

**A REPORT ON THE
STATUS OF AGRICULTURAL INDUSTRY TRUSTS
2021 SURVEY**



DID YOU KNOW?



THE TOTAL ASSET VALUE FOR THE 2020/2021 FINANCIAL YEAR INCREASED FROM R2.2 BILLION (IN 2019/2020) TO R2.4 BILLION, WHICH MEANS THAT THE TOTAL VALUE OF THE ASSETS OF THE AGRICULTURAL INDUSTRY TRUSTS INCREASED BY R115.41 MILLION.

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TABLE OF CONTENTS



ITEM	PAGE
LIST OF TABLES	iv
LIST OF FIGURES	v
EXECUTIVE SUMMARY	vi
SECTION ONE: THE ACTIVITIES OF THE NATIONAL AGRICULTURAL MARKETING COUNCIL WITH REGARD TO THE AGRICULTURAL INDUSTRY TRUSTS	01
1.1. Introduction	01
1.2. Engagement between the NAMC and agricultural industry trusts	01
1.3. Appointment of ministerial trustees	01
SECTION TWO: GENERAL TRUST INFORMATION	03
SECTION TWO: GENERAL TRUSTS INFORMATION AND BACKGROUND	06
3. Introduction	06
3.1. Reasons for asset growth/decline	07
3.1.1. Horticultural trusts	07
3.1.2. Field crop trusts	07
3.1.3. Livestock trusts	07
SECTION FOUR: TRANSFORMATION INFORMATION	08
4. Introduction	08
4.1. Summary of the trusts' transformation expenditure for the period between 2012 and 2018	08
4.2. Field crops trusts	09
4.2.1. Maize Trust funding	09
4.2.2. Sorghum Trust funding	09
4.2.3. Oil and Protein Seeds Development Trust funding	09
4.2.4. Winter Cereals Trust Funding	10
4.2.5. National Lucerne Trust	11
4.3. Horticultural trusts	12
4.3.1. Citrus Industry Trust	12
4.3.2. Deciduous Industry Development Trust	12
4.3.3. Potato Industry Development Trust	13
4.4. Livestock trusts	15
4.4.1. Mohair Trust	15
4.4.2. Wool Trust	16
4.4.3. Meat Industry Trust	19
4.5. Challenges faced by the agricultural industry trusts with regard to transformation	19

SECTION FIVE: PRODUCTION AND TRADE INFORMATION	20
SECTION SIX: CONCLUSIONS	22

LIST OF TABLES



TABLE	DESCRIPTION	PAGE
Table 1:	Representation within the boards of the industry trusts	03
Table 2:	Trusts' asset bases for the 2019/2020 and 2020/2021 financial years	06
Table 3:	Maize Trust expenditure on transformation	09
Table 4:	Summary of OPDT expenditure on transformation for the 2020/2021 reporting period	10
Table 5:	Winter Cereal Trust's transformation projects supported under GFADA	11
Table 6:	Citrus Industry trust transformation expenditure for 2020/2021	12
Table 7:	Details of the potato projects funded through the Potato Industry Development Trust	14
Table 8:	Transformation expenditure of the Mohair Trust	15
Table 9:	Transformation projects funded by the Wool Trust	16
Table 10:	Communally produced wool presented for marketing through the auction system	17
Table 11:	Communal wool marketed through the communal market 2010 – 2021(CWSA)	18

LIST OF FIGURES



FIGURE	DESCRIPTION	PAGE
Figure 1:	Trusts' transformation expenditure over eight years (2012 to 2021)	08

EXECUTIVE SUMMARY

All agricultural industry trusts established in the Marketing of Agricultural Products Act (No. 47) of 1996 in South Africa operate on the prescripts of the Trust Property Act (57) of 1988. The status report on agricultural industry trusts is an annual document put together by the National Agricultural Marketing Council (NAMC) in collaboration with the industry trust administrators to determine the status of each trust in terms of the balance sheet (value) of the operations. This report is aimed to inform the Minister of the Department of Agriculture, Land Reform and Rural Development (DALRRD) and Directly Affected Groups (DAGs) on the status of the trusts' assets and performance. The report outlines activities performed by each trust on funds emanating from the proceeds of the investments (interests or rental income) and transformation. The industry trusts have a mandate to ensure that the assets are protected and adjusted (upwards) annually to cater for inflationary effects while using the proceeds generated to fund industry activities such as research and development, transformation, industry promotion and training, among other things.

The year 2019/2020 was one of the most challenging due to the outbreak of the COVID-19 pandemic, which impacted most of the industry's trust asset base. However, the investment markets have already begun to recover from the effects of COVID-19, so this will not happen in 2020/2021. Accordingly, the total asset value for the 2020/2021 financial year increased from R2.2 billion (in 2019/2020) to R2.4 billion, which means that the total value of the assets of the agricultural industry trusts increased by **R115.41 million**. The increase in the total value of the assets is accounted for by 11 industry trusts, of which three recorded a decrease by smaller margins in the asset base and the majority eight recorded an increase by larger margins. These agricultural industry trusts are administered by eighty-two (82) trustees, of whom fifty-six (56) represent the industry and twenty-six (26) represent the Minister. The delays in the approvals of nominations regarding the appointment of the Ministerial trustees are still a significant challenge. The NAMC and the department are working together to rectify this challenge affecting the affairs of the affected trusts. Moreover, it is also important to note that the Masters of the High Court, with regard to changes in trustees, are taking a long time to amend the Letter of Authority.

Agricultural industry trusts are crucial for ensuring a viable industry and facilitating its transformation. In the 2020 reporting period, the trusts' assets declined from R2.3 billion to R2.2 billion, while transformation expenditure increased to over R76.6 million. In the 2021 survey, the asset recovered and increased to R2.4 billion, while the transformation expenditure for the same period decreased to R63.07 million, representing a R13,54 million decrease (2021) compared to the R10.19 million increase in the past survey period (2020). Cooperation between government, industry trusts, and other stakeholders played an essential role in ensuring that transformation initiatives produced satisfactory results, especially regarding the development of small and emerging farmers in their respective industries. The agriculture and agro-processing master plan (AAMP) may lead to more opportunities and collaborations once it is finalised. The work of the trusts in keeping the sector viable is commendable. The purpose of the status report is to outline the work and status of the trusts as follows:

- › Section 1: covers the activities of the NAMC concerning the agricultural industry trusts;
- › Section 2: presents the general trusts information and background
- › Section 3: outlines the financial information of the trusts;
- › Section 4: discusses the transformation information of each trust;
- › Section 5: portrays industry structures; and
- › Section 6: provides conclusions and acknowledgements.

The status report on the agricultural industry trusts is being presented to the Minister of DALRRD, the Portfolio Committee for Agriculture, Land Reform and Rural Development and the Directly Affected Groups.



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SECTION ONE: THE ACTIVITIES OF THE NATIONAL AGRICULTURAL MARKETING COUNCIL WITH REGARD TO AGRICULTURAL INDUSTRY TRUSTS



1.1 Background

Section 1 presents the activities performed by the NAMC under the Agricultural Industry Trusts Division for the reporting period on the coordination between the Minister and the agricultural industry trusts. Among the items reported to the Minister, Mrs A. T. Didiza, are the appointment of ministerial trustees (recommendations, with the Minister appointing them), the coordination of engagements between the Minister and the agricultural industry trusts (to gain first-hand information about progress and directly engage the trusts), and the submission of the Status Report (to inform the Minister of the progress) on the work of the agricultural industry trusts. The details of each of these activities are presented in the following subsections.

1.2 Engagement between the NAMC and agricultural industry trusts

On the 18th of March 2022, the National Agricultural Marketing Council (NAMC) hosted the annual workshop with the agricultural industry trusts and various key role players, including departmental representatives, to share the successes and challenges faced in the work of the industry trusts. The 2022 workshop, which took place virtually through Microsoft Teams, was attended by over 27 participants. Most of the trusts' assets are now recovering from the COVID-19 impact. However, the war between Russia and Ukraine may reverse some of the gains since it will impact the stability and performance of the markets. The industry trusts noted that the situation has improved since the last meeting regarding the lengthy approval period for the appointment of trustees, which involved registering the trustees with the Master of the High Court. However, a few trusts face these challenges, such as Meat Industry Trust, Citrus Industry Trust, and Winter Cereals Trust.

1.3 Appointment of ministerial trustees

The Trust Deeds gives the Minister powers to appoint/replace Ministerial Trustees when the term of office lapse or if a Trustee resigns and, in this case, a ministerial trustee of the Citrus Industry Trust, Dr H. Ngwenya, has resigned. A vacancy in the Maize Trust has been filled by Mr G. Mafuleka, Mr M. Thamaga and the reappointment of Mr Z. Ngejane following the expiration of the terms of Dr S. Ndlungwane, Mr Z. Ngejane and Ms M. Mabe. The term of Mr H. Mohane has expired in the Sorghum Trust, and Ms T. Moagi has been elected to replace him. Ms U. Speirs and Mr K. Gaoraelwe stepped down from the Oil and Protein Seeds Development Trust and replaced Mr S. Shandu and Ms D. Makgatho-Mosehla. Following the Minister's appointment, the NAMC conducted a comprehensive induction for the newly appointed ministerial trustees to gear them up for their respective duties. The NAMC induction focused on the role of the NAMC concerning the industry trusts and the governance of trusts for trustees to understand their roles in the industry trusts representing the Minister. The terms of the ministerial trustees in the Deciduous Fruit Industry Development Trust have lapsed, and the Minister has not yet approved the replacement trustees. There are still challenges with regard to the delays in the approval of nominations of the ministerial trustees to represent the Minister of Agriculture, Land Reform and Rural Development. The NAMC will work closely with the Minister's office to ensure that the delays in the approval of ministerial submissions are addressed.

TRUST ADMINISTRATORS

LIVESTOCK



FIELD CROPS



HORTICULTURE



Deciduous
Fruit Industry
Development
Trust



For more information, contact:
Tel: (012) 341 1115 | Email: info@namc.co.za



SECTION TWO: GENERAL TRUSTS INFORMATION AND BACKGROUND

2.1 Introduction

The following section provides information on the governance of the trusts, including its administrative structure and the board of trustees. There are currently 82 trustees, of whom 56 represent the industry and only 26 represent the Minister. It is important to note that in terms of gender representation, over time, the number of female members has been increasing. Coupled with that is the reduction in the average age of Ministerial representatives on the boards of trustees. Therefore, women are more likely than men to serve on these boards as ministerial trustees. **Table 1** below shows the general information, the administration and members of the board of each trust. Representation within the board of each industry trust.

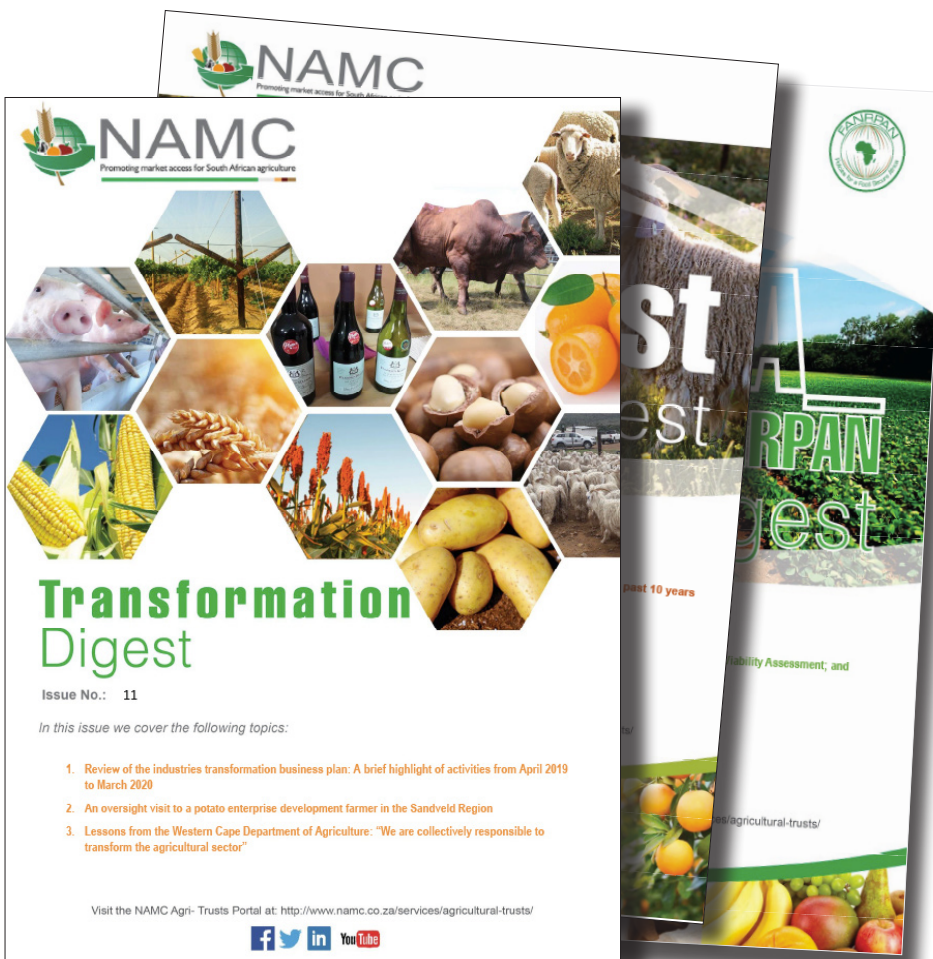
Table 1: Representation within the boards of the industry trusts

Trust category	Name of the Trust and administrator	Trust age (years)	Board of Trustees
Horticulture	Citrus Industry Trust	22	Mr Z. Mavimbela (Outgoing); Mr J. Brand (Vice-Chairperson); Dr H. Ngwenya (Chairperson); Mr A. Sithole (outgoing); Ms P. Sello-Motlogeloa (outgoing); Mr P. Dempsey; Ms H. Lefophane (incoming) & Ms F. Thovhogi (incoming).
	Fruit South Africa, Ms F. Ratshitanga	23	Dr H. Ngwenya (Chairperson, resigned); Mr J. Brand (Vice-Chairperson); Mr P. Dempsey; Mr M. Makhanya; Ms H. Lefophane and Ms F. Thovhogi.
	Deciduous Fruit Industry Development Trust	17	Mr G.E. Yzel (Chairperson); Mr W.M. Fourie; Mr M.S. Mabuza; Mr D.H. van Zyl & Dr B.J. Pieterse.

Trust category	Name of the Trust and administrator	Trust age (years)	Board of Trustees
Field crops	Maize Trust L&L Agricultural Services, Mr L. du Plessis	24	Dr J.L. Purchase (Chairperson); Dr S.S. Ndlungwane (outgoing); Ms M.E. Mabe (outgoing); Mr Z. Ngejane; Mr D.J. Mathews & Mr B.C. Schoonwinkel. Incoming ministerial trustees: Mr M. Thamaga and Mr G. Mafuleka.
	Sorghum Trust L&L Agricultural Services, Mr L. du Plessis	25	Mr H. Mohane (outgoing), Ms T. Moagi (incoming), Mr W. Groothof (Chairperson), Mr J. de Wet Boshoff, Mr D. Beets and Mr R. Pholo.
	Oil and Protein Seeds Development Trust, Mr G. Keun	25	Mr A. Moosa (Chairperson), Mr J. de Wet Boshoff (Vice-Chairperson), Ms J. van der Merwe (deceased, vacant), Mr R. Monaisa, Mr R. Kusel, Mr D. Schutte, Mr K. Gaoraelwe (outgoing) and Ms U. Ntintelo (outgoing).
	Incoming trustees are Mr S. Shandu and Mrs D. Makgatho Mosehla.	24	Mr N.H. Masithela [(Chairperson), (outgoing)]; Ms M.E. Mabe (outgoing); Mr B.B. Make (Outgoing); Mr A.W. Bartlett; Ms M.M. Maphanga; Mr T.V. Mongoato; Ms J. van der Merwe; Mr G.R. Penny; Ms M. Purnell; Mr B. Mokgatle; Mr J.F. de Villiers; Mr A.P. Theron (outgoing); Mr R.P. Krige (incoming); Dr S.T. Xaba (incoming); Dr M.P. Bopape-Mabapa (incoming) & Mr S.L. Mabombo (incoming).
	Winter Cereal Trust, Mrs T. Nonyane	25	Mr N.H. Masithela (Chairman) (outgoing); Mr A.P. Theron (outgoing); Ms M.E. Mabe (outgoing); Mr B.B. Make (Outgoing); Mr A.W. Bartlett(outgoing); Ms M.M. Maphanga (outgoing); Mr T.V. Mongoato (reappointed); Ms J. van der Merwe (deceased); Mr G.R. Penny; Ms M. Purnell; Mr B. Mokgatle; Mr J.F. de Villiers; Mr R.P. Krige (incoming); Dr S.T. Xaba (incoming); Dr M.P. Bopape-Mabapa (incoming); Dr T. Tsilo (incoming); Ms B. Fakudze (incoming) Mr S.L. Mabombo (incoming); Mr W.J. Lemmer (incoming)).
Livestock	Meat Industry Trust Red Meat Levy Admin (Pty) Ltd, Ms C. Viviers and Taimlin Swart	24	Mr D. Olivier (Chairperson), Mr W. Clack. Outgoing trustees are Mr George Southey, Mrs B. Tlhabane (outgoing), Dr T. Hewu & Mrs N. Motshegoa (outgoing). Incoming trustees are Dr F. Nherera-Chokuda, Dr Z. Majokweni, Ms U. Speirs and Ms S. Sekhoto.
	Mohair Trust Mohair South Africa, Mr M. Coetzee	25	Mr R. Kirsten (Chairperson), Mr C. Hobson, Mr S. Fani, Mr A. Greeff, Mr G. Hope, Mr J. Oellofse, Mr D. Nel, Mr I. Staats; Mr M. Shires; Mr D. Short; Mr C. Kemp and Ms N. Hadi.
	Wool Trust Mr A. van de Venter	25	Mr A.R. Kidson; Dr A. Moore; Mr L.I. Maduna, Mr R.A. Kirsten, Ms J. Letswalo, Mr I.G. Whittal, and Mr H.A. van Schalkwyk (Chairperson).

AGRICULTURAL INDUSTRY TRUSTS

The
Division
was established to
manage and coordinate
the communication process
between the Minister for
Agriculture, Land Reform
and Rural Development
and Agricultural
Industry Trusts



HOW ABOUT THREE DIGESTS IN ONE?

WE WILL BE INTRODUCING THE
COMBINED DIGEST FROM END OF JUNE



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SECTION THREE: FINANCIAL INFORMATION

3. Introduction

This section provides financial information regarding all the industry trusts for the reporting period of 2020/2021. Table 2 shows the asset values for the 2019/20 and 2020/21 financial years (FYs) and the difference. The agricultural industry trusts' total value has increased by R 115.411 million in 2020/2021 compared to the previous cycle, which recorded a decrease of R67.1 million. In the previous cycles, the asset moved from R2.3 billion in 2018/19, then decreased to R2.2 billion in 2019/2020 and increased to R2.4 in the current reporting period. Most of the trusts experienced an increase in value primarily due to market recovery following the COVID-19 impact, resulting in positive performance in the investment portfolios. Only three of the 11 trusts reported a decline in asset value, and the other eight showed an increase. It is essential to note the section after Table 2 explaining the increases and decreases in asset value.

Table 2: Trusts' asset bases for the 2019/2020 and 2020/2021 financial years

Trust Name	TOTAL ASSET VALUE (R' 000)		CHANGE (R'000)
	2019/2020	2020/2021	
Citrus Industry Trust	R14 811	R16 065	R1 253
Deciduous Fruit Industry Development Trust	R17 122	R18 999	R1 878
Maize Trust	R1 002 122	R1 061 365	R59 244
Meat Industry Trust	R50 155	R58 830	R8 675
Mohair Trust	R261 116	R249 760	-R11 356
National Lucerne Trust	R1 859	R1 867	R8
Oil and Protein Seeds Development Trust	R311 133	R343 754	R32 621
Potato Industry Development Trust	R28 029	R27 860	R169
Sorghum Trust	R24 904	R23 052	-R1 852
Winter Cereals Trust	R54 781	R47 192	-R7 589
Wool Trust	R528 890	R561 589	R32 699
Total	R2 294 922	R2 410 332	R115 411

3.1. Reasons for asset growth/decline

3.1.1. Horticultural trusts

- › **Citrus Industry Trust:** Allan Gray Portfolio Managers manage the trust investments, which increased from R14.81 million in 2019/2020 to R16.06 million in 2020/2021 due to improved market performance.
- › **Deciduous Fruit Industry Development Trust:** Old Mutual manages the Trusts' investments, which have increased from R 17.12 million in 2019/2020 to R 18.9 million in 2020/2021 due to an increase in investment revenue.
- › **Potato Industry Development Trust:** Mr H. Oberholzer is the manager of the Trusts funds. The asset value of the trust decreased from R 28.02 million in 2019/2020 to R27.85 million in 2020/2021. Although there was a decrease in net assets, it was not significant (a decrease of 0.6%). It is important to note that the decrease does not necessarily imply a weakened situation for the trust but rather an allocation of more transfer funds under budgetary plans.

3.2.2. Field Crop Trusts

- › **Maize Trust:** The investment managers are Allan Gray, Coronation and Ninety-one, while Willis Towers Watson is the investment advisor to the trust. Due to better market and investment performances, the trust's asset base increased from R 1.00 billion in 2019/2020 to R1.06 billion in 2020/2021.
- › **Oil and Protein Seeds Development Trust:** The Trust's asset base increased from R 314.8 million to R 311.13 million in 2019/2020 to R343.75 in 2020/2021. Good management and performance of the investment portfolios. The trust investments are managed by Foord, Allan Gray and Old Mutual.
- › **Sorghum Trust:** The Trust's asset base decreased in two consecutive years from R 24.90 million in 2019/2020 to R23.05 million in the 2020/2021 financial years. The investment portfolio is managed by Nedbank private wealth.

- › **Winter Cereals Trust:** The Trust's asset base decreased from R 64.4 million to R 54.8 million between the 2018/19 and 2019/2020 financial years. The trust's assets decreased due to the loss from the trust's investments. The trust's investment mandate is reviewed by the Trust Investment Committee, which meets annually to evaluate and review the trust's investments. The investment mandate of the trust is reviewed when a situation occurs that deems it necessary.
- › **National Lucerne Trust:** The Trust's total asset value increased from R 1.85 million in 2019/20 to R1.86 million in 2020/2021

3.2.3. Livestock Trusts

- › **Meat Industry Trust:** The trust investment is managed by Old Mutual and has increased from R 50.15 million in 2019/20 to R58.82 million in the 2020/2021 financial years due to better returns on investment for 2021.
- › **Mohair Trust:** The total asset base decreased from R 261.11 million in 2019/2020 to R249.76 million in 2020/2021. The investment portfolio manager is Old Mutual.
- › **Wool Trust:** The Fundhouse Investment Advisors (Pty) Ltd and Zakly Investments One (Pty) Ltd provide financial advisory services to the trust, while Landman van Rensburg Accountants is the trust accountant. The total asset base increased from R 528.88 million in 2019/2020 to R561.588 million in 2020/2021. The increase can mainly be attributed to the recovery of investment markets from the initial impact of COVID-19.

SECTION FOUR: TRANSFORMATION INFORMATION



4. Introduction

This section covers the trusts' expenditure on transformation. The main objective of this section is to present details of the various industries' approaches to transformation and outlines the numbers and costs of all the enterprises and persons receiving financial assistance from the trusts. The discussion is broken down into the three sub-categories of agriculture.

4.1. Summary of the trusts' transformation expenditure for the period between 2012 and 2021

Figure 1 presents the trusts' transformation expenditure from the 2012/13 survey to 2020/2021. The trusts play an essential role in ensuring that the sector is viable, and this concretises their pivotal contribution in driving transformation in the sector. In the 2020 reporting period, the trusts' assets declined from R2.3 billion to R2.2 billion, while transformation expenditure increased to over R 76.6 million. In the 2021 survey, the asset recovered and increased to R2.4 billion, while the transformation expenditure for the same period decreased to R63.07 million, representing a R13.54 million decrease (in 2021) compared to the R10.19 million increase in the past survey period (in 2020). In most the trusts, collaborations between the government, industry trusts and other role players played a crucial role in ensuring that the transformation initiatives yield satisfactory results, especially in the development of the small and emerging farmers in their respective industries. More opportunities and collaborations may arise due to implementing the Agriculture and Agro-processing Master Plan to be signed off in the coming months. The work of the trusts is commendable.

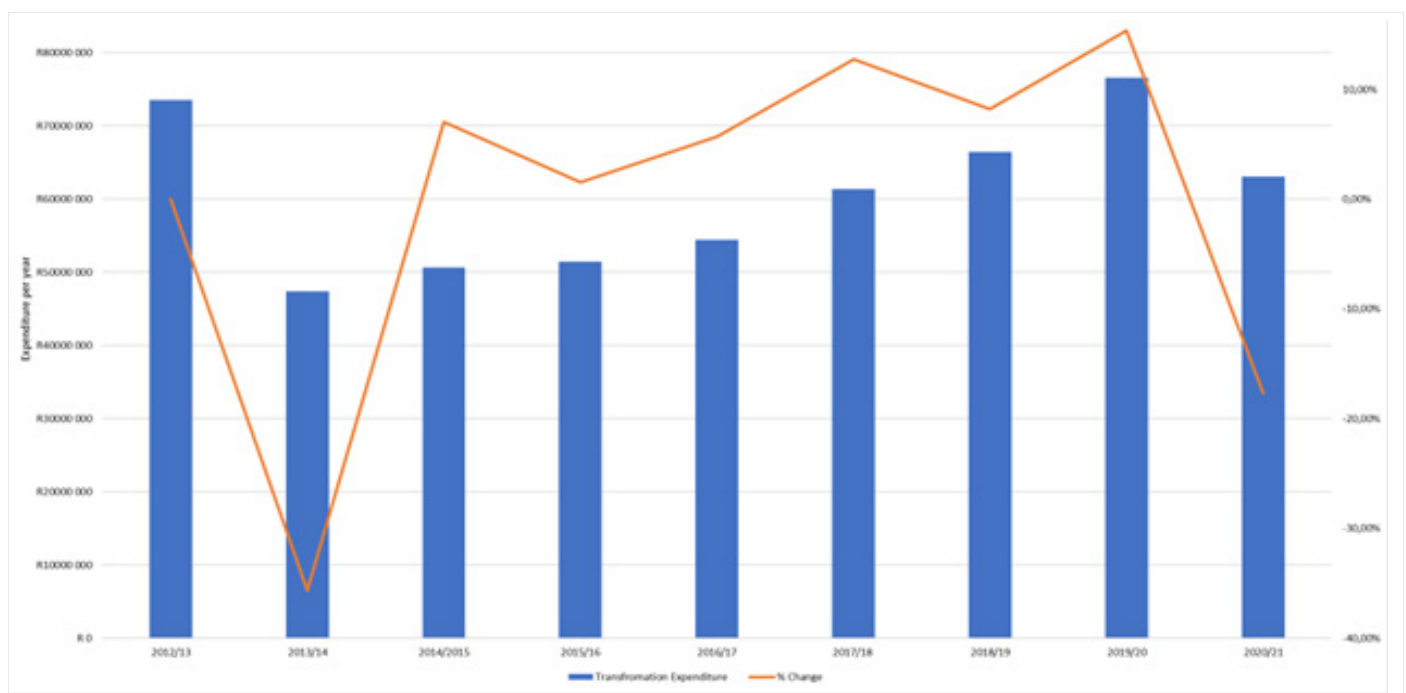


Figure 1: Trusts' transformation expenditure over eight years (2012 to 2021)

4.2. Field crops trusts

The Grain Farmer Development Association (GFADA) is the transformation conduit of the four-grain trusts, namely the Maize Trust, Sorghum Trust, Winter Cereals Trust, and Oil and Protein Seeds Development Trust.

4.2.1. Maize Trust funding

Noteworthy is that the Maize Trust follows the transformation guidelines of the NAMC. However, it does not administer or collect statutory levies. Generally, more than 25% of the trust's annual income is spent on transformation. The Maize Trust focuses on farmer development, training and skills development, bursaries and direct farm support through its transformation work. Additionally, the trust manages an annual bursary scheme for MSc and PhD students. The objective here is to stimulate studies in maize-related fields and to create professional capacity in the agriculture sector in South Africa. Under the trust's policy, at least half of the bursaries are awarded to previously disadvantaged students enrolled at all South African universities. The trust spends approximately R1.9 million each year on bursaries and training programmes for black farmers. The Maize Trust approved R18.7 million to support individual maize farmers in respect of the 2020/2021 season. The summary of budget allocation per transformation pillar is shown in Table 3.

Table 3: Maize Trust expenditure on transformation

Transformation pillar	Amount (R)
Subsistence farming	898 000
Potential commercial farmers and Mentorship	8 890 413
Training, study groups, offices, etc	8 931 587
Total	18 720 000

4.2.2. Sorghum Trust funding

Transformation funding by the trust is granted to several complementary programmes to achieve a broad spectrum of transformation functions to

create new black commercial sorghum farmers. During the period under review, the trust's annual contribution to transformation generally is 40% of the trust's annual income. Funding is annually granted to SAGRA for direct farmer support, Grain SA for training, technology transfer, farmer skills development, and the Agricultural Research Council for technology transfer and research activities directly aimed at emerging farming operations and requirements. The trust also manages an annual scholarship for MSc or PhD students. The aim is to stimulate studies in sorghum related fields and create professional capacity in South African agriculture. In terms of the trust's policy, most bursaries are granted to previously disadvantaged students from all the South African universities. Invitations for the scholarship are annually sent in September to all universities and tertiary training institutions. The Sorghum Trust allocated an amount of R700 225 to fund new sorghum farmers in respect of the 2021/22 season.

4.3.3 Oil and Protein Seeds Development Trust Funding

The Oil and Protein Seeds Development Trust (OPDT) transformation is focused on training, mentorship, the supply of information, enterprise development, community projects, bursaries, and technology transfer. Moreover, the trust adheres to NAMC guidelines for funding transformation, highlighting that at least 20% of collected funds should be devoted to transformation. The typical commodities are groundnuts, sunflowers, soybeans and canola. For the 2021/22 period, the trust spent approximately R13 972 658 on transformation. The highest proportion of this money (R 6 million) was spent on OPIDT transformation initiatives inclusive of training, the development of nutritious multi-mix snacks, and advanced farmer support. GFADA spent R5 million on developing Oilseed farmers, which is still on hold due to challenges with GFADA. Farmer development by GrainSA also accounted for R 1 107 537. Moreover, the trust funds 10 MSc and PhD students at R500 000. Other activities funded include creating opportunities in soy planting and micro or macro soy agro-processing to warrant food sustainability.

Table 4: Summary of OPDT expenditure on transformation for the 2020/2021 reporting period

Activity	Province	No. of beneficiaries	Amount spent (R)
Farmer Development by GrainSA, i.e., training, distribution of Imvula, demonstration trials and mentorship	All provinces (9)	80 learners trained 16 000 copies distributed	1 107 537
Development of Oilseeds Farmers by GFADA (Production)	All provinces	On hold	5 000 000
Oil and Protein Seeds Transformation Initiatives include training, nutritious snack multimix development for addressing under or malnutrition in underdeveloped communities and advanced Farmer Input Support	Free State, North-West, Mpumalanga and KwaZulu-Natal	449 Soybeans producers 16 sunflower producers	6 000 000
Bursary scheme (Training)	All provinces	10 (MSc & PhD)	500 000
Job creation	All provinces	1 136 (farmers, agro-processors & employees)	1 365 120
Total			13 972 658

4.2.4. Winter Cereals Trust Funding

The primary focus of the transformation for the trust is the development of black farmers in the winter cereal industry. In the past, the trust utilised the services of GFADA to achieve its transformation objectives. However, for the current year under review, the trust resolved to administer its transformation projects with the assistance of a service provider. The trust aims primarily to facilitate the development of black farmers in the industry to become sustainable commercial farmers. The farmer development programmes are run based on a holistic farming programme which entails crop rotation systems. These programmes are being executed in collaboration with the other trusts (Maize Trust, Oil and Protein Seeds Development Trust, Sorghum Trust) and financiers of inputs. In addition to farmer development, the trust further funds capacity building for the industry. Capacity building in respect of human development is fourfold: bursaries, internship, post-doctoral and industry succession plans. The Winter Cereals Trust's expenditure on transformation is presented in Table 5. R8 314 760 was spent on transformation activities for the period under review, and R 8 033 453 was spent on enterprise development with 34 beneficiaries. The trust is primarily involved in enterprise development projects in the provinces of Eastern Cape, Free State, North West and Western Cape. A priority for the trust is developing capacity. Hence, R 281,307 was allocated for capacity building with two beneficiaries.

Table 5: Winter Cereal Trust’s transformation projects supported under GFADA

Pillar	Project title	Number of beneficiaries			Hectares	Amount spent (R)
		Males	Females	Youth		
Enterprise development	Commercialisation Activities funded are crop insurance, soil correction, mentorship and production inputs. Provinces: EC, FS, NW & WC	4	-	-	200	1 546 346
		7	1	1	831	4 602 385,76
		2	6	1	74	717 133,80
		1	1	-	-	1 167 591,97
Skills development	Capacity building Bursary		2			281 307
Total		14	10	2	1105	8 314 760.53

4.2.5. National Lucerne Trust

The National Lucerne Trust (NLT) believes that agricultural transformation is crucial for economic and social transformation. Still, for this to happen, the NLT believes that upgraded skill sets are needed across the entire lucerne industry value chain. The NLT’s transformation of previously disadvantaged individuals aims to ensure the development of emerging farmers to grow and produce commercially in a sustainable way and extend their access to marketing opportunities, emphasising enterprise and supplier development and training and skills development programmes. The agricultural sector is a critical economic driver and determines the viability of many communities throughout South Africa, especially in the rural areas of our country. Local and international markets for lucerne hay and lucerne seed products present an excellent opportunity for establishing and sustaining the growth and development of smallholder lucerne farmers. The income growth of smallholder farmers is fundamental to economic and social development, to the farmers’ ability to reinvest in their farms, and to the sustainable supply of lucerne products to the local and international market. The NLT is committed to assisting smallholder farmers to move from subsistence to commercially oriented agricultural systems, thereby increasing their income and profit from production.

Focus areas of the NLT

Enterprise and Supplier Development: The NLT’s Enterprise and Supplier Development Programme aims to assist smallholder farmers’ sustainable growth and development to grow and produce commercially in a sustainable way. Smallholder farmers depend on access to good quality seed, which is fundamental to their production systems. During the period in review, the NLT donated lucerne seed, a moisture meter, lucerne hay samplers (6 x beneficiaries) and COVID-19 facemasks to emerging farmers, agripreneurs, farmworkers and government extension officers. The NLT assisted farmers with technical support, relevant market information and market access. The NLT, in conjunction with the DALRRD, facilitated a Lucerne Production Information Day for farmers in the Central Karoo district of the Western Cape Province. The NLT also arranged for NIRS-instrument owners to pay for farmers’ quality analyses performed at instruments in Jan Kempdorp (Northern Cape), Oudtshoorn (Western Cape), Cradock (Eastern Cape) and Brits (North West). R 460 076 was spent on enterprise development with 134 beneficiaries.

Training and Skills Development: The NLT’s Training and Skills Development Programme aims to empower smallholder farmers with the necessary knowledge and skills to compete on a local and international level. One of the most important things, whether you are in the business of producing, selling, or feeding animals, is to correctly evaluate lucerne hay quality in terms of economic value. The Lucerne Hay Grading Course is designed for producers, traders, processors, exporters, and buyers of lucerne hay who wish to learn more about lucerne hays’ production, quality, and nutritional value and how to grade it. The NLT funded course fees and/or provided educational and promotional materials to emerging farmers, agripreneurs, and UFS students who attended a lucerne hay grading course in the past year. UFS Student bursary: The NLT supported the UFS Student Bursary Programme, which assists students with funding within the agricultural field of study. R126 236 was spent with a total of 78 beneficiaries. Socio-economic Development: Rooiheuvel VGK Primary School is a public primary school located outside Oudtshoorn in the Western Cape Province. The NLT provided the school with much-needed education books and stationery supplies during the year in review. In addition, cleaning and sanitising supplies were also provided to the school. The spending in this regard amounted to R47 326.

4.3. Horticultural trusts

4.3.1. Citrus Industry Trust

The beneficiaries of the trust fund within the citrus industry are the Citrus Academy (CA) and Citrus Growers’ Association – Grower Development Company (CGA-GDC), with a critical focus on skills development and enterprise development, respectively. The trust remains committed to transformation by ensuring active participation of black designated groups in the citrus value chain. During the period under review, the trust supported students with bursaries to the value of R 400 000. Moreover, CGA-GDC received R100 000 from the trust for enterprise development. Table 6 presents the details of the transformation functions through the trust’s funds.

Table 6: Citrus Industry trust transformation expenditure for 2020/2021

Activities	Amount spent (R)
Enterprise development	100 000
Bursaries/skills development	400 000
Total expenditure on Transformation	500 000

4.3.2. Deciduous Industry Development Trust

The trust itself is not responsible for the implementation of transformation. Currently, it receives industry-related proposals for funding projects. The Trustees evaluate those proposals and make funding decisions based on that evaluation. The trust has funded bursaries (developing human capital) in the past. Still, for the past year, the trust funded a feasibility study in the Free State to investigate the possible establishment of deciduous fruit farms in the Free State (Economic Development).

4.3.3. Potato Industry Development Trust

The trust funds Potatoes South Africa (PSA) as its implementing vehicle for all the trust's activities. Guided by the NAMC's transformation guidelines, more than 20 % is spent on transformation. PSA's transformation programme includes the support of black producers to successfully establish their potato farming ventures. This support ensures that the producers are appropriately skilled by providing training related to enterprise development and the technical aspects of potato farming. It further ensures that mentors are responsible for knowledge transfer to new farmers and managing potato enterprises. The tertiary skills development pipeline offers bursaries and internships to ensure a pool of graduates who can add value to agriculture.

Enterprise development programme: The main focus of the trust is enterprise development, where farmers are assisted with business plans, potato seed, training, mentorship and linking them with other agribusinesses to develop black commercial farmers in various potato regions in South Africa. Currently, the expenditure on enterprise development is approximately R6,7 million annually. The strategy for enterprise development is based on expanding hectares of deserving producers, hosting regional meetings to disseminate information, and creating partnerships with various stakeholders such as the Jobs Fund, McCain, Nulandis, NTK/VKB, AFGRI and provincial government departments. Moreover, as part of its strategy, the trust intends to commercialise eight farms through the Enterprise Development Programme by 2023.

Small Grower Development Programme (SGDP): This programme can be categorized under socio-economic initiatives, playing a crucial role in food security. The SGDP consists of a subsistence farming project designed to meet the needs of rural communities for food security and the sale of surplus crops. The trust has partnered with various provincial departments of agriculture. Each project accommodates approximately 50 community members who are taken through the planting programme and the harvesting programme. The programme has expanded to MP, LP, and GP provinces, with an increased number of communities benefiting. Future targets include the North West and the Free State.

Training: Training is crucial in ensuring that newly established farmers are upskilled to manage their business ventures successfully. Previously, PSA conducted a skills audit where gaps were identified, and since then, PSA has been focusing on providing the training identified by the skills audit. The skills audit indicated a great need for financial management and plant production training. PSA collaborated with the research division to provide the tuber moth training to the Limpopo farmers, which focused on preventing this pest in the potato fields. All farmers participating in the Enterprise Development programme in Limpopo attended a practical irrigation training in Limpopo and Enterprise Development farmers are being assisted with Financial Management training. A service provider appointed provides one-on-one support to the farmers so that the focus is on the specifics of each farmer.

Tertiary skills development pipeline: This programme offers bursaries to needy and academically deserving students and provides internship and workplace opportunities. The desired outcomes of this programme are to develop young talent through tertiary education that builds on the sustainability of the business, provide exposure to the potato value chain, and enables candidates to make informed decisions about their career choices based on exposure and experience.

Table 7: Details of the potato projects funded through the Potato Industry Development Trust

Project title	Objectives of programmes	Outcomes of programmes	Amount spent (R)
Enterprise Development Programme: Soil analysis; pre-feasibility studies and business plans; Mentorship; supply of potato seed over four years, reducing support by 25% each year for the duration of the support; expansion of hectares of producers already on the programme and industry exposure.	Assisting in establishing, supporting, and growing viable new black-owned potato processing enterprises through the provision of seed, mentorship and training, technical support, and industry exposure.	The programme is active in 4 provinces: Kwazulu-Natal, Eastern Cape, Limpopo and Western Cape. The distribution of farmers is as follows: KwaZulu-Natal (1); Limpopo (10); Western Cape (1) 180 Jobs were created Total number of ha supported: 240 Average tons per ha: 50	6 755 846
Small Grower Development Programme	Small Grower Development is a subsistence farming project aimed at communities for food security and sales of excess crops.	The programme is active in 5 provinces: KwaZulu-Natal; Eastern Cape; Limpopo; Mpumalanga and Gauteng	230 887
Skills Development Enterprise Development Training and tertiary Skills Development Pipeline	To upskill Enterprise Development Farmers To create a pool of expertise in the potato industry by providing bursaries and internship programmes.	Farmers who can make business sound decisions and a pool of graduates will give back to the agricultural industry.	914 604

Progress of PSA Enterprise Development farmers supported with transformation funds

Potatoes SA has been embarking on the Enterprise Development programme to gradually commercialise Black farmers. The following are some of the highlights of the Enterprise Development Programme:

Limpopo Region:

Farmer 1 started with 5 ha and has been gradually expanding. Currently, he operates 80 ha of land, has exited the Enterprise Development Programme and is now a fully-fledged commercial farmer. He has been linked up with financiers and markets and has an offtake agreement with Pepsico for 40 ha.

Farmer 2 started with 7 ha and, with mentor assistance, harvested an average of 60 tonnes per hectare on his first attempt. He has now expanded to 17 ha with 10 ha funded by the Department of Agriculture.

Farmer 3 expanded from 10 ha to 20 ha.

Farmer 4 has been expanded from 7ha to 14ha. He continues to receive an average tonnage of 65.

Kwa-Zulu Natal Region:

Farmer 1 was identified and was supported with 18 ha. He got an average of 43 tons per ha for his first crop under the Enterprise Development Programme. He received funding from the Kagiso Trust to continue with his operations.

Farmer 2, located in Kokstad KZN, started participating in the Enterprise Development Programme with 20 ha of potatoes funded. He funded an additional 30 ha. With the support of the trust, he will be able to rehearse the commercial level as soon as possible. He has access to mentorship and training to equip him with the necessary skills.

4.4. Livestock trusts

4.4.1. Mohair Trust

Mohair Trust transformation is done through the Mohair Empowerment Trust, a separate entity from the Mohair Trust. The Mohair Empowerment Trust was established in 2010 to drive black economic empowerment projects within the mohair industry. The goal of the Empowerment Trust is to develop sustainable large-scale black mohair producers. These producers can contribute to the mohair industry by providing them with goats via interest-free loans and giving them training and ongoing support. The table below represents the transformation of spending by the trust. During the period under review, the trust spent R 1 501 103.81 on transformation implementation through the Mohair Empowerment trust. The largest portion was spent on purchasing Angora goats (R 1,07 million), administration (R 373 104,81), training (R 30 000), marketing and advertising (R 30 000). Noteworthy that three of the Mohair Empowerment partners have finished the five-year programme with the trust, and the trust is looking forward to empowering more farmers.

Table 8: Transformation expenditure of the Mohair Trust

Activity	Funds spent (R)
Administration	373 104,81
Marketing and advertising	30 000
Training	30 000
Purchase of Angora goats	1 070 000
Total	1 503 104,81

Through the empowerment trust, the mohair trust formed partnerships with many entities, including AGRISETA, AGRISA, NAMC, DRDAR, BKB, OVK, House of fibre, commercial mohair farmers, South African Wool and Mohair Buyers Association and many more.

4.4.2. Wool Trust

The Wool Trust's transformation projects aim to transform smallholder wool producers into commercial producers while integrating black, small-scale and communal producers into the wool industry. The main focus of the trust's transformation initiatives includes: organizing small-scale communal wool sheep producers into wool grower groups and assisting them to collectively harvest, class and pack wool to access the commercial wool market; prioritizing and supporting infrastructure development initiatives (i.e. shearing infrastructure) in partnership with government and other stakeholders, including the private sector; supporting and implementing genetic improvement initiatives to improve the quality and quantity of wool produced by black small-scale and emerging producers; awarding bursaries to previously disadvantaged persons to enable them to obtain relevant qualifications and to endeavour to find employment for these bursary holders in the wool or related industries; and creating jobs through shearer training. The table below summarises the expenditures during the period under review for Wool Trust's transformation initiatives.

Table 9: Transformation projects funded by the Wool Trust

Actual activities	Amount spent (R)
Enterprise development: Social impact study: Communal areas and skills development	147 723
Bursaries	142 690
Skills Development and Training	5 522 752
Job creation (Shearer training)	3 597 667
Total expenditure on Transformation	9 410 832

PROFILES OF TRANSFORMATION PROJECTS FUNDED

Queenstown Production Advisor: A production advisor has been assigned to the Queenstown area on a three-year contract basis to mentor and train emerging black communal farmers and youth groups in the Zulu Kama area of Whittlesea and to establish a veld ram club in Elliott. The demographics of the farmers in this area have changed considerably over the past few years, with many black emerging communal farmers receiving commercial farms under the land reform programme. These farmers have a tradition of wool-sheep farming, but their levels of wool production are less than those of the previous landowners due to their relatively low commercial farming skills. There was a need for an experienced production adviser to guide and mentor/coach these farmers to develop into fully-fledged and successful wool farmers. Noteworthy that an initial 3-year contract towards a production advisor in the Queenstown area has been extended for two years.

Bursaries: Since establishing the Bursary Fund, 36 students have graduated, of which 13 are currently still employed in agriculture-related industries. During the period under review, the trust is currently funding six students in different areas of study with R 142 690.

Table 10: Communally produced wool presented for marketing through the auction system

NAME OF BENEFICIARY	GENDER	DEMO-GRAPHIC GROUP	FIELD OF STUDY	FUNDING ALLOCATED (R)
Beneficiary 1	M	B	BA of Arts in Fashion Design	20 000
Beneficiary 2	F	B	Dip in Agriculture	25 952
Beneficiary 3	M	B	Nat Dip in Agriculture	27 578
Beneficiary 4	M	B	Animal Production	15 000
Beneficiary 5	F	B	Adv Dip in Agr. Management	34 160
Beneficiary 6	M	B	Nat Dip in Agriculture	20 000
TOTAL				142 690

Skills Development and Transfer: The Wool Trust has contributed funding towards rural development programmes in the Eastern Cape, Free State and Kwazulu-Natal since 1997. Production advisors train these communities in basic skills for effective wool-sheep production, wool handling and classing, handling and movement of sheep, breeding and selection, disease control and animal health, predation management, veld, pasture and nutrition management. During the period under review, 288 short courses on shed management, money market, basic flock breeding and nutrition and basic animal health were held, and 1 643 individual farmers attended these short courses. However, the targets were not achieved (3 020 attendees) due to limits on numbers that may attend in groups due to COVID-19 regulations. In the Eastern Cape, 9 weighing projects were identified and serviced in 2020/2021, where 23 individuals participated in the economic analyses programme. Moreover, 25 individuals participated in the farm management programme to assist farmers in recording their sheep numbers accurately.

Market Readiness and Market Access: Five production advisors visited 401 sheds in 2020/2021. Farmers were trained and advised on proper sheep shearing techniques and mentored on clip preparations for the market. About 1 190 sheds sold their wool through a formal auction system at 34 sales, consisting of 5 481 lots. Furthermore, 369 lots were sold above 80% of the CWSA market indicator, and 43 exceeded the market indicator. Wool is not a mandatory choice in today's apparel markets. It competes with other fibres, natural and synthetic. However, the retail sector is rapidly evolving, and issues such as sustainability, animal welfare, ethics and the environment play an increasingly important role in influencing garment fibre selection. As consumer interest in wool increases, traceability and transparency along the value chain are becoming increasingly critical.

Wool production in communal areas in South Africa is unique to the local wool production process. During the 2019/2020 wool season, the communal areas contributed 5.8 m/kg (14%) to the local production. Being a substantial contribution, it is imperative that these production areas also adhere to sustainable wool production standards. Production conditions and farming management practices differ vastly from commercial areas. However, certain fundamental practices and procedures remain the same. These similarities should be built on establishing and maintaining an emerging sustainable wool standard within the current Sustainable Cape Wools Standard. The table below highlights detailed statistics. The wool sold through the auction system decreased by 421 270 kg. Drought conditions are still seen as the main reason for the decline. The income from the communal wool sold through the auction system decreased by approximately 284 million to R5.4 million. The average price for communal wool decreased from R49.26/kg in 2019/2020 to R47.74 kg in 2020/2021.

Moreover, the national average wool price decreased from R 86.03 kg to R 81.09 kg. This phenomenon affected the entire wool industry prices during the 2020/2021 marketing season, which may also have been related to COVID-19.

Table 11: Communal wool marketed through the communal market 2010 – 2021(CWSA)

SEASON	AVAILABLE FOR AUCTION (KG)	VALUE (RAND)	NATIONAL AVERAGE PRICE (R/KG)	COMMUNAL AVERAGE PRICE (R/KG)
2010/11	3 027 276	71 749 104	39.00	23.70
2011/12	3 555 077	113 015 898	36.57	31.79
2012/13	3 461 937	131 842 578	55.37	38.08
2013/14	3 806 993	137 919 368	60.16	36.23
2014/15	3 582 123	130 849 388	68.63	36.52
2015/16	4 462 089	233 618 024	77.40	52.35
2016/17	5 812 641	299 882 007	82.05	51.59
2017/18	5 422 122	383 607 431	99.07	70.75
2018/19	4 737 000	336 979 827	112.65	71.14
2019/20	5 876 741	289 475 740	86.03	49.26
2020/21	5 455 471	5 455 471	81.09	47.74

Infrastructure Development: Infrastructure plays a vital role in the production and shearing of wool; therefore, the wool trust aims to ensure that communal farmers receive access to much-needed infrastructure to make their wool more competitive locally and internationally. In Region 23, four sheep shearing sheds were constructed (funded by Sibanye Stillwater Mines), and classes and training were held on sheep shearing. Furthermore, Beyele Shed purchased high-quality rams and ewes with the assistance of NWGA Production Advisors, positively impacting their income. Many farmers from these sheds purchased their rams to upgrade their flocks, assisted by NWGA Advisors, to source quality sheep from reliable commercial breeders. Furthermore, NWGA (funded by First Rand Foundation) constructed two sheds: Mnqaba James Shed near Middledrift (Region 21) and Castle Rocks Shed near Mount Fletcher (Region 25). First Rand Foundation sponsored five rams, handed over to Kamastone shed in Whittlesea (Region 21), and Ludumo shed in Lady Frere (Region 23). Farmers were also able to purchase 75 rams to improve breed quality throughout the regions.

In a visit to a shearing shed in the fourth quarter of 2020, it was evident that the NWGA's work has positively impacted some of these communities over recent years. Industry budget constraints will make it increasingly difficult to continue providing advisory services in the same manner as in the past.

Job Creation: A shearer training programme funded by the trust provides employment opportunities for many unemployed and previously disadvantaged persons. Shearer training took place in various locations, and a total of 153 advanced and intermediate machine shearers were trained. In addition, 93 new machine shearers were trained, 381 advanced and intermediate blade shearers and 104 new blade recruits. This year, 696 South African and 35 Lesotho shearers were trained. Noteworthy that 800 farmworkers were trained during the reporting period in wool handling courses, biosecurity awareness and training and sharing shed management.

4.4.3. Meat Industry Trust

The Meat Industry Trust currently finances student bursaries amounting to R306 000. The trust is currently implementing new transformation initiatives to address the real enterprise needs of black farmers in the meat industry.

4.5. Challenges faced by the agricultural industry trust with regard to transformation

Maize Trust: The Trust has achieved success with its transformation programme; however, the demise of GFADA has unfortunately left a gap in the coordination of transformation projects, particularly among producers of grains and oilseeds. Nevertheless, efforts are being made to address the coordination of transformation programmes. A dedicated Transformation Review Panel has been formed to recommend the trust regarding future transformation efforts, targets and goals. The Panel has made significant progress, and final recommendations are expected by the end of March 2022.

The Mohair Trust: The empowerment vehicle of the trust supports black farmers in skills and enterprise development, including stock purchasing, which has proven very successful for the black farmers who have received it. The trust's main objective is to commercialise black farmers. Mohair Trust faces a significant challenge in finding black farmers with access to land with adequate infrastructure, which limits their transformation and commercialisation efforts

SECTION FIVE: OUTLINE OF INDUSTRY STRUCTURES



This section highlights organisations that work directly with the respective trusts. The report also provides a brief overview of the scope of work of each of the organisations identified.

Winter Cereal Trust: The WCT in terms of the beneficiaries with the following industry institutions/structures that report:

- › The South African Grain Information Service (SAGIS) performs its main functions in the areas of information (gathering, analysing and dissemination), inspection (stocktaking of received information and auditing to ensure accuracy, completeness, consistency and reliability) and corporate (administration, finances and personnel matters).
- › Southern African Grain Laboratories (SAGL) provides the most accredited analyses and quality testing of the grains to the agricultural industry and provides some assurance of food safety to the public.
- › The Grain Farmer Development Association (GFADA) supports new era farmers with whole-farm development, but its first focus has been on accelerating the transformation of the grain value chain. Currently, GFADA's focus is on dispersing grant funds in three areas, namely: (i) Soil correction (through the application of lime), (ii) Crop insurance (offering a subsidy towards the premiums); and (iii) Mentorship (subsidising the cost of mentorship).

Maize Trust (MT)

Industry bodies funded by the trust include SA Grain Laboratory, Agricultural Research Council, Grain SA, SA Grain Institute, Bureau for Food and Agricultural Policy, University of Stellenbosch, Sandy Soils Development Committee, North-West University, NAMC, SAGRA, Cape Peninsula University, University of Pretoria and SANSOR. All the beneficiaries of the Trust report bi-annually regarding their progress and the results of the funded projects. The beneficiaries are as follows:

- › **Grain SA Farmer Development Programme:** The programme aims to train, mentor and develop emerging farmers to become self-sustaining commercial farmers in their own right.
- › **ARC:** The aim is to focus on research activities and technology transfer that would directly benefit emerging farmers and address their specific needs.
- › **Maize Trust Bursary Scheme:** The aim is to develop capacity in highly skilled personnel within the South African grain industries.
- › **Schools Programme:** The aim is to inform previously disadvantaged learners about agriculture and possible career opportunities.
- › **Industry beneficiaries:** It aims to increase maize quality, yield and protection against diseases and pests, thus maintaining the competitive status of South African farmers on the international market. Mycotoxins are also researched to ensure safe and reliable food and feed to SA consumers.

Sorghum Trust (ST)

All the beneficiaries of the Trust report bi-annually regarding their progress and the results of the funded projects. The following are the structures and beneficiaries, namely;

- › **ARC:** The aim is to focus on research activities and technology transfer that would directly benefit emerging farmers and address their specific needs.
- › **Sorghum Trust Scholarship Scheme:** The aim is to develop capacity in highly skilled personnel within the South African grain industries.
- › **Industry beneficiaries:** It aims to increase sorghum quality, yield and protection against diseases and pests, thus maintaining the competitive status of South African farmers on the international market.

Oil and Protein Seeds Development Trust (OPSDT)

The trust structures include the Oilseeds Advisory Committee, the SA Groundnut Forum, the Sunflower, Soybean and Soyfood Forum and the Research Priority Committee. The trust's beneficiaries are the ARC-GCI, SAGL, NAMC, WCDA, SAGIS, FABI, University of Pretoria, BFAP, Eden social development foundation, University of the Free State and Grain SA.

National Lucerne Trust (NLT)

The NLT has no formal industry structures that report to the trust. However, the Board of Trustees of the NLT consists of a minimum of four [4] and a maximum of seven [7] trustees, of which one [1] trustee represents the Minister of the Department of Agriculture, Land Reform and Rural Development. The remaining six [6] represent specific lucerne industry sectors: lucerne seed producers, lucerne seed cleaners, lucerne seed merchants, lucerne hay producers and merchants, processors and smallholder farmers.

Potato Industry Development Trust (PIDT)

Potatoes South Africa, the trust's administrator, is the only industry structure reporting to the trust, and it is responsible for executing its strategic priorities. The trust also has internal committees that report to it: The Potato Industry Development Trust, the Risk and Audit Committee, the Bursary Committee, the Research Technical Advisory Committee and the Potato Transformation Advisory Committee. The committees serve as advisory bodies informing the trust about the strategic implications and the relevance of activities or projects.

Meat Industry Trust (MIT)

The MIT has one industry structure: a Bursary Working Committee (BWC) that guides the trust in awarding MSc and PhD bursaries. MIT collaborates with the Red Meat Research and Development Trust, which works closely with the Research Committee.

Mohair Trust

The structures within the mohair industry that work with the Mohair Trust are:

- › Mohair South Africa, which is responsible for the advancement of the industry.
- › The South African Mohair Growers Association (SAMGA), which is another organisation responsible for representing all mohair producers in South Africa;
- › The Mohair Empowerment Trust (MET), which is responsible for empowerment in the industry;
- › The Mohair Brokers Association, which represents the mohair brokers;
- › The Mohair Buyers Association, which represents the mohair buyers;
- › The Mohair Processors Association, which represents the mohair processors;
- › The Angora Ram Breeder's Society, which represents angora goat genetics; and
- › The Farmworkers association, which represents the mohair farmworkers.

Wool Trust

As Cape Wools South Africa (Cape Wools SA) is the sole beneficiary of the Wool Trust, it is the only organisation to report to it. Cape Wools SA is the official industry representative's organisation for the South African wool industry, representing the collective interests of wool producers, wool buyers and processors, wool brokers and traders, small stockbreeders, labour and the wool testing group. Through their partnership with other great wool-producing nations, they promote the interests of the wool communities in South Africa and internationally.

SECTION SIX: CONCLUSIONS



The NAMC would like to express its deep appreciation and thanks to the Trust Administrators, the Board of Trustees, the Transformation Managers and the other stakeholders involved in the eleven (11) industry trusts for their continued support for keeping the Minister and the Portfolio Committee up-to-date on the transformation interventions and asset base. The NAMC commends the industry trusts' excellent efforts to preserve their assets and ensure that investment proceeds are used to fund industry activity.

NOTES:
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National Agricultural Marketing Council

Core Divisions

AGRICULTURAL INDUSTRY TRUSTS

The Industry Trusts are managed by board of trustees, in which the Minister is represented. The Ministerial trustees are entrusted to ensure that the Industry Trusts carry out the objectives of the Trust deeds, by aligning them to government transformation mandate. The Ministerial trustees will then report to the Agricultural Trusts division of the NAMC on the operation and financial performance of the Trusts in which the NAMC should communicated that to the Minister.

Moreover, the Industry Trusts portfolio, the division is also entrusted to monitor activities on transformation in the agricultural sector.



Agricultural Industry Trusts

The Agricultural Trusts Division is responsible for the nomination process of the Ministerial trustees, and advice the Minister of agriculture, forestry and fisheries with proposed names who then do appointment. As part of Ministerial trustees' capacity development, training on corporate governance is facilitated to capacitate trustees with the skills on corporate governance and financial management.



Industry Transformation Support

Through the Council, the Transformation Review Committee (TRC) was established in 2014, to independently review, comment and provide inputs to the transformation business plans supplied by the industries; to monitor the transformation activities supported by the industries, and to establish how government can collaborate with industries in support of transformation.

The Committee was established to independently monitor the administration and utilization of the 20% transformation levy income and expenditure. Furthermore, ensure that industries adhere with the NAMC guidelines in spending the 20% levy fund.

AGRIBUSINESS DEVELOPMENT

The Agribusiness Development Division (ADD) of the National Agricultural Marketing Council was established in 2006 to collaborate with various institutions both nationally and internationally in designing and implementing programmes that are aimed at increasing market access, encouraging new business development and capacity building of historically disadvantaged enterprises. The NAMC strategic placement and relationship with public and private institutions built over many years enabled the Agribusiness Development division in facilitating programmes that have the potential to achieve the government outcomes.

The Agribusiness Development Division collaborates with government, industry and academia to provide programs such as:



Market Access

This programme aims at increasing market access for smallholder farmers. This programme is divided into three categories, namely: market information, market access and business development support



Capacity Building

Having recognized the skills deficiencies within the country's agricultural sector, the ADD has contributed to capacity building efforts by designing and facilitating the delivery of various training programmes through various partnerships and collaborations.



NRMDP

National Red Meat Development Programme is a red meat program anchored by the Department of Rural Development and Land Reform to assist communal livestock farmers in linking them to formal red meat value chain

STATUTORY MEASURES

The purpose of the Statutory Measures Division is to facilitate the process to implement statutory measures in order to promote the efficiency of the marketing of agricultural products. In support of this goal, the following objectives are pursued:

- ◇ To implement statutory measures in support of the objectives of the Marketing of Agricultural Products Act.
- ◇ To enable the relevant industries to collect funds to finance important generic functions; and,
- ◇ To enable the relevant industries to collect and disseminate important agricultural information in order to promote growth within the specific industry.



Statutory Measures Applicable

There are currently 22 industries that have statutory measures relating to registration, records and returns, and 18 industries that have statutory levies.



Agricultural Products

For purposes of the Marketing of Agricultural Products Act, 1996 (Act No. 47 of 1996), the Minister approved the products declared as agricultural products.



Crop Estimates Liaison Committee

During 1998 the Minister for Agriculture and Land Affairs requested the National Agricultural Marketing Council (NAMC) to chair the Crop Estimates Liaison Committee (CELC), who is represented of directly affected groups in the different grain industries.

RESEARCH

The Markets and Economic Research Centre (MERC) was established in 2007 as part of the transformation of NAMC and expanding its functions to enable it to dispense more evidence-based markets and economic advice to the Minister and other stakeholders. MERC is an economic and market research programme that tracks economic trends, provides market information and undertakes marketing policy research. Its research focuses on three main focus areas in line with the strategic objectives of the NAMC: agro-food chains and markets; trade and; smallholder market access



Agro-Food Chains

Farm-to-retail price releases, monthly, quarterly and annual food price analyses, grains supply and demand estimates reports.



Smallholder Market Access

Studying factors contributing to successful access to agri-markets, especially for smallholder farmers and new entrants.



Trade

This focus area undertakes studies on current and potential export markets for South African products.

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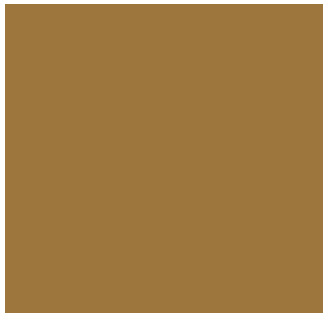


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