



# NAMC

Promoting market access for South African agriculture

# Agri-Trust digest

Issue No. 15

*In this issue we cover the following topics:*

1. Highlights of the status report on agricultural industry trusts – 2020 survey
2. Agricultural industry trusts: Are they still relevant?
3. Induction of the newly appointed ministerial trustees on the boards of the Maize Trust, Sorghum Trust and Meat Industry Trust/Red Meat Research Development Trust

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



## AGRI-TRUST DIGEST

*Agri-Trust Digest* is a bimonthly report produced by the National Agricultural Marketing Council (NAMC) through the Agricultural Industry Trusts Division. The publication aims to communicate key developments around the transformation interventions funded through the trust funds, the industry trusts' status quo, and other developments such as the Minister's decisions on the appointment of ministerial trustees as they happen around the different agricultural trusts. This issue focuses on three topics: (i) Highlights of the status report on agricultural industry trusts – 2020 survey; (ii) Agricultural industry trusts: Are they still relevant? and (iii) Induction of the newly appointed ministerial trustees on the boards of the Maize Trust, Sorghum Trust and Meat Industry Trust/Red Meat Research Development Trust. The division has three digests covering the Food, Agriculture and Natural Resources Policy Analysis Network (FANRPAN), agricultural transformation, and agricultural industry trusts. *Agri-Trust Digest* reports on key developments coming from the operation of the different industry trusts.

**Contributors to this issue:**

Mr Bonani Nyhodo  
Mr Matsobane (BM) Mpyana  
Ms Nomantande Yeki  
Mr Brian Makhele



## **1. HIGHLIGHTS OF THE STATUS REPORT ON AGRICULTURAL INDUSTRY TRUSTS – 2020 SURVEY**

By

The NAMC's Agricultural Industry Trusts Division<sup>1</sup>

Through the Agricultural Industry Trusts Division, the National Agricultural Marketing Council (NAMC) produces an annual report on the status of the agricultural industry trusts. This report is produced by the NAMC in collaboration with the trust administrators. The 2020 survey revealed that the asset value of the 11 agricultural industry trusts decreased to R 2.2 billion, which is a decrease of about R 67.1 million from the R 2.3 billion asset value reported in the 2019 survey. The COVID-19 pandemic played a role in asset decline due to poor performance of the investment markets. The majority of the funds had to be redirected to respond to the pandemic.

Currently, there are 82 boards of trustees representing constituencies from government and industry bodies. Of the 82 board of trustees, 56 represent the industry, whereas 26 represent the Minister of Agriculture, Land Reform and Rural Development. Interestingly, of the 26 ministerial representatives, 12 are women, whereas 14 are men.

Transformation remains key in addressing the injustices of the past and the disparities that exist in the dualism of the agricultural sector. This means that by addressing these gaps, both the black and white farmers will have equal opportunities and participation in the mainstream economy and commodity value chains. In addressing the area of transformation, the agricultural industry trusts' expenditure increased from R 65.7 million in 2019 to R 76.6 million in 2020, which is an increase of approximately R 10.9 million. The areas funded are those that advance enterprise and skills development, focusing on black-owned farm enterprises.

In conclusion, the efforts of trusts towards transformation are evident and highly appreciated. However, more could be achieved should the government come on board on a rand-for-rand basis, matching with trusts to impact these transformation initiatives and/or interventions meaningfully. Interestingly, with the development of the Agriculture and

Agro-Processing Master Plan (AAMP), more opportunities and collaborations may emerge between the industry trusts, government and other key stakeholders in enhancing transformation and inclusivity within the agricultural and agro-processing sectors.

The full report is accessible at <http://www.namc.co.za/agricultural-industry-trusts-status-report-2020-survey/>.

## **2. AGRICULTURAL INDUSTRY TRUSTS: ARE THEY STILL RELEVANT?**

By

Matsobane (BM) Mpyana and Bonani Nyhodo

Agricultural industry trusts have a rich history that can be traced from the former control boards that were disbanded and/or abolished during the market deregulation of the 1990s. The former control boards were mainly used to control the agricultural markets to protect farmers from excessive price fluctuations to ensure long-term economic survival. The control board system was abolished because it mainly favoured and benefited minority farmers during the apartheid regime.

The agricultural industry trusts are administered under the auspices of the trust deeds, outlining the objectives of each trust and areas where each trust could support the farmers or stakeholders responsible for a specific commodity. For example, the Maize Trust will only support and entertain maize-related initiatives outlined in the Maize Trust Deed. Currently, the industry trusts are governed through two legislations: the Marketing of Agricultural Products (MAP) Act (No. 47) of 1996 and the Trust Property Control Act (No. 57) of 1988. As the inheritors of the assets of the former control boards, the agricultural industry trusts have a clear mandate of protecting the assets and using the proceeds generated from the investments to fund the industry functions. This mandate remains pertinent to the sustainability of the sector (aligned to the objectives of the MAP Act).

At the beginning of 2021, the Agricultural Industry Trusts Division of the NAMC conducted a short survey to find out how the general public views the importance of the trusts and

---

<sup>1</sup> The Agricultural Industry Trusts team is comprised of Mr Bonani Nyhodo, Mr Matsobane (BM) Mpyana, Miss Nomantande Yeki and Mr Brian Makhele.

the areas funded by the trusts through the trust funds. It emerged strongly that the industry trusts are now more relevant than ever, especially bearing in mind that the agricultural sector is mainly funded through statutory levies and trust funds. Collectively, these are responsible for an estimated R 1.2 billion of the total agricultural budget in South Africa. Furthermore, the following areas are pivotal to the sustainability and competitiveness of South African agriculture, namely:

- Financial assistance;
- Scientific, technical and/or industrial research;
- Market access;
- Farmer development;
- Maintenance of information; and
- Administration of various industry structures, to mention a few.

In conclusion, the agricultural industry trusts are more relevant than ever, given the contribution these bodies make towards the competitiveness, inclusivity and sustainability of the agricultural and agro-processing value chains.

### **3. INDUCTION OF THE NEWLY APPOINTED MINISTERIAL TRUSTEES ON THE BOARD OF THE MAIZE TRUST, SORGHUM TRUST AND MEAT INDUSTRY TRUST/RED MEAT RESEARCH DEVELOPMENT TRUST**

By

The NAMC's Agricultural Industry Trusts Division

One of the responsibilities of the NAMC is to facilitate the appointment process of the ministerial trustees to represent the Minister of Agriculture, Land Reform and Rural Development, Honourable Thoko Didiza. Recently, ministerial trustees were appointed in the following trusts:

- o **Meat Industry Trust and Red Meat Research Development Trust:** Ms U. Speirs; Dr Z. Majokweni Qwalela and Ms D. Sekhoto;
- o **Sorghum Trust:** Ms T. Moagi;
- o **Maize Trust:** Mr M. Thamaga; Mr Z. Ngejane and Mr G. Mafuleka.

Following the Minister's decision to appoint the above ministerial trustees on 14 and 15 September 2021, there was a co-ordinated process to take the newly appointed ministerial trustees through a comprehensive induction programme. The programme aimed to keep them up to speed regarding their responsibilities and roles in the respective boards of trustees on which they represent the Minister. The induction covered the role of the NAMC and legislations governing the trusts and furthered the work of the various core divisions of the NAMC. During the induction, the trust administrators provided the current status quo of the trusts and promoted the everyday activities of the trusts.

In conclusion, the induction went well. The ministerial trustees are ready to ensure the mandate of protecting the trusts, growing the trusts' assets, and using the proceeds generated from investments to fund the industry function. The importance of corporate governance and fiduciary duties was also highlighted in executing the new roles and responsibilities on the boards of trustees.

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

**Tel:** 012 341 1115

**Fax:** 012 341 1811

.....  
© 2021. 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.