



Agri-Trust digest

Issue No.: 07

In this issue we cover the following topics:

1. **The activities in the Oil and Protein Seeds Development Trust**
2. **New developments in the Meat Industry Trust**



National Agricultural
Marketing Council
Promoting market access for South African agriculture

Visit the NAMC Agri- Trusts Portal at: <http://www.namc.co.za/services/agricultural-trusts/>



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 three topics: (i) the Oil and Protein Seeds Development Trust, (ii) The new developments in the Meat Industry Trust, and (iii) Transformation in the wool industry through the Wool 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 the different industry trusts.

Contributors to this Issue:

Mr Bonani Nyhodo
Mr Matsobane (BM) Mpyana
Mr Gerhard Keun

1. THE OIL AND PROTEIN SEEDS DEVELOPMENT TRUST

By

Gerhard Keun and Matsobane (BM) Mpyana

1.1. Introduction

The Oil and Protein Seeds Development Trust is structured into three entities, namely the Board of Trustees, Oilseeds Advisory Committee (OAC) and Research Priority Committee (RPC). The OAC serves as the advisory committee to the Trust, the South African Sunflower and Soybean Forum and the South African Groundnut Forum which consist of industry role players.

The main objectives of the Trust are the promotion and development of the oilseeds industry in South Africa by: financing of research projects with regard to improvement, production, hoarding, processing or marketing of oilseeds (sunflower, soybean, groundnut and canola); financing for the provision of information and advisory services to the oilseeds Industry with regard to the production of oilseeds and marketing conditions; the investment and conservation of the assets of the Trust; the productive utilisation of the assets of the Trust from time to time in such a manner that the real value thereof is maintained or increased, as far as possible; and financing of market access or of any further conduct which is in the interest of the oilseeds industry provided that it is in accordance with the objects and purposes of the Act (Marketing Act).

The objectives of the Oilseeds Advisory Committee are to render advice to the trustees of the Oil and Protein Seeds Development Trust in respect of the application of its funds for the benefit of the oilseeds industry; making recommendations to all interested parties in the oilseeds industry; and appointment of trustees to the Oil and Protein Seeds Development Trust and any other institution which the committee deems necessary to investigate, promote and report on matters relating to the oilseeds industry, as referred to the committee.

1.2 The funding of the activities within the oil and protein seeds industry

The activities of the Oil and Protein Seeds Development Trust include:

- **Administration** – This involves funding of the administration of the Oil and Protein Seeds Development Trust, the Oilseeds Advisory Committee and the South African Sunflower and Soybean Forum. Furthermore, this involves the partial funding of the administration of the South African Grain Information Service (SAGIS) and Grain Farmer Development Association (GFADA) together with the grain trusts.
- **Research projects** – These projects are divided per commodity (sunflower, soybean, groundnut and canola) focusing on production, pests and diseases, crop quality and technology transfer. The projects are further categorised into new applications, applications for continuation, joint projects, and provisions.
- **Market information** – The Oil and Protein Seeds Development Trust is a member of SAGIS.
- **Transformation projects** – Projects are divided per commodity (sunflower, canola, soybean and groundnut) with special focus on production, training, community development and upliftment, and technology transfer.
- **Bursaries** – This involves funding of students at MSc and PhDs level. Other activities funded include market access or any further conduct/project which is in the interests of the oilseeds industry.

1.3. What is new in the Oil and Protein Seeds Development Trust?

- Board of trustees: The Trust has added one additional ministerial trustee;
- The Trust has taken a bold decision to endorse the GFADA as their sole vehicle to drive transformation in the oil and protein seeds industry; and

- At the meeting of 6 June 2019, the Board of Trustees will be discussing their strategy/plan regarding their transformation approach.

1.4. Concluding remarks

Considering the pace at which the Oil and Protein Seeds Development Trust is moving, the success of transformation in this industry is guaranteed.

2. NEW DEVELOPMENTS IN THE MEAT INDUSTRY TRUST

By

Matsobane (B.M.) Mpyana and
Bonani Nyhodo

The Meat Industry Trust (MIT) is currently valued at approximately R46.3 million. Over the years, the MIT has been focusing on skills development through the financing of bursaries to students studying towards achieving their qualifications in the meat industry.

3. THE STORY OF TRANSFORMATION IN THE WOOL INDUSTRY

by

Matsobane (B.M.) Mpyana and Bonani Nyhodo

The South African wool industry has been in existence for many years. Transformation in the industry is achieved through the National Wool Growers' Association (NWGA) funded through the Wool Trust. It is interesting to note that the service providers (NWGA¹) have taken the initiative to work together with the government in order to finance transformation and to realise a greater impact.

The improvement of the rural economies of the communal farming areas has been one of key initiatives of the NWGA in the Eastern Cape Province. Wool sheep farming is and has always been a traditionally important farming enterprise

However, the Minister of Agriculture, Forestry and Fisheries, the Honourable Senzeni Zokwana, has expressed concern that most of the trusts are focused on training/bursaries with less emphasis on enterprise development.

The Board of Trustees of the MIT will meet in March 2019 to discuss the transformation approach/plan in the red meat industry through the Meat Industry Trust's funds. The snapshots of the agreed transformation strategy would be communicated in due course.

practised in the former Ciskei and Transkei with an estimated number of 40 000 farmers, producing about six million kilograms of raw wool annually from approximately three million sheep.

In achieving its key deliverables, the NWGA has partnered with the Wool Trust, Cape Wools SA, the Department of Rural Development and Land Reform, and the Department of Rural Development and Agrarian Reform Eastern Cape, to mention a few. This initiative has been in existence for the past 23 years in the communal areas of the Eastern Cape Province.

Transformation in the wool industry mainly focuses on the pillars of enterprise development and skills development. The specific areas include market access and market readiness, skills training and improved production, genetic improvement, and infrastructure development.

¹ NWGA earns about R17 million from Cape Wools.

Why focus on the above-mentioned specific areas?

Market access and market readiness

The formal wool market provides wool producers with the opportunity to receive market-related prices for their wool, although it is difficult for smallholder farmers to access the formal market due to their low volumes of wool. Interestingly, since the inception of this initiative, more than 1 400 wool grower associations have been established, resulting in over 30 wool producers shearing, preparing and marketing their wool communally and having access to the formal market.

The wool industry is unique, which is why beneficiaries require specific skills to properly harvest and prepare their wool clip, conforming to international standards as a key requirement of the formal market. These standards include shearer training, wool classing and clip preparation, which takes place in the shearing shed during shearing activities. Approximately 337 shearers were trained during the 2017/18 wool season.

Skills training and improved production

A series of skills training programmes has been conducted, including topics such as flock nutrition, flock health, breeding and selection, financial management and shearing shed management. Due to budget constraints, approximately 50 wool growers' associations are trained annually, meaning that more than 1 406 producers were trained during the 2017/18 wool season.

Genetic improvement

The average price that communally produced wool fetches is still low and gradually decreasing, as a result of poor genetics. Over the past 16 years, a total of 45 000 good-quality rams were distributed into communal areas and the goal is to distribute 70 000 quality rams.

Infrastructure development

Infrastructure development and equipment remain key factors in achieving higher wool volumes. The woolshed is also a springboard where communities can receive skills development training. The NWGA was instrumental in the building of numerous shearing sheds and the reconstruction of 350 shearing sheds since 2002. Over the past five years, a total of 25 shearing sheds have been erected.

The numbers in the wool industry speak for themselves. In 1996, this initiative marketed a mere 222 600 kg of raw wool through the formal wool market, while the rest of the clip was sold to speculators at outrageously discounted prices. The volumes of wool have been increasing, and in the 2017/18 wool marketing season, approximately 5 422 122 kg has been marketed, valued at about R383 607 431.

In conclusion, credit must be given where credit is due, and great work must be applauded. The work done by the wool industry and its partners is appreciated and other industries are encouraged to do the same. Transformation is an inclusive process and willingness to engage in transformation shall lead to great success stories in this exciting agricultural sector.

For more information, visit www.namc.co.za or contact
Mr B. Nyhodo – Senior Manager: Agricultural Industry Trusts Division,
email: bonani@namc.co.za
Tel: 012 341 1115
Fax: 012 341 1811

.....
© 2018. Published by the National Agricultural Marketing Council (NAMC).
DISCLAIMER

The information contained in this document results from research funded wholly or in part by the NAMC acting in good faith. Opinions, attitudes and points of view expressed herein do not necessarily reflect the official position or policies of the NAMC. The NAMC makes no claims, promises or guarantees about the accuracy, completeness or adequacy of the contents of this document and expressly disclaims liability for errors and omissions regarding the contents thereof. No warranty of any kind, implied, expressed or statutory, including but not limited to the warranties of no infringement of third-party rights, title, merchantability, fitness for a particular purpose or freedom from computer virus, is given with respect to the contents of this document in hard copy, electronic format or electronic links thereto. Any reference made to a specific product, process or service by trade name, trademark, manufacturer or other commercial commodity or entity is for information purposes only and does not imply approval, endorsement or favouring by the NAMC.