



# NAMC

Promoting market access for South African agriculture



NAMC: Trust funds and transformation projects

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## WHY THE NAMC EXIST?

- The agricultural sector was highly regulated pre-1990s
- The democratic government decided to adopt a deregulated and market-led approach to agriculture from the mid-1990s
- Repeal of regulatory measures in agricultural marketing (legislation, control boards, marketing schemes)
- Transfer of assets of the control boards to Agricultural Trusts
- Promulgation of a new Act: the Marketing of Agricultural Product (MAP) Act of 1996 – which established the NAMC
- The MAP Act: to retain some of the statutory regulations/ measures for the benefit of the sector
- NAMC exists to oversee the deregulated marketing environment on behalf of the Minister and the sector stakeholders

## MANDATE OF THE NAMC DERIVED FROM THE MAP ACT OF 1996

- More specifically, Section 9 of the MAP Act: “Functions of the Council” stipulates the mandate of the NAMC are to:
- Advise the Minister on statutory measures (1) (a) – (d) & (f)
- Undertake investigations and advise the Minister on (1) (e)
  - ✓ Agricultural marketing policy and its application
  - ✓ Possibilities for promoting the objectives of the Act (Section 2):
    - i. The increasing of market access for all market participants
    - ii. The promotion of efficiency of the marketing of agricultural products
    - iii. The optimisation of export earnings from agricultural products
    - iv. The enhancement of the viability of the agricultural sector

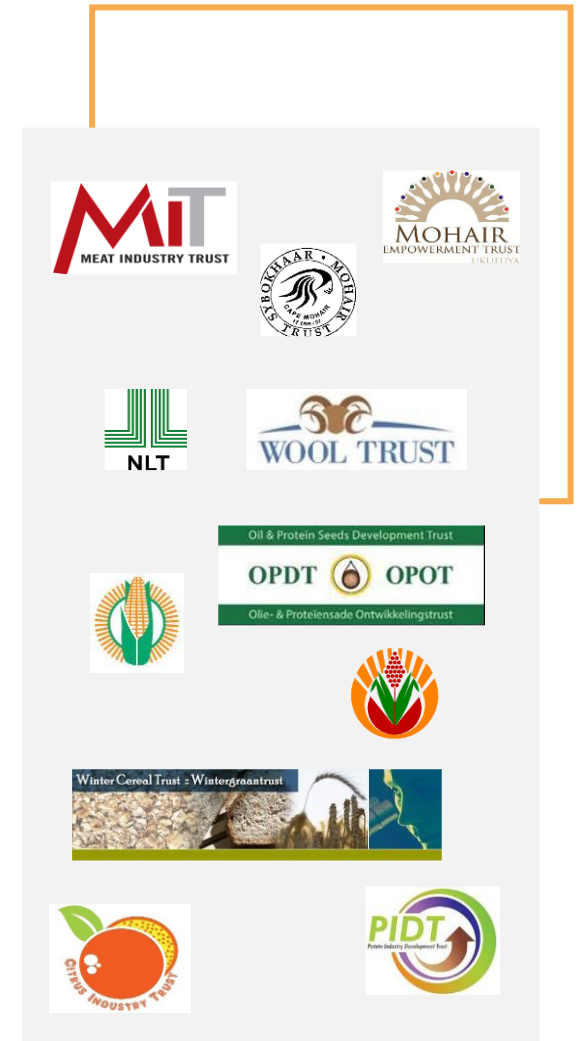


# EST. AGRICULTURAL TRUSTS

- Bodies that were established after the disbandment of the former control boards during the market deregulation process in 1996
- The assets of the control boards (R677 million) were then transferred into these Agricultural Trusts (current valued over R2.4 billion)
- 11 Trusts (commodity specific)
  - ✓ Observer status
- Mandated protect and grow assets, and use the proceeds to finance industry work **such as transformation work**
- **Governance:** Board of Trustees (56:26) & Trust deeds

# MANDATE OF THE NAMC ON TRUSTS

- **Liaise with all the trusts**
  - ✓ To get status of the trust within a particular year and report to the Minister of DALRRD, on:
    - Assets value (identify any increases or decreases) & Functioning, and Transformation of the Trusts.
- **Coordinate communication**
  - ✓ Between all the Trusts with the Minister and vice versa.
- **Facilitate Ministerial Trustee's appointments**
  - ✓ Advertise for any vacancies, shortlists, recommend to the Minister for approval and then induct the new Ministerial Trustees (after the appointment by the Minister);
- **Monitor and Evaluation (M&E)**
  - ✓ Organize site visits to see the transformation activities supported by the industry trusts.
  - ✓ Liaise with the trust to align on activities that are not serving transformation well.



# Agricultural Trusts outlook

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 Cereal Trust	R54 781	R47 192	-R7 589
Wool Trust	R528 890	R561 589	R32 699
<b>Total/Average</b>	<b>R2 294 922</b>	<b>R2 410 332</b>	<b>R115 411</b>

## Notes

Original asset inheritance was R677 million,

- The value of assets increased from R2,3 billion in 2020 to R2,4 billion in 2021; an increase by over R115 million. The increase was as a result of the investment market recovery from the impact outbreak of COVID-19.
- Mohair Trust , Sorghum Trust, Cereal Trust and Winter Cereal Trust and had a significant decreased asset value while other trusts such as National Lucerne Trust and PIDT indicated an insignificant decrease in asset value.

# Work of the Transformation Review Committee (TRC)

The work conducted in collaboration of the four core divisions of the NAMC (TRC)

## **Roles and responsibilities:**

- Review of the Industry transformation business plans on the 20% levy utilization;
- To ensure alignment with the NAMC's generic Transformation Guidelines (aligned to AGRIBEE sector codes) and;
- Conduct Monitoring and Evaluation (site visits) of the industry transformation interventions.

# Trusts' Transformation Expenditures

Year	Expenditure on Transformation (R'm)
2012/13	73, 5
2013/14	47, 3
2014/15	50, 7
2015/16	51, 4
2016/17	54, 4
2017/18	61, 3
2018/19	66, 3
2019/20	76, 6
2020/21	63, 7
Totals	544, 57

## Transformation figures for the reporting year:

- The transformation support amounted to R63 million during the 2021 period
- Representing a R13.54 million decrease (in 2021) compared to the R10.19 million increase in the past survey period (in 2020)

# Trusts' Transformation Expenditures

- **Prescription:** 20% be spend on transformation, however, trusts spend over 30% of the total funds on transformation interventions.
- **Activities per Trust**



## **PIDT**

Procurements of seeds and provision of memberships,



## **Maize Trust –**

Provision of farmer support, training & bursaries;



## **Wool Trust-**

Training of shearers, mentorship and bursaries;



## **Mohair Trust-**

Purchase & supply of angora goats, training and bursaries;



## **Citrus Trust-**

Provision of bursaries and enterprise development;



## **Sorghum Trust-**

Seed procurement, training and granting of bursaries;



## **Meat Industry-**

Provision of veterinarian services and training;



## **DFIDT-**

Provision of bursaries;



## **Winter Cereal-**

Training & bursaries, crop insurance, mentorship and production inputs;



## **Lucerne Trust –**

Procurement of seeds, production information, training & bursaries;



## **OPDT-**

Mentorship, supply of information, seed procurement, bursaries, and technology transfer.



# Statutory Measures

## **Purpose:**

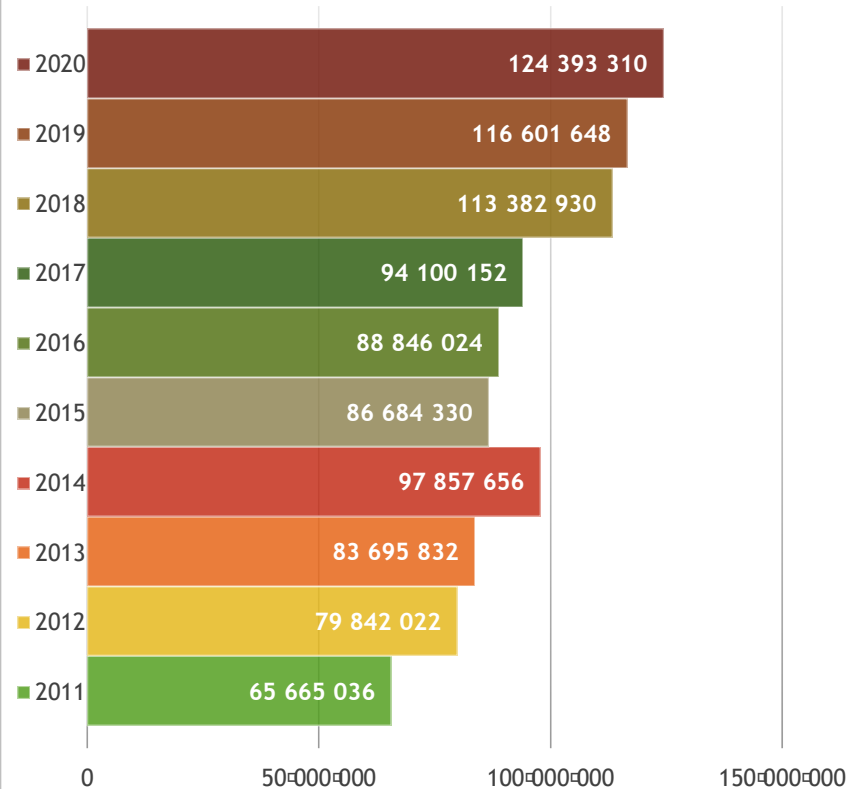
- To facilitate the implementation of statutory measures, namely statutory levies, registrations and records & returns in the livestock, field crops and horticultural subsectors.
- The MAP Act makes provision for those statutory measures and they complement each other

## **Key outputs include:**

- Statutory measure investigations
- Statutory measure promulgations (gazette )
- Committee secretarial support
- Status of statutory measures advisory reports

# Levy expenditures on Transformation

Total amount spent on transformation



Industry	Levy income	Transformation	Transformation as % of levy income	Total expenditure
	R	R	%	R
Citrus (exported)	90 851 271	20 124 877	22,2%	93 575 075
<b>Cotton lint</b>	<b>8 281 436</b>	<b>1 821 635</b>	<b>22,0%</b>	<b>13 702 359</b>
Dairy products	56 346 019	10 557 683	18,7%	51 976 169
Deciduous fruit	108 655 174	12 331 333	11,3%	104 931 493
***Pome and stone	59 482 955	11 600 968	19,5%	56 804 946
***Market development	23 259 509			20 366 225
***Fruitfly Africa	25 912 710	730 365	2,8%	27 760 322
Dried fruit	9 112 801	3 103 038	34,1%	12 058 452
Fynbos (proteas)	803 448	152 551	19,0%	573 711
Lucerne	2 409 189	255 877	10,6%	2 376 327
Macadamias	29 904 420	3 738 823	12,5%	16 086 054
Olives	1 560 736	438 261	28,1%	1 724 876
Pecan nuts	5 171 553	1 130 138	21,9%	6 165 238
Pomegranates	906 906	357 093	39,4%	937 928
Pork	37 283 046	9 423 521	25,3%	37 290 851
Potatoes	50 976 926	11 344 210	22,3%	44 026 441
Red meat	47 055 419	10 080 745	21,4%	47 320 399
Soybeans *	68 962 355	14 067 409 ringfenced for transformation		2 217 512
Table eggs	8 221 717	979 654	11,9%	5 491 238
Table grapes	28 184 164	5 692 299	20,2%	32 398 206
Wine	90 932 073	15 867 480	17,4%	88 182 406
Winter cereals (general)	37 121 696	16 994 092	45,8%	45 091 261
Winter cereals (SACTA) *	53 060 243	23 511 582 ringfenced for transformation		52 560 117
<b>TOTAL</b>	<b>735 800 592</b>	<b>124 393 310</b>	<b>16,9%</b>	<b>658 686 113</b>
<b>Total excluding Fruit Fly Africa, Market Development, Soybeans and Winter Cereals (SACTA)</b>	<b>564 605 775</b>	<b>123 662 945</b>	<b>21,9%</b>	

# CONCLUSION

- **Prescription:** 20% be spent on transformation, however, trusts spend over 30% of the total funds on transformation interventions;
- Over the past 10 years the trusts have spent an average of R60 m annually on transformation and while R95 m collected from levies;
- Industries have achieved great impact however with more funds greater impact can be achieved.

# THANK YOU



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