduction of statutory measures. There are currently 12 agricultural industries that are making use of statutory levies, while 17 industries make use of statutory measures relating to records & returns and to registration. In the 2007/08 financial year, an amount of approximately R222 million was collected via statutory levies. Of these funds, 32 % was used to finance research projects, 23 % was used for transformation projects, 17 % was used for the information function and 12 % was used for export promotion.

The NAMC facilitated two structured training courses for the emerging producers. The first training course was specifically targeting women entrepreneurs. The objective of the training course was to capacitate agribusinesses owned by women through marketing, financial and strategic management training skills. The second training course targeted commercial African producers from several African countries. The NAMC in collaboration with Markets Matter Inc. and Cornell University facilitated a training course for over 70 agribusinesses from all over Africa to attend.

On 18 April 2008 the Minister gave the NAMC a mandate to manage the reporting process between the Minister and ministerial trustees. In order to facilitate this process, the NAMC has established an agricultural trusts dedicated desk at the NAMC to service ministerial trustees. There are 13 trusts and in total 89 trustees of which 32 are ministerial trustees.

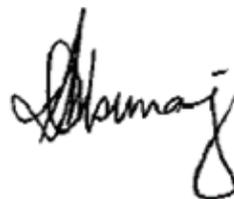
With regard to the Annual Financial Statements the NAMC had an unqualified audit report.

THE WAY FORWARD

The NAMC intends to ensure partnerships that add substance to human capital within the Council, investing in research capacity while ensuring gender balance. The NAMC would like to see a deepening of its mandate to better address current challenges within the sector, including appropriate market development.

A WORD OF THANKS

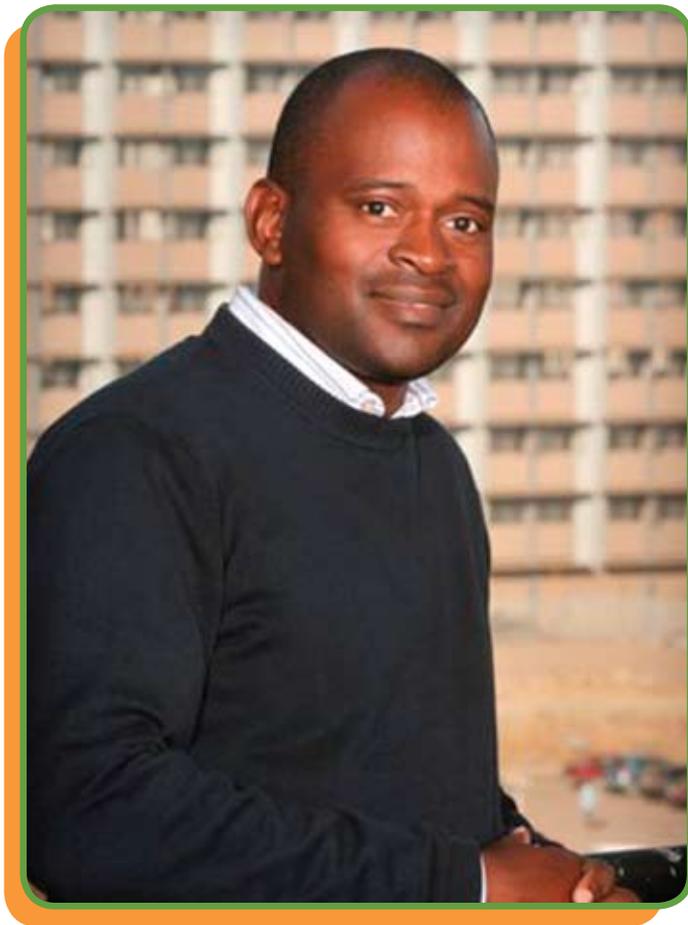
Appreciation is extended to the Management team at the NAMC, led by the CEO. My thanks go to Council members and the Ministry of Agriculture and Land Affairs under the guidance of the Minister. Special mention goes to the Portfolio Committee on Agriculture and Land Affairs for their support and cooperation. To other SOEs in the sector, stakeholders at large and the Industry Trusts, we say thank you, and we look forward to your support as we strive for transformation in agricultural marketing.



Ms Ntombi Faith Msimang
Chairperson



5. MESSAGE FROM THE CHIEF EXECUTIVE OFFICER



The objectives of the NAMC as highlighted in the Marketing of Agricultural Products Act (MAPA) are to (i) increase market access for all market participants; (ii) promote the efficiency of the marketing of agricultural products; (iii) optimize export earnings from agricultural products; and (iv) enhance the viability

of the agricultural sector. In order to achieve the objectives as highlighted in the Act, the NAMC is organized into four key divisions, namely, Agribusiness Development Division aimed at assisting low income agribusinesses improve their market access; Statutory Measures Division aimed at investigating any statutory measure; the Market and Economic Research Centre tasked with the responsibility of finding ways of improving the efficiency of the market and optimizing export earnings and the Agricultural Trusts Division aimed at improving the communication between the Minister and the Ministerial Trustees.

Key to creating the NAMC that is capable of achieving the objectives of the MAPA has been the building and organization of management. We continue to develop good talent from within and attract talented managers from outside. We have and continue to pick people who can help manage the NAMC, people who could run their activities themselves, take full responsibility for them and be given full authority over them.

Some of the key programmes that the NAMC implemented are food price monitoring, export promotion, section seven investigations (Wheat-to-bread Value Chain and The Impact of Market Power and Dominance of Supermarkets on Agricultural Producers in SA), statutory measures (levies), training of agribusinesses, etc. Through the statutory measures programme, the NAMC has assisted industry to collect and spend over R51,2 million on transformation related activities, over R25,7 million on export promotion, R70,6 million on research and R36,8 million on information collection and dissemination.

Looking forward, it is important that we look back and learn. The business of agriculture, in which agricultural marketing is manifested, has changed drastically over the past 14 years. Various government policies aimed at transforming our economy and the agricultural sector to be specific have been in constant development and review. Some of the policies and programmes

affecting the agricultural sector are; RDP, GEAR, Land Reform (restitution, redistribution, and tenure reform), MAP Act, Sector Plan, Land Care, SLAG, LRAD, MAFISA, CASP, AgriBEE, LARP and Review of the Agricultural Sector, a world class commercial agricultural sector that is capable of competing with produce from anywhere in the world. However, it is clear that these policies and programmes have failed to improve the conditions of the low income farmers.

In submitting the NAMC work for the year and looking forward, we are required to provide a view on how we could improve conditions for the entire agricultural sector.



Mr TR Ramabulana

Chief Executive Officer



6. CORPORATE GOVERNANCE

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

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

6.1 GOVERNANCE STRUCTURES WITHIN THE NAMC

6.1.1 NAMC Council

Composition of the Council

The MAPA, 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 1 July 2007 and their term of office ranges between two and four years.

Current Council appointed 1 July 2007:

- Mrs N Msimang (Chairperson)
- Dr M Karaan (Vice-Chairperson)
- Mrs M Gill
- Prof. JF Kirsten
- Mrs M Manny
- Mrs C Molo
- Mr D Montshwe
- Mrs SE Moolman
- Prof. HD van Schalkwyk
- Mr AD Young



NAMC COUNCIL MEMBERS 2008/09



MS N MSIMANG
(CHAIRPERSON)



DR M KARAAAN
(VICE-CHAIRPERSON)



MS M GILL
(COUNCIL MEMBER)



PROF JF KIRSTEN
(COUNCIL MEMBER)



MS M MANNYA
(COUNCIL MEMBER)



MR D MONTSHWE
(COUNCIL MEMBER)



MS C MOLO
(COUNCIL MEMBER)



MS SE MOOLMAN
(COUNCIL MEMBER)



PROF HD VAN SCHALKWYK
(COUNCIL MEMBER)



MR AD YOUNG
(COUNCIL MEMBER)



general information

FUNCTIONS OF COUNCIL

According to section 9 of the MAPA, no. 47 of 1996, the functions of the 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, 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 all statutory measures and changes to statutory measures that 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 coordination of agricultural marketing policy in relation to national economic, social and development policies and international trends and developments;
 - (iii) The possibilities for promoting the objectives mentioned in section 2(2); and
 - (iv) The effects of product marketing 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 that are submitted to the Minister in terms of subsection (1) shall simultaneously be dispatched to the parliamentary committees for their information.

OUTPUTS AND SERVICE DELIVERY TRENDS

The Council met four times during the 2008/09 financial year. During these meetings members deliberated on specific issues and forwarded submissions to the Minister.

Submissions forwarded to the Minister included Section 7 Committee reports, NAMC Working Group reports, market development studies, reports on investigations into the implementation of statutory measures, reports from Ministerial representatives on agricultural trusts, budgets and financial results of industry organisations responsible for the administration of levies, and other NAMC administrative matters.



TABLE 1.1 : OUTPUTS AND SERVICE DELIVERY TRENDS – COUNCIL

SUB-PROGRAMMES	OUTPUTS	INDICATOR	PERFORMANCE
	Agenda items	Expected number	Actual number
	Council sittings	4	4
	Submissions to the Minister	28	28
Council meetings	Ministerial enquiries	23	23
	Workshops / Training	1	1
	Management Committee meetings	44	44

SCHEDULE OF MEETINGS ATTENDED BY COUNCIL MEMBERS

NAMES	NO. OF MEETINGS	NO. OF MEETINGS ATTENDED
Ms N Msimang (Chairperson)	4	4
Dr M Karaan (Vice-Chairperson)	4	3
Mrs M Gill	4	4
Prof. JF Kirsten	4	2
Mrs M Manny	4	4
Mrs C Molo	4	4
Mr D Montshwe	4	4
Mrs SE Moolman	4	4
Prof. HD van Schalkwyk	4	2
Mr AD Young	4	3



general information

6.2 COMMITTEES OF THE COUNCIL

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

Council has established the following sub-committees:

- Audit Committee
- Human Resources Committee
- Risk Management Committee
- Management Committee

6.2.1 AUDIT COMMITTEE

The Council, in its capacity as the Accounting Authority of the NAMC, has established an Audit Committee in compliance with the Public Finance Management Act (PFMA) of 1999, as well as the Treasury Regulations. The Audit Committee consists of the members listed hereunder, and met four times during the year under review.

MEMBER	ROLE
Mr V Nondabula (Chairperson)	Independent Member
Mr R Matlou	Independent Member
Mrs M Moja	Independent Member
Prof. HD van Schalkwyk	Council Member
Mrs M Gill	Council Member
Mr T R Ramabulana	Chief Executive Officer
Mr A Rampershad	Chief Financial Officer

The function of the Audit Committee is to assist the Council in ensuring that the organisation has and maintains effective, efficient and transparent systems of internal control and financial management.

The internal audit functions of the NAMC are outsourced to Sizwe Ntsaluba VSP, who report directly to the Audit Committee.



6.2.2 HUMAN RESOURCES COMMITTEE

The committee, consisting of the members listed below, held four meetings during the year under review.

MEMBER	ROLE
Mr AD Young	Chairperson
Mrs SE Moolman	Council Member
Mrs M Manny	Council Member
Mr TR Ramabulana	Chief Executive Officer

The purpose of the committee is to manage human resources and remuneration matters, to ensure that the NAMC protects persons who were disadvantaged by the unfair discrimination of the past, and to promote the achievement of equality within the NAMC.

The Human Resources Committee identified employment equity and human resources policies as key risks for the NAMC in 2008/09. A process of reviewing all NAMC policies and conditions of employment was started in the year under review.

6.2.3 RISK MANAGEMENT COMMITTEE

The Risk Management Committee consists of members of the NAMC Management Committee. In accordance with its approved mandate, the following matters were addressed:

- A workshop was held to identify the risks through a comprehensive risk assessment process.
- A risk management plan was established.
- All the risks pertaining to the operations of the NAMC were monitored throughout, thus ensuring risk management.



general information

6.2.4 MANAGEMENT COMMITTEE

MEMBER	PORTFOLIO
Mr TR Ramabulana (Chairperson)	Chief Executive Officer
Mr A Rampershad	Chief Financial Officer
Prof. A Jooste	Senior Manager: MERC
Mr IS Burger	Senior Manager: Statutory Measures
Mr HT Mohane	Senior Manager: Agribusiness Development
Ms MJ Sethu	Human Resource Manager
Dr S Ngqangweni	Senior Researcher: MERC

The NAMC Management Committee consists of the Chief Executive Officer and members responsible for the portfolios of Finance, Human Resources, Statutory Measures, Agribusiness Development, and the Markets and Economic Research Centre (MERC).

The above management is responsible for the strategic implementation of the policies, goals and objectives of the NAMC. Management is also responsible for running the day-to-day affairs of the organisation. It has a duty to ensure that the relevant legislation and regulations are adhered to, and that adequate financial control systems are in place.

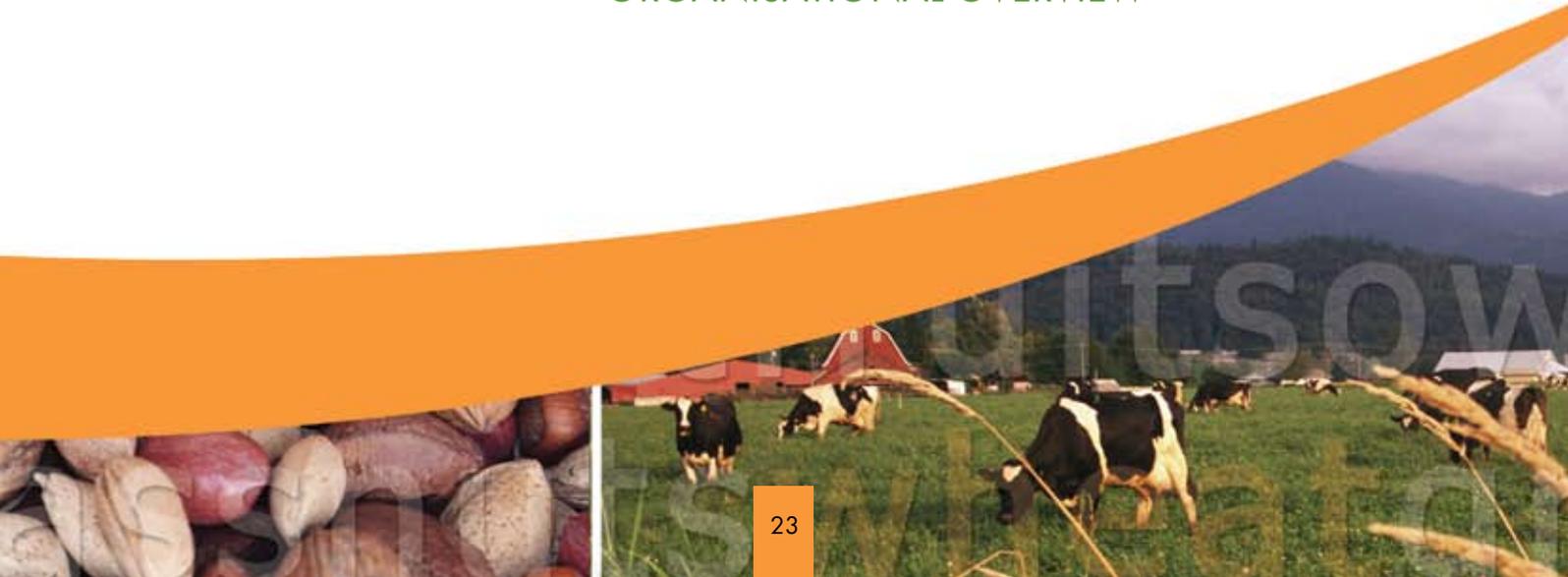






PART 2:

ORGANISATIONAL OVERVIEW



organisational overview

KEY RESULTS TABLE

ACTIVITY	KEY FOCUS AREA	STRATEGIC OUTCOME/RESULT	PERFORMANCE	REPORT	
Knowledge Management	1. Mapping, understanding and quantifying agro-food chains (including Section 7 reports).	Annual production and distribution of at least one agro-food chain report.	Eight agro-food chain reports.	<u>Agro-Food Chain Reports:</u> <ul style="list-style-type: none"> • Market Power and Dominance of Supermarkets • Biofuels Industrial Strategy • Impact of Deregulation on Agricultural Efficiency and Productivity in SA • Competitiveness of the South African Dairy Industry • Regional Food Reserve Facility (RFRF) (submission to the SADC Secretariat in Gaborone) • Agri-Benchmark Reports: <ul style="list-style-type: none"> - Beef - Grain • War on Poverty – Agri-Consultation Issues Paper • Agflation: Causes and Impacts 	
			Annual production of one Section 7 report.	Three Section 7 reports.	<u>Section 7 Reports:</u> <ul style="list-style-type: none"> • BEE in the SA Wine Industry • Investigation into the Beekeeping Industry in SA • Wheat-to-Bread Value Chain Investigation
				Additional work on Section 7 committees.	<u>Additional Section 7-related Reports:</u> <ul style="list-style-type: none"> • Investigation to Improve the Working and Impact of Future Section 7 Committee Studies



KEY RESULTS TABLE

ACTIVITY	KEY FOCUS AREA	STRATEGIC OUTCOME/RESULT	PERFORMANCE	REPORT
Knowledge Management	2. Trade analysis	Regular production and distribution of research reports, articles and working papers on trade issues, i.e. (1) monthly newsletter on trade-related issues (trade policy, trade patterns, and important trade negotiation events) (<u>11 newsletters</u>); (2) trade profile (commodity and product specific) (<u>5 profiles</u>).	Eleven newsletters.	<u>Newsletters:</u> <ul style="list-style-type: none"> Trade Probe No. 5, April 08 Trade Probe No. 6, May 08 Trade Probe No. 7, June 08 Trade Probe No. 8, July 08 Trade Probe No. 9, August 08 Trade Probe No. 10, September 08 Trade Probe No. 11, October 08 Trade Probe No. 12, November 08 Trade Probe No. 13, January 09 Trade Probe No. 14, February 09 Trade Probe No. 15, March 09
			Eleven profiles.	<u>Profiles:</u> <ul style="list-style-type: none"> Apple Study Avocado Study Broiler Study Groundnut Study Mango Study Ostrich Industry Pears and Quinces Study Pork Industry Potatoes Study Sugar Study Wool Industry
			Additional work on trade analysis.	<u>Additional Trade-Related Analysis:</u> <ul style="list-style-type: none"> NAMC in partnership with tralac published a book titled "South Africa's Way Ahead: Looking East".



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KEY RESULTS TABLE

ACTIVITY	KEY FOCUS AREA	STRATEGIC OUTCOME/RESULT	PERFORMANCE	REPORT
Knowledge Management	3. Linking farmers to markets and market development	Regular production and distribution of research reports, articles and working papers on linking emerging farmers to markets (<u>two annually</u>).	Three reports / articles / working papers on linking farmers to markets.	<u>Reports on Linking Farmers to Markets:</u> <ul style="list-style-type: none"> Small-Scale Farmers: Macroeconomic Impacts on Profitability Sustainability of Smallholder Agricultural Cooperatives in Kwa-Zulu Natal ComMark Trust & NAMC Project: Removing Barriers to Developing Farmers
		Development of marketing development programmes (<u>at least one annually</u>).	One development programme.	<u>Programme:</u> <ul style="list-style-type: none"> Grain Marketing Scheme
	4. Risk management	Production of one research paper on agricultural risk within the ambit of marketing and trade.	No report published to date.	<u>Report:</u> <ul style="list-style-type: none"> The Risk Management Reference Group has been set up. The Group has developed the terms of reference and commenced work on the design of an alternative risk management product.
5. Information management system		Regular production and distribution of reports and data, i.e. (1) four quarterly food price trends reports; (2) one annual food cost review report; and (3) one annual input cost trends report.	Four quarterly food price trends reports.	<u>Food Price Trends Reports:</u> <ul style="list-style-type: none"> Quarterly Food Price Trends Report, May 08 Quarterly Food Price Trends Report, August 08 Quarterly Food Price Trends Report, November 08 Quarterly Food Price Trends Report, February 09
			One food cost review.	<u>Food Cost Review:</u> <ul style="list-style-type: none"> South African Food Cost Review 08
			Three input cost trends reports.	<u>Input Cost Trends Reports:</u> <ul style="list-style-type: none"> The Story of Maize and Wheat, July 08 Input Cost Monitor: The Story of Fruit, October 08 Input Cost Trends Report: The Story of Potatoes, March 09



KEY RESULTS TABLE

ACTIVITY	KEY FOCUS AREA	STRATEGIC OUTCOME/RESULT	PERFORMANCE	REPORT
Knowledge Management	6. Outreach, inreach and conferences (a cross-cutting theme)	Regular collaboration between staff and other researchers in academia through collaborative research programmes (at least three such programmes to be established).	Five research programmes established.	<p><u>Programmes:</u></p> <ul style="list-style-type: none"> • BFAP MoU • Establishment of Trade Reference Group • Establishment of Agro-Food Chain Reference Group • Establishment of Linking Farmers to Markets Reference Group • Establishment of Agricultural Risk Management Reference Group
		Regular attendance of local and international training programmes by staff (at least two staff members to attend training programmes relevant to marketing and trade).	MERC staff	<p><u>Training:</u></p> <ul style="list-style-type: none"> • One MERC staff member attended the Geek Week (tralac): <ul style="list-style-type: none"> - Mr B Nyhobo • Two MERC staff members attended MS Project Training: <ul style="list-style-type: none"> - Mr S Ngqangweni - Ms C Dempers • Five MERC staff members attended MS Project Follow-up Training: <ul style="list-style-type: none"> - Ms C Dempers - Mr B Nyhobo - Mr N Tema - Mrs M Siobo - Mr T Mpapu • One MERC staff member attended Econometric Modelling Training: <ul style="list-style-type: none"> - Mrs R Verwey
		The awarding of at least three bursaries per annum.	Bursaries programme discontinued.	This project was discontinued, as the DoA has a similar and more extensive initiative.



organisational overview

KEY RESULTS TABLE

ACTIVITY	KEY FOCUS AREA	STRATEGIC OUTCOME/RESULT	PERFORMANCE	REPORT
Knowledge Management	6. Outreach, inreach and conferences (a cross-cutting theme)	Regular interactive seminars within the NAMC (<u>at least two seminars per month</u>).	<u>Nine</u> seminars held.	<p><u>Seminars:</u></p> <ul style="list-style-type: none"> • Trade Chilling Model <ul style="list-style-type: none"> - Mr B Nyhobo • Management and Leadership <ul style="list-style-type: none"> - Ms J Sethu • The Malawi Maize Revolution <ul style="list-style-type: none"> - Dr S Ngqangweni • Farmland Value Trends under LRAD <ul style="list-style-type: none"> - Prof. A Jooste • Present SA and Personal Circumstances, Curses, Blessings and Challenges <ul style="list-style-type: none"> - Mr C Moller • Human Rights <ul style="list-style-type: none"> - Mr J Mdhlela • Fresh Produce Market Depot Facility <ul style="list-style-type: none"> - Mokgoangoa Consulting • Outgrower Scheme – Kakira Sugar Works <ul style="list-style-type: none"> - Mr H Mohane • Regional Food Reserve Facility <ul style="list-style-type: none"> - Dr J Rwelamira
		Sponsorship of AEASA.	R60 000 worth of sponsorship given to AEASA.	Minutes of the AEASA Management Committee meeting and AEASA newsletter
Statutory Measures	7. Statutory measures investigations	<p>The Minister to be provided with recommendations regarding the approval or disapproval of a statutory measure.</p> <p>Nine investigations to be undertaken annually.</p>	Twelve statutory measures investigations undertaken.	<p><u>Statutory Measures Investigations:</u></p> <ul style="list-style-type: none"> • Citrus statutory measures (levies, registration and records and returns) • Dairy statutory measures (levies, registration and record and returns) • Deciduous fruit (plums) statutory measures (levy to fund export promotion programme in the United Kingdom and Germany) • Deciduous fruit (sterile insect technique) statutory measures (levies) • Declaration of agricultural products

KEY RESULTS TABLE

ACTIVITY	KEY FOCUS AREA	STRATEGIC OUTCOME/RESULT	PERFORMANCE	REPORT
Statutory Measures	7. Statutory measures investigations	<p>The Minister to be provided with recommendations regarding the approval or disapproval of a statutory measure.</p> <p>Nine investigations to be undertaken annually.</p>	Twelve statutory measures investigations undertaken.	<ul style="list-style-type: none"> • Dried fruit statutory measures (levies, registration and records and returns) • Mohair statutory measures (registration and records and returns) • Poultry statutory measures (levies, registration and records and returns) • Sorghum statutory measures (levies, registration and records and returns) • Statutory measures on grains and oilseeds (registration and records and returns) • Table grape statutory measures (levies, registration and records and returns) • Wool statutory measures (registration and records and returns)
	7 (a). Monitoring of statutory levies	The Minister to be provided with an annual report on the status of statutory levies and how these have been utilised by levy administrators.	One report submitted to the Minister.	<p><u>Status of Statutory Levies Collected:</u></p> <p>The 2007 survey was completed and a copy of the report was presented to the Minister on 5 August 2008.</p>
	7.1. Agricultural trusts	<p>The Minister and the NAMC to be kept informed about the financial position of trusts.</p> <p>The facilitation of meetings between the Minister and trustees.</p> <p>The Minister to be provided with regular [annual/ biannual] reports on the status of agricultural trusts as per the new Ministerial mandate.</p>	<p>A new division established and service-level agreements between the NAMC and Ministerial trustees signed.</p> <p>No meeting held between the Minister and trustees and no report submitted to the Minister.</p>	<p>Report on Agricultural Trusts:</p> <p>During the period under review, the NAMC established a division to be responsible for all communication between the Minister and Ministerial trustees. Service-level agreements between the NAMC and Ministerial trustees were signed. By the end of the financial year, the NAMC was in the process of compiling a report to inform the Minister about the financial status and other developments regarding agricultural trusts.</p>



organisational overview

KEY RESULTS TABLE

ACTIVITY	KEY FOCUS AREA	STRATEGIC OUTCOME/RESULT	PERFORMANCE	REPORT
Statutory Measures	7.2. Finalisation of the Maize Board	The finalisation of all outstanding Maize Board issues within the next 12 months in order to prevent a further extension of the Maize Marketing Scheme.	Indications were that the Scheme would not be extended.	<u>Maize Board:</u> The Maize Marketing Scheme was extended until 31 July 2009. Early indications were that the Maize Board would not request a further extension of the Scheme and that the Scheme would then automatically lapse on 31 July 2009.
	8. Management of Crop Estimates Liaison Committee (CELC)	Provision of the leadership required to improve the acceptance of crop estimates within the industry in general. <u>Three</u> CELC meetings per annum, in May, October and November.	Three meetings were held.	<u>Crop Estimate Liaison Committee Meetings:</u> The CELC met three times during the 2008/09 financial year, namely on - <ul style="list-style-type: none"> • 8 May 2008; • 25 November 2008; and • 11 February 2009.
	9. Registration with NAMC as directly affected groups (DAGs)	Registration of DAGs with the NAMC. DAG database to be maintained and updated at least five times per annum.	The Register was updated with the new registrations.	<u>Registration as DAGs:</u> During the period under review, an invitation was published in the Sunday Times, Landbouweekblad and Farmers' Weekly to invite DAGs to register with the NAMC. By the end of March 2009, 24 new applications had been received and registered.



KEY RESULTS TABLE

ACTIVITY	KEY FOCUS AREA	STRATEGIC OUTCOME/RESULT	PERFORMANCE	REPORT
Agribusiness Development	10. Development schemes	Complete the design and facilitate implementation of the summer grains schemes and the general development scheme.	Two schemes were designed and will be operational in the next financial year.	<p><u>Development Schemes:</u> The schemes required the establishment and registration of two trusts in order to be operational. The NAMC is in the process of registering the two trusts and appointing trustees.</p>
	11. Farmer Business Development Models	Identify and design <u>four</u> demand lead projects that will link producers to markets.	Six projects identified and designed during the year under review are now receiving support.	<p><u>Farmer Business Development Models:</u></p> <ul style="list-style-type: none"> • Mphatlalatsane Cooking Oil Cooperative (business plan and funding to expand its production line). • Partnership between small-scale mango producers and a processor (small-scale producers in the Tzaneen area linked with a processor of atchar). • Tshwaranang Africa Harvest – mushroom production (funding for factory machinery). • Eksteenkuil Cooperative – raisin production (funding to purchase two tractors). • Women in Wine (Pty) Ltd (assistance with a branding plan and marketing materials for the launch of the Women in Wine Fairtrade range of wines). <p>A market information project was initiated to enable market information and trends on various commodities to be disseminated to the emerging farmers in their local language.</p>



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KEY RESULTS TABLE

ACTIVITY	KEY FOCUS AREA	STRATEGIC OUTCOME/RESULT	PERFORMANCE	REPORT
Agribusiness Development	12. Promotions (local and international)	Support <u>fifteen</u> agribusinesses to attend international trade shows.	Thirteen emerging producers supported to attend international trade shows.	<u>Promotions:</u> <ul style="list-style-type: none"> One wine producer attended a trade show in Trinidad and Tobago and met hoteliers, buyers and importers. Twelve emerging agribusinesses from four provinces were supported on an AgriMatch Trip to the United Kingdom and the Netherlands. During the trip a series of meetings were arranged to allow agribusinesses to interact with potential buyers, and visits to major players were also organised. Five agribusinesses attended the Avi Africa Poultry Expo. Fifteen emerging wine producers were supported to attend the inaugural iTownship Wine Festival in Khayelitsha, Cape Town.
		Support fifteen agribusinesses to be supported to attend local shows and interact with buyers.	Twenty emerging agribusinesses supported to attend local shows.	
	13. Realignment of industry trusts to empowerment	Collaboration with the Statutory Measures Division to produce a report on the status of statutory levies collected in terms of the Marketing of Agricultural Products Act (MAPA) and to ensure that industry bodies integrate the NAMC transformation guidelines into their daily operations.	One report published.	<u>Compliance with Transformation Guidelines:</u> <ul style="list-style-type: none"> Industry bodies' compliance with transformation guidelines increased from 85% in 2006 to 100% in 2007. The amount spent on transformation projects increased from R24 million in 2006 to R38.9 million in 2007.



KEY RESULTS TABLE

ACTIVITY	KEY FOCUS AREA	STRATEGIC OUTCOME/RESULT	PERFORMANCE	REPORT
Agribusiness Development	14. Training	Sponsorship of the Making Markets Matter workshop, and a course tailor-made for women in agriculture.	Three courses offered – one of which was a course tailor-made for women in agriculture.	<p><u>Training:</u></p> <ul style="list-style-type: none"> • A Making Markets Matter workshop was sponsored, attended by over 50 emerging producers from 11 other African countries. • A three-day training course tailor-made for women entrepreneurs, namely “Agribiz Training for Women Entrepreneurs”, was organised and was attended by 30 women from all the country’s provinces. • The Agrimatch Export Readiness training course was attended by 35 farmers.
Finance and Administration	15. Finance	<ul style="list-style-type: none"> • Production of monthly (12) financial statements. • Production of one audited annual financial statement. • Provision of administrative support to the Audit Committee, which meets three (3) times per year. • Weekly payment of creditors in accordance with NAMC policy. • Annual investment and management of NAMC income to ensure the best returns. 	Effective, efficient and transparent financial management and internal control systems implemented in compliance with the Public Finance Management Act (PFMA) and Treasury regulations.	<u>The NAMC received an unqualified audit report for the previous financial year.</u>



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KEY RESULTS TABLE

ACTIVITY	KEY FOCUS AREA	STRATEGIC OUTCOME/RESULT	PERFORMANCE	REPORT
Finance and Administration	16. Human Resources	<ul style="list-style-type: none"> • Three performance assessments for each staff member per annum. • One corporate governance course for all 10 Council members. • One training session with all staff members on the differentiation policy (NAMC performance incentive policy). • Participation of ten staff members in formal and informal training courses per annum. 	<p><u>Increased productivity through:</u></p> <ul style="list-style-type: none"> • Human capital management; and • Training programmes. 	<p><u>The NAMC developed a human resources plan that improved on the following:</u></p> <ul style="list-style-type: none"> • Human resources policies and procedures; • Recruitment of competent personnel (Senior Researcher: MERC; Senior Manager: Agricultural Trusts; Senior Economist: MERC; Senior Economist: AD; Finance Manager; Finance Officer; Accountant; Council Secretary and Receptionist); and • The NAMC training programme was coordinated to a different division for implementation, which improved the skills development programme <ul style="list-style-type: none"> - Relevant (both national and international) training workshops were attained; - Bursaries were awarded to suitable applicants within the NAMC; and - Performance reviews were done on and with individual staff members; and - Training was provided to managers in terms of the understanding of the performance management system.



KEY RESULTS TABLE

ACTIVITY	KEY FOCUS AREA	STRATEGIC OUTCOME/RESULT	PERFORMANCE	REPORT
Finance and Administration	17. Communication	<ul style="list-style-type: none"> Updating of the NAMC website by the appointed service provider at least once per month. Release of the food price trends report to the media four times per year. Distribution of corporate information at all NAMC-sponsored events, i.e. AEASA and Making Markets Matter workshop. 	<ul style="list-style-type: none"> Four workshops. Four Business Breakfast meetings. Workshop organised at the AEASA conference. Continuous updating of the internet-based research library. CD ROM containing all NAMC publications. Updating of NAMC brochure and reprinting thereof in all the official languages. Management of NAMC marketing activities at strategic industry conferences such as the Mango Symposium and NAMPO. 	<ul style="list-style-type: none"> Two workshops were held (Making Markets Matter and AEASA). One Business Breakfast was held to introduce the new NAMC Board to the media. One thousand CD ROMs containing all NAMC publications were produced and distributed to stakeholders during exhibitions and other activities of the NAMC. The NAMC brochure was updated and translated into six official languages (English, Afrikaans, Zulu, Tsonga, Venda and Sepedi). Two thousand of each were produced and distributed to stakeholders during provincial workshops.

Note:

File 1: NAMC Quarterly Report to the Minister for the period April 2008 to June 2008

File 2: NAMC Quarterly Report to the Minister for the period July 2008 to September 2008

File 3: NAMC Quarterly Report to the Minister for the period of October 2008 to December 2008

File 4: NAMC Quarterly Report to the Minister for the period of January 2009 to March 2009



1. MARKETS AND ECONOMIC RESEARCH CENTRE (MERC)

1.1 Food Price Monitoring

During the reporting period the NAMC published four quarterly Food Price Monitoring (FPM) reports. The FPM initiative is done in collaboration with the National Department of Agriculture (DoA) and Statistics South Africa (Stats SA). The most recent FPM report was published in February 2008. According to this report, the year-on-year (i.e. January 2008 to January 2009) increase in the Consumer Price Index (CPI) for Food was 16.1 %, which was one percentage point lower than the figure released in December 2008 (17.1 %). The food categories that contributed most to this increase included bread & cereals, fish, milk, eggs & cheese, oil & fats, vegetables, sugar, sweets & desserts and other food. From a food security point of view, the price increases experienced for staples remain a concern. Although international commodity prices dropped significantly during the latter part of 2008, it was not transmitted fully onto the South African agricultural commodity and food market. This was mainly due to exchange rate depreciation against the US Dollar. Price transmission between lower commodity prices on the local market and retail food prices was very slow, and hence consumers have not been able to reap the full benefits of lower commodity prices. Cognisance should, however, be taken that the scope and nature of a particular chain also affects the speed of price transmission between commodity and retail food prices. For example, the FPM reports show that the maize meal prices adjusted much faster to changes in maize prices than bread prices adjusted to changes in the wheat price.

The FPM reports also reported on food prices in rural areas, where food prices were found to be higher than in urban areas. A pilot study conducted by the NAMC in the Limpopo Province indicated that the difference between urban and rural food prices can largely be attributed to the following:

- (i) cost of transport and maintenance of vehicles;
- (ii) inability to attract significant discounts from wholesalers/processors due to the low volumes sourced;

- (iii) stock losses due to spoilage, breakage, products exceeding their expiry dates and stock theft; and
- (iv) casual labour associated with loading.

The impact of fuel costs on food prices has been an issue of heated debate over the past year. The most recent issue of the FPM report showed that there are four major cost drivers that make up the majority of vehicle owning and operating costs, namely depreciation, cost of capital, fuel, and maintenance (including tyres). These four cost drivers account for anything between 60 % and 85 % of vehicle operating costs. The decline in fuel prices during the latter part of 2008 resulted in more significant drops in the operating costs of larger trucks than was the case for smaller trucks operating over shorter distances with smaller loads. Toll fees also contribute to increasing transport costs; in fact, between 2006 and 2009, toll fees on major routes increased by between 14 % and 23 %. A major concern is the proportion of commodities transported by rail in relation to road transport, in particular grains, compared to 1985, i.e. the percentage of grains transported by rail declined from just over 80 % in 1985 to around 30 % in 2008, while the percentage of grains transported by road increased from just below 20 % in 1985 to around 70 % in 2008. The cost of road transport is more expensive than that of rail transport.

The annual Food Cost Review (FCR) on food price developments during 2007 was published in September 2008. According to the FCR, factors that have a significant effect on the South African agricultural sector include domestic economic development, consumer dynamics, climate change, oil prices, developments in the global biofuels industry, transport costs, input costs and agricultural trade. The report further showed that the drivers of commodity markets during the reporting period included (i) agricultural policies in different countries that continue to affect supply and demand dynamics and hence price; (ii) climatic events in several major grain-exporting countries that resulted in higher international prices for grains; (iii) increased demand for animal feed to produce animal proteins, as well as biofuel production and lower grain



production in several regions, resulting in a steep increase in the cost of procuring grains, which in turn had a significant follow-on effect on the intensive livestock industries; and (iv) favourable economic growth in especially emerging economies and higher incomes in these economies, which fuelled the demand for food; etc.

Information on food price trends was also disseminated at various congresses, government and private sector meetings and workshops, as well as farmers' days. (Reports can be accessed at www.namc.co.za.)

Contributions were also made in the form of working papers to the National Food Summit that was held in 2008 and to the Inter-Ministerial Committee on High Food Prices. In summary the main causes of food inflation in terms of the domestic market were reported to be (i) domestic production struggling to keep up with domestic demand; (ii) the local demand and supply situation driving prices towards import parity prices; (iii) rising input costs; (iv) price collusion; (v) lack of investment in agriculture; and (vi) as a result of South Africa's liberal trade policies, the close linking of commodity prices to international commodity price movements. Movements in the exchange rate also affect price transmission from the international market to the domestic market. Important measures to combat food inflation and to lower the impact thereof on the poor include (i) increased availability of land and other farming inputs, as well as improved agricultural support and agricultural research; (ii) reinvestment in agriculture on a massive scale; (iii) improved transport infrastructure; (iv) school feeding programmes; and (v) social grants.

1.2 Input Cost Monitoring

The input cost monitoring initiative was launched during 2007 and, after consultation with various role-players in the industry, reports for the maize and fruit sub-sectors were published in 2007 with updates during 2008. The wheat sub-sector was incorporated into the maize report, and a report for the potato

industry was released during 2008. The input cost database is updated on a regular basis in partnership with representatives of organisations in the agricultural sector, i.e. Grain SA, the Deciduous Fruit Producers' Trust, the South African Table Grape Industry, Potatoes South Africa, and the Fertiliser Society of South Africa. Information on input cost trends was also disseminated at various congresses, government and private sector meetings and workshops, as well as farmers' days. (Input cost monitor reports can be accessed at www.namc.co.za.)

The following are key trends in selected fertiliser and fuel prices. From 2008 to 2009 (April) the following changes in prices occurred:

- Mono-Ammonium Phosphate (MAP): 37.6 % decrease
- Potassium Chloride: 29.2 % increase
- Urea: 16.3 % decrease
- Supers(10.5): 43.3 % decrease
- 2:3:4 (30): 21.8 % decrease
- Potassium Nitrate: 14.6 % increase
- Year-on-year comparisons for April 2009 show that the prices of diesel 0.05% S Gauteng and diesel 0.05% S Coast decreased by 30.6 % and 31.2 % respectively.

1.3 Trade

During the past financial year the NAMC, in collaboration with the Directorate International Trade of the DoA, published 11 issues of TradeProbe. The aim of TradeProbe is to create knowledge of trade-related topics by discussing/reporting trade statistics, inviting perspectives from people working in related sectors, reporting on trade-related research, and stimulating debate. Topics covered included trade profiles for several products traded by South Africa, trade relations with several countries and economic groupings, and issues pertaining to trade negotiations at the World Trade Organisation (WTO). (TradeProbe can be accessed at www.namc.co.za.)



The NAMC, in partnership with the Trade Law Centre for Southern Africa (tralac), published a book titled "South Africa's Way Ahead: Looking East". The book was launched at a function hosted by the South African Embassy in Beijing in March 2009. The book assesses the potential impact of a Free Trade Agreement (FTA) between South Africa through the Southern African Customs Union (SACU) and China, and an FTA with India. These are two very fast growing developing countries, which are also important sources of foreign direct investment in Africa. The two FTAs are likely to deliver very different impacts and to raise important policy questions for South Africa and SACU. (The book can be accessed at www.tralac.org.)

In addition to collaborating on the aforementioned book, the NAMC and tralac published a working paper titled "South African food inflation and its association with the increasing Chinese food imports and global commodity prices". This paper highlights the strong growth in Chinese imports of agricultural products and its effect on world agricultural commodity and product prices. The link is established between South African agricultural imports and the indirect effects of growing agricultural imports by China, i.e. significant increases in the prices of the main agricultural imports by South Africa. The paper further shows that the prices of agricultural exports by South Africa have not grown as significantly as the prices of imports, and hence this situation puts pressure on the agricultural trade balance. (The paper can be accessed at www.tralac.org.)

The NAMC, in collaboration with tralac, hosted a workshop pertaining to the dispute settlement mechanism of the WTO at the 2008 conference of the Agricultural Economics Association of South Africa, held in Namibia. This workshop was well attended and created a platform for lively discussion and debate.

A workshop to discuss and debate the issue of non-tariff measures was hosted at the St George's Hotel and

Conference Centre in Gauteng. The workshop included presentations by Mr Eben Rademeyer of the DoA, Dr Gerrit Bruwer of the Perishable Product Export Control Board (PPECB), Prof. Lise Korsten of the University of Pretoria, and Mr Andreas Rusch (consultant). The workshop highlighted issues of importance from a government point of view in respect of challenges experienced by both government and the private sector regarding trade in major international markets and cross-border trade in Southern Africa.

1.4 Section 7 Reports

The MAPA provides for the establishment of Section 7 committees. The purpose of a Section 7 committee is to advise the NAMC or to perform such of the NAMC's functions as the NAMC may entrust to it. During the reporting period, two Section 7 reports were finalised, namely:

- **Section 7 Report on the Beekeeping Industry**

A Section 7 committee was appointed in the previous financial year to analyse the status of the beekeeping industry and to make recommendations on how to improve its sustainability. The Section 7 committee made various recommendations to the Minister of Land Affairs relating to the industry's structure, legislation, food safety, marketing, research, small farmer development and trade.

- **Section 7 Report on the Wheat-to-Bread Value Chain**

Due to concerns over the escalating prices of bread, a staple food for many South African consumers, the Minister of Agriculture, Forestry and Fisheries, following her consultation with all stakeholders, requested the NAMC to establish a Section 7 committee to investigate the wheat-to-bread value chain. A final report was presented to the Minister in March 2009 (not yet publicly available by the end of the reporting period).



1.5 Linking Farmers to Markets

- **ComMark-NAMC project to assist South African emerging farmers to comply with private standards**

A partnership between the NAMC and ComMark Trust has been set up to pilot a small grants scheme to assist emerging farmers and farmer groups to lower the transaction costs associated with private standards certification. As a pilot, this project will award between six and eight small grants to emerging South African producers/exporters to help them access the necessary technical advice and support needed to become certified as Global GAP, Tesco's Nature's Choice, Organic, HACCP and/or Fair Trade compliant. The project is ongoing.

- To establish and strengthen a network of prominent experts with mutual interest in and understanding of industry issues to advise the NAMC;
- To identify research priority areas in agro-food chains (keeping pace with national priorities);
- To leverage knowledge and expertise;
- To strengthen relationships and collaboration between institutions in the same area; and
- To act as peer reviewers for NAMC work on agro-food chains.

- **"Agricultural Risk" Reference Group**

The "Linking Farmers to Markets" Reference Group (LF-RG) was established in November 2008. The purpose of the LF-RG was defined as twofold:

- To compile an inventory of agricultural risk management research over the last five years;
- To identify research priority areas in agro-food chains (keeping pace with national priorities);
- To leverage knowledge and expertise; and
- To strengthen relationships and collaboration between institutions in the same area.

1.6 Collaborative Research Programmes

- **"Linking Farmers to Markets" Reference Group (LF-RG)**

The "Linking Farmers to Markets" Reference Group (LF-RG) was established in November 2008 at a meeting of the NAMC and other public and private sector stakeholder representatives. The purpose of the LF-RG was defined as twofold:

- To collate and package information on lessons learnt with regard to linking farmers to markets; and
- To disseminate these lessons for the benefit of more effective implementation of programmes aimed at linking farmers to markets.

- **"Agro-Food Chains" Reference Group (AFC-RG)**

The "Agro-Food Chains Reference Group" (AFC-RG) was established in January 2009. The AFC-RG represents a group of public and private sector stakeholders that can add value to the industry in terms of networking, sourcing of information and the identification of critically important issues on which the NAMC can focus. The AFC-RG has the following aims:



2. STATUTORY MEASURES

2.1 Investigations into Statutory Measures

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

- Statutory levies (section 15 of the MAPA)
- Control of exports of agricultural products (section 16)
- Conducting of pools (section 17)
- 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 a new measure if it wishes to continue to make use of statutory measures. In terms of the MAPA the Minister shall refer an application for the establishment, continuation, amendment or repeal of a statutory measure to the NAMC for investigation and reporting thereon. Upon receipt of such a request from the Minister, 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 within 60 days or such longer period as may be approved by the Minister.

The NAMC met all the above-mentioned requirements relating to all the applications for the establishment, continuation and amendment of statutory measures during the 2008/09 financial year.

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

In an attempt to influence how the statutory levy funds should be spent, the NAMC requires that approximately 70 % of levy funds should be spent on functions such as research, information, export promotion, etc., with approximately 20 % to be spent 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 compiled guidelines on what should be regarded as administration costs, generic promotion and transformation. These guidelines were compiled after the relevant agricultural industries were consulted.

The following are the 12 investigations that were undertaken during the 2008/09 financial year:

1. The continuation of citrus statutory measures (levies, records & returns and registrations);
2. The continuation of dairy statutory measures (levies, records & returns and registrations);
3. The establishment of deciduous fruit (plums) statutory levies (to finance the Export Promotion Programme in the United Kingdom and Germany);
4. The establishment of deciduous fruit statutory levies (to finance the Sterile Insect Technique Programme);
5. The declaration of additional agricultural products for purposes of the Marketing of Agricultural Products Act of 1996. The Minister approved that bee/honey products, horses and mushrooms also be regarded as agricultural products for purposes of the MAPA;
6. The continuation of dried fruit statutory measures (levies, records & returns and registrations);



7. The establishment of mohair statutory measures (records & returns and registrations);
8. The establishment of poultry statutory measures (levies, records & returns and registrations);
9. The continuation of sorghum statutory levies;
10. The continuation of statutory measures on grains and oilseeds (records & returns and registrations);
11. The continuation of table grape statutory measures (levies, records & returns and registrations);
12. The continuation of wool statutory measures (records & returns and registrations).

2.2 Status of Statutory Measures

The following table summarises the statutory measures that were applicable in the agricultural sector during the 2008/09 financial year:

TABLE 2.1: STATUTORY MEASURES APPLICABLE DURING THE 2008/09 FINANCIAL YEAR

INDUSTRY	ADMINISTRATION BODY	STATUTORY MEASURES		
		Statutory levy	Records & Returns	Registration
Citrus (export only)	Citrus Growers' Association	✓	✓	✓
Cotton	Cotton SA	✓	✓	✓
Dairy	Milk SA	✓	✓	✓
Deciduous fruit	Deciduous Fruit Producers' Trust	✓	✓	✓
- Pome fruit				
- Stone fruit				
Deciduous fruit	Deciduous Fruit Producers' Trust	✓		
- Plum exports promotions levy				
Deciduous fruit	Deciduous Fruit Producers' Trust	✓		
- Sterile Insect Technique				
Dried fruit	Dried Fruit Technical Services	✓	✓	✓
Grains (Maize, Oilseeds, Sorghum, and Winter Cereals)	South African Grains and Information Services (SAGIS)		✓	✓
Lucerne	Lucerne Producers' Organisation		✓	✓
Milk	Milk Producers' Organisation		✓	✓
Mohair	Mohair SA		✓	✓
Pork	SA Pork Producers' Organisation	✓	✓	✓
Potatoes	Potatoes SA	✓	✓	✓
Red meat	Red Meat Levy Admin	✓	✓	✓
Sorghum	Sorghum Trust	✓		
Table grapes (export only)	SA Table Grape Industry	✓	✓	✓
Grapes and grape juice intended for the production of wine	SAWIS (information)	✓	✓	✓
	Winetech (research)			
	WOSA (export promotion)			
	WIDA (transformation)			
Winter cereal	Winter Cereal Trust	✓	✓	✓
Wool	Cape Wools SA		✓	✓



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Statutory levies collected

The NAMC reviews statutory levies on an annual basis. In the 2008 review, the NAMC reviews the audited financial statements submitted by the relevant levy administrators. The 2008 review refers to statutory levies that were collected in terms of the MAPA during the latest audited financial year for each levy administrator before March 2008 (the financial year-end for each levy administrator differs).

Table 2.2 indicates the value of products at the first point of sale, levy income, levy income as a percentage of the value of the product, and the levy collection rate for the different commodities.

TABLE 2.2: TOTAL AMOUNT OF LEVIES COLLECTED

	TOTAL VALUE OF PRODUCT AT FIRST POINT OF SALE	LEVY INCOME	LEVY INCOME AS A % OF THE VALUE OF THE PRODUCT	LEVY COLLECTION RATE
	R	R	%	%
Citrus (exported)	2,770,350,000	27,451,509	0.99	97.3
Cotton lint	108,000,000	1,901,840	1.76	100.0
Dairy products	7,438,000,000	27,915,992	0.37	121.6
Deciduous fruit				
- Pome	948,800,000	22,247,879	2.34	97.0
- Stone	307,010,000	8,435,703	2.75	96.0
Dried fruit	360,000,000	2,035,888	0.56	97.0
Potatoes	4,414,000,000	23,043,688	0.52	98.6
Red meat	14,311,149,800	27,082,303	0.19	100.0
Sorghum	315,945,000	1,617,756	0.51	84.5
Table grapes	3,038,111,778	11,554,840	0.0	98.0
Wine	2,907,100,000	46,911,941	1.61	100.0
Winter cereal	5,114,370,000	27,198,618	0.53	97.7
TOTAL	42,032,836,578	227,397,957	0.54	

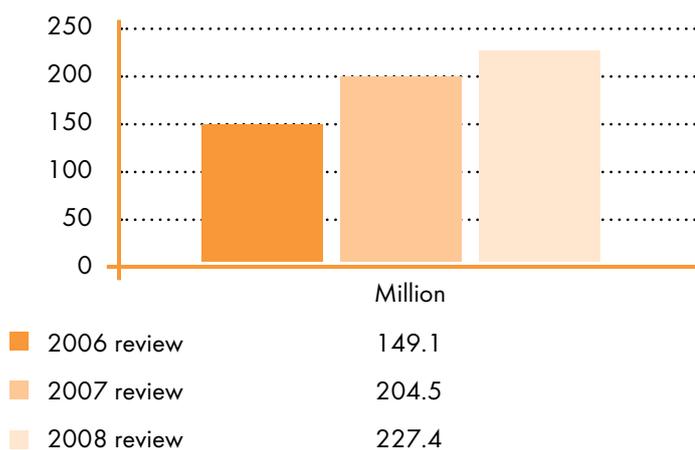
Value of agricultural products at first point of sale

The NAMC has to obtain the value of the products at the first point of sale in order to determine the level of statutory levies. Section 15(4)(a) of the MAPA stipulates that a statutory levy must not exceed 5 % of the price realised for a specific agricultural product at the first point of sale. The maximum of 5 % is based on a guideline price, calculated as the average price at the first point of sale over a period not exceeding three years.

According to the 2008 review, the total value at first point of sale of all products that were subject to a statutory levy was approximately R42.0 billion, compared to R40.9 billion reported in the 2007 survey – an increase of 3 %.

Levy income

The total levies collected as part of the 2008 review amounted to R227.4 million, which was 11.2 % more than the R204.5 reported as total levy income in the 2007 review. Levy income for the past three years is illustrated in Graph 1:



Levy income as a percentage of the value of the product

On average, for the 2008 review, levies were approximately 0.54 % of the value of the relevant agricultural products at the first point of sale. In other words, the total levy income of

R227.4 million represents approximately 0.54 % of the total production value at first point of sale of approximately R42.0 billion.

Levy collection rate

Most levy administrators achieved a relatively high collection rate. This is attributable mainly to the thorough consultative process that takes place before a levy is implemented and the fact that role-players from the whole value chain are represented in most of the decision-making institutions. It may therefore be concluded that, once an industry applies for a statutory levy, the role-players are willing to pay these levies. In evaluating an application for statutory levies, both the NAMC and the industry concerned have to make sure that there is sufficient support for a levy. Reasons for the stated collection rates in some industries are discussed below.

Dairy

For the 2008 financial year, the dairy industry collected 21 % more levies than was budgeted. The actual collection rate was therefore 121.6 %. This is explained by the fact that processors paid their arrears and resumed paying the levy after industry structures restructured on demand of certain large dairy processors.

Sorghum

The Sorghum Trust maintained that the main reason for the low rate (84.5 %) of levy collection was that transactions in the informal market and exports through border posts are very difficult to identify and follow up. Between 10 % and 20 % of the sorghum crop is traded in the informal market or exported through inland border posts. The quantities involved are so small and do not warrant the costs that are to be incurred in the collection of the levies on these transactions. Efforts are rather being made to get the parties involved in paying the levies. The collection rate increased significantly from the 65.6 % collection rate reported in the previous review.



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Allocation of statutory levies

For the 2008 survey the total expenditure was approximately R222.3 million (levy income was R227.4 million – the surplus of R5.1 million will be spent in the next financial year), which was allocated to the various functions, as set out in Table 2.3 below.

TABLE 2.3: FUNCTIONS TO BE FINANCED THROUGH STATUTORY LEVIES

FUNCTIONS	AMOUNT SPENT R	% OF TOTAL LEVY	% OF TOTAL LEVY	% OF TOTAL LEVY
		EXPENDITURE 2008	EXPENDITURE 2007	EXPENDITURE 2006
Administration	15,727,636	7	8	7
Transformation	51,224,661	23	20	17
Export promotion & market access	25,777,992	12	9	10
Research	70,680,630	32	39	42
Information & industry liaison	36,861,025	17	13	15
Production development	2,154,024	1	1	-
Plant improvement	2,526,287	1	1	2
Quality control	5,299,026	2	3	3
Local promotion & consumer education	12,008,719	5	5	1
TOTAL	222,260,000	100	190 973 237	143 929 703

Administration

With regard to the utilisation of statutory funds, the NAMC has implemented a guideline that not more than 10 % of levies collected should be used for administrative purposes. In November 2005 the Council adopted a document setting out what should be regarded as administration costs for the purpose of collecting statutory levies. Levy administrators were approached beforehand to make inputs on what they regard as administration costs, and the final document was also communicated to them.

On average, approximately 7 % (R15.7 million) of levies collected was spent on administration, which is below the guideline of not more than 10 %. One of the largest components of the administration cost is audit fees.

Transformation

In an attempt to increase the amount spent on transformation, the NAMC adopted a transformation guideline in August 2005 to require that approximately 20 % of levy income should be used for transformation purposes.

According to the 2008 survey, the total amount spent on transformation projects was approximately R51.2 million, compared to the approximately R38.9 million spent on transformation during 2007 – an increase of 31.6 %. Table 2.4 below summarises the expenditure on transformation by each industry, and the percentage of total levy income that this represents. The last column shows the difference between the actual percentage of total levies spent and the prescribed percentage for the year under review.

TABLE 2.4 : LEVY EXPENDITURE AND AMOUNTS SPENT ON TRANSFORMATION

INDUSTRY	TOTAL AMOUNT OF LEVY INCOME R	AMOUNT SPENT ON TRANSFOR- MATION PROJECTS	% OF TOTAL LEVY INCOME	PRESCRIBED % OF TOTAL LEVIES TO BE SPENT *	DIFFERENCE
Citrus	27,451,509	3,507,195	12.7	10	2.7
Cotton	1,901,840	614,639	32.0	10	22.0
Dairy	27,915,992	3,869,516	13.8	20	(6.2)
Deciduous fruit	30,683,582	4,799,873	15.6	10	5.6
Dried fruit	2,035,888	366,240	18.0	10	8.0
Potatoes	23,043,688	4,200,786	18.2	20	(1.8)
Red meat	27,082,303	9,172,322	33.9	20	13.9
Sorghum	1,617,756	209,500	12.9	20	(7.1)
Table grapes	11,554,840	1,647,830	10.0	10	-
Wine	46,911,941	18,509,731	37.3	20	17.3
Winter cereal	27,198,618	4,327,029	15.9	20	(4.1)
TOTAL	227,397,957	51,224,661	21.5		

In Table 2.4, transformation is calculated as a percentage of levy income to evaluate how administrators complied with the NAMC's guidelines. In total, 21.5 % of total levy income was spent on transformation. Some industries (dairy, potatoes, sorghum and winter cereal) did not reach the target to allocate 20 % of levy income for transformation purposes, but due to the fact that levies were approved for a four-year period, it is assumed that this situation will be rectified in the upcoming years.

In general, it is encouraging to note that the percentage allocation of total levy expenditure to transformation increased substantially over the past three years, from 17 % in the 2006 survey, to 20 % in the 2007 survey, and eventually to 23 % in the 2008 survey.

Export promotion

A total amount of approximately R25.8 million was spent on export promotion. Wines of South Africa (WOSA) is promoting South African wine on the overseas market and has offices in Canada, Germany, Denmark, Sweden, the Netherlands, the United States of America (USA) and the United Kingdom (UK), and participated in a number of international wine shows. Other industries, such as citrus, deciduous fruit and the potato industries, are also promoting their commodities on the overseas market. The deciduous fruit industry has launched a campaign to promote plums in the UK and Germany. In the first year of the campaign, the sales of South African plums in those markets grew by close to 40 %. Indications are that the Minister of Agriculture, Forestry and Fisheries will approve the R20 million levy application for the export promotion campaign for apples, apricots, pears, nectarines and peaches.



Local promotion

The dairy and the red meat industries spent approximately 45 % and 5 % respectively of their total expenditure on promotion in the local market. On 16 August 2005 the NAMC held a workshop with levy administrators to discuss the desirability of generic promotions. The outcome was a decision that generic promotions should continue, provided that there is sufficient support within a specific industry. It was also agreed that these promotions should henceforth be referred to as the promotion of "consumer awareness". The amounts made available for local promotions were as follows:

- Cotton R 405 791
- Dairy R 10 315 840
- Red meat R 3 300 000
- Pork R 5 000 000

Research

Approximately 32 % (R70.7 million) of total levy expenditure was spent on research projects in the 11 industries that collected levies. Some of the industries are conducting or initiating their own research, but a major portion of the R70.7 million was made available to the Agricultural Research Council (ARC) to undertake research in the agricultural sector, in consultation with the industries concerned.

A breakdown of the funding allocated to the ARC is given below.

INDUSTRY	RAND
Cotton	165,000
Deciduous fruit	4,724,303
Dried fruit	971,780
Potatoes	1,579,903
Red meat	307,156
Sorghum	376,340
Wine	5,217,220
Winter cereal	13,164,510
TOTAL	26,506,212

The amount of R26.5 million for the ARC projects funded by statutory levies represents 10 % of the total "external ARC earnings" of R265.7 million (projects performed on behalf of industry partners and private customers) of the ARC in its financial statements for the year ended 31 March 2008. The total external earnings represent 36.4 % of the ARC's total revenue. This means that statutory levies collected in terms of the MAPA contribute only a small percentage to total ARC income.

The satisfactory performance of the South African agricultural sector, despite the lack of high-potential arable land and the low rainfall, can to a great extent be attributed to the development and application of agricultural research results. Approximately 80 % of the levies collected in the winter cereal industry were utilised to support various projects addressing the interaction between behavioural patterns of crops and external factors affecting them, such as diseases and pests.

It is a matter of concern that the percentage of statutory levy income utilised for research projects decreased over the past three years, from 42 % of total levy expenditure in the 2006 survey, to 39 % in the 2007 survey, and eventually to 32 % in the 2008 survey.



Information

Approximately 17 % (R36.9 million) of total levy expenditure was spent on information collection and dissemination. Accessible and accurate market information that is available in a timely and continuous basis not only increases market access, but also promotes the efficiency of the marketing of the product. Such information also contributes to the optimisation of export earnings and enhances the viability of the relevant agricultural industries and the agricultural sector at large. Without a continuous stream of proper, accurate and timely market information, the market will not develop properly, and role-players, including emerging farmers, will not be able to participate on an equal footing with access to the same information.

2.3 Agricultural Trusts

With the closure of the former agricultural control boards, the remaining assets were transferred to agricultural trusts for the specific commodities. The agricultural trusts were therefore entrusted with safeguarding and utilising former statutory assets to the benefit of the industry as a whole and according to the approved deeds of trust. Due to the origin of the trust assets, the Minister is represented on the different boards of trustees. On some boards of trustees, the Minister has only one representative, but in the majority of trusts the Minister has a 50 % representation. Before the trusts were registered, the Minister also approved the relevant deed of trust that governs the activities of each trust.

During the 2008/09 financial year, the NAMC received a mandate from the Minister of Agriculture to manage the reporting process between the Minister and Ministerial trustees. On 24 June 2008 the NAMC held a meeting with the Ministerial trustees of the various industry trusts to convey the important role of the Ministerial trustees in agriculture, to improve the process of communication and to improve the Ministerial trustees' knowledge and understanding of the Minister's expectations.

During the period under review, the NAMC also established a division to be responsible for all communication between the Minister and Ministerial trustees. Service-level agreements between the NAMC and Ministerial trustees were signed. By the end of the financial year, the NAMC was in the process of compiling a report to inform the Minister about the financial status and other developments regarding agricultural trusts.

2.4 Liquidation of Former Control Boards

With the promulgation of the MAPA in October 1996, there were 16 agricultural control boards administering different marketing schemes. Currently, the Maize Marketing Scheme is the only scheme still in existence. Since 1998, the Maize Marketing Scheme has been extended on 13 occasions. In July 2008 the Minister approved the extension / validity of the Maize Marketing Scheme for another year until 31 July 2009. The validity of the scheme is essential to enable the Maize Board to finalise court cases related to outstanding levies that were supposed to have been collected in terms of the Marketing Act of 1968.

Early indications by the end of March 2009 were that the Maize Board would reach a settlement agreement with levy debtors and that a further extension of the Maize Marketing Scheme would not be necessary, meaning that the Scheme would then automatically lapse on 31 July 2009.

2.5 Crop Estimates Liaison Committee (CELC)

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



During the 2008/09 financial year the CELC met three times, namely on –

- 8 May 2008;
- 25 November 2008; and
- 11 February 2009.

During its November 2008 meeting, the CELC evaluated the accuracy of crop estimates over the past 14 years. The CELC came to the conclusion that the accuracy of crop estimates had improved over the period in question.

2.6 Registration of Directly Affected Groups

The MAPA stipulates that the NAMC must keep a register of directly affected groups (DAGs) for each product that is declared as an agricultural product for the purposes of the MAPA. The Minister, through a notice in the Government Gazette, and the NAMC through other media, invite DAGs to register with the NAMC. The updating of the register is a continuous process and although no specific target could be set for the number of groups to be registered for each commodity, the aim is to register as many groups as possible. No groups are excluded from registering. The strategic goal of this initiative is to inform DAGs about relevant market interventions that are affecting specific commodities and to invite them to express their views regarding a specific intervention.

In February 2009 an invitation was published in the Sunday Times, Landbouweekblad and Farmers' Weekly to invite DAGs to register with the NAMC.

3. AGRIBUSINESS DEVELOPMENT

3.1 Development Schemes

The Agribusiness Development Division continued developing schemes with its industry partners and other public institutions. The development schemes provide incentives to the market to increase the procurement of quality products from the emerging producers. The main purpose of the development schemes is to uplift black producers in the agricultural sector and to encourage their integration into the commercial mainstream. During the year under review, the Grain Crop Development Scheme and the Citrus Development Scheme were designed, and the former is being implemented.

3.2 Farmer Business Development Models

During the 2007/08 financial year, the NAMC successfully implemented a business linkages programme to support a large number of emerging enterprises. The following six projects were identified and supported:

- The NAMC identified and supported a cooperative that produces cooking oil in the Mpumalanga Province. Due to the increase in the demand for its cooking oil from existing and new buyers, the NAMC assisted the cooperative to solicit funds (R6 million) from the Department of Trade and Industry to expand its operation. The Small Enterprise Development Agency assisted in compiling a business plan to solicit funding. The NAMC also sent one of the members on a Marketing Strategy and Financial Management course to improve their management of the business.
- The NAMC, in collaboration with a district municipality in Tzaneen, designed a project that linked small-scale mango producers with a processing factory for atchar production. The NAMC, together with the district municipality of Tzaneen, mobilised small-scale producers without markets to supply their mangoes to a processor.



- The NAMC identified a project for the production of mushrooms in tunnels and assisted the cooperative to solicit funds from the Department of Trade and Industry through the Cooperative Incentive Scheme to improve the project's current infrastructure. The improvement of the infrastructure helped the project to produce mushrooms of better quality to serve the current market.
- The NAMC identified and supported a raisin-producing cooperative in the Northern Cape Province by soliciting funds (How MUCH) to improve their infrastructure. The cooperative needed two more tractors to work on the fields of its members. The NAMC solicited the funds from the Department of Trade and Industry through the Cooperative Incentive scheme to acquire the tractors needed by the cooperative.
- The NAMC assisted Women in Wine (Pty) Ltd with a brand plan and marketing materials, for the launch of the Women in Wine Fairtrade range of wines.
- Given the current market access problems faced by emerging agribusinesses and the importance of market information, the NAMC initiated and supported a programme on one of the South African Broadcasting Corporation (SABC) radio stations between 04h30 and 05h00 on Tuesday mornings in the Limpopo Province. During this programme, market information and trends on various commodities is disseminated to the farmers in their local language.

3.3 Promotions (Local and International)

An important initiative for the NAMC during the financial year under review was to support black-owned agribusinesses to attend international and local trade shows in order to showcase their products and look for markets. The visits were used to help find lucrative export markets for those black-owned agribusinesses on the database that have proven to be competitive in the South African market.

During the year under review, 33 emerging producers were supported to attend the following international and local trade shows:

- Trade show in Trinidad and Tobago. The producers met hoteliers, buyers, importers and other industry players from both Trinidad and Tobago and Venezuela. The objective of the trade show was to introduce SA wines – and theirs specifically – to an area that will appreciate them.
- AgriMatch trip to the United Kingdom and the Netherlands from 20 to 27 September 2008. This was done in collaboration with the SA Agri Academy, the Citrus Growers' Association and the Deciduous Fruit Producers' Trust. During the trip, a series of meetings with potential buyers was organised for the agribusinesses to interact with them, and visits to major players were also organised. The selected agribusinesses also had the opportunity to be exposed to different international markets and to the export challenges to be faced before their produce can reach the international markets.
- Avi Africa Poultry Expo in Kempton Park. The Expo is one of the most important events in the poultry industry, where different role players come together to discuss issues related to the poultry industry. The producers were given the opportunity to meet different buyers and input suppliers within the poultry industry.
- Emerging Wine Pavilion at the inaugural iTownship Wine Festival in Khayelitsha, Cape Town, from 29 to 31 August 2008. The iTownship Wine Festival is the first wine festival to be hosted in a township in Cape Town, a member city of the Great Wine Capitals of the World. The iTownship Wine Festival was created not only to unlock new markets for the industry, but also to position and expose black-owned wine brands.



3.4 Realignment of Industry Trust to Empowerment

South Africa has 15 trusts, 10 forums, and 20 Section 21 companies/service organisations with statutory funds. Most of these organisations were established prior to the adoption of some of the major policies now driving agriculture in South Africa. It is for this reason that we believe there is a need to realign these institutions with the country's policy framework.

During the year under review, the following milestones were achieved:

- A report on the status of statutory levies was produced in collaboration with the Statutory Measures Division.
- The NAMC was invited by the Pork Industry to tour the transformation projects in the Western Cape Province from 14 to 16 May 2008. The Pork Industry has appointed a veterinarian in the Western Cape to advise the small-scale producers on best practices in pig production.
- The NAMC participated in a two-day transformation workshop organised by the Citrus Industry, which requested the NAMC to facilitate the session so that they could incorporate the transformation guidelines developed by the NAMC into their transformation strategy.
- The NAMC was invited by the South African Table Grape Industry (SATI) to present its transformation guidelines to the SATI Board. The industry is in the process of developing a transformation strategy document that will guide the industry's transformation issues.
- The industry bodies' compliance with transformation guidelines improved from 85 % in 2007 to 100 % in 2008.
- The amount spent on transformation projects increased from R38.9 million in 2007 to R51.2 million in 2008.

3.5 Training

During the year under review, three courses were held, one of which was a course tailor-made for women entrepreneurs.

- The NAMC hosted a three-day training course for 30 women entrepreneurs from 19 to 21 May 2008 in Stellenbosch. The objective of the training course was to capacitate agribusinesses owned by women through marketing, financial and strategic management training skills. The training course was made possible with the financial support of the Land Bank.
- The NAMC, in collaboration with Cornell University and Stellenbosch University, hosted the annual Making Markets Matter workshop in Somerset West in the Western Cape Province from 11 to 16 May 2008. The Making Markets Matter workshop is an intensive multi-day business development training workshop that prepares black agribusinesses to meet the ever-increasing demands of today's global agro-food system. The workshop featured world-class facilitators who offered training on access to business development services, management training, marketing strategies and financial analysis. This annual workshop was attended by over 50 participants from 11 African countries.
- Two export training courses were conducted in the Western Cape Province: One from 3 to 4 September 2008 for selected producers from the Eastern Cape and Western Cape provinces, and another from 10 to 12 September 2008 for selected producers from the Limpopo and Mpumalanga provinces.



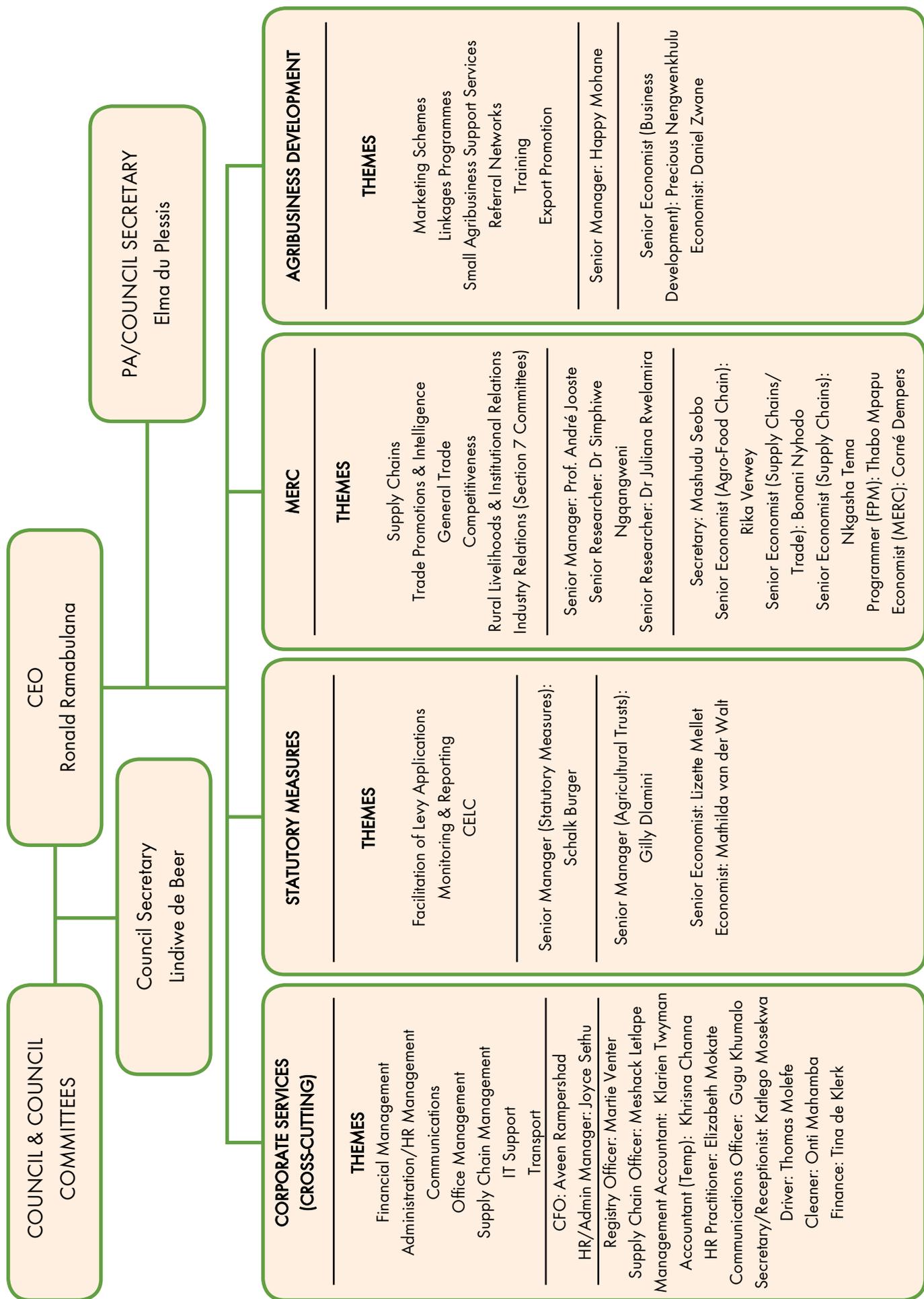




PART 3:

HUMAN RESOURCE MANAGEMENT

1. Organisational Structure of the NAMC: April 2009



2. NAMC EMPLOYEES STATISTICS

As at 31 March 2009, the total employee complement of the NAMC stood at 31 against the budgeted staff. A temporary worker was appointed as Accountant within the Finance Division. A contract Receptionist was also appointed, as was a contract Senior Manager: Agricultural Trust.

3. EMPLOYMENT EQUITY

Since the Council's inception in 1997, the practice has been to affirm historically disadvantaged persons, as can be seen in Table 3.1. The staff complement profile has since changed and as of 31 March 2009 was more demographically representative.

TABLE 3.1: EMPLOYEE DEMOGRAPHICS BY OCCUPATIONAL LEVEL AS AT 31 MARCH 2009

JOB CATEGORY	SECRETARIAT: HISTORICAL BACKGROUND		
	WHITE	BLACK	TOTAL
CEO and Senior Managers	2	7	9
Economists and Senior Economists	4	4	8
Financial Staff	2	2	4
Secretaries	1	4	5
Administrative Staff	1	2	3
Support	-	2	2
TOTAL	10	21	31

GENDER REPRESENTATION

TABLE 3.2: GENDER DISTRIBUTION

MALE	PERCENTAGE	FEMALE	PERCENTAGE
13	40	18	60

TABLE 3.3: MANAGERIAL LEVEL BY GENDER

MALE	PERCENTAGE	FEMALE	PERCENTAGE
7	78	2	22

TABLE 3.4: NON-MANAGERIAL LEVEL BY GENDER

MALE	PERCENTAGE	FEMALE	PERCENTAGE
6	25	18	75



human resource management

NUMBER OF EMPLOYEES RECRUITED BY GRADE AND OCCUPATION, AS WELL AS BY RACE, GENDER AND DISABILITY

These details are provided in Table 3.5 below.

TABLE 3.5: EMPLOYEES RECRUITED BY THE NAMC DURING THE 2008/09 FINANCIAL YEAR

JOB CATEGORY	EMPLOYEE				
	RACE		GENDER		DISABILITY
	WHITE	BLACK	MALE	FEMALE	
Senior Managers	-	2	1	1	-
Economists and Senior Economists	3	1	-	4	-
Total	3	3	1	5	-

4. EDUCATION, TRAINING AND DEVELOPMENT

The NAMC invested a percentage of the payroll in the education, training and development of staff. This amount covered three bursaries at different NQF levels.

TABLE 3.6: TRAINING PLAN FOR 2008/09

TRAINING PLAN	SECRETARIAT	
	TARGET (NO. OF EMPLOYEES)	ACHIEVED (NO OF EMPLOYEES)
Informal Training / Short Courses		
Making Markets Matter	-	1
Other In-Service Training	31	20
Formal Training		
Degrees / Diplomas	3	1

5. INJURY, ILLNESS AND DEATH

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

6. COLLECTIVE AGREEMENTS

A bargaining agreement is in place between the Secretariat and Council.

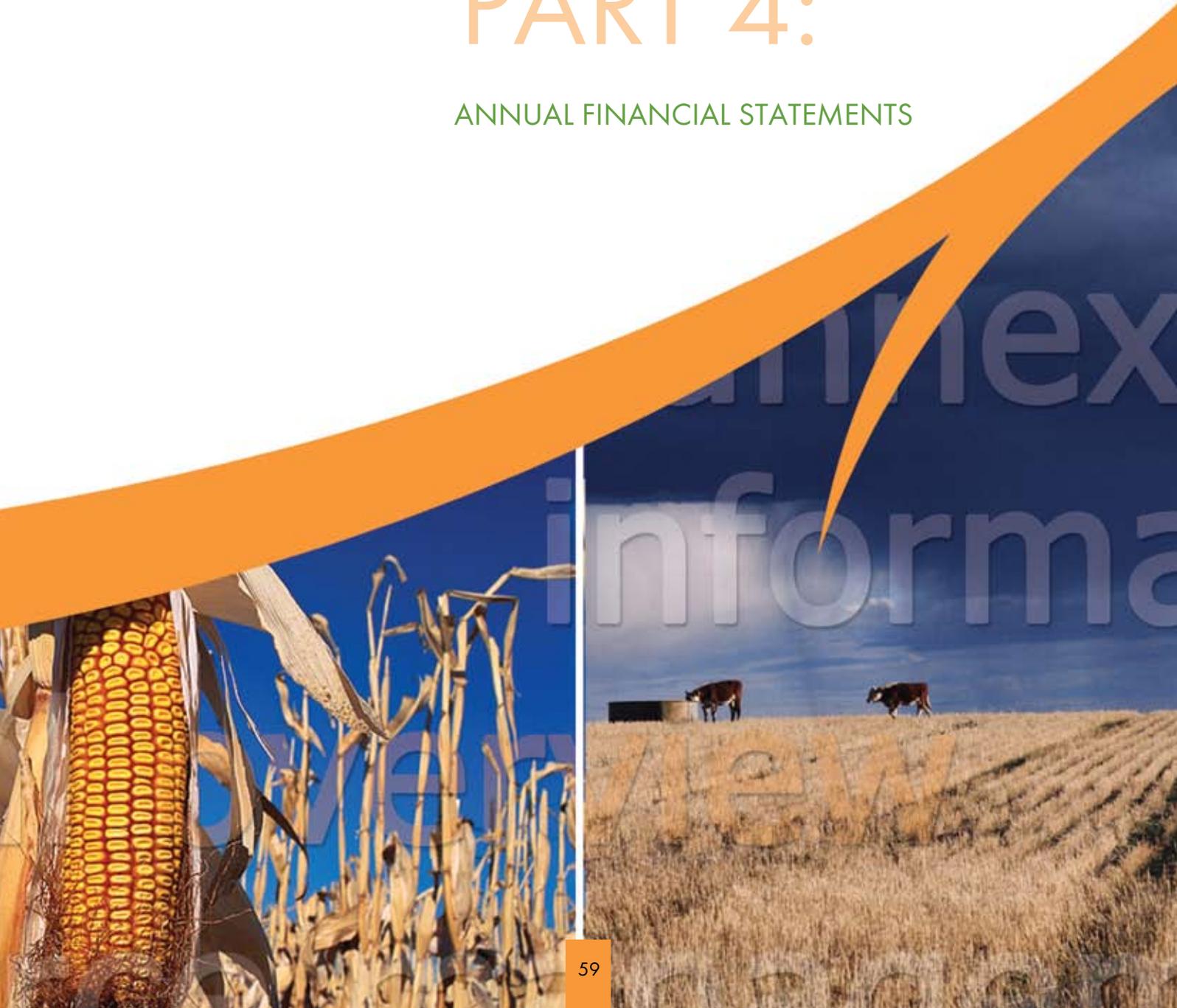
7. SICK LEAVE

The number of days of sick leave taken by NAMC employees was 161 during the period under review.



PART 4:

ANNUAL FINANCIAL STATEMENTS





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report of the auditor general

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF THE NATIONAL AGRICULTURAL MARKETING COUNCIL FOR THE YEAR ENDED 31 MARCH 2009

REPORT ON THE FINANCIAL STATEMENTS

INTRODUCTION

1. I have audited the accompanying financial statements of the National Agricultural Marketing Council which comprise the statement of financial position as at 31 March 2009, and the statement of financial performance, the statement of changes in net assets and the cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes, and the accounting authority's report, as set out on pages 72 to 94.

THE ACCOUNTING AUTHORITY'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

2. The accounting authority is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting determined by the National Treasury, as set out in the accounting policy note 1 and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) and section 8(4) of the Marketing of Agricultural Products Act, 1996 (Act No. 47 of 1996) 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.

THE AUDITOR-GENERAL'S RESPONSIBILITY

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on these financial statements based on my audit.

4. I conducted my audit in accordance with the International Standards on Auditing read with General Notice 616 of 2008, issued in Government Gazette No. 31057 of 15 May 2008. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

OPINION

7. 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 2009 and its financial performance and its cash flows for the year then ended, in accordance with the basis of accounting determined by the National Treasury, as set out in accounting policy note 1 to the financial statements and in the manner required by the PFMA.

EMPHASIS OF MATTER

Without qualifying my opinion, I draw attention to the following matters.

BASIS OF ACCOUNTING

8. The public entity's policy is to prepare financial statements on the basis of accounting determined by the National Treasury, as set out in note 1 to the financial statements.

UNAUTHORISED, IRREGULAR OR FRUITLESS AND WASTEFUL EXPENDITURE

9. As disclosed in note 6 to the financial statements, irregular expenditure to the amount of R1 051 080 was incurred, as the tender process had not been followed.

GOVERNANCE FRAMEWORK

10. The governance principles that impact the auditor's opinion on the financial statements are related to the responsibilities and practices exercised by the accounting authority and executive management and are reflected in the key governance responsibilities addressed below:

KEY GOVERNANCE RESPONSIBILITIES

11. The PFMA tasks the accounting authority with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of key governance responsibilities, which I have assessed as follows:

NO	MATTER	YES	NO
	Clear trail of supporting documentation that is easily available and provided in a timely manner		
1	No significant difficulties were experienced during the audit concerning delays or the availability of requested information.	✓	
	Quality of financial statements and related management information		
2	The financial statements were not subject to any material amendments resulting from the audit.	✓	
3	The annual report was submitted for consideration prior to the tabling of the auditor's report.	✓	
	Timeliness of financial statements and management information		
4	The annual financial statements were submitted for auditing as per the legislated deadlines (section 55 of the PFMA).	✓	
	Availability of key officials during audit		
5	Key officials were available throughout the audit process.	✓	
	Development and compliance with risk management, effective internal control and governance practices		
6	Audit committee		
	<ul style="list-style-type: none"> The National Agricultural Marketing Council had an audit committee in operation throughout the financial year. The audit committee operates in accordance with approved, written terms of reference. The audit committee substantially fulfilled its responsibilities for the year, as set out in section 77 of the PFMA and Treasury Regulation 27.1.8. 	<ul style="list-style-type: none"> ✓ ✓ ✓ 	



report of the auditor general

NO	MATTER	YES	NO
7	Internal audit <ul style="list-style-type: none"> The National Agricultural Marketing Council had an internal audit function in operation throughout the financial year. The internal audit function operates in terms of an approved internal audit plan. The internal audit function substantially fulfilled its responsibilities for the year, as set out in Treasury Regulation 27.2. 	√	
8	There are no significant deficiencies in the design and implementation of internal control in respect of financial and risk management.	√	
9	There are no significant deficiencies in the design and implementation of internal control in respect of compliance with applicable laws and regulations.	√	
10	The information systems were appropriate to facilitate the preparation of the financial statements.	√	
11	A risk assessment was conducted on a regular basis and a risk management strategy, which includes a fraud prevention plan, is documented and used as set out in Treasury Regulation 27.2.	√	
12	Delegations of responsibility are in place, as set out in section 56 of the PFMA.	√	
Follow-up of audit findings			
13	The prior year audit findings have been substantially addressed.	√	
14	SCOPA/Oversight resolutions have been substantially implemented.	N/A	
Issues relating to the reporting of performance information			
15	The information systems were appropriate to facilitate the preparation of a performance report that is accurate and complete.	√	
16	Adequate control processes and procedures are designed and implemented to ensure the accuracy and completeness of reported performance information.	√	
17	A strategic plan was prepared and approved for the financial year under review for purposes of monitoring the performance in relation to the budget and delivery by the National Agricultural Marketing Council against its mandate, predetermined objectives, outputs, indicators and targets Treasury Regulation 30.1 (public entities).	√	
18	There is a functioning performance management system and performance bonuses are only paid after proper assessment and approval by those charged with governance.	√	

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on performance information

12. I have reviewed the performance information as set out on pages 24 to 39.

The accounting authority's responsibility for the performance information

13. The accounting authority has additional responsibilities as required by section 55(2)(a) of the PFMA to ensure that the annual report and audited financial statements fairly present the performance against predetermined objectives of the public entity.

The Auditor-General's responsibility

14. I conducted my engagement in accordance with section 13 of the PAA read with General Notice 616 of 2008, issued in Government Gazette No. 31057 of 15 May 2008.
15. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.
16. I believe that the evidence I have obtained is sufficient and appropriate to report that no significant findings have been identified as a result of my review.

APPRECIATION

17. The assistance rendered by the staff of the National Agricultural Marketing Council during the audit is sincerely appreciated.

Auditor-General

Pretoria

31 July 2009



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence



report of the audit committee

NATIONAL AGRICULTURAL MARKETING COUNCIL

REPORT OF THE AUDIT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2009

1. REPORT OF THE AUDIT COMMITTEE

We are pleased to present our report for the financial year ended 31 March 2009.

2. AUDIT COMMITTEE MEMBERS AND ATTENDANCE:

The Audit Committee consists of the members listed hereunder. During the 2008/09 financial year, the Committee met five times, as per its approved terms of reference.

NAME OF MEMBER	NUMBER OF MEETINGS ATTENDED
Mr V Nondabula (Chairperson – term expired 31 December 2008)	3
Mr P Slack (Chairperson – appointed 1 July 2009)	0
Mrs M Moja (Acting Chairperson since 31 December 2008)	5
Mrs M Gill (Council member)	5
Mr R Matlou	4
Prof HD van Schalkwyk (Council member)	2

3. AUDIT COMMITTEE RESPONSIBILITIES

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

The Audit Committee also 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.

4. THE EFFECTIVENESS OF INTERNAL CONTROL

The system of internal control applied by the NAMC over financial and risk management is effective, efficient and transparent. In line with the PFMA and the King II Report on

corporate governance requirements, internal auditing provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of a process of risk management, 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, and the management report of the Auditor-General, South Africa, it was noted that no matters were reported that indicate any material deficiencies in the system of internal control or any deviations therefrom. Accordingly, we can report that the system of internal control over financial reporting for the period under review was efficient and effective.

5. THE QUALITY OF IN YEAR MANAGEMENT AND QUARTERLY REPORTS SUBMITTED IN TERMS OF THE PFMA AND THE DIVISION OF REVENUE ACT

We are satisfied with the content and quality of monthly and quarterly reports prepared and issued by the Accounting Authority during the year under review.

6. INTERNAL AUDIT

We are satisfied that the internal audit function is operating effectively and that it has addressed the risk pertinent to the NAMC in its audits.

7. EVALUATION OF FINANCIAL STATEMENTS

We have:

- Reviewed and discussed with the Auditor-General and management the annual financial statements to be included in the annual report;
- Reviewed the Auditor-General's management letter and management responses thereto;
- Reviewed the entity's compliance with legal and regulatory provisions;
- Reviewed significant adjustments resulting from the audit.

We concur with and accept the Auditor-General of South Africa's report on the annual financial statements, and are of the opinion that the audited financial statements should be accepted, read together with the report of the Auditor-General, South Africa.



Chairperson of the NAMC Audit Committee

31 July 2009

NATIONAL AGRICULTURAL MARKETING COUNCIL

ACCOUNTING AUTHORITY'S REPORT

AT 31 MARCH 2009

1. GENERAL REVIEW OF THE BUSINESS AND OPERATIONS

The report of the Accounting Authority forms part of the audited annual financial statements of the National Agricultural Marketing Council (NAMC) for the year ended 31 March 2008.

The NAMC is a statutory public entity established in terms of sections 3 and 4 of the Marketing of Agricultural Products Act (MAPA) of 1996, as amended by Act no. 59 of 1997 and Act no. 52 of 2001. The objectives of the Act are:

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

The Council acts as the Accounting Authority of the entity, and the Chief Executive Officer has been appointed Accounting Officer in terms of the Public Finance Management Act (PFMA), performing its activities in terms of sections 2 and 9 of the MAPA.

The NAMC received funding of R 22.459 million during the year under review, whilst other income amounted to R 1.902 million. Total expenditure amounted to R 24.695 million and together with net interest income the resulting surplus amounted to R 1.280 million.

1.1 THE MANAGEMENT OF THE COUNCIL

1.1.1 LEADERSHIP

The current Council, which is non-executive, assumed office on 1 July 2007. The term of the previous Council expired on 30 June 2007. The Minister of Agriculture and Land Affairs reappointed the current Council members for terms of between two and four years.

The current Council members at the date of this report are as follows:

- Mrs N Msimang – Chairperson
- Dr M Karaan Vice – Chairperson
- Mrs M Gill
- Prof. JF Kirsten
- Mrs M Mannya
- Mrs C Molo
- Mr D Montshwe
- Mrs SE Moolman
- Prof. HD van Schalkwyk
- Mr AD Young

1.1.2 ADMINISTRATION

Mr TR Ramabulana, the Chief Executive Officer, heads the Secretariat of the NAMC. He is assisted by the Chief Financial Officer and the Management Committee in the day-to-day running of the organisation.

1.2 ORGANISATIONAL STRUCTURE

The Council's approved organisational structure is provided in Part 3: Human Resource Management Section, page 54.



1.3 NATURE OF BUSINESS

The NAMC is an advisory body to the Minister of Agriculture and Land Affairs, and the following are the principal areas on which the Council focused during the year under review in order to fulfil its strategic advisory role:

- a) Market Intelligence;
- b) Food Price Monitoring;
- c) Agribusiness Development;
- d) Investigations of Statutory Measures; and
- e) Markets and Economic Research.

The activities undertaken in each of these areas are described in greater detail in Part 2: Organisational Overview.

2. FINANCIAL STATEMENTS

There were no major changes in the nature of fixed assets or changes in the policy relating to the use of fixed assets. All irregular, fruitless and wasteful expenditure has been fully disclosed in the financial statements. All Council and Senior Management remuneration has been fully disclosed in the financial statements. There were no material losses during the year under review.

3. EVENTS SUBSEQUENT TO REPORTING DATE

No material events have taken place between the date of the statement of financial position and the date of the authorisation of the annual financial statements.

4. MATERIALITY FRAMEWORK

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

5. BUSINESS ADDRESS

The business offices of the NAMC are situated at:

536 Schoeman Street
Meintjiesplein Building
Block A, 4th Floor
NAMC

Tel: 012 341 1115

Fax: 012 341 1811/1911

E-mail: ronald@namc.co.za

Website: www.namc.co.za

The postal address is as follows:

Private Bag X935
Pretoria
0001





NATIONAL AGRICULTURAL MARKETING COUNCIL

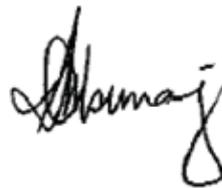
STATEMENT OF RESPONSIBILITY FOR THE YEAR ENDED 31 MARCH 2009

The Accounting Authority is responsible for the preparation, integrity and fair presentation of the financial statements of the National Agricultural Marketing Council. The financial statements presented on pages 72 to 94 have been prepared in accordance with the South African Statements of Generally Accepted Accounting Practice (GAAP), including any interpretations of such statements issued by the Accounting Practices Board, with the prescribed Standards of Generally Recognised Accounting Practice (GRAP) issued by the Accounting Standards Board, and includes amounts based on judgements and estimates made by Management. The Accounting Authority also prepared the other information included in the annual report and is responsible for both its accuracy and its consistency with the financial statements.

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

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

The audit report of the Auditor-General is presented on page 62. The financial statements were approved and signed by the Accounting Authority on 31 July 2009.



Chairperson of the Accounting Authority
31 July 2009



annual financial statements

STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 31 March 2009

	NOTES	2008/09 R'000	2007/08 R'000
Revenue		24,361	17,138
Grants and transfers	2	22,459	17,020
Other income	3	1,902	118
Expenses		24,695	17,451
Administrative expenses	4	2,924	2,066
Staff costs	5	11,610	9,069
Other operating expenses	6	9,743	6,049
Depreciation and amortisation	7	388	254
Loss on disposal of fixed assets	8	30	13
Deficit from operating activities		(334)	(313)
Net interest received		1,614	336
Finance costs	9	(52)	(88)
Income from investments	10	1,666	424
Net surplus for the year		1,280	23

STATEMENT OF FINANCIAL POSITION

At 31 March 2009

	NOTES	2008/09 R'000	2007/08 R'000
ASSETS			
Non-current assets			
Property, plant and equipment	12	1,455	730
Intangible assets	13	108	19
		1,563	749
Current assets			
Receivables	14	62	68
Cash and cash equivalents	15	2,424	1,618
		2,486	1,686
Total assets		4,049	2,435
LIABILITIES			
Non-current liabilities			
Finance lease liability	16	168	335
		168	335
Current liabilities			
Payables	17	2,137	982
Current portion of finance lease liability	16	158	138
Deferred income	18	426	1,100
		2,721	2,220
Total liabilities		2,889	2,555
NET ASSETS			
Accumulated surplus/(deficit)		1,160	(120)



annual financial statements

STATEMENT OF CHANGES IN NET ASSETS

For the year ended 31 March 2009

	NOTES	ACCUMULATED SURPLUS/ (DEFICIT) R'000
Balance at 1 April 2007		(143)
Surplus for the year		<u>23</u>
Balance at 1 April 2008		(120)
Surplus for the year		<u>1,280</u>
Balance at 31 March 2009		<u><u>1,160</u></u>



CASH FLOW STATEMENT

For the year ended 31 March 2009

	NOTES	2008/09 R'000	2007/08 R'000
Receipts			
Grants		22,459	17,020
Interest received		1,666	424
Other receipts		1,234	1,221
Payments			
Employee costs		(11,964)	(8,669)
Suppliers		(11,158)	(8,393)
Finance costs		(52)	(88)
Net cash from/(used in) operating activities	19	2,185	1,515
Net cash used in investing activities	20	(1,232)	(48)
Net cash used in financing activities	21	(147)	(102)
Net increase/(decrease) in cash and cash equivalents		806	1,365
Cash and cash equivalents at the beginning of the year		1,618	253
Cash and cash equivalents at the end of the year	15	2,424	1,618



accounting policies - for the year ended 31 March 2009

The annual financial statements have been prepared on the basis of historical cost and include the following principal accounting policies, which in all material respects are consistent with those applied in the previous year, except as otherwise indicated.

1.1 BASIS OF PREPARATION

The financial statements have been prepared in accordance with the South African Statements of Generally Accepted Accounting Practice (GAAP) including any interpretations of such statements issued by the Accounting Practices Board, with the effective Standards of Generally Recognised Accounting Practice (GRAP) issued by the Accounting Standards Board replacing the equivalent GAAP statement as follows:

STANDARD OF GRAP	REPLACED STATEMENT OF GAAP
GRAP 1: Presentation of financial statements	AC101: Presentation of financial statements
GRAP 2: Cash flow statements	AC118: Cash flow statements
GRAP 3: Accounting policies, changes in accounting estimates and errors	AC103: Accounting policies, changes in accounting estimates and errors

Currently the recognition and measurement principles in the above GRAP and GAAP statements do not differ or result in material differences in items presented and disclosed in the financial statements. The implementation of GRAP 1, 2 and 3 has resulted in the following changes in the presentation of the financial statements:

Terminology differences:

STANDARD OF GRAP	REPLACED STATEMENT OF GAAP
Standard of GRAP	Income statement
Statement of financial performance	Balance sheet
Statement of financial position	Statement of changes in equity
Statement of changes in net assets	Equity
Net assets	Profit/loss
Surplus/deficit	Retained earnings
Accumulated surplus/deficit	

- The cash flow statement can only be prepared in accordance with the direct method.
- Specific information has been presented separately on the statement of financial position, such as:
 - Receivables from non-exchange transactions, including taxes and transfers
 - Taxes and transfers payable
 - Trade and other payables from non-exchange transactions
- An indication of the amount and nature of any restrictions on cash balances is required.
- Any provincial legislation providing for procurement procedures in that provincial government.

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

All irregular and fruitless and wasteful expenditure is charged against income in the period in which it was incurred.

1.5 RETIREMENT BENEFIT COSTS

The entity operates a defined contribution provident plan. Payments to the defined contribution retirement plan are charged to the statement of financial performance in the year to which they relate.

1.6 PROPERTY, PLANT AND EQUIPMENT

Items of property, plant and equipment are stated at cost less accumulated depreciation. Depreciation is charged so as to write off the cost of assets less their residual value, over their estimated useful lives, using the straight-line method. Residual values and useful lives are reviewed, and adjusted if necessary, on an annual basis. Assets are written off on the following basis:

Office equipment	3 - 8 years
Vehicles	5 - 9 years
Computer equipment	3 - 5 years
Furniture and fittings	6 - 8 years
Leased equipment	over the lease period
Leasehold improvements	over the lease period

1.7 INTANGIBLE ASSETS

An intangible asset is recognised when:

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

Paragraphs 11 - 15 of GRAP 1 have not been implemented due to the fact that the local and international budget reporting standard is not effective for this financial year. Although the inclusion of budget information would enhance the usefulness of the financial statements, non-disclosure will not affect the objective of the financial statements.

1.2 CURRENCY

These financial statements are presented in South African Rands since that is the currency in which the majority of the entity's transactions are denominated.

1.3 REVENUE RECOGNITION

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

Interest income is accrued when received or receivable.

1.4 IRREGULAR AND 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 no. 1 of 1999,
or



Intangible assets are initially recognised at cost.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets. For all other intangible assets, amortisation is provided on a straight-line basis over their useful life.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values on the following basis:

Computer software	3 years
-------------------	---------

1.8 IMPAIRMENT

At each reporting date, the entity reviews the carrying amounts of its assets to determine whether there is any indication that those assets may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. In determining the value in use, the estimated future cash flows of the asset are discounted to their present value based on discount rates that reflect current market assessments of the time value of money and the risks that are specific to the asset. Where it is not possible to estimate the recoverable amount for an individual asset, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. Impairment losses are immediately recognised as an expense, unless the relevant asset is carried at a revalued amount under another standard, in which case the impairment loss is treated as a revaluation decrease under the standard.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but 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 immediately, unless the relevant asset is carried at a revalued amount under another standard, in which case the reversal of the impairment loss is treated as a revaluation increase under that other standard.

1.9 LEASING

Finance leases refer to contracts that transfer to the lessee all risks, rewards, rights and obligations incident to ownership, and are recorded as a purchase of equipment by means of long-term borrowing.

All other leases are classified as operating leases. Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease.

1.10 FINANCIAL INSTRUMENTS

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

Financial assets and financial liabilities are recognised on the entity's statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

Financial assets

Financial assets are initially measured at fair value plus transaction costs. Financial instruments at fair value through profit or loss are measured at fair value.

The entity's principal financial assets are receivables and cash and cash equivalents. These financial assets are classified as loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. This category includes short-term receivables, such as receivables, as well as cash and cash equivalents.

Loans and receivables are initially measured at fair value, plus transaction costs. Subsequently, items included in this category are measured at the amortised cost, calculated based on the effective interest method, and interest income is included in profit or loss for the period. Net gains or losses represent reversals of impairment losses, impairment losses and gains, and losses on derecognition. Net gains or losses are included in 'other income' or 'other expenses'.

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

Impairment losses are recognised on loans and receivables when there is objective evidence of impairment. An impairment loss is recognised in profit or loss when the carrying amount of the asset exceeds its recoverable amount.

The recoverable amount is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate of the instrument.

Financial liabilities

The entity's principal financial liabilities are accounts payable and are classified as other financial liabilities.

Other financial liabilities

Other financial liabilities are initially measured at fair value, plus transaction costs. Subsequently, these items are measured at the

amortised cost, using the effective interest method. Interest expenses on these items are recognised in profit or loss for the period and they are included in 'finance costs'. Net gains or losses represent gains or losses on derecognition and they are included in 'other income' or 'other expenses'.

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

1.11 PROVISIONS

Provisions are recognised when the entity has a present obligation as a result of a past event and it is probable that this will result in an outflow of economic benefits that can be estimated reliably.

1.12 GOVERNMENT GRANTS

Government grants are recognised when there is reasonable assurance that:

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

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

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

Government grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position, by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.



notes to the annual financial statements - for the year ended 31 March 2009

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

1.13 COMPARATIVE FIGURES

Comparative figures have been adjusted to conform to changes in the presentation of the financial statements in the current year, where necessary.

1.14 STATEMENTS NOT YET EFFECTIVE

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

GRAP 4	The Effects of Changes in Foreign Exchange Rates (not applicable)
GRAP 5	Borrowing Costs (not applicable)
GRAP 6	Consolidated and Separate Financial Statements (not applicable)
GRAP 7	Investments in Associates (not applicable)
GRAP 8	Interest in Joint Ventures (not applicable)
GRAP 9	Revenue from Exchange Transactions (not applicable)
GRAP 10	Financial Reporting in Hyperinflationary Economies (not applicable)
GRAP 11	Construction Contracts (not applicable)

GRAP 12	Inventories
GRAP 13	Leases
GRAP 14	Events after the Reporting Date
GRAP 16	Investment Property (not applicable)
GRAP 17	Property, Plant and Equipment
GRAP 18	Segment Reporting (not applicable)
GRAP 19	Provisions, Contingent Liabilities and Contingent Assets
GRAP 23	Revenue from Non-Exchange Transactions (Taxes and Transfers) (not applicable)
GRAP 24	Presentation of Budget Information in Financial Statements
GRAP 100	Non-Current Assets held for Sale and Discontinued Operations (not applicable)
GRAP 101	Agriculture (not applicable)
GRAP 102	Intangible Assets

These standards are effective for periods beginning on or after 1 April 2009.

Management believes that the adoption of these standards in future periods will have no material impact on the financial statements of the NAMC. The statements that are relevant to the entity are more or less similar in application and disclosure to the GAAP standards applied currently.

	2008/09 R'000	2007/08 R'000
2. GRANTS AND TRANSFERS		
Department of Agriculture - MTEF allocation	22,459	13,320
Department of Agriculture - Additional allocation	-	3,700
Total	22,459	17,020

notes to the annual financial statements - for the year ended 31 March 2009

	2008/09 R'000	2007/08 R'000
3. OTHER INCOME		
Insurance payment received	-	18
Sundry income	38	75
Sponsorships received	1,864	25
Total	1,902	118
<p>Sponsorship income was received from various sources in order to conduct research or workshops related to the business of the NAMC. Sundry income is mainly comprised of income received from the Food, Agricultural and Natural Resources Policy Analysis Network (FANRPAN).</p>		
4. ADMINISTRATIVE EXPENSES		
General administrative expenses	815	427
Audit Committee fees	52	99
Auditor's remuneration	195	201
- Audit fees	195	201
Bank charges	27	19
Bad debt written off	-	16
Impairment of staff loans	-	12
Internal audit fees	310	224
Promotions and publicity	496	201
Refreshments and catering	166	90
Stationery and printing	335	269
Training and development	363	401
Venues and facilities - parking	165	107
Total	2,924	2,066



notes to the annual financial statements - for the year ended 31 March 2009

	2008/09 R'000	2007/08 R'000
5. STAFF COSTS		
Salaries - Non-Senior Management	5,321	4,070
Basic salaries	4,243	3,365
Performance awards	528	180
Other non-pensionable allowances	522	318
Temporary staff	-	-
Leave payments on resignation and capitalisation	28	63
Severance packages	-	144
Social contributions (employer's contributions)	628	455
UIF	33	27
Pension	595	428
Senior managers' remuneration	5,153	3,598
Council members' remuneration	508	946
Total	11,610	9,069

Details in respect of Council members' and senior managers' remuneration are as follows:

COUNCIL MEMBERS' EMOLUMENTS FOR THE 2008/09 FINANCIAL YEAR IN AGGREGATE:

NAME OF MEMBER	REMUNERATION
Ms Ntombi Msimang	141,869
Dr Mohammad Karan	44,160
Ms Mina Gill	47,128
Ms Makgoro Mannya	34,597
Mr Andre Young	56,895
Prof. Johann Kirsten	26,600
Ms Cynthia Molo	15,680
Mrs Lillibeth Moolman	65,145
Mr Derrick Montshwe	56,000
Prof. Herman van Schalkwyk	19,472
Total	R507,546

notes to the annual financial statements - for the year ended 31 March 2009

SENIOR MANAGERS' EMOLUMENTS FOR THE 2008/09 FINANCIAL YEAR IN AGGREGATE:

NAME OF MEMBER	BASIC	ALLOWANCE	PERFORMANCE BONUS	PENSION	UIF	TOTAL
Mr R Ramabulana - CEO	523,965	232,092	307,777	107,273	1,497	1,172,604
Mr Aveen Rampershad - CFO	575,425	82,500	242,000	90,072	1,497	991,494
Prof. A Jooste	562,725	46,800	160,000	87,075	1,497	858,097
Senior Manager - MERC						
Mr Schalk Burger	357,851	81,600	124,999	60,548	1,497	626,495
Senior Manager - Statutory Measures						
Mr H Mohane	439,411	-	124,999	60,588	1,497	626,495
Senior Manager - Agribusiness						
Ms Joyce Sethu	375,651	63,800	-	60,548	1,497	501,496
HR Manager						
Mr Gilly Mavela Dlamini	204,166	87,500	84,000	-	873	376,539
Senior Researcher - MERC						
Total	3,039,194	594,292	1,043,775	466,104	9,855	5,153,220

notes to the annual financial statements - for the year ended 31 March 2009

	2008/09 R'000	2007/08 R'000
6. OTHER OPERATING EXPENSES		
Communication costs	218	205
Consultants, contractors and special services	240	212
Courier and delivery charges	15	17
Equipment items expensed	17	2
Fruitless and wasteful expenditure	2	38
Irregular expenditure	1,051	
Maintenance, repairs and running costs	214	8
Office rent	791	591
- Municipal charges	220	242
- Rentals in respect of operating lease	571	349
Research, workshops and investigations	5,426	3,424
Travel and subsistence	1,769	1,552
Total	9,743	6,049

Fruitless and wasteful expenditure consists of interest and penalties incurred on the late payment of the entity's Diner's Club account. Steps have been taken to prevent similar fruitless and wasteful

expenditure in future. Irregular expenditure to the amount of R 1.051 million was also incurred due to failure to follow the tender process.

7. DEPRECIATION AND AMORTISATION

Depreciation	348	245
- Office equipment	6	9
- Computer equipment	134	85
- Office furniture and fittings	17	13
- Leased office equipment	138	138
- Leasehold improvements	53	-
Amortisation	40	9
- Computer software	40	9
Total	388	254

8. LOSS ON DISPOSAL OF FIXED ASSETS

Loss on disposal of fixed assets	(30)	(13)
Total	(30)	(13)

notes to the annual financial statements - for the year ended 31 March 2009

	2008/09 R'000	2007/08 R'000
9. FINANCE COSTS		
Finance costs	52	88
- Finance leases	52	88
Total		
10. INCOME FROM INVESTMENTS		
Interest income	1,666	424
- Bank deposits	1,666	424
Total		

11. GAINS AND LOSSES ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES PER CATEGORY

	LOANS AND RECEIVABLES R'000	OTHER FINANCIAL LIABILITIES R'000	TOTAL R'000
2009			
Interest income	1,666	-	1,666
Finance costs	-	(52)	(52)
Total	1,666	(52)	1,614
2008			
Interest income	424	-	424
Finance costs	-	(88)	(88)
Impairment losses	(12)	-	(12)
Total	412	(88)	324



notes to the annual financial statements - for the year ended 31 March 2009

12. PROPERTY, PLANT AND EQUIPMENT

	LEASEHOLD IMPROVEMENTS R'000	OFFICE EQUIPMENT R'000	VEHICLES R'000	COMPUTER EQUIPMENT R'000	OFFICE FURNITURE AND FITTINGS R'000	LEASED OFFICE EQUIPMENT R'000	TOTAL R'000
Year ended 31/3/2009							
Opening net carrying amount	-	21	54	205	42	408	730
Gross carrying amount	-	101	321	552	330	690	1,994
Accumulated depreciation	-	(80)	(267)	(347)	(288)	(282)	(1,264)
Additions	488	25	-	307	285	-	1,105
Disposals - cost	-	(8)	-	(107)	(103)	-	(218)
Disposals - accumulated depreciation	-	4	-	91	91	-	186
Asset movement - cost	-	-	-	-	-	-	-
Asset movement - accumulated depreciation	-	-	-	-	-	-	-
Depreciation charge	(54)	(6)	-	(134)	(16)	(138)	(348)
Net carrying amount 31 March 2009	434	36	54	362	299	270	1,455
Gross carrying amount	488	118	321	752	512	690	2,881
Accumulated depreciation	(54)	(82)	(267)	(390)	(213)	(420)	(1,426)
Net carrying amount 31 March 2009	434	36	54	362	299	270	1,455

Year ended 31/3/2008

Opening net carrying amount	-	32	54	262	50	546	944
Gross carrying amount	-	145	321	766	325	690	2,247
Accumulated depreciation	-	(113)	(267)	(504)	(275)	(144)	(1,303)
Additions	-	5	-	40	-	-	45
Disposals - cost	-	(44)	-	(254)	-	-	(298)
Disposals - accumulated depreciation	-	42	-	242	-	-	284
Asset movement - cost	-	(5)	-	-	5	-	-
Asset movement - accumulated depreciation	-	-	-	-	-	-	-
Depreciation charge	-	(9)	-	(85)	(13)	(138)	(245)
Net carrying amount 31 March 2008	-	21	54	205	42	408	730
Gross carrying amount	-	101	321	552	330	690	1,994
Accumulated depreciation	-	(80)	(267)	(347)	(288)	(282)	(1,264)
Net carrying amount 31 March 2008	-	21	54	205	42	408	730

notes to the annual financial statements - for the year ended 31 March 2009

Assets with a book value of R270 000 are pledged as security in terms of the entity's lease obligations.

No depreciation was provided on motor vehicles in the current or prior year, due to the fact that the residual values exceeded the carrying values of the motor vehicles.

	COMPUTER SOFTWARE R'000	TOTAL R'000
13. INTANGIBLE ASSETS		
Year ended 31/3/2009		
Opening net carrying amount	19	19
Gross carrying amount	94	94
Accumulated amortisation	(75)	(75)
Additions	140	140
Disposals – cost	(91)	(91)
Disposals – accumulated amortisation	80	80
Amortisation charge	(40)	(40)
Net carrying amount 31 March 2009		
Gross carrying amount	108	108
Accumulated amortisation	143	143
Net carrying amount 31 March 2009	(35)	(35)
	108	108
Year ended 31/3/2008		
Opening net carrying amount	25	25
Gross carrying amount	183	183
Accumulated amortisation	(158)	(158)
Additions	3	3
Disposals – cost	(92)	(92)
Disposals – accumulated amortisation	92	92
Amortisation charge	(9)	(9)
Net carrying amount 31 March 2008	19	19
Gross carrying amount	94	94
Accumulated amortisation	(75)	(75)
Net carrying amount 31 March 2008	19	19



notes to the annual financial statements - for the year ended 31 March 2009

	2008/09 R'000	2007/08 R'000
14. RECEIVABLES		
Trade receivables	-	1
Staff loans	-	12
Less: Allowance for loss on impairment of financial assets	-	(12)
Accrual for interest receivable	-	29
Rental deposit (property lease)	62	38
Total	62	68
15. CASH AND CASH EQUIVALENTS		
<p>Cash and cash equivalents comprise cash and short-term highly liquid investments, which are held with registered banking institutions with maturities of three months or less and which are subject to insignificant interest rate risk. The carrying amount of these assets approximates their fair value.</p>		
Cash at bank	1,010	480
Cash on hand	1	1
Short-term investments	1,413	1,137
Total	2,424	1,618
16. FINANCE LEASE LIABILITY		
Amounts payable under finance leases:		
- Minimum lease payments	381	588
- Future finance charges	(55)	(115)
Outstanding balance	326	473
Less: Current portion due within 12 months	(158)	(138)
Total	168	335

The NAMC is leasing photocopiers and a PABX system under finance leases. Obligations under finance leases are secured by the lessor's title to the leased assets.

notes to the annual financial statements - for the year ended 31 March 2009

	2008/09 R'000	2007/08 R'000
17. PAYABLES		
Trade creditors	1,524	154
Sundry creditors	193	398
Operating lease liability	22	34
Leave accrual	398	396
Total	2,137	982
<p>The leave accrual is calculated by using the total cost-to-company of the employee, multiplied by the leave days due at year end.</p>		
18. DEFERRED INCOME		
Commark Trust	364	-
Food and Agriculture Organisation (FAO)	62	-
Land Bank	-	1 100
Total	426	1,100
19. RECONCILIATION OF SURPLUS FOR THE YEAR TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus	1,280	23
Adjusted for:		
- Losses on disposal of fixed assets	30	13
- Amortisation on intangible assets	40	9
- Depreciation on property, plant and equipment	348	245
Operating cash flows before working capital changes	1,698	290
Working capital changes	487	1,225
- Decrease in receivables	6	2
- Increase in payables	481	1,223
Net cash flows from operating activities	2,185	1,515



notes to the annual financial statements - for the year ended 31 March 2009

	2008/09 R'000	2007/08 R'000
20. NET CASH USED IN INVESTING ACTIVITIES		
Proceeds on disposal of property, plant and equipment	13	-
Acquisition of property, plant and equipment	(1,105)	(45)
Acquisition of intangible assets	(140)	(3)
Cash used in investing activities	(1,232)	(48)
21. NET CASH USED IN FINANCING ACTIVITIES		
Repayment of finance leases	(147)	(102)
Cash used in financing activities	(147)	(102)
22. OPERATING LEASE ARRANGEMENTS		
The entity as lessee		
At the reporting date the entity had outstanding commitments under a non-cancellable operating lease for the rental of office space, which are due as follows:		
Up to 1 year	189	349
Between 1 and 5 years	534	29
Total	723	378
23. FINANCE LEASE COMMITMENTS		
The entity as lessee		
Up to 1 year		
- Future minimum lease payments	194	196
- Less: Finance charges	(36)	(58)
- Present value of the future minimum lease payments	158	138
Between 1 and 5 years		
- Future minimum lease payments	187	392
- Less: Finance charges	(19)	(57)
- Present value of the future minimum lease payments	168	335

notes to the annual financial statements - for the year ended 31 March 2009

	2008/09 R'000	2007/08 R'000
24. FINANCIAL INSTRUMENTS		
The following are the carrying values of the entity's financial instruments per category:		
Loans and receivables	2,486	1,686
Financial liabilities at amortised cost	(2,463)	(1,452)

Financial instruments

In the course of the entity's business operations it is exposed to interest rate, credit and liquidity risk. The entity has developed a comprehensive risk management process to monitor and control these risks. The risk management process relating to each of these risks is discussed under the headings below.

Interest rate risk

Interest rate 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 sensitivity of the entity's financial performance to interest rate increases is decreasing as a result of the reduction in the outstanding amounts due in respect of finance leases. The exposure in terms of cash and cash equivalents and finance leases is tabled under the notes on credit and liquidity risk.

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

	CHANGE IN INTEREST RATE	UPWARD CHANGE	DOWNWARD CHANGE
31/3/2009			
Cash and cash equivalents	1 %	24	(24)
Finance lease	1 %	(3)	3
31/3/2008			
Cash and cash equivalents	1 %	16	(16)
Finance lease	1 %	(5)	5



CREDIT RISK

Financial assets that potentially subject the entity to the risk of non-performance by counter-parties, and thereby subject the entity to concentrations of credit risk, consist mainly of cash and cash equivalents and receivables. Credit risk is controlled through the application of credit approvals, limits and monitoring procedures.

The entity limits its counter-party exposure by only dealing with well-established financial institutions with high credit ratings assigned

by international credit-rating agencies. Credit risk with respect to receivables is limited, due to the nature of the NAMC's revenue transactions. 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 not adequately provided for. Receivables are presented as net of the allowance for doubtful debts.

notes to the annual financial statements - for the year ended 31 March 2009

	2008/09 R'000	2007/08 R'000
24. FINANCIAL INSTRUMENTS (CONTINUED)		
Exposure to credit risk		
The maximum exposure to credit risk at the reporting date was:		
Receivables – Unrated	62	68
Cash and equivalents – AA rating	2,424	1,618
Total	2,486	1,686
Credit quality of financial assets		
The following analysis provides information about the entity's exposure to credit risk:		
Receivables		
- Neither past due nor impaired	62	68
- Financial assets that have been impaired	-	(12)
Cash and equivalents		
Neither past due nor impaired	2,424	1618
Liquidity risk		
The entity manages liquidity risk through proper management of working capital, capital expenditure and cash flow, and by variance reports between actual and budgeted amounts.		
Exposure to liquidity risk		
The following are the maturities and contractual cash flows of other financial liabilities that have been discounted.		
Finance lease		
- Within 1 year	158	138
- Within 1 to 5 years	168	335
- Present value of the future minimum lease payments	326	473
Payables		
- Within 1 year	2,137	982



24. FINANCIAL INSTRUMENTS (CONTINUED)

Fair values

The entity's financial instruments consist mainly of cash and cash equivalents, receivables and payables. No financial asset was carried at an amount in excess of its fair value, and fair values could be reliably measured for all financial assets. The following methods and assumptions are used to determine the fair value of each class of financial instruments:

Cash and cash equivalents

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

Receivables

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

Payables

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

25. TAX EXEMPTION

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

26. RELATED PARTIES

In accordance with the requirements of IAS24 and SAICA circular 04/05, all public entities within the national sphere of government are related parties.

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

	2008/09 R'000	2007/08 R'000
Transactions:		
Department of Agriculture – grant received	22,459	17,020
Telkom – telephone expenses	216	213
South African Revenue Service – PAYE/UIF	2,479	1,630
Balances:		
South African Revenue Service (due to SARS)	-	340

27. COMPARATIVE FIGURES

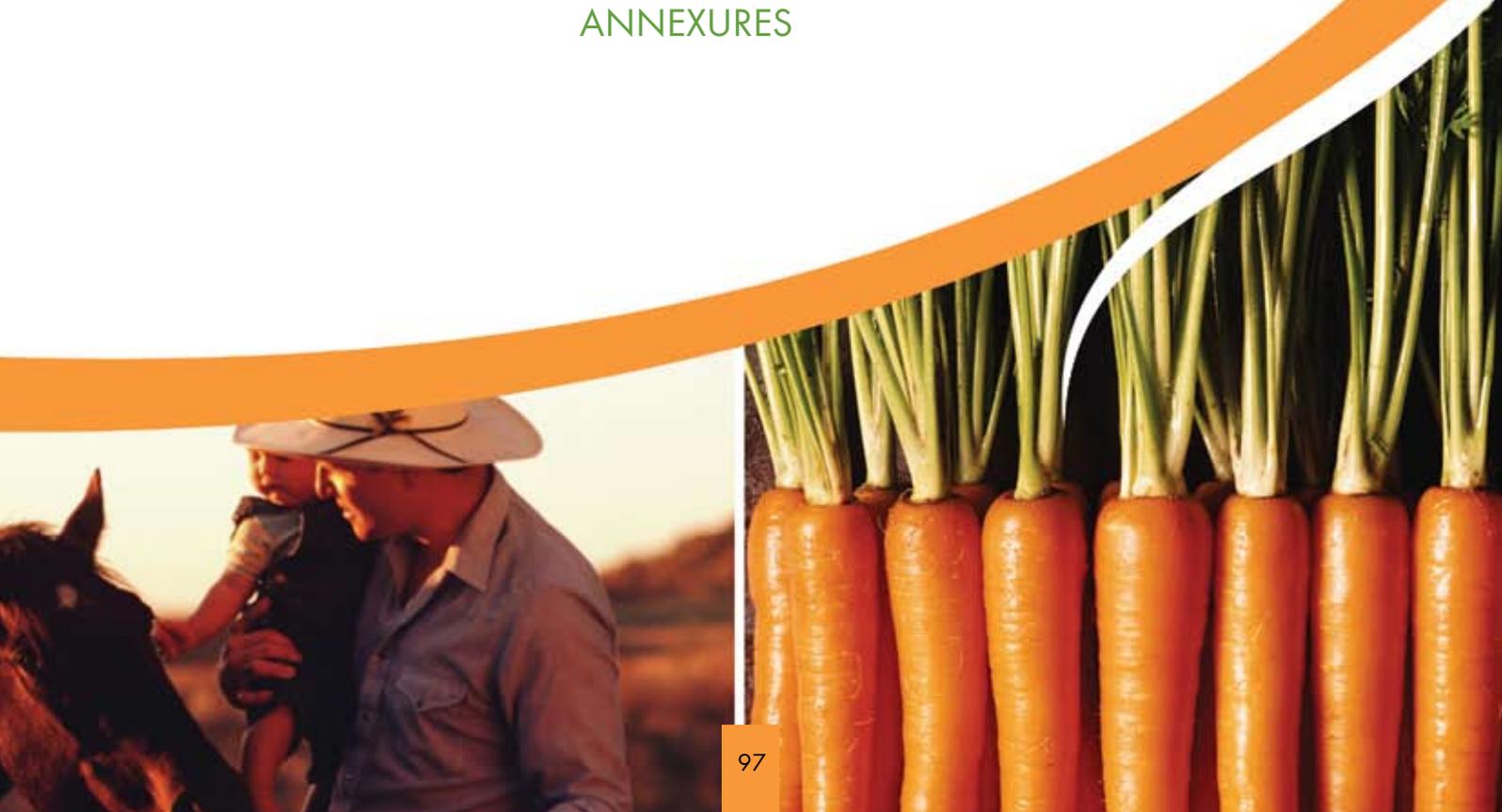
Comparative figures, where necessary, have been adjusted to ensure comparability with the presentation of the financial statements in the current year.





PART 5:

ANNEXURES



annexure a: contact details of industry structures

1. CONTACT DETAILS OF TRUSTS

NAME	COMMODITIES	CONTACT DETAILS	TEL	FAX	E-MAIL AND WEBSITE
Citrus Industry Trust	Citrus	Ms Elsa Taylor PO Box 359 GROENKLOOF 0027	012 667 3113	012 667 3128	emtaylor@iafrica.com
.....					
Cotton Trust	Cotton	Mr Hennie Bruwer PO Box 912232 SILVERTON 0127	012 804 1462	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	johlida@dfpt.co.za
.....					
Deciduous Fruit Producers' Trust	Deciduous fruit	Mr Anton Rabe PO Box 163 PAARL 7620	021 870 2900	021 870 2915	johlida@dfpt.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

annexure a: contact details of industry structures

NAME	COMMODITIES	CONTACT DETAILS	TEL	FAX	E-MAIL AND WEBSITE
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 12203 QUEENSWOOD 0121	012 333 3429	012 333 3634	lagric@mweb.co.za
Meat Industry Trust	Red meat	Ms Alet du Plessis PO Box 36802 MENLOPARK 0102	012 348 7572	012 361 9837	aletd@levyadmin.co.za
Mohair Trust	Mohair	Mr Deon Saayman PO Box 2243 PORT ELIZABETH 6056	041 487 1386	041 487 1336	info@mohair.co.za
Oil and Protein Seed Development Trust	Oilseeds	Mr Gerhard Keun PO Box 5562 RIVONIA 2128	011 234 3400	011 234 3402	oliesade@worldonline.co.za



annexure a: contact details of industry structures

NAME	COMMODITIES	CONTACT DETAILS	TEL	FAX	E-MAIL AND WEBSITE
Potato Industry Development Trust	Potatoes	Mr Gawie Geyer Private Bag X135 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 12203 QUEENSWOOD 0121	012 333 3429	012 333 3634	l@agric@mwweb.co.za
Winter Cereal Trust	Winter cereals	Mr Awie Coetzee PO Box 7088 CENTURION 0046	012 663 1660	012 663 3109	wct@grainmilling.co.za
SA Wine Industry Trust	Wine	Mr Charles Erasmus Private Bag X5034 STELLENBOSCH 7599	021 809 3164	021 889 5900	www.sawit.co.za
Wool Trust	Wool	Mr André van de Venter PO Box 2500 PORT ELIZABETH 6056	041 484 4307	041 484 4309	andre@wooltrust.co.za

2. CONTACT DETAILS OF INDUSTRY SERVICE SECTION 21 COMPANIES

NAME	COMMODITIES	CONTACT DETAILS	TEL	FAX	E-MAIL AND WEBSITE
Cape Wool SA	Wool	Mr Paul Buys PO Box 2191 PORT ELIZABETH 6056	041 484 4301	041 484 6792	stats@capewools.co.za www.capewools.co.za
.....					
Citrus Growers' Association of Southern Africa	Citrus	Mr Justin Chadwick PO Box 461 HILLCREST 3650	031 765 2514	031 765 8029	justchad@iafrica.com www.cga.co.za
.....					
Cotton SA	Cotton	Mr Hennie Bruwer PO Box 912232 SILVERTON 0127	012 804 1462	012 804 8616	http://www.cottonsa.org.za
.....					
Dried Fruit Technical Services	Dried fruit	Mr Dappies Smit PO Box 426 PAARL 7620	021 872 1502	021 872 2675	dappies@dtd.co.za
.....					
Lucerne Seed Organisation	Lucerne seed	Mr Derick Engelbrecht PO Box 185 OUDTSHOORN 6620	044 272 8991	044 329 2838	lusern@mwweb.co.za



annexure a: contact details of industry structures

NAME	COMMODITIES	CONTACT DETAILS	TEL	FAX	E-MAIL AND WEBSITE
Milk South Africa	Milk	Mr Nico Fouche PO Box 1961 BROOKLYN SQUARE 0075	012 460 7312	012 460 9909	admin@milksa.co.za
Mohair South Africa	Mohair	Mr Deon Saayman PO Box 2243 SYDENHAM PE 6056	041 487 1386	041 487 1336	info@mohair.co.za www.mohair.co.za
SATI (South African Table Grape Industry)	Table grapes	Ms Elaine Alexander PO Box 2932 PAARL 7620	021 872 1438	021 872 4375	rhomona@satgi.co.za www.satgi.co.za
SAGIS (South African Grain Information Service)	Barley, canola, groundnuts, maize, oats, sor- ghum, soybeans, sunflower seed and wheat	Ms Anna Enslin PO Box 669 PRETORIA 0001	012 523 1400	012 523 1401	management@sagis.org.za www.sagis.org.za
South African Grain Laboratory	Wheat, oats, maize, malt, sorghum and other grains	Ms Corilia Buitendag PO Box 1059 SILVERTON 0127	012 349 2683	012 349 2686	sagl@mweb.co.za www.sagl.co.za

annexure a: contact details of industry structures

NAME	COMMODITIES	CONTACT DETAILS	TEL	FAX	E-MAIL AND WEBSITE
Wildlife Ranching South Africa	Wildlife	Mr Reinhardt Holtzhausen PO Box 23073 GEZINA 0031	012 335 6994	012 335 1059	office@wrsa.co.za www.wrsa.co.za
South African Ostrich Business Chamber	Ostriches	Mr Anton Kruger PO Box 952 OUDTSHOORN 6620	044 272 3336	044 272 3337	akruger@saobc.co.za www.ostrichsa.co.za
South African Poultry Association	Poultry	Mr Maarten de Kock PO Box 1202 HONEYDEW 2040	011 795 2051	011 795 3180	sapa@sapoultry.co.za www.sapoultry.co.za
SAWIS (South African Wine Industry Information & Systems)	Wine	Ms Yvette van der Merwe PO Box 238 PAARL 7620	022 423 8692	021 871 1360	Yvette@sawis.co.za www.sawis.co.za
WINETECH (Wine industry Network of Expertise and Technology)	Wine	Mr Jan Booysen PO Box 528 SUIDER-PAARL 7624	021 807 3324	021 807 3385	booysen @kvw.co.za http://www.winetech.co.za



annexure a: contact details of industry structures

NAME	COMMODITIES	CONTACT DETAILS	TEL	FAX	E-MAIL AND WEBSITE
WOSA (Wines of South Africa)	Wine	Ms Su Birch PO Box 987 STELLENBOSCH 7599	021 883 3860	021 883 3861	info@wosa.co.za http://www.wosa.co.za
Potatoes SA	Potatoes	Mr Gawie Geyer Private Bag X135 PRETORIA 0001	012 349 1906	012 325 6102	ggeyer@agric.co.za
South African Flower Growers' Association	Flowers	Mr Dirk de Bruin PO Box 1927 KRUGERSDORP 1740	011 692 4237	011 693 7051	safflower@global.co.za www.safflower.co.za
South African Protea Producers' and Exporters' Association	Flowers	Ms Maryke Middlemann Private Bag X12 BOT RIVER 7185	028 284 9745	028 284 9777	sappex@honingklip.co.za
SAMIC (South African Meat Industry Company)	Red meat	Mr Rudi van der Westhuizen PO Box 26151 ARCADIA 0007	012 361 4545	012 361 6004	ceo@samic.co.za www.samic.co.za

3. CONTACT DETAILS OF FORUMS / BROADER INDUSTRY POLICY BODIES

NAME	COMMODITIES	CONTACT DETAILS	TEL	FAX	E-MAIL AND WEBSITE
Fresh Produce Exporters' Forum	Citrus, deciduous fruits and subtropical fruit	Mr Stuart Symington PO Box 190 NEWLANDS 7725	021 674 3202	021 683 6280	info@fpef.co.za www.fpef.co.za
.....					
Deciduous Canning Fruit Forum	Deciduous canning fruit	Mr SJ Victor PO Box 414 PAARL 7620	021 872 1401	021 872 2675	inmack@mweb.co.za
.....					
Meat Industry Forum	Red meat	Mr Dave Ford PO Box 244 LA MONTAGNE 0184	012 667 1189	012 667 1246	dave@safeedlot.co.za www.safeedlot.co.za
.....					
SA Groundnut Forum	Groundnuts	Mr Gerhard Keun	011 234 3400	011 234 3402	oliesade@worldonline.co.za
SA Sunflower Forum	Sunflowers	PO Box 5562			
SA Soya Bean Forum	Soya beans	RIVONIA 2128			



annexure a: contact details of industry structures

NAME	COMMODITIES	CONTACT DETAILS	TEL	FAX	E-MAIL AND WEBSITE
Sorghum Forum	Sorghum	Mr Leon du Plessis	012 333 3429	012 333 3634	Hagric@mmweb.co.za
	Wheat	PO Box 12203			
	Wool	QUEENSWOOD			
	Lucerne seed	0121			
.....					
Wheat Forum		Mr Leon du Plessis	012 333 3429	012 333 3634	Hagric@mmweb.co.za
		PO Box 12203			
		QUEENSWOOD			
.....					
Wool Industry Forum		Mr Andre Strydom	041 484 4301	041 484 6792	capewool@capewools.co.za
		PO Box 2191			
		NOORDEINDE			
		PORT ELIZABETH			
.....					
Lucerne Industry Forum		Mr Derick Engelbrecht	044 272 8991	044 329 2838	lusern@mmweb.co.za
		PO Box 185			
		OUJTSHOORN			
.....					
Maize Forum		Mr Leon du Plessis	012 333 3429	012 333 3634	Hagric@mmweb.co.za
		PO Box 12203			
		QUEENSWOOD			
.....					



annexure b: council members' contact details

MEMBER	CONTACT DETAILS	PHYSICAL ADDRESSES	POSTAL ADDRESSES
Ms Ntombi Msimang (Chairperson)	Tel.: (011) 314 1173/2833 Fax: (011) 314 1173 Cell: 0836354860 email: noirconsult@iafrica.com	No. 42, Plot 131 Elevation Road Randjiesfontein MIDRAND	P.O. Box 50065 RANDJIESFONTEIN 1683
Dr Mohammad Karaan (Vice Chairperson)	Tel: (021) 808 4792 Fax: (021) 808 4670 Cell: 0828021396 email: asmk@sun.ac.za	Room 1013, JS Marais Building University of Stellenbosch Victoria Street STELLENBOSCH	Department of Agriculture Private Bag X1 MATIELAND 7602
Ms Mina Gill	Tel: (053) 474 2138 Fax: (053) 474 2026 Cell: 0738148457 email: gillmina32@yahoo.com	Empetus Building Office No. 4 (Social Service Bldg) ANC Office Eric Louw Street HARTSWATER 8570	P.O. Box 2665 HARTSWATER NORTHERN CAPE 8570
Ms Makgoro Mannyana	Fax: (015) 3075933 Cell: 0820757139 email: makgoro@webmail.co.za makgoro@ditubatse.co.za	P.O. Box 97 TZANEEN 0850	P.O. Box 97 TZANEEN 0850
Mr André Young	Tel: (031) 311 5120 Fax: (031) 465 4222 Cell: 0832514046 email: youngandre@durban.gov.za	325 Randles Road SYDENHAM DURBAN 4091	325 Randles Road SYDENHAM DURBAN 4091
Prof. Johann Kirsten	Tel: (012) 420 3248 Fax: (012) 420 4958 Cell: 082 372 3131 email: johann.kirsten@up.ac.za	Room 2.22 Agricultural Annex University of Pretoria	Dept of Agricultural Economics Extension and Rural Development University of Pretoria Pretoria, 0002
Ms Cynthia Molo	Fax: (047) 4910506 Cell: 0835219630	23 Scanlen Street BUTTERWORTH 4960	P/Bag 3164 BUTTERWORTH 4960



annexure b: council members' contact details

MEMBER	CONTACT DETAILS	PHYSICAL ADDRESSES	POSTAL ADDRESSES
Mrs Lillibeth Moolman	Tel/Fax: (012) 460 3002 Cell: 082 963 7676 email: liloolman@absamail.co.za	251 Albert Street WATERKLOOF 0181	251 Albert Street WATERKLOOF 0181
Mr Derrick Montshwe	Tel: (012) 348-7610 Fax: 0866474176 Cell: 0826210216 email: derrickm@agridelights.co.za	318 The Hillside LYNNWOOD 0081	P.O. Box 27195 LYNNWOOD 0081
Prof Herman van Schalkwyk	Tel: (051) 401 2535 Fax: (051) 401 3728 Cell: 0829407830 email: hvs.sci@ufs.ac.za	University of Free State Faculty of Natural & Agricultural Sciences Nelson Mandela Drive BLOEMFONTEIN	P.O. Box 339 BLOEMFONTEIN 9300

NAMC CEO & Senior Managers:

CEO:	Ronald Ramabulana: 012 341 1115, email: ronald@namc.co.za
Statutory Measures:	Schalk Burger: 012 341 1115, email: schalk@namc.co.za
MERC:	André Jooste: 012 341 1115, email: andre@namc.co.za
Agribusiness development:	Happy Mohane: 012 341 1115, email: happy@namc.co.za







The business offices of the NAMC are situated at:

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National Agricultural Marketing Council

Strategic positioning of South African Agriculture
in dynamic global markets

