



NAMMC

Promoting market access for South African agriculture

**A REPORT ON THE WORKSHOP
HOSTED BY THE NAMC'S
TRANSFORMATION REVIEW
COMMITTEE (TRC) DURING THE AEASA
CONFERENCE HELD IN SWAKOPMUND,
NAMIBIA**

3 OCTOBER 2022

*Workshop Theme: A changing South African
agricultural landscape: statutory measures a tool
driving transformation and inclusive value chains*

www.namc.co.za



Background

The Agricultural Economics Association of South Africa (AEASA) held its 59th annual conference from the 2nd to the 5th October 2022 at the Strand Hotel, Swakopmund, Namibia, under the theme *“How value chain disruptions shaped agri-food systems in sub-Saharan Africa”*. On 3rd October 2022, the National Agricultural Marketing Council (NAMC), through the Transformation Review Committee (TRC) and the Namibian Agronomic Board, co-hosted a workshop under the theme: *“A changing South African Agricultural Landscape – Statutory Measures and Trust Funds, Tools in Driving Transformation and Inclusive Value Chains”*.

The purpose of the workshop was to showcase the efforts and work done by industries in transforming the agricultural sector using the statutory levies and trust funds. A further purpose was to share knowledge, experiences, and practices in the implementation of the various transformation interventions supported through the levies and trust funds in the South African agricultural industry.

The workshop was attended by over 49 persons from academia, by policy makers and by industry officials. The workshop was facilitated by the Chairperson of the NAMC's TRC, Mr Bonani Nyhodo. The participants and/or discussants were Mr B. Makhele, Dr S. Ntombela and Dr S. Ngqangweni from the NAMC and Dr F. Mwazi from the Namibian Agronomic Board (NAB), while those from the industries comprised Ms N. Xaba (Potato South Africa), Ms B. Mokgwamme (Mohair Empowerment Trust), Ms S. Sell (Raisins South Africa), Mr D.

Olivier (South African Feedlot Association), and Mr P. Bowes (South African Wine Industry Transformation Unit), with Prof. A. Jooste (Stellenbosch University) from academia.

THE WORKSHOP COVERED THE FOLLOWING PRESENTATIONS

1. Purpose of the workshop: Dr S Ngqangweni

Dr S Ngqangweni, the CEO of the NAMC, gave a brief presentation on the background of the NAMC, its roles, and highlights of its current work. During his presentation, Dr S Ngqangweni highlighted the mandate of the NAMC according to the Marketing of Agricultural Products (MAP) Act of 1996, which provides the NAMC with two roles, namely a policy advisory role (development and monitoring of the Agriculture and Agro-Processing Master Plan, 'AAMP') and a regulatory role (levies and transformation).



Picture 1: Dr S Ngqangweni

Dr S Ngqangweni indicated that the purpose of the workshop was to share practical experiences from private sector partners on how innovations were introduced toward the achievements of the theme “inclusive growth” and “transformation in the

Potatoes, Mohair, Red Meat, Wine and Raisins industries”. He mentioned that all the presenters from the different industry trusts would effectively share their knowledge and practices on utilising their resources to support transformation within the agricultural industry. He further introduced a special presentation by the Namibian Agronomic Board on Namibia’s quest for Green Economy.

2. NAMC’S approach to transformation guidelines: Mr B Makhele

Mr. B Makhele’s presentation focused on an overview of NAMC, NAMC functions on statutory measures and agricultural industry trusts, as well as structures to support transformation. In his presentation, he highlighted the roles and functions of the agricultural industry trust and its linkage with the NAMC.



Picture 2: Mr. B Makhele

On the structure to support transformation, he gave the overview of the transformation committee, its composition and transformation guidelines. He also highlighted the point that the NAMC transformation guidelines were drafted in line with the AGRIBEE sector codes, dated December 2017.

He also indicated that the amount spent on transformation support amounted to R63 million

during the 2021 period, representing a R13.54 million decrease (in 2021), compared with the R10.19 million increase in the past survey period (in 2020). Some of the activities funded by the trusts include provision of farmers support, mentorship, supply of information, seed procurement, bursaries, and technology. In concluding the presentation, he pointed out that the transformation guideline stipulates that 20% of the levy income collected by the industry should be spent on transformation.

However, trusts spend over 30% of their total trust funds on transformation on key activities such as enterprise development and skills development for black emerging farmers. He further emphasised that although the commercialisation of emerging farmers is slow, levy and trusts funds have had a significant impact on transformation by supporting emerging farmers, increasing black farmers’ participation, and by increasing the participation of black youths through bursaries and employment placement.

3. The AAMP approach to transformation, what informed it? Dr S Ntombela

Dr S Ntombela started his presentation by elaborating as to why the NAMC exists and on the mandate of the NAMC, as derived from the Map Act of 1996. He further gave the rationale behind the development of the Agriculture and Agro-Processing Master Plan (AAMP) in South Africa. He then highlighted a series of market and institutional failures, which included (i) market, competition and finance as well as land; and (ii) equipment and water use.



Picture 3: Dr S Ntombela

He defined AAMP as a “sectoral economic framework” that is designed to coordinate efforts, bring efficiency and transparency in the implementation, and provide the common goal and indicators of success in contributing to the National Development Plan, in particular Chapter 6 and the Economic Reconstruction and Recovery Plan post the Covid-19 pandemic.

The AAMP was signed on 12 May 2022 by the social partners. He indicated that the delivery models for the AAMP include Commodity Value Chain Round Tables and Transformation Schemes linked to specific Commodity value chain models, which are guided by the 6 Pillars of the Master Plan.

He further emphasised the point that, if the AAMP is implemented, its vision and approach is to build a globally competitive agricultural and agro-processing sector, which drives market-oriented and inclusive production to develop rural economies, ensures food-security, and creates employment and entrepreneurial opportunities. It is worth noting that the AAMP will set 20% transformation of the agricultural value chain, taking into account structure and entry barriers in different value chains. He

further presented the 10 roles of the AAMP Project Management Unit, which comprise a strategy to implement the AAMP.

He indicated that its role is to act as the AAMP project management engine room on the behalf of the DG of the DALRRD in working with the industry. In concluding his presentation, Dr S Ntombela emphasised the point that NAMC is given a role to direct the implementation of AAMP, to assist government and industry to institutionalise AAMP implementation, and to allocate necessary resources through partnerships.

4. Namibia's Quest for a Green Economy (crop perspective): Dr F Mwazi

Dr F Mwazi gave a presentation on Namibia’s quest for a green economy from a crop perspective. He started by explaining functions of the Namibian Agronomic Board, including the collection of levies. He highlighted the challenges faced by farmers in Namibia. He stated that subsistence farming is a primary livelihood activity and highlighted the availability of arable land, and too much rainfall or too little rainfall as some of the challenges.



Picture 4: Dr F Mwazi

He emphasised the need to fit production with the suitability of land, as the “one size fits all” approach

is not working. He also highlighted agribusiness opportunities through the green economy, which involves investments in agro-processing, agronomic and horticultural products, and export markets for primary production. He suggested that, to make the transformation work, there is a need for a multi-disciplinary approach to production. He emphasised that a green economy from a crop perspective is a must for Namibia to ensure economic development.

It will allow us to define the current prevailing conditions that are not meeting the environmental, economic and social goals of sustainable development.

5. PANEL DISCUSSION ON INDUSTRY CASE STUDIES

5.1 Potatoes South Africa (PSA): Ms N. Xaba

Ms. N Xaba presented the Transformation Agenda of PSA and its progress. She indicated that transformation at PSA is supported by four (4) main pillars, which are the Enterprise Development Programme, training, small-grower development, and tertiary skills development.



Picture 5: Ms. N Xaba

She further highlighted the point that potato producers have made a direct contribution to the progress that has already been achieved in putting black producers in the potato industry on the road to obtaining commercial producer status through the PSA's Enterprise Development Programme. Currently, there are 15 farmers who are supported through the EDP.

The beneficiaries of the programme contributed R9,2 million, while 310 direct jobs were created, and R64 million was generated from the programme. She further presented success stories of farmers supported through EDP. She also presented an overview of the Tertiary Skills Development bursary programme. She highlighted the point that PSA was able to award bursaries to students obtaining agriculture-related qualifications.

Ms Xaba finished her presentation by indicating that access to machinery, land, market and finance are among the top factors affecting the transformation of emerging potato farmers.

5.2 Mohair Empowerment Trust (MET): Ms B Mokgwamme

Ms. B Mokgwamme from the Mohair Empowerment Trust (MET) started the presentation by giving an overview of global mohair production for the 2021 period. The presentation highlighted the fact that South Africa is the major global producer of mohair,

producing approximately 51% of the world's mohair, followed by Lesotho (16%) and Turkey (10%).



Picture 6: Ms. B Mokgwamme

She indicated that the empowerment trust was established in 2010, with the aim of promoting black economic empowerment within the mohair industry. The vision of the MET is to commercialise black farmers who focus on Angora goat farming, through uplifting, training and providing them with Angora goats. She also indicated that the MET partners with Agri-Seta Department of Rural Development and Land Reform, the Department of Rural Development and Agrarian Reform, brokers (BKB, OVK, Blue Crane & House of Fibre), and the Eastern Cape Rural Development Agency (ECRDA).

During the workshop, Ms Mokgwamme also shared two videos of four settled projects, where she showcased the role of mohair transformation funds. It is worth noting that the MET is currently running 8 development projects, involving +/- 6000 goats.

Four projects have settled in total and two new projects have been identified for 2022, to which they will be providing Angora goats via an interest-free loan for a period of 5 years. She also indicated that

the MET provides empowering certification under the 100% Responsible Mohair Standard (RMS).

5.3 Red Meat & Primary Livestock Cluster: Mr D Olivier

Mr. Olivier began the presentation by giving a history of the red meat industry, where he highlighted the fact that the Meat Industry Trust was established in 1998 after the termination of the Red Meat Industry Board in 1997.



Picture 7: Mr. D Olivier

The Red Meat & Primary Livestock Cluster works according to its Deed of Trust, which stipulates the mandate. He further specified the objectives of the Red Meat & Primary Livestock Cluster, which include competitiveness and sustainability (product development, industry information and consumer education and communication), animal health, public health and biosecurity, market access administration, and governance as well as inclusive growth.

Throughout the years, the NAMC has played a large role in ensuring that the industry does indeed prioritise the commercialisation of black farmers, through eliminating other neutral scale activities. He also highlighted that 40%-50% of the livestock is held by emerging farmers and, with 1 million of them

conducting livestock farming, this also indicates the importance of the livestock sector in South African agriculture. The red meat industry also offers industry training and education. The red meat industry will also focus on goat meat in the next 10 years. This will offer emerging goat farmers opportunities to engage in either new or existing value chains in a manner that will benefit them.

5.4 The South African Wine Industry

Transformation Unit (SAWITU): Mr. P Bowes

Mr P Bowes, from Vinpro Enterprise Development, started the presentation by giving a background of SAWITU. He mentioned that SAWITU recently announced Wine Arc, which is the development of a brand home for black-owned wine brands, that provides branding, market access and e-commerce facilities to black winemakers.



Picture 8: Mr. P Bowes

The Vinpro Enterprise Development organisation liaises closely with Government and industry role players on issues that have an impact on the profitability and sustainability of its members and the industry. He also mentioned that SAWITU and Vinpro are working together to support

transformation initiatives. Both organisations are continuously striving towards creating an enabling environment for its members and broader industry focusing on aspects such as people development. Mr Bowes emphasised that the wine and spirits industry has nurtured talents and supported careers within the industry, thus going beyond production sides, working towards attracting and retaining talent, and uplifting wine industry communities.

5.5 Raisins South Africa (Raisins SA): Ms S Sell



Picture 8: Ms. S Sell

Ms. S Sell began the presentation by giving a background of Raisins SA and outlined the fact that the mandate of Raisins SA is to advance the interests of the larger industry. She also gave an overview of the production of Raisins South Africa in the global context, and her presentation highlighted the fact that South Africa contributes 6% of world raisin production, which makes South Africa the 5th largest producer in the world.

She further presented on transformation spending strategy, which is intended to unlock funding by using levy funds, and creating sustainable partnerships. She also indicated that R1 million Raisins SA fund unlocked R3 million for raisin

growers. It should be noted that the funds are given to growers at interest-free rates.

Raisins SA has funded a total of 87 farmers. Ms Sell mentioned that Raisins SA is working on closing the gender gap in the raisin industry by assisting female growers with input cost, which inputs included chemicals, fertilisers, pest-management measures, soil analyses, labour costs and obtaining technical assistance. Raisins SA has also secured additional funds to plant 20 hectares for black farmers, in the first round of funding by PepsiCo.

Ms Sell specified their focus areas for commercialising black emerging growers, which included the provision of technical assistance, appointments of consultants, financial advisory services, personal development and business development, farm worker training and strengthening emerging grower business. In concluding her presentation, she mentioned that Raisins SA has created various partnerships with many institutions in South Africa.

6. Key comments emanating from the discussion

6.1 Engagement from the attendees:

- Issues of traceability; farmers tapping into the international markets with their brands so that they could become known
- Communicating good stories to the world, with an emphasis on social impact

- AAMP does not evaporate after the current administration
- The importance of research; the goat meat market in South Africa needs to be explored
- Reinvestment by farmers to promote ownership.

6.2 Discussions:

It was noted that all mohair farmers are RMS certified. The industry is also busy with ensuring traceability. Although the product is sold as a South African clip, it can be traced to a specific farm.

It was noted that transformation is not a once-off process. There should be more stories of ensuring that farmers participate fully in the value chains. AgriSETA skills development plans – The NAMC has entered into agreements with the industries around the deliverables, with Rand-for-Rand funding. Upscaling blended finance scheme – This will be linked to commodity organisations for technical support. It was also noted that the Land Agency is the main structure or model proposed to drive land and natural resource management with all social partners.

The industries explained the pillars of transformation, and the common goal is to achieve the commercialisation of black farmers. They also highlighted key partnerships between the public and private sectors. They explained the progress made and the principles used, as well as challenges faced by the industry.

Throughout the industry presentations, the importance of partnerships and leveraging funds was emphasised. For example, Raisins SA indicated that, with their sparse transformation funds of about R2 million, they have secured over R50 million in funds from the government, to build a first-of-its-kind training centre.

Mentorship has proven to be a key model that works to guide developing farmers. The industries were also advised to assist farmers in undertaking a whole-farm planning approach, as well as engaging with other players for collaboration proposes, in order to ensure there is sustainability. Lastly, industries are in agreement with the proposal that was once made by NAMC that, to achieve greater impact, industries should restrain from chasing numbers, and rather focus on a few farmers and commercialise those farmers.

7. Closing remarks

The academics and researchers appreciated being in a different environment, discussing transformation. Echoing the sentiments by Mr Nyhodo, Prof. Jooste stated that transformation is more complex than just econometric models are. This remains a challenge as long as we underestimate what farming entails (support needed, finance, access to inputs, access to technology, managing a business, and compliance with standards).

He noted that:

- R2,3 billion is very little, compared with what can be planted per hectare.
- He emphasised the importance of partnerships and the need to align government programmes with what is happening on the ground.
- Timing and mentorship are also significant. This aspect includes business acumen and management skills.
- He noted the need to understand the value chain and understand marketing, and the need to develop the technicality of the production.
- Re-investment by farmers themselves is necessary.
- Create an enabling environment.
- Create access to funding.
- Need to embrace different approaches because there is no generic approach to transformation.
- Reduce fragmentation.

He closed by a quote that “nothing great was ever achieved without enthusiasm”. He encouraged all stakeholders to remain enthusiastic towards achieving a common goal.

Mr B Nyhodo expressed his gratitude and appreciation to the presenters from the different industries, Dr Mwazi, Prof. Jooste, NAMC staff, academics, government departments, and everyone who attended the workshop for participating in the workshop.

ANNEXURES

Annexure A: Programme

Programme Director – Mr B Nyhodo
Rapporteurs: Ms C Chokoe & Mr R Smith

Item No	Description	Presenter	Time
1	Purpose of the workshop	Dr S Ngqangweni	5
2	NAMC's approach to transformation guidelines	Mr B Makhele	10
3	The AAMP approach to transformation, what informed it?	Dr S Ntombela	10
4	Namibia's Quest for a Green Economy (crop perspective)	Dr F Mwazi	10
5	Panel discussion on industry case studies <ul style="list-style-type: none">- Potato South Africa- Mohair Trust (Mohair Empowerment Trust)- Red Meat and Primary Livestock Cluster- South African Wine Industry Transformation Unit- Raisins South Africa	Ms. N Xaba Ms. B Mokgwamme Mr D Olivier Mr P Bowes Ms. S Sell	60
6	Discussions	All	20
7	Closure	Prof. A Jooste	5



GET IN TOUCH

536 Francis Baard Street,
Meintjiesplein Building,
Block A, 4th Floor, Arcadia,
0007

Private Bag X935, Pretoria, 0001



012 341 1115



info@namc.co.za



www.namc.co.za

