



Agri-Trust digest

Issue No.: 03

In this issue we cover the following topics:

1. **What's new in the Lucerne industry: China Lucerne hay protocol**
2. **The Citrus Industry Trust**
3. **The National Lucerne Trust**
4. **The Meat Industry Trust**



National Agricultural
Marketing Council
Promoting market access for South African agriculture

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AGRI-TRUST DIGEST

Agri-Trust Digest is a monthly report that is produced by the National Agricultural Marketing Council through the Agricultural Industry Trusts Division. The publication aims to communicate developments as they happen around the different agricultural trusts. The focus of this issue is on four topics: (i) What's new in the Lucerne industry: China Lucerne hay protocol, (ii) Citrus Industry Trust, (iii) National Lucerne Trust and, (iv) The Meat Industry Trust. The division has three digests which cover the Food Agriculture Natural Resource Policy Analysis Network (FANRPAN), Agricultural Transformation and Agricultural Industry Trusts. Agri-Trust Digest reports on the monthly key developments coming from the operation of different industry trusts.

Contributors to this Issue:

Mr Matsobane (BM) Mpyana
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Mr Elekanyani Nekhavhambe

1. WHAT'S NEW IN THE LUCERNE INDUSTRY: CHINA LUCERNE HAY PROTOCOL

**By
Precious Nomantande Yeki**

For the betterment of the industry, the People's Republic of China and South Africa have expanded trade agreements, opening a new export market for lucerne hay to China. Two months ago, during the BRICS Summit, the President of the Republic of South Africa, His Excellency Cyril Ramaphosa, and the President of China, Xi Jinping, signed a number of agreements. Among the agreements that were signed was the China Lucerne Hay Protocol.

Following the Protocol, on Friday 31 August 2018, the Department of Agriculture Forestry and Fisheries (DAFF) called a China Lucerne Hay Protocol Workshop in Kimberley. In attendance were, among others, representatives from the Chinese government, National Agricultural Marketing Council (NAMC), Perishable Products Export Control Board (PPECB), National Lucerne Trust (NLT), lucerne commercial and smallholder farmers, GWK and many more. The primary purpose of this meeting was to discuss issues related to the China Lucerne Hay Protocol.

During the proceedings, a number of presentations were delivered from different DAFF directorates. The first presentation emphasised the compliance requirements from both producers and processing plants. This was followed by a presentation which covered the role of the DAFF. Additionally, a presentation on quarantine pests of concern was given which highlighted pests farmers should be aware of. Furthermore, it was emphasised that the official protocol that is currently followed by the industry is the quality code of practice from the National Lucerne Trust. The last presentation deliberated on the inspection of compliance standards, which is to be conducted by the PPECB.

The lucerne smallholder farmers were not aware of this market channel. Therefore, it was decided that the NLT

will be used to facilitate all communication to ensure the representation of all farmers. The NAMC and DAFF possibly have a role in ensuring that black smallholder farmers meet the requirements for this export market through capacity building. In conclusion, certain farmers mentioned that they are approaching their first cut of harvest whereas others will be cutting midway through October. Therefore, if all necessary arrangements are made with the Chinese, they can export in the current year.

2. THE CITRUS INDUSTRY TRUST

**By
BM Mpyana**

2.1 Background

The Citrus Industry Trust (CIT) was established in February 1999. It is currently the second smallest of all the agricultural industry trusts, just ahead of the National Lucerne Trust (NLT) regarding asset value, which stands at R15.6 million, having inherited assets of R16.6 million. It is crucial that due credit is given to the trustees of the CIT for safeguarding the assets and putting measures in place to rescue the situation of reduced value.

2.2 What does the Citrus Industry Trust stand for?

As stipulated in the Deed of Trust, the primary objective of the Citrus Industry Trust is to enhance the viability of the South African citrus industry and specifically to:

- Finance basic and applied research relating to the production and marketing of citrus,
- Grant bursaries or financial aid to persons in the furtherance of their studies relating to the citrus industry,
- Finance the collection and dissemination of marketing and other information relevant to the citrus industry,
- Finance and nurture marketing skills in the citrus industry,
- Finance the promotion of the citrus industry in a national context and especially overseas,
- Finance mechanisms for the social development and welfare of all directly affected groups in the citrus industry including labour,

- Finance any organisation or institution that has as its aims one or more of the above objectives, and
- Promote the aims of the citrus industry by providing financial aid.

2.3 Trust representation – Ministerial trustees need to be known

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

Ms Hlamalani Ngwenya



Figure 1: A photo of Ms Hlamalani Ngwenya

Ms Ngwenya is currently a co-ordinator of the Global Forum for Rural Advisory Services (GFRAS) Consortium and Extension Education and Training. She is responsible for policy dialogues and the evaluation of extension programme initiatives (including the development of self-directed learning material for the new extensionist learning kit).

She also works for International Crops Research for the Semi-Arid Tropics (ICRISAT) where her key role includes stakeholder liaison for the Agricultural Modelling Intercomparison and Improvement Project (AgMIP). She is also a part-time lecturer in Rural Development Sociology at the University of the Free State. Previously, she worked as Manager for Communications and Knowledge at the Food,

Agriculture, Natural Resources Policy Analysis Network (FANRPAN) and for AgriSETA as skills planning manager.

Ms Patricia Motlogeloa



Figure 2: A photo of Ms Patricia Motlogeloa

Ms Motlogeloa is currently a member of the External Appeals Advisory Panel of the Office of the Member of Executive Committee (MEC) of the Gauteng Provincial Government: Department of Economics, Environment, Agriculture and Rural Development. Her role includes identifying and mitigating the risks for decisions made with regard to both internal disputes and appeals referred to the MEC.

She also possesses excellent entrepreneurial skills and consultancy/advisory skills. She previously worked as an agricultural economist specialist for the United States embassy with experience in international trade and market development, trade policy analysis and research on trade in the specific commodity.

Mr Alex Sithole



Figure 3: A photo of Mr Alex Sithole

Mr Sithole is currently the Parliamentary Constituency Office Co-ordinator at the Johannesburg South Constituency Office and a board member at the Bertha Gxowa branch. Mr Sithole holds a Bachelor of Arts in Political Science from UNISA and a Diploma in Accounting and Financial Management from Wits Business School among others.

2.4 Trust information on transformation

Currently, the CIT funds student bursaries through the Citrus Academy. The bursaries aim to ensure that critical skills and limited skills are addressed for the sector, in view of the creation and maintenance of a steady flow of educated and qualified young people into the industry – more importantly, young people who are also excited about the industry and who are looking to forge long and successful careers within it.

New approach to transformation

Following the publication of the 2015/16 status report on the agricultural industry trusts, the Minister of the Department of Agriculture, Forestry and Fisheries (DAFF), Honourable Senzeni Zokwana, said that training and bursaries are being equated to transformation, with little emphasis on enterprise development.

In an attempt to address the concerns of the Minister, the Citrus Industry Trust has taken steps to amend their Trust Deed to include transformation through the funding of enterprise development. The new approach is aimed at working with entities such as the Citrus Growers' Association – Growers' Development Company (CGAGDC) and investing money in real transformation initiatives to realise the impact of the trust fund on the actual recipients (farmers).

2.5 Conclusion

It can be concluded that working in silos is likely to impact negatively on the success of transformation in agriculture. Although there have been remarks that the trust funds are not sufficient to cater for all farmers, it can be a critical move to advance partnerships between the industries/trusts, government and other stakeholders to make a meaningful impact in

transforming the agricultural sector. Such a move would mean that victory is certain.

3. THE NATIONAL LUCERNE TRUST

By

Precious Nomantande Yeki

3.1 Background

In 1997 the National Lucerne Trust was among the first trusts that were established shortly after the abolition of the former control boards in 1996. The Trust inherited monetary assets of R2 952 398, and in 2017 the asset value amounted to R2 442 442.

3.2 What does the National Lucerne Trust stand for?

As per the Trust Deed, the primary objective of the Trust is the promotion and development of the lucerne industry through financing:

- Research projects related to lucerne,
- Gathering and dissemination of data related to the production and marketing of lucerne,
- The provision of accurate and relevant information to the lucerne industry,
- Co-ordinating contact between producers, traders, cleaners, consumers and government institutions, and
- The promotion of lucerne.

3.3 Trust Representation – Ministerial Trustees need to be known

A board of seven trustees governs the National Lucerne Trust, and one of them (Mr Clovis Bhiya) represents the Minister of the Department of Agriculture, Forestry and Fisheries (DAFF). It is essential that a short brief about him is given for the agricultural community and the public to know who represents the Minister in the Sorghum Trust. The NLT administrator is in the process of registering him with the Master of the High Court.

Mr Clovis Bhiya



Figure 4: A photo of Mr Clovis Bhiya

Mr Bhiya holds a Magister of Technologiae Degree in Agricultural Management (*cum laude*) and an undergraduate degree in Agricultural Management obtained from the Nelson Mandela Metropolitan University. He is the founder and executive director of Nteemaner (Pty) Ltd, a company for agro-business and business consulting. Previously he worked as a senior project manager at Casidra (Pty) Ltd, and as a lecturer in Agricultural Management/Economics at the Cape Institute of Agricultural Training, formerly known as Elsenburg Agricultural College.

4. THE MEAT INDUSTRY TRUST

By

Elekanyani Nekhavhambe

4.1 Background

The Meat Industry Trust was established in May 1998, and its asset value currently stands at R46.3 million, having inherited R44.4 million in 1998. Due credit shall be given to the trustees of the Meat Industry Trust (past and present) for their sterling work in ensuring that the assets of the Trust are safeguarded and grown.

4.2 What does the Meat Industry Trust stand for?

As stated in the Deed of Trust, the sole and principal objective of the Meat Industry Trust is to provide funding for the benefit of the meat industry in the Republic of South Africa and more specifically to financially support:

- Research related to the improvement, production, manufacturing, processing, storing or marketing of red meat or related to red meat producers,
- The provision, distribution and dissemination of information relating to any matter which may be relevant to the meat industry,
- Rendering assistance through a grant, loan or by any other means to any persons that promote any branch of the agricultural industry which relates to meat or red meat products or which has similar objectives as this Trust,
- To benefit the meat industry by whatever lawful means the trustees may, using their discretion, periodically decide, within the ambit of the provisions of this clause,
- The provision of training, support or assistance to emerging farmers to improve capacity to start and manage agricultural operations, and
- Research relating to, and the promotion of, animal welfare.

4.3 Trust Representation – Ministerial Trustees need to be known

The Meat Industry Trust is comprised of six (6) trustees, three (3) of which represent the Minister of the Department of Agriculture, Forestry and Fisheries (DAFF). It is essential that a short brief about each of them is presented for the agricultural community and the public to know who represents the Minister in the Meat Industry Trust.

Ms Brenda Saskia Tlhabane



Figure 5: A photo of Ms Brenda Saskia Tlhabane

Ms Tlhabane is currently the founder of Temo Ya Tlhabane Holdings (Pty) Ltd and a livestock breeder and farmer in the red meat industry. She is also the co-

Founder of the South African Women in Agribusiness in Sub-Sahara Alliance, focusing on rural women and youth upliftment. In June 2016 she joined AFASA and NERPO as a national executive member. Ms Tlhabane also possesses extensive skills in vegetable seedling production. Currently, she is studying towards achieving a Bachelor's degree in Business Administration (UNISA) and participating in the leadership development programme of the University of the Free State.

Ms Ntuthu Mbiko-Motshegoa



Figure 6: A photo of Ms Ntuthu Mbiko-Motshegoa

Ms Mbiko-Motshegoa is a full-time agripreneur, having introduced and developed the management supply of rough offal in the Tembisa township in the Gauteng Province. Furthermore, she moved into a value-adding initiative by being the first agripreneur to offer it as "ready to cook" to the retail market. She is commonly known as the "offal queen". As a black female emerging beef farmer who can relate to the challenges of entering and transforming this sector, she is currently serving on the various industry structures including AFASA as NEC member, the Women's Desk National Office, Gauteng Provincial Secretary-General, Transformation and Value Chain Committee, Beef Ambassador Programme and NERPO as NEC member.

Dr Thamsanqa Hewu



Figure 7: A photo of Dr Thamsanqa Hewu

Dr Hewu is a former maize farmer on the Groenfontein farm in the Delmas area in Mpumalanga. He started his farming career as a self-trained farmer in 2004 when he leased a 50-hectare piece of land, owning one tractor at the time. Although he was formerly trained as a medical practitioner, his passion for maize has been growing from strength to strength. During his farming career, he planted 175 hectares of dryland, of which 100 ha was maize, and 75 ha sunflower. In 2005, he received an award from Grain SA for Developing Farmer of the Year.

4.4 Trust information on transformation

Currently, the Meat Industry Trust transformation focus is on financing student bursaries. A total of R900 000 was spent on the fifteen students pursuing their studies in the field of agriculture, focusing on the red meat industry.

5. Announcements

One of the mandates of the NAMC's Agricultural Industry Trusts Division is to co-ordinate the communication process between the Minister of the DAFF and industry trusts. It is therefore important to note that on 9 November 2018, the Minister of the DAFF will be hosting all the industry trusts at the Burgers Park Hotel, Pretoria, to engage with the trusts and ministerial trustees on his expectations regarding the operations of the trusts.

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