



NAMC

Promoting market access for South African agriculture



ANNUAL REPORT

2024/25

www.namc.co.za





National Agricultural Marketing Council

**Annual Report on
Predetermined Objectives
2024/25**

I am honoured to present the 2024/25 Annual Report for the
National Agricultural Marketing Council (NAMC) to all stakeholders

A handwritten signature in black ink, enclosed within a large, loopy oval shape. The signature is positioned above a horizontal line.

Chairperson of the
National Agricultural Marketing Council

The Agriculture and Agroprocessing Master Plan is a product of negotiations between government, business, labour and civil society organisations in the agriculture and agro-processing sectors.



Stay informed about the activities of the AAMP by visiting our portal

www.namc.co.za/aamp/



agriculture

Department:
Agriculture
REPUBLIC OF SOUTH AFRICA



About NAMC

The NAMC was established in terms of the Marketing of Agricultural Products Act No. 47 of 1996, as amended by Act No. 59 of 1997 and Act No. 52 of 2001. We are a statutory body reporting to the Minister of Agriculture.

Our mandate is captured in our four core divisions namely:



**Agribusiness
Development**



Agricultural Trusts



Statutory Measures



**Markets and
Economic Research
Centre (MERC)**



Our Vision

Strategic positioning of agriculture in a dynamic global market.



Our Mission

To provide marketing advisory services to key stakeholders in support of a vibrant agricultural marketing system in South Africa.

The work of the NAMC is aligned to the four strategic objectives as set out in Section 2 of the MAP Act, 1996 namely:



**Increasing market access
to all market
participants**



**More efficient marketing
of agricultural
products**



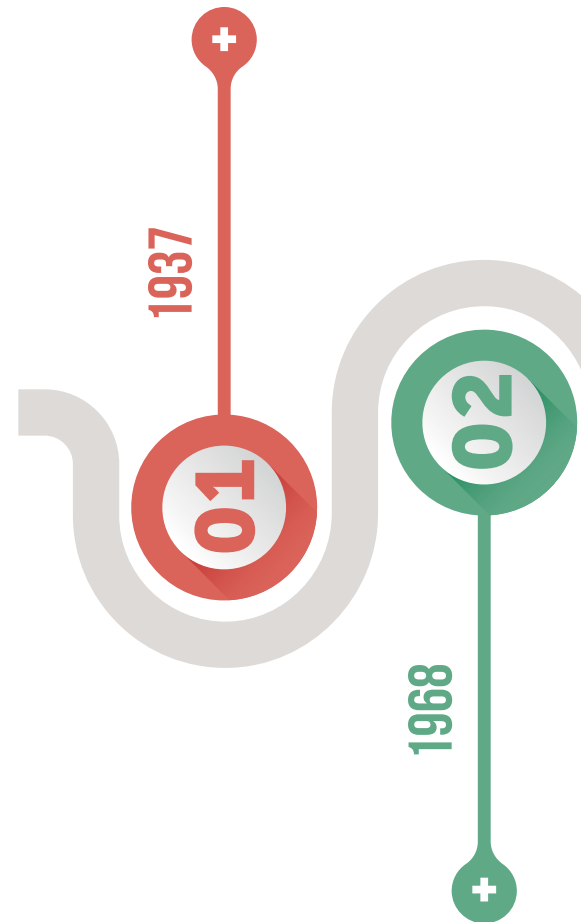
**Optimising export
earnings from
agricultural
products**



**Enhanced viability of
the agricultural
sector**

Evolution of National Agricultural Marketing Council

The National Marketing Council (NMC) was formed to administer the 1937 Marketing Act and advise the Minister of Agriculture on the provision of the Act.



One of the intentions with the promulgation of the MAP Act was that the NAMC should operate “at arms-length” from the Department and subsequently became a statutory body. This meant that the NAMC will be only administering the MAP Act thereby serving as an advisory body. It also applied to the deregulation of the former Control Boards to Industry Trusts.

Marketing Act of 1937
was replaced by the 1968
Marketing Act

NMC changed to the National Agricultural Marketing Council

MAP Act amended to inter alia make provision for certain aspects regarding the transfer of staff from the Department to the NAMC

By this period, 80% of total agricultural production was subjected to statutory measures in South Africa



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NATIONAL AGRICULTURAL MARKETING COUNCIL

AGRO-FOOD CHAIN UNIT

Tracks and report
food price trends in
South Africa to advise
the Minister on any
possible action that could be
taken when national and
household food security
is threatened

NAMC
for South African agriculture

**FOOD BASKET
PRICE MONTHLY**

NAMC FOOD BASKET: 28 SELECTED FOOD ITEMS PRICES
Issue 98 – January 2024

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PART A:

GENERAL INFORMATION

1. PUBLIC ENTITY'S GENERAL INFORMATION

REGISTERED NAME:	National Agricultural Marketing Council
PHYSICAL ADDRESS:	Hillcrest Office Park, Barbet Place, Ground Floor, 177 Dyer Road, Pretoria 0083
POSTAL ADDRESS:	Private Bag X 935 Pretoria 0001
TELEPHONE NUMBER:	012 341 1115
EMAIL ADDRESS:	info@ namc .co.za
WEBSITE ADDRESS:	www. namc .co.za

2. ABBREVIATIONS/ACRONYMS

AAMP	Agricultural Agro-processing Master Plan
AfCFTA	African Continental Free Trade Area
AGOA	African Growth and Opportunity Act
AGRIBEE	Broad-Based Black Economic Empowerment in the agricultural sector
AGSA	Auditor General of South Africa
ARC	Audit and Risk Committee
BBBEE	Broad-Based Black Economic Empowerment
CEO	Chief Executive Officer
DoA	Department of Agriculture
DFDC	Deciduous Fruit Development Chamber
DPSA	Department of Public Service and Administration
DSB	Dispute Settlement Body
EGD	European Green Deal
EU	European Union
ERRP	Economic Reconstruction and Recovery Plan
FFA	FruitFly Africa
GDARD	Gauteng Department of Agriculture and Rural Development
GDP	Gross Domestic Product
ICT	Information and Communication Technology
IPCC	Intergovernmental Panel on Climate Change
ISO	International Organisation for Standardisation
ITAC	International Trade Administration Commission
KZN-EDAM	KwaZulu Natal Economic Development and Agricultural Movement
SAMAC	Macadamias South Africa

MAP Act	Marketing of Agricultural Products Act
MERC	Markets and Economic Research Centre
MTDP	Medium Term Development Plan
MTEF	Medium Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
NAMC	National Agricultural Marketing Council
NDSF	National Spatial Development Framework
NRMDP	National Red Meat Development Programme
PIDT	Potato Industry Development Trust
POMASA	Pome Fruit Producers Association
PSET	Post-Secondary Education and Training
SABPP	SA Board for People Practices
SACTA	SA Cultivar and Technology Agency
SAPPA	South African Pecan Producers Association
SAPPO	South African Pork Producers Organisation
SAWIS	SA Wine Information and Systems
SAWITU	South African Wine Industry Transformation Unit
SCOPA	Standing Committee on Public Accounts
S&DELC	Supply and Demands Estimates Committee
SLA	Service Level Agreement
SMAT	Smallholder Market Access Tracker
SOP	Standard Operating Procedure
TRC	Transformation Review Committee
WINETECH	Wine Industry Network of Expertise and Technology
WOSA	Wines of South Africa

3. COUNCIL MEMBERS



Mr. Angelo Petersen
Chairperson of the Council



Prof. Andre Jooste
Council Member



Mr. Sifiso Mhlaba
Council Member



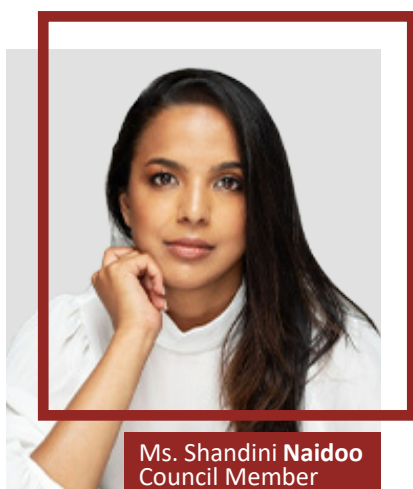
Ms. Fezeka Mkile
Council Member



Ms. Nonie Mokose
Council Member



Ms. Thandeka Ntshangase
Deputy Chairperson



Ms. Shandini Naidoo
Council Member



Dr. Thembi Xaba
Council Member



Mr. Gerhardus Schutte
Council Member



Mr. Jan Mocke
Council Member

4. FOREWORD BY THE CHAIRPERSON



Mr. Angelo Petersen
Chairperson of the Council

INTRODUCTION

The National Agricultural Marketing Council (NAMC) is a statutory body established in terms of the Marketing of Agricultural Products Act (MAP Act No. 47 of 1996) and it plays a very critical role in the agricultural industry by contributing through the administration of applications for statutory levies, records and returns among other responsibilities

Furthermore, the entity continues to provide industry insights to stakeholders, directly affected groups and advisory services to the Minister of Agriculture. We are responsible for creating an enabling environment for smallholder farmers to access markets through multipronged approaches informed by the needs of farmers and capacity building gaps.

HIGH LEVEL OVERVIEW OF THE PUBLIC ENTITY'S STRATEGY AND THE PERFORMANCE OF THE PUBLIC ENTITY IN ITS RESPECTIVE SECTOR

Digitising the operational environment

The organisation has started with the migration of its filing plan to the SharePoint application. The process started in 2024/2025 financial year by creating a file plan for NAMC and make sure the plan is aligned to the National Archives and Records Services Act No. 43 of 1996.

The file plan has been approved, and the implementation of the SharePoint is currently underway, and it is envisaged to be completed in September 2025. We are confident that this cloud-based application will not only assist the organisation with records filing function, but that a lot more benefits will be derived through this process. Our plan is to have a seamless access to the information and hassle-free retrievals.

ESTABLISHING PARTNERSHIPS AND COLLABORATIONS

Economywide modelling

In its pursuit for making impact in areas that we share common interests and deploy resources where it matters most, NAMC is collaborating with the University of Pretoria in economywide modelling. This modelling is premised on the fact that nothing happens in isolation from the other. The ripple effects of decisions taken spread widely because various sectors of the economy are interconnected.

Since this collaboration with the University of Pretoria has started, we have noted the quality of analysis and insights produced very useful to the agricultural sector in terms of decision making, planning and stakeholder engagements. Some of the insights produced using the economy-wide modelling are accessible on the website.

Positioning smallholder farmers for market access

As part of fulfilling the MAP Act objectives, NAMC has a responsible to promote market access to all market participants and it does this by linking smallholder farmers with market opportunities.

However, the lessons we have learned over the past years is that the market access value chain is multifaceted and as a result, it will require a multipronged approach and other stakeholders to come on board.

We have recently started engagements with the Perishable Products Exports Control Board (PPECB) in terms of training and certification of the smallholder farmers. The discussions are at an advanced stage, and we are looking forward to finalising the memorandum of agreement soon.

CHALLENGES FACED BY THE BOARD

The organisation is operating with very constrained resources, and this situation has rendered a lot of interventions that we have put in place impractical. In the past few years, NAMC has experienced unprecedented staff attrition and management could not implement the staff retention strategy because that process would require financial resources.

In response to this challenge, we embarked on a process of mobilising resources to diversify revenue, and the strategy was developed and disseminated to the office of the Minister for approval as prescribed in the legislation. However, there are concerns from other stakeholders that the trajectory we are taking poses a threat to the independence of the organisation. Although the Minister has a prerogative over the approval of the strategy, we are not oblivious of the plurality of voices and concerns that are being raised in this respect.

Lastly, we are very concerned that the organisation is currently sitting at approximately 27% of vacancy rate. As already indicated, this challenge is intertwined with resource constraints and there is not much we can do until we address the issue of resources. We are hopeful that the ongoing bilateral budget meetings between the National Treasury and Department of Agriculture will produce the desired outcome.

ACKNOWLEDGEMENTS/APPRECIATION

We are grateful to all stakeholders for their commitment towards inclusive growth and transformation of the agricultural sector. On behalf of all Council members, I would like to appreciate the NAMC management for improving the audit outcome to the unqualified audit opinion and all employees for their resilience. To all Council members, Committees, Minister and the Portfolio Committee on Agriculture, thank you for all the support and guidance.

CONCLUSION

We remain confident and inspired by the great work that the Agriculture and Agroprocessing Master Plan project team is doing. Let us continue to work together to realise the ambitions of this project and build an inclusive and growing sector unfolding in the sector

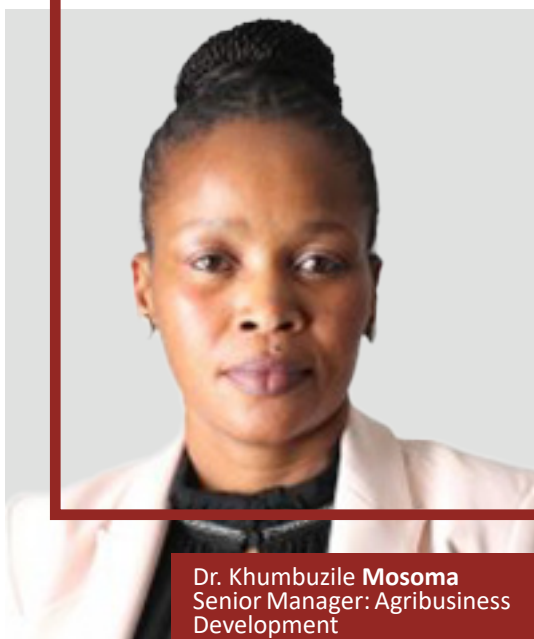
Sincerely,



Mr. Angelo Petersen
 Chairperson of the Board
 National Agricultural Marketing Council
 Date: 31 July 2025

5. EXECUTIVE MANAGEMENT





Dr. Khumbuzile Mosoma
Senior Manager: Agribusiness
Development



Mr. Bonani Nyhodo
Senior Manager:
Agricultural Trusts



Dr. Mahlogedi Thindisa
Senior Manager: Markets and
Economic Research Centre



Mr. Schalk Burger
Senior Manager: Statutory
Measures

6. CHIEF EXECUTIVE OFFICER'S OVERVIEW



REFLECTING ON THE OPERATIONAL YEAR UNDER REVIEW

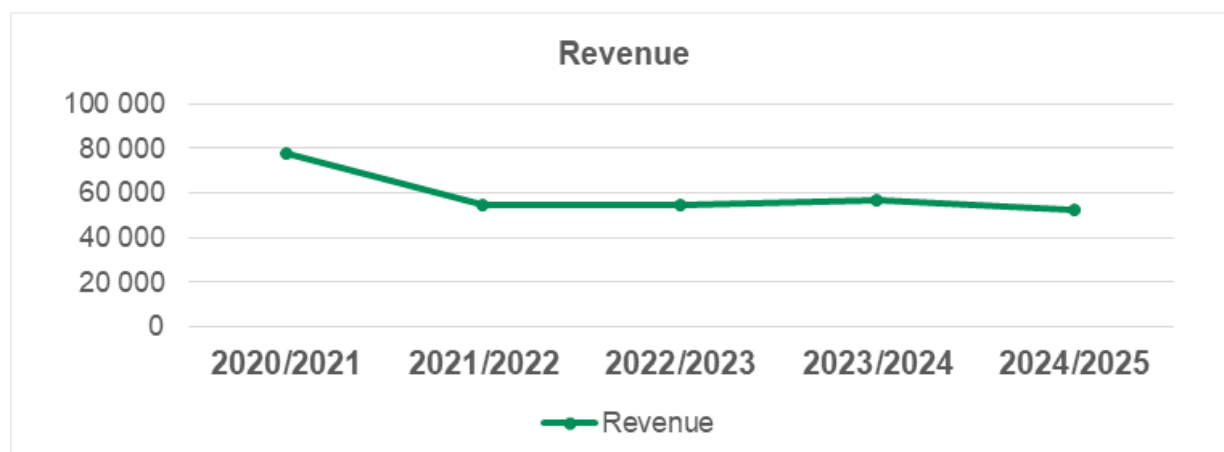
2024/2025 is the last financial year of the 2020 – 2025 Medium Term Strategic Framework (MTSF) and it provides us with an opportune time to reflect in terms of the past five years' experience and similarly looking into the future. The 7th administration has already introduced the Medium-Term Development Plan (MDTP) for the next five (5) years as a replacement for the traditional MTSF. We are committed to the three (3) MTDP strategic priorities and outlined outcomes and we have made sure that our planning for 2025 – 2030 is duly aligned.

We started the 2024/2025 financial year with a setback of a qualified audit opinion coming from the 2023/2024 financial year. Although we were aware of the circumstances that resulted in the audit outcome, all we wanted was to address the operational challenges the organisation was confronted with. We went through the auditing process without key personnel in the Finance and Administration Division due to staff attrition and institutional memory was lost.

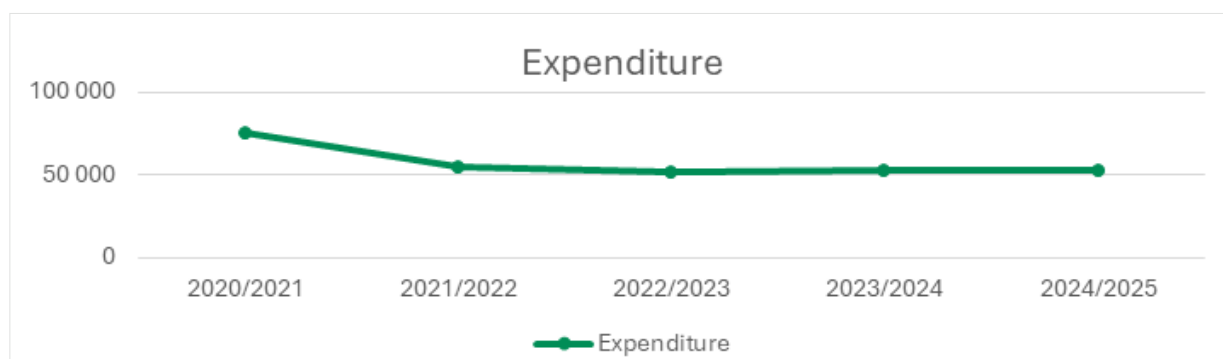
We prioritised the appointment of the Chief Financial Officer and capacitating the team in both the Supply Chain Management and Finance sections. The organisation also embarked on the process of improving its records management systems and compliance. This will help the organisation not to rely on personnel with institutional memory, but the records to access files and documents that may be required for reference.

SPENDING TRENDS OF THE PUBLIC ENTITY

The NAMC received its annual allocation of R45.8 million from the Department of Agriculture, Land Reform and Rural Development (DALRRD) in the first quarter of the 2024/2025 financial year. The expenditure budget is divided into the following categories: salaries, administration costs, professional services, and capital expenditure. As of 31 March 2025, 1.8% (R1 067 519) of the total expenditure budget was available. The 1.8% of budget remaining was attributed to the office relocation process and no expenditure had taken place at the time. It is also important to note that there is a certain percentage of revenue that is generated through other projects and this amount of R1 067 519 was not necessarily allocated from R45.8 million parliamentary grant.



The revenue trend over the past 5 years.



The expenditure trend over the past 5 years.

CAPACITY CONSTRAINTS AND CHALLENGES FACING THE PUBLIC ENTITY

Due to the continued strain on the fiscus of the country and the ripple effects it has on the other organs of the state, the amount of parliament grant that NAMC has been receiving over the past five (5) years has dwindled.

This downward and consistent trend is aggravating the operational circumstances, impacting on the organisational effectiveness. As a result of this, the organisation continues to struggle to offer employees a salary increment that is linked to inflation. Secondly, we are struggling to retain critical workforce because we cannot offer competitive remuneration packages. On the other hand, we can attract talent but we cannot offer them competitive remunerations.

Secondly, as part of enhancing the market access for all participants, the organisation is expected to link smallholder farmers to market opportunities. There are many smallholder farmers we should be linking to market opportunities, but we can only link 30 farmers quarterly due to financial constraints.

CHALLENGES EXPERIENCED AND HOW THEY WERE RESOLVED

In the beginning of the 2024/2025 financial year, the organisation had the positions of the Chief Financial Officer, Financial Accounting Manager, Management Accountant and Supply Chain Management Coordinator vacant. The vacancies were filled, but towards the end of the reporting period we experienced staff attrition, where the Financial Accounting Manager and Management Accountant resigned. The process of filling these vacancies is at advanced stage.

The records management of the organisation was not complying with the National Archives and Records Service of South Africa Act. We have finalised the approval of the file plan and currently implementing it through the SharePoint.

AUDIT REPORT MATTERS IN THE PREVIOUS YEARS AND HOW THEY WOULD BE ADDRESSED

In 2023/2024 financial year, the organisation received a qualified audit opinion. The audit recovery plan was developed, implemented and closely monitored, with the guidance of the Risk Management Committee and Audit and Risk Committee. We have managed to address the setback in the 2024/2025 financial year. We have received the unqualified audit opinion with findings in the year under review.

OUTLOOK OR PLANS FOR THE FUTURE TO ADDRESS FINANCIAL CHALLENGES

The Board of the NAMC has approved a resource mobilisation strategy and the submission has been dispatched to the Minister for consideration. The NAMC is poised to explore partnerships with various organisations that share the same interests. We are also focusing on priority of priorities, which helps us to deploy resources towards realising the MTDP priorities and outcomes.

ACKNOWLEDGEMENTS OR APPRECIATION

I would like to sincerely appreciate all NAMC employees and management for their unwavering dedication and resilience. Your hard work is highly commendable. I also want to extend my sincere gratitude to the Council and its committees for guidance throughout the period under review

Sincerely,



Dr. Simphiwe Ngqangweni
 Chief Executive Officer
 National Agricultural Marketing Council
 Date: 31 July 2025

7. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF THE ACCURACY OF THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:

All information and amounts disclosed throughout the annual report are consistent.

The annual report is complete, accurate and is free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

The Annual Financial Statements (Part F) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.

The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The Accounting Officer is responsible for establishing, and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements.

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 2025.

Yours faithfully,



Dr Simphiwe Ngqangweni
Chief Executive Officer:
National Agricultural Marketing Council
Date: 31 July 2025

8. STRATEGIC OVERVIEW



Vision

The Vision of the NAMC is captured as the “strategic positioning of agriculture in a dynamic global market”.

This Vision is aligned to the DALRRD’s Mission which includes “...improve agricultural production to stimulate economic development and food security through, amongst others, innovative sustainable agriculture and promotion of access to opportunities for youth, women and other vulnerable groups.

It also speaks about the sustainable agricultural productivity element of the DALRRD’s Impact Statement. As stated in the DALRRD’s Strategic Plan for 2020-2025, “Sustainable Agricultural Productivity refers to a functioning system which ensures that food is produced optimally using available resources including adequate access to fertile land, water, agricultural inputs, funding, markets, production capability (i.e., research, biosecurity, skills, etc.) within the short and long term”.

Specifically, the NAMC Vision indirectly responds to:

Priority 2: Economic Transformation and Job Creation

Outcome: Investing in accelerated inclusive growth and Re-industrialization of the economy and emergence of globally competitive sectors:

- Create jobs through Job Summit Commitments and other public sector employment programmes; and
- Create a conducive environment that enables national priority sectors to support industrialisation and localisation, leading to increased exports, employment, and youth- and women-owned SMME participation.

Priority 3: Education, Skills, and Health

Outcome:

- Expand access to Post-Secondary Education and Training (PSET)
- Extension policy reviewed to support the implementation of the Agriculture and Agro-processing Master Plan and provide advisory services to commodity groups.

Priority 5: Spatial Integration, Human Settlements and Local Government

Outcome: Integrated service delivery, settlement transformation and inclusive growth in rural and urban places

- Develop and implement district/metro Joined-Up Plans
- Develop Regional Spatial Development Frameworks.

9. LEGISLATIVE AND OTHER MANDATES

The Marketing of Agricultural Products (MAP) Act and its subsequent amendments

The mandate of the NAMC is enshrined in the MAP Act, which authorises the establishment and enforcement of regulatory measures to intervene in the marketing of agricultural products, e.g., the introduction of statutory measures. The NAMC is established by Section 3 of the MAP Act, and the functions of the NAMC particularly feature in section 9 of the Act, which stipulates the “Functions of Council”:

1. Subject to the provisions of section 2, the Council

- a. shall, when requested by the Minister, or of its own accord, investigate, in terms of section 11(2), the establishment, continuation, amendment or revocation of statutory measures affecting the marketing of agricultural products, evaluating the desirability, necessity or efficiency and if necessary, proposing alternatives to the establishment, continuation, amendment or repeal of a statutory measure and report to and advise the Minister accordingly.
- b. shall prepare and submit to the Minister for consideration statutory measures and changes to statutory measures which the Minister directs it to prepare.
- c. shall, whenever requested by the Minister and at least once annually, report on the activities of the Council.
- d. may direct any institution or body of persons designated for the purpose of the implementation or administration of a statutory measure in terms of section 14, to furnish the Council with such information pertaining to a statutory measure as the Council, the Minister or the parliamentary committees may require.
- e. may undertake investigations and advise the Minister regarding:
 - i. agricultural marketing policy and the application thereof.
 - ii. the co-ordination of agricultural marketing policy in relation to national economic, social and development policies and international trends and developments.
 - iii. the possibilities for promoting the objectives mentioned in section 2(2); and
 - iv. the effect that the marketing of products has on the objectives mentioned in section 2(2).
- f. shall monitor the application of statutory measures and report thereon to the Minister and shall evaluate and review such measures at least every two years.

2. Copies of all reports which are submitted to the Minister in terms of subsection (1) shall simultaneously be dispatched to the parliamentary committees for their information.

The NAMC performs the above-mentioned mandate in support of the four (4) objectives of the MAP Act, i.e.:

- a. Increasing market access to all market participants.
 - b. Promoting efficiency in the marketing of agricultural products.
 - c. Optimising export earnings from agricultural products; and
 - d.
 - e. Enhancing the viability of the agricultural sector.
- Support addressing development objectives and local needs through piloting, refinement, and implementation of the District Development Coordination Model
 - Identify and use derelict government land and buildings in urban and rural areas as a catalyst for spatial transformation in support of the NSDF and IUDF objectives, including land and agrarian reform. (9 993 Ha identified – custodianship of national DPWI identified for human settlements purposes)
 - National Spatial Development Framework (NDSF)
 - Sustainable land Reform



Mission

The Mission of the NAMC is to “provide agricultural marketing advisory services to key stakeholders in support of a vibrant agricultural marketing system in South Africa”. The Mission is aligned to the Vision of the NAMC and expresses the core functions that the NAMC performs as stipulated in Section 9 of the MAP Act No 47 of 1996.



Core Business Values

The following values are adopted as our commitment to entrench and deepen the “NAMC” way, both in our behaviour and service offering:



Integrity

(honesty / ethical / trustworthy / transparent)



Assertiveness

(accountable / responsible / reliable / taking ownership / confident)



Collaboration

(consultative / teamwork / participative / co-operative)



Service excellence

(performance driven / target oriented / service oriented / motivated / committed / diligent)



Fairness

(equal treatment / respectful / tolerance / consistency)



Objectivity

(analytical / rational / attention to detail / conceptual)



Innovation

(creative / pro-active / adaptive / flexible / initiative)

10. ORGANISATIONAL STRUCTURE

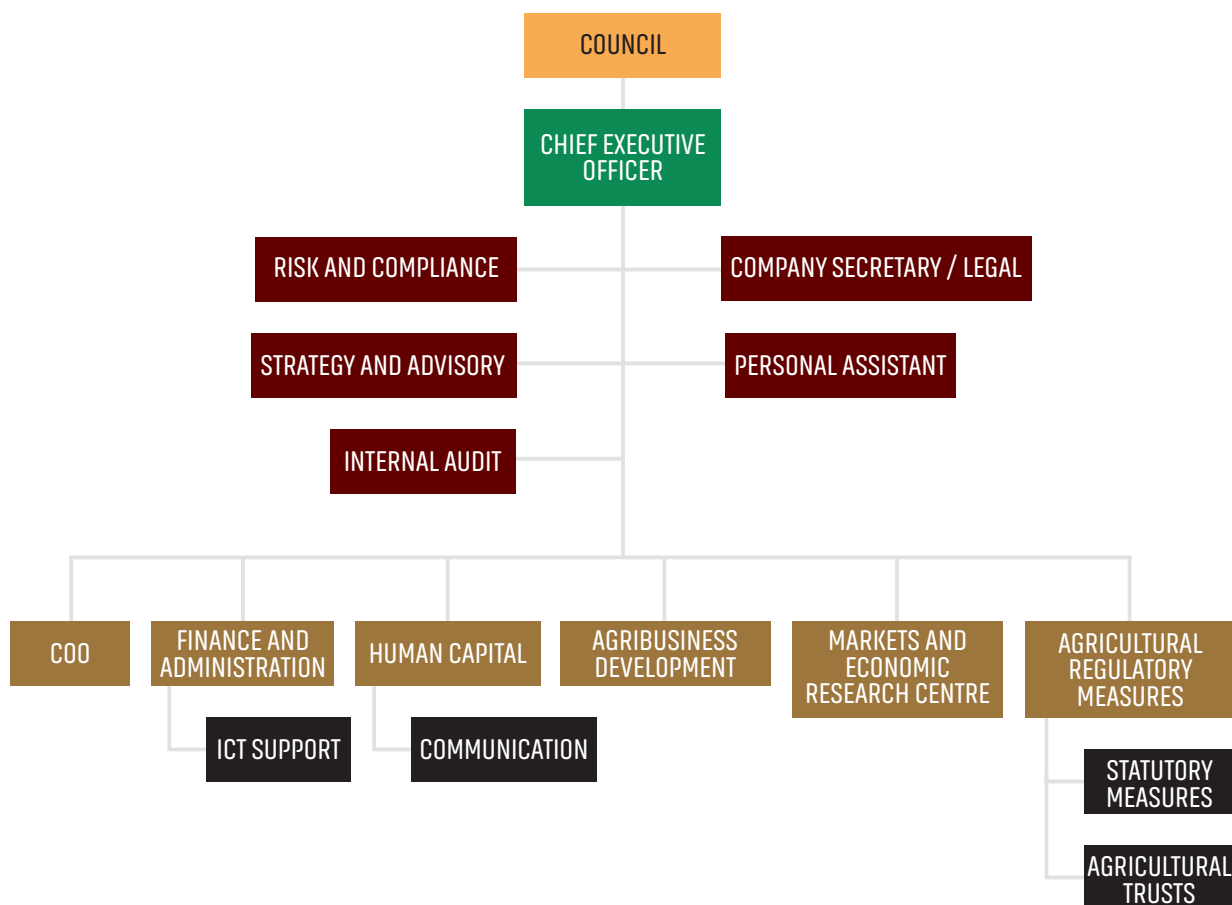


Figure 1: NAMC Organisational Structure

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PART B:

PERFORMANCE INFORMATION

PERFORMANCE INFORMATION

1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs the necessary audit procedures on the performance information to report material findings only and not to express an assurance opinion or conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with no material findings being reported under the Predetermined Objectives heading in the audit of the annual performance report section of the auditor's report. Refer to page 100 of the Report of the Auditors Report, published as Part F: Financial Information.

2. SITUATIONAL ANALYSIS

The performance and achievements of the NAMC are directly impacted by external and internal factors and contexts, which include the shifting climate patterns, biosecurity challenges, intermittent energy supply, deterioration of bulk and soft infrastructure, geopolitical conflicts, and the protectionist posture by major economies in the world. The smooth transition from the 7th government administration after the declaration of results of the national and provincial elections is a significant milestone, resulting in the formation of the Government of National Unity (GNU).

Moreover, the agricultural sector is a significant contributor to the economy in terms of employment, foreign exchange, and food security. The agricultural sector contributed 2.8% to GDP in 2024 while 956 000 people were employed. Agricultural exports reached a record high of USD13.7 billion in 2024. South Africa's trade balance is positive with a USD11.2 billion, which shows the importance of the sector driving the economic growth.

Internal factors include the MAP Act that provides legislative and policy articulation on the functions of the NAMC. Moreover, the Council has signed a social compact with the shareholders on the programme of action for the NAMC. The Strategic Plan and the Annual Performance Plan (APP) of the NAMC were aligned with the priorities in the Medium – Term Development Plan (MTDP).

Both the internal and external factors underpinning the performance of the NAMC are unpacked below.

EXTERNAL ENVIRONMENT ANALYSIS

The frequent heatwaves due to rising temperatures and more extreme weather patterns such as the extended drought and floods have direct consequences for the agricultural sector. According to the 2024 Report on Climate Change Impact for South Africa, global warming increases of 3 degrees Celsius is likely to reduce labour capacity by up to 30%.

Similarly, frequent severe drought occurrences were 3 - 6 times more likely. Whilst floods were more frequent and extreme. Extreme weather events were evidenced by Cyclone Eloise in 2021; Cyclone Freddy in 2023; and Cyclone Chido in 2024 all affecting Mozambique and the floods that ravaged parts of South Africa in 2024, including the recent El 'Nino induced drought.

According to the 2023 report of the Intergovernmental Panel on Climate Change (IPCC), the agricultural sector is amongst the climate-exposed sectors. The implication is that the sector is likely to experience shorter growing season and a rise in the frequency of mid - season dry spells, droughts, and floods, all of which are expected to become more common and intense because of climate change.

Hence, adverse weather patterns threaten food and water security, raising the cost of living, and contributing to biosecurity challenges. Consequently, reducing incomes and threatening livelihoods. The vulnerability of the agricultural sector underscores the urgent need for climate-resilient farming practices and investment in water management systems.

In mitigation, the global community through the United Nations Framework Convention on Climate Change (UNFCCC) has formulated the Paris Agreement to respond to climate change. Countries pledge their climate change adaptation and mitigation ambitions through nationally determined contributions reporting system to the UNFCCC. The Republic of South Africa is signatory to the Paris Agreement.

THE EUROPEAN UNION (EU) GREEN DEAL

The EU Green Deal (EGD) aims to reduce greenhouse gas emissions by 55% by 2030 relative to 1990 levels. The eventual target is zero net emissions by 2050. The agricultural sector is identified as amongst the heaviest emitters of greenhouse gas emissions. According to the International Energy Agency (IEA), about 24% of global anthropogenic greenhouse gas (GHG) emissions are from agriculture. A notable portion comes from agricultural practices and machinery. These emissions primarily include nitrous oxide (N₂O), methane (CH₄), and carbon dioxide (CO₂) contributing to substantial global warming.

To mitigate this, the EU is implementing the EGD through various measures such as limiting the use of inorganic chemicals and fossil fuels. The EGD aims to ensure a clean and efficient energy transition, protecting biodiversity and ecosystems, healthy food system, efficient and environmentally friendly transport.

In contrast, South Africa is carbon heavy due to high dependency of ESKOM on coal - fired power stations for base load. Although the EU is an export market of about 30% of South Africa's horticultural fruits, the implication is the likely imposition of carbon tax on export products to the EU. Therefore, carbon tax is likely to negatively impact the competitiveness of agricultural products destined for EU market.

The EU has also introduced the Carbon Border Adjustment Mechanism (CBAM). In response to carbon leakage, the practice occurs when enterprises and/or companies based and operating in Europe shift carbon intensive production facilities abroad to countries with less stringent climate policies. Also, carbon leakage occurs when EU products are substituted by more carbon intensive imports.

Given that EU is one of South Africa's biggest trading partners in terms of agricultural trade especially for fruits, South African exporters to the EU will need to adapt to this change, to assure their long-term competitiveness in this changing market. The silver lining in the cloud is that South African agribusinesses have had to conform to stringent EU regulatory standards over time.

There has been an ever-increasing set of private standards to be complied with. Such requirements range from traceability to exposure to allergens, good farming practice and child labour amongst others. Additionally, compliance to various types of certifications. Unfortunately, smallholder farmers are seldom able to afford high transaction costs of new regulations and certifications. Smallholder farmers will inevitably be excluded from participating in such export markets. In mitigation, a fit-for-purpose support package should be developed and implemented to assist farmers comply with the rigours of export markets.

FARM TO FORK STRATEGY

The Farm to Fork Strategy is an essential component of the European Green Deal, which seeks to make Europe the first continent to reach carbon neutrality by 2050. This strategy aims to develop a sustainable, equitable, healthy, and environmentally friendly food system. The Farm to Fork Strategy contains nine specific goals, including a 50% reduction in the use of chemical pesticides and fertilizers by 2030, a reduction in the

sale of antimicrobials in farming and aquaculture, an increase in the amount of land utilized for organic farming, and a reduction in food waste. It also aims to ensure that by 2030, all schoolchildren have access to healthy, sustainable meals.

Furthermore, it seeks to label food products with nutritional and environmental information, promote sustainable eating habits, empower farmers, and fund research on sustainable food systems. Despite being a long-term vision, the strategy has already yielded beneficial effects, such as a reduction in pesticide and fertilizer use and an increase in organic farms, all of which contribute to the EU's attempts to attain climate neutrality and become a global leader in sustainable food systems by 2050.

South Africa should align with the EU's Farm to Fork Strategy by implementing the Agriculture and Agro-processing Master Plan (AAMP). Synergy exists between AAMP and Farm to Fork strategy regarding food labelling and packaging. Similarly, supporting the implementation of the National Food Security Strategy (NFSS).

The AAMP is also aligned to Farm to Fork strategy in terms of financial and non-financial support to farmers. Including investment in sustainable agriculture research for development and innovation, promoting sustainable diets, reducing food waste, improving food safety, and collaborating internationally to promote global sustainable food systems. South Africa should explore opportunities to leverage synergies of the AAMP and Farm to Fork strategy.

AFRICAN GROWTH AND OPPORTUNITY ACT (AGOA)

AGOA is a United States of America (USA) trade act that was passed on May 18, 2000, as Public Law 106 of the 200th Congress. It has been renewed over the years and will expire in 2025. The legislation significantly expands market access for South Africa's products duty free to the USA, on condition South Africa maintains and improves its rule of law, human rights, and respect for essential labour norms to qualify and remain eligible for AGOA.

The 20th AGOA Forum that took place in Johannesburg, South Africa underscored the need for AGOA to support the objectives of the AfCFTA and Agenda 2063 in terms of industrialization and boosting intra-Africa trade. AGOA is crucial in facilitating exports from the continent to the USA by providing preferential access for qualifying Sub-Saharan countries, including South Africa. Building upon the USA's Generalized System of Preferences (GSP), AGOA expands product coverage, allowing duty-free access for approximately 6 800 tariff lines.

The USA was recorded as the 6th largest export market for South African agricultural products. The USA market accounts for about 4-5% or R9.8 billion of South Africa's total agricultural exports valued at R252 billion. AGOA has had a positive impact on the South African agricultural trade with various industries benefitting from export of fresh fruit, particularly oranges, almonds, processed fruit, wine, and fruit juice.

The USA is considering numerous other exportable high-value agricultural products from South Africa, most notably avocados, for which negotiations are ongoing. Untapped trade opportunities also exist in the livestock industry.

GROUP OF TWENTY (G20) DEVELOPED COUNTRIES

The Group of Twenty known as the G20 is an international forum comprising of 19 countries, the European Union (EU) and the African Union (AU). These countries represent the world's largest economies. These are Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Republic of Korea, Mexico, Russia, Saudi Arabia, South Africa, Türkiye, United Kingdom, and United States) and two regional bodies, namely the EU and the African Union (AU).

It was founded in 1999 as an informal forum for the Finance Ministers and Central Bank Governors of the most important industrialised and developing economies to discuss and coordinate policies on global economic issues in response to the financial crises of the late 1990s. Initially the focus was on broad macroeconomic issues, but its agenda has expanded to include trade, climate change, sustainable development, health, agriculture, energy, environment, as well as anti-corruption amongst others.

The G20 was elevated to the level of Heads of States after the 2007 global economic and financial crisis. It was apparent that effective crisis coordination required the involvement of top political leaders. The G20 members represent around 85% of the global GDP, over 75% of the global trade, and about two-thirds of the world population.

South Africa's agricultural exports are diverse across different regions globally. The African continent is South Africa's major export destination. The acceptance of the African Union as a permanent member of the G20 at the G20 summit in New Delhi in 2023 provides South Africa with an opportunity to influence continental economic prospects that are likely to boost South Africa's trade regionally. In

2024, the total agricultural exports from South Africa were recorded as USD13.7 billion. The African Union (AU) member states accounted for a share of 44% of South Africa's agricultural exports in 2024, whilst the Asia and the EU accounted for a share of 29% and 17% respectively. Other major export destinations for South Africa's agricultural exports were the UK (7%), China (6%), and the USA (4%), among others.

The G20 provides a platform for negotiating trade agreements and addressing issues of protectionism (unfair sanitary and phytosanitary), tariffs, and trade imbalances globally. Like BRICS, the G20 provides more bilateral economic deals with individual countries. The recent rise in agricultural exports, such as the shipment of avocados to Asian countries and cattle to certain Middle Eastern countries, has been attributed in large part to bilateral trade agreements.

South Africa officially assumed the G20 presidency as of the 1st of December 2024. South Africa is hosting presidency of the Group of Twenty (G20) in 2025 with a theme on *Solidarity, Equality, Sustainability*. The Agricultural Sherpa Track of the South African Presidency has three areas of focus; namely, Agriculture Working Group (AWG), Food Security Task Force (FSTF) and the Meeting of Agricultural Chief Scientists (MACS). G20 membership of South Africa elevates the country's profile as a credible investment destination, particularly for foreign direct investment in the agricultural sector.

This could lead to targeted investments in critical areas such as infrastructure, technology, and modern supply chains geared to increase productivity and global competitiveness. South Africa's participation in G20 further facilitates access to international funding for agricultural research and development initiatives, hence a channel to mitigate challenges such as the biosecurity bridges and shocks connected to climate change.

BRICS

South Africa joined BRICS an acronym for Brazil, Russia, India, China and South Africa (BRICS) in 2011 during the 3rd summit. The idea of BRICS was formulated by Chief Economist at Goldman Sachs, Jim O'Neill, in a 2001 study entitled "Building Better Global Economic BRICs".

BRICS countries represent about 42% of the global population (BRICS, 2023). Further, it represents about 30% of the world's territory. BRICS countries contribute 23% of the world's Gross Domestic Product (GDP). Moreover, it accounts for 18% of global trade. In 2023, the BRICS aggregation exported a value of approximately US\$315 billion accounting for about

16% of the world's exports of agricultural products. Whilst imports were valued at about US\$319 billion (Trade MAP, 2023).

Interestingly, the agricultural benefits of the BRICS membership by South Africa remains minimal. South African agriculture has not benefited much from trade with BRIC countries as compared to other blocks. According to Trade Map (2023), the founding members of BRICS countries accounted, on average, for just 8% of South Africa's agricultural exports prior to the addition of new membership during the 15th Summit in Johannesburg in 2023.

It is important to boost exports channels to new frontiers while maintaining access to the existing markets in the EU, Africa, and elsewhere.

While BRICS is not a trade bloc, utilizing the structure to push more ambitious trade matters is vital. The agricultural sector is one of South Africa's economic sectors that would benefit from deeper trade relations with the BRICS+ countries. As part of diversification of export markets, South Africa signed trade agreement with China in 2024 for the export of dairy, wool, and beef unlocking access to the lucrative market of over 1.4 billion consumers. Membership of BRICS+ bloc should be leveraged to significantly boost South Africa's agricultural exports.

Trade issues are not purely economic but also political. The Departments of Trade Industry and Competition (DTIC) and of International Relations and Cooperation (DIRCO) must be at the forefront of these efforts, supported by evidence-based research and insights from the Department of Agriculture and the NAMC.

AFRICA CONTINENTAL FREE TRADE AGREEMENT (AfCFTA)

AfCFTA brings together 55 member States of the African Union (AU) covering a market of more than 1.2 billion people including a growing middle class with a combined Gross Domestic Product (GDP) of more than US\$3.4 trillion. In terms of the numbers of participating countries, the AfCFTA will be the largest free trade area since the formation of the World Trade Organization.

The Organization of Economic Co-operation and Development (2023) estimates that export growth potential value of AfCFTA for agricultural exports from South Africa is about R6.3 billion in addition to the existing value of exports to the African continent.

South Africa ratified the AfCFTA in 2023 albeit there are outstanding matters that impede the full implementation of the agreement. Practical trade will commence once matters such as finalizing the Rule of Origin and harmonization of standards are concluded. South Africa has already published the new tariff rates through the South African Custom and Excise that applies to the AfCFTA

INTERNAL ENVIRONMENT ANALYSIS

The NAMC is a creature of statute. The organization is established through Section 3 of the MAP Act. The functions of the NAMC are specified in section 9 of the MAP Act. The Act authorizes the establishment and enforcement of regulatory measures to intervene in the marketing of agricultural products such as the introduction of statutory measures. The NAMC's core organizational capacity is structured according to the two main areas of the mandate as per the MAP Act namely:

- Regulatory measures that entail oversight of the application, usage and reporting on the utilisation of statutory measures (levies, registrations and records and returns) and the activities involving the ten agricultural industry trusts.
- Advisory services to ensure the provision of evidence-based advice. The NAMC undertakes market and economic research to provide research-based policy advice to shareholders and stakeholders. The NAMC also produces various publications and advisory notes for the Minister and other directly affected groups and stakeholders.
- An essential area of operation was incorporated into the NAMC structure, namely the Market Linkages program. The NAMC annually targets a certain number of smallholder farmers to facilitate market access. Additionally, it tests and implements market linkage models as a contribution to the achievement of one of the objectives of the MAP Act, namely, the enhancement of market access for all participants.

To deliver the functions of the MAP Act, the NAMC is structured into three technical divisions viz: (a) Agricultural Regulatory Measures; (b) Agribusiness Development; and (c) Markets and Economic Research (MERC).

The NAMC prides itself as a hub of highly qualified and experienced Agricultural Economists that strategically place the organisation at the forefront of providing policy advisories to the policymakers and directly affected stakeholders. Although there are budget constraints and high staff turnover, it is a challenge that is receiving necessary attention from Management.

Table 1: Core Divisions contribution to the NAMC mandate

Division	Contribution to the NAMC mandate
Agribusiness Development	The agribusiness development division contributes to the NAMC mandate by designing market access models that enable farmers to participate in the new and existing markets as well as facilitate market access for farmers.
Agricultural Industry Trusts	Acts as a point of contact between the Agricultural Industry Trusts and the Minister of Agriculture. The division also facilitates the process of appointment of Ministerial Trustees. The division also provides annual updates to the Minister on the status of the agricultural industry trusts (assets and areas of finance). The division furthermore provides annual updates on the status of transformation supported through statutory levies and trusts.
Markets and Economic Research Centre (MERC)	Is mandated to provide timeous and relevant market and economic advice which is scientific and evidence-based to the Minister of Agriculture, Land Reform and Rural Development and the Directly Affected Groups (DAGs) to ensure that the South African agricultural sector is strategically positioned in a globally dynamic environment.
Statutory Measures	The NAMC investigates applications for statutory measures in terms of the MAP Act and advises the Minister accordingly.

Administration of the Statutory Levy System

The purpose of statutory levies as approved by the Minister and promulgated in terms of the MAP Act, is to finance generic functions as identified by the relevant agricultural industries. The NAMC is instrumental in facilitating the implementation of the statutory levy system in the agricultural sectors, but once approved, the relevant industries are collecting statutory levies and the NAMC is only performing a monitoring function.

At present, the NAMC facilitates the implementation of statutory measures for about 80% of total agricultural production, and collectively industries have raised approximately R1.149 billion statutory levies in 2024, up with approximately 6.9% compared to the previous year. The promulgation of statutory measures plays a critical role in the enhancement of the viability and

competitiveness of the agricultural sector. They also play a critical role in the enhancement of inclusivity in the sector, through the 20% levy portion allocated to transformation.

Research-based Policy and Statutory Measure/s Proposals through the MERC Division

The NAMC was tasked by the then Minister of the Department of Agriculture, Land Reform and Rural Development (DALRRD) to coordinate the research and development of the AAMP. The implementation of the AAMP project is underway to achieve sectoral inclusive growth, investment, sustainable jobs, food security, and development. The NAMC, invited by the Department of Agriculture participated in the G20 Agricultural Working Group (AWG), Meeting of Agricultural Chief Scientists (MACS) and the Food Security Task Force (FSTF).

Guided by the economic frameworks, the NAMC through its Market and Economic Research Centre (MERC), Statutory Measures Division, Agribusiness Development and Agricultural Trusts, continue to provide advice to policymakers, industry captains and directly affected groups to effectively implement the practical solutions outlined in the AAMP.

Some of the NAMC's outputs that contain advisory services to stakeholders include an annual statutory measures survey, food price monitoring, food cost, commodity value chain analysis, trade policy analysis and identification of market opportunities as well as models to integrate smallholder farmers into formal agricultural markets.

Management of Agricultural Industry Trusts

The NAMC coordinates the appointment of Ministerial trustees on the current 10 Agricultural Industry Trusts, it is important to note that the Winter Cereal Trust is currently undergoing winding down. These Trusts are managing the assets that were inherited, and using the interests as well as incomes generated to finance industry priorities including transformation. The other industry activities include, but not limited to, research, export promotions, consumer education and product development. Under the guidance of the NAMC the asset (monetary and fixed property) value of the Trusts has grown and is currently valued at **R2.61 billion**.

Market Access for Smallholder Farmers

Despite the numerous support programmes for smallholder farmers that the NAMC has implemented in the past, market access for these farmers remains a challenge due to the lack of comprehensive support, inconsistent production, fluctuating quality and

transport costs to markets. The NAMC's Agribusiness Development Division design market access models that enable farmers to participate in the new and existing markets as well as facilitate market access for farmers. The market facilitation programme is guided by market analysis, market readiness of farmers, market demand and stakeholder intervention to support farmers in order to supply the identified market. These programmes enable the NAMC to contribute to making the agricultural sector more inclusive and viable as a contributor to economic growth and transformation.

Organisational capacity

The NAMC core staff is made up of economists and this has turned the organization into a breeding ground for agricultural economists in the country. The highly qualified and experienced economists strategically place the NAMC in the forefront of providing policy advisory services to the policymakers and directly affected stakeholders. Moreover, the NAMC has recruited and upskilled young economists to conduct research intelligence and marketing policy analysis for the sector. This suggests that the organization has capable human capacity to drive the new strategy.

Key Policy developments and legislative changes

The aim of the NAMC is to provide strategic agricultural marketing advice to the Minister responsible for the National Department of Agriculture and all directly affected groups in the agricultural sector. The goal is to promote the achievement of the objectives of the MAP Act, which are to:

- a) Increase market access for all market participants,
- b) Promote the efficiency of the marketing of agricultural products,
- c) Optimise export earnings from agricultural products, and
- d) Enhance the viability of the agricultural sector.

During the period under review, there were no policy developments or legislative changes.

3 STRATEGIC OUTCOME - ORIENTED GOALS

Strategic Outcome Oriented Goals.	1. The NAMC delivers on its mandate and core functions.
	2. A viable and efficient agricultural sector generating optimal earnings (Domestic and International)
Impact statement	3. Enhanced market access for the agricultural sector
	A viable and inclusive agricultural marketing environment contributing to food security, socioeconomic growth, and sustainable development.

The three (3) business strategic goals were identified as pillars that underpin the NAMC's mission. These goals are aligned to the objectives as outlined in the Marketing of Agricultural Products Act.

4 INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

PROGRAMME 1: OUTCOME 1: NAMC DELIVERS ON ITS MANDATE AND CORE FUNCTIONS

PURPOSE: This programme aims to ensure that the NAMC functions optimally through effective business processes, corporate governance, and resource support services.

Contribution to Outcomes and Impact

The collective outputs of Programme 1 are responsive to Outcome 1 which is "The NAMC delivers on its mandate and core functions". They indicate the extent to which the NAMC has been managed and governed in compliance with applicable legislation and regulations. It also indicates the level of functionality of the NAMC and its commitment and contribution to increasing market access for the agricultural sector across its value chain.

All the outputs and their respective indicators respond to the functional, the management and the governance elements required for the NAMC to deliver on its mandate and core functions as expressed in the outcome. The unqualified audit and budget spend indicators focus primarily on prudent, effective, and efficient financial management as the enabler of service delivery and achievement of all non-financial performance targets of the Department of Agriculture.

The achievement of all corporate support services targets in operational plans of each financial year's output focuses primarily on the functionality aspect of the outcome due to the critical services provided by the sub-programmes of the Administration. These services include ensuring that the Department of Agriculture has the required human resource capacity to perform its work, the work of the Department of Agriculture is communicated to all external role-players and beneficiaries and that ICT connectivity and uptime facilitates and enables speedy, effective, and efficient implementation of all core and corporate services.

Importantly, the outputs and output indicators of this Programme are the strategic enablers of service delivery through the core function programme areas of the NAMC and their respective outcomes, i.e., creating an enabling policy and/or statutory environment for the growth and development of the agricultural sector and ensuring that the sector is viable, inclusive, and competitive as a key economic sector.

All the outputs of the NAMC individually and collectively contribute to the outcomes and impact statement of the NAMC.

Contribution to Women, Youth and Persons with Disabilities

The programme's contribution to improving the lives of women, youth and persons with disabilities is located in its supply chain management and human resource management sub-programmes. The NAMC strives to spend 30% of its total procurement budget for each financial year on businesses owned by women, 20% on businesses owned by youth and 5% on businesses owned by persons with disabilities.

In addition to this, the NAMC sets a target of spending 70% of its total annual procurement budget to local suppliers, some of which have women, youth and persons with disabilities in their ownership/management or staff structures.

The NAMC continues to strive to achieve the Department of Public Service and Administration (DPSA) targets of 50% women employed in SMS positions and 2% employment of persons with disabilities. These targets are not reflected as outputs in the APP but instead are reflected in the Operational Plan of the Human Capital Unit of the NAMC.

Planned Performance

The outputs, output indicators and targets in respect of Outcome 1 remain constant over the MTEF. However, any changes introduced to the strategic and political priorities of the Department of Agriculture over the MTEF period may impact on some of the outputs, indicators and targets of this Programme which delivers on Outcome 1.

The programme is currently structured in accordance with the following sub-programmes:

- a. Office of the Chief Executive Officer
 - Risk and Compliance Unit
 - Legal Services Unit
- b. Finance and Administration Division
 - Supply Chain Management Unit
 - ICT Support Unit
- c. Human Capital and Communication Division
 - Communication Unit

PROGRAMME 2: OUTCOME 2: A VIABLE AND EFFICIENT AGRICULTURAL SECTOR GENERATING OPTIMAL EXPORT EARNINGS

PURPOSE: To provide quality research outputs to stakeholders in support of agricultural marketing, trade, policy advisory and statutory measure implementation.

Contribution to Outcomes and Impact

The collective outputs of Programme 2 speak to Outcome 2 which is "A viable and efficient agricultural sector generating optimal export earnings". They indicate the extent to which the NAMC has:

- Contributed to creating an enabling policy and statutory environment for the growth, development, and transformation of the agricultural sector as a key economic role-player. The outputs and output indicators of this Programme represent the mandate and core functions of the NAMC as reflected in the MAP Act. All the outputs of the NAMC individually and collectively contribute to the outcomes and impact statement of the NAMC.
- Effectively administered statutory measures which is critical for economic growth, the creation of employment and the transformation of the sector to be more inclusive. The outputs and output indicators of this Programme also represent the mandate and core functions of the NAMC as reflected in the MAP Act.

- Effectively administered to the agricultural trusts. The Trusts are vehicles to enhance and advance the transformation and development of the agricultural sector through the trusts' funds expenditure. Each financial year, 20% of the trusts' funds are set aside and directed into interventions that develop the sector such as capacity development of smallholder farmers and the provision of farm inputs.

Contribution to Women, Youth and Persons with Disabilities Planned Performance

The outputs, output indicators and targets remain constant over the MTEF. This is because the reports and statutory measures, as well as their quarterly and annual targets, that must be developed and submitted are legislated requirements.

However, the targets pertaining to statutory measures must be read as indicative because these targets deal with needs-based and market flux matters and contexts which are subject to changes.

The programme consists of contributions from the following sub-programmes:

- Markets and Economic Research Centre (MERC)
 - Trade Research Unit
 - Agro-Food Chains Research Unit
 - Smallholder Market Access Research Unit
- Statutory Measures Division
- Agricultural Trusts Division

PROGRAMME 3: OUTCOME 3: ENHANCED MARKET ACCESS FOR AGRICULTURAL SECTOR PARTICIPANTS

PURPOSE: To design market access models that are aimed at increasing market access, encouraging new business development and capacity building for farmers or agri-businesses.

Contribution to Outcomes and Impact

The collective outputs of Programme 3 articulate to Outcome 3, which is "Enhanced market access for the agricultural sector participants".

They indicate the extent to which the NAMC has increased domestic and international commercial market access, especially for smallholder farmers. Such access is a key contributor to making the sector more inclusive and facilitating its viability as a contributor to economic growth and transformation.

All the outputs of the NAMC individually and collectively contribute to the outcomes and impact statement of the NAMC.

Contribution to Women, Youth and Persons with Disabilities

This Programme does not make any direct quantitative contribution to improving the lives of women, youth, and persons with disabilities. However, the Programme contribution to improving the lives of women, youth and persons with disabilities is also reflected in the number of smallholder farmers comprising of these marginalised groups that the NAMC supports and provides services to.

Planned Performance

The outputs, output indicators and targets in respect of Outcome 3 remain constant over the MTEF.

The programme is currently structured in accordance with the following sub-programmes:

- Agribusiness Development Division

PROGRAMME 1: OUTCOME 1: NAMC DELIVERS ON ITS MANDATE AND CORE FUNCTIONS

Purpose	This programme aims to ensure that the NAMC functions optimally through effective business processes, corporate governance, and resource support services
Sub-Programmes	<ul style="list-style-type: none"> Office of the CEO Finance and Administration Human Capital Communication

PROGRAMME 1: OUTPUT INDICATORS, ANNUAL AND QUARTERLY TARGETS

Outputs	Output Indicators	Planned Annual Targets	Annual Targets April 2024 – March 2025	Actual Achievement April 2024 - March 2025	Reasons for Deviation	Comment on Annual Performance
Unqualified Audit Report	Unqualified audit report	1	1	1	Not applicable	No comment
100% Budget spent	Percentage of budget spent	100%	100%	98.2%	The variance of 1.8% is attributed mostly to the office move projects that were still on-going as at year-end.	There is a discussion to reconsider the 100% target on budget spent because it is not practical to achieve it due to dynamics that relate to the expenditure.
Human Capital reports produced	Number of Human Capital reports produced	4	4	4	Not applicable	No comment
Corporate Communications reports produced	Number of Corporate Communications reports produced	4	4	4	Not applicable	No comment
Information and Communication Technology (ICT) Reports produced	Number of ICT reports produced	4	4	4	Not applicable	No comment

PROGRAMME 2: OUTCOME 2: A VIABLE AND EFFICIENT AGRICULTURAL SECTOR GENERATING OPTIMAL EXPORT EARNINGS

Purpose	To provide quality research outputs to stakeholders in support of agricultural marketing, trade, policy advisory and statutory measure implementation.
This programme is aligned to the following objectives of the MAP Act.	<ul style="list-style-type: none"> ▪ The promotion of the efficiency of the marketing of agricultural products. ▪ Optimization of export earnings from agricultural products; and ▪ The enhancement of the viability of the agricultural sector
Sub-Programmes	<ul style="list-style-type: none"> ▪ Statutory Measures Division ▪ Markets and Economic Research Centre (MERC) <ul style="list-style-type: none"> - Trade Research Unit - Agro-Food Chains Unit ▪ Agricultural Industry Trusts Division

PROGRAMME 2: OUTPUT INDICATORS, ANNUAL AND QUARTERLY TARGETS

Outputs	Output Indicators	Planned Annual Targets	Annual Targets April 2024 – March 2025	Actual Achievement April 2024 - March 2025	Reasons for Deviation	Comment on Annual Performance
Statutory Measures Applications	% of Statutory Measures applications received and investigated	100%	100%	100%	Not applicable	We are working on reviewing the indicator so that it can be specific, measurable, achievable, relevant and time – specific.
Status of Statutory Measures Report submitted to the Minister for approval	Annual report on Status of Statutory Measures submitted to the Minister for approval	1	1	1	Not applicable	No comment
Approved Trade advisory and value chain analysis reports	Number of trade advisory reports Produced	4	4	4	Not applicable	No comment
	Number of value chain analysis	1	1	1	Not applicable	No comment

Outputs	Output Indicators	Planned Annual Targets	Annual Targets April 2024 – March 2025	Actual Achievement April 2024 - March 2025	Reasons for Deviation	Comment on Annual Performance
Status report on Agricultural industry trusts	Annual report on status of Agricultural industry trusts submitted to the Minister for approval	1	1	1	Not applicable	No comment
Transformation report on interventions funded through trusts funds and levies	Annual transformation report submitted to the Minister for approval	1	1	1	Not applicable	No comment
Approved Research Reports produced	Number of approved Market Intelligence reports produced	4	4	4	Not applicable	No comment
	Number of Supply and Demand Estimates Report produced	12	12	12	Not applicable	No comment
	Number of Input Cost Monitor reports produced	4	4	4	Not applicable	No comment
	Number of Food Price Monitor Reports produced	4	4	4	Not applicable	No comment
	Number of Poultry Product Price Monitor (PPPM) Reports produced	4	4	4	Not applicable	No comment

PROGRAMME 3: OUTCOME 3: ENHANCED MARKET ACCESS FOR THE AGRICULTURAL SECTOR PARTICIPANTS

Purpose	To design market access models that are aimed at increasing market access, encouraging new business development and capacity building for farmers/agri-businesses.
This programme is aligned with the following objectives of the MAP Act.	<ul style="list-style-type: none"> Increasing market access for all market participants.
Sub- Programmes	<ul style="list-style-type: none"> Agribusiness Development Division Markets and Economic Research Centre (MERC) <ul style="list-style-type: none"> Smallholder Market Access

PROGRAMME 3: OUTPUT INDICATORS, ANNUAL AND QUARTERLY TARGETS

Outputs	Output Indicators	Planned annual targets	Annual Targets April 2024 – March 2025	Actual Achievement April 2024 - March 2025	Reasons for Deviation	Comment on Annual Performance
Increased number of farmers accessing market opportunities	Number of Smallholder farmers linked to market opportunities	80	80	185	The deviation is as a result of collaborations that the organisation had with various stakeholders in the various Provinces.	The discussions are underway to establish partnerships that will lead to sustainability and impact in this respect. We are also hopeful that the resource mobilisation process that the organisation has embarked on will assist in terms of alleviating the resource constraints.
Approved Market Access and Smallholder Farmer Participation reports	Number of facilitated designs for production schemes	2	2	2	Not applicable	No comment
	Number of Smallholder Market Access Tracker (SMAT) reports produced	1	1	1	Not applicable	No comment
	Number of Smallholder Market Access Estimates reports produced	4	4	4	Not applicable	No comment

NARRATIVE INFORMATION

PROGRAMME 1: OUTCOME 1: NAMC DELIVERS ON ITS MANDATE AND CORE FUNCTIONS

Sub - programme 1: Office of the Chief Executive Officer

Risk and Compliance Management

The Risk and Compliance Unit was established in terms of the Public Finance Management Act (PFMA), Treasury Regulations, Public Sector Risk Management Framework, and ISO 31000. In ensuring compliance with the requirements of the Public Sector Risk Management Framework, the Risk and Compliance Unit has an approved Annual Risk and Compliance Implementation Plan and approved Business Continuity Plan, which states a defined approach for the implementation, monitoring and executing risk management in the organisation, and for achieving desired outcomes.

In assisting the entity to attain its mandate and meet the expectations of the shareholder and the various stakeholders, the Risk and Compliance Function is empowered to perform the following:

- a) Facilitate risk identification sessions, risk mitigations, risk reporting and risk monitoring on the strategic, project and operational risk levels together with Risk Champions/ Risk owners.
- b) Implementation of the Business Continuity Management strategy
- c) Implementation of the Fraud Prevention Strategy
- d) Implementation of the Compliance and Ethics programme
- e) Implementation of the Combined Assurance Plan

The Risk and Compliance Unit is stationed in the office of the CEO and provides its report to the Risk Management Committee, Audit and Risk Committee and Council for oversight purposes.

The element of risk is inherent in any business, and in the current situation, it is encountered more in the space in which the entity provides market access to smallholder farmers, to reduce unemployment and achieve reductions in the levels of poverty.

It is in this regard that Risk Management is an important element of the organisational strategy and daily operational activities that impact on the organisational performance and financial position of the entity. In implementing our strategy, the NAMC believes that risk management remains the responsibility of each employee in the organisation and should be incorporated into the daily operations of the entity.

The incorporation of risk management into daily activities prevents occurrences of losses, and promotes the reduction of fraud and corruption, the reduction of irregular, fruitless and wasteful expenditure, and the optimisation of resources.

Strategic Risk Profile

During the term of the Council, the Council and the Management Committee undertook a risk assessment to identify risks and the creation of opportunities. From the organisational strategic plan and annual performance targets for the 2024/2025 financial year, strategic risk exposure was identified relating to:

- a) Fraud and Corruption
- b) Financial sustainability
- c) Stakeholder relations
- d) Information and Communication Technology
- e) Human Capital
- f) Regulatory Environment
- g) Business Continuity

Fraud and Corruption

In accordance with the Public Finance Management Act, the Protected Disclosure Act and the Prevention and Combating of Corrupt Activities Act, the Risk and Compliance Unit reviewed the Fraud Prevention Policy and Strategy and the Whistleblowing Policy to focus on fraud prevention.

The NAMC has a zero-tolerance approach towards fraud and corruption. Furthermore, the entity has an approved Declaration of Interest Policy and Integrity and Ethics Management Policy, which ensures that the values of the entity are exercised by all parties concerned.

For reporting incidents of fraud, corruption and unethical behaviour, the NAMC has a whistleblowing facility available to all stakeholders, through which reports may be made in confidence on matters of fraud, corruption and unethical behaviour. Incidents regarding fraud and corruption are reported to the Audit and Risk Committee and Risk Management Committee Chairperson, as and when they come to the attention of the Risk and Compliance Unit from the Service Provider.

Conflict of interest

In the implementation of the Declaration of Interest Policy, and for purposes of minimising conflicts of interest, all employees are required to complete declaration of interest forms on an annual basis or as and when required. All employees who participate in Bid Specification, Bid Evaluation Committee and Bid Adjudication Committees in terms of the supply

chain management process, and all employees who participate in the tender processes on regular basis, are required to sign a declaration of interest form. Should an official be found to be conflicted in any way, they are expected to declare such conflict of interest and recuse themselves from the affected procurement process.

Compliance with laws and regulations

To improve the culture of compliance with legislation and policies, a Compliance Risk Management Policy and Compliance Risk Management Framework have been approved by the Council. The entity has a 'Regulatory Compliance Universe', which encompasses fifty-six pieces of legislation. For purposes of maintaining order in this 'universe', the entity has a compliance monitoring plan, which is used to monitor compliance with the applicable legislation on a regular basis and to report on issues of non-compliance, with a view to applying remedial actions to non-compliance. It is the intention of the compliance function to implement, in full, the approved compliance framework, with a view to ensuring that we operate in line with the Generally Accepted Compliance Framework.

Corporate Governance Support

The NAMC is established in terms of the Marketing of Agricultural Products Act, No. 47 of 1996, as the primary legislation, supported by the Public Finance Management Act and the King Code of Corporate Governance.

Minister of Agriculture

In terms of PFMA, Section 62, the Minister of Agriculture is the executive authority responsible for a public entity under the ownership control of the national or provincial executive and must exercise the executive ownership control powers to ensure that the public entity complies with the Act and financial policies.

Accounting Authority

In terms of Section 50 of the PFMA, the Council serves as the Accounting Authority of the NAMC, and its fiduciary duty is to ensure the protection of the entity's assets and records. The Council must always act with fidelity, honesty and integrity, and serve in the best interests of the public entity in managing the financial affairs of the public entity.

Role of the Accounting Authority

The Council has a responsibility to perform the

following:

- Steer and set direction.
- Approve policy and planning.
- Oversee and monitor the implementation of policy.
- Ensure accountability..

The Council and its committees conduct their affairs according to approved charters, which indicate the Council's role and responsibilities, as well as those of its committees.

Sub-programme 2: Finance and Administration

Finance and Administration

The purpose of Finance and Administration division is to provide effective management of finances, ensure that there are sound internal controls, ensure efficient and effective supply chain management systems and processes and that there are adequate information technology systems within NAMC.

Strategic Reviews and Compliance with Strategic Objectives

Quarterly reports aligned to the outputs as stated in the strategic plan were presented to various stakeholders throughout the financial year. Monthly and quarterly reviews of programmes' expenditures against the budget were conducted throughout the year

Financial Management

The division provides effective and efficient financial management support, ensuring that there is a proper budget management system in place. Monthly budget variance reports are presented to Mancom monthly to enable proper decision making by management and to monitor the spending trends throughout the year. Monthly management accounts were also produced and reported monthly to Mancom and quarterly to Audit and Risk and the Council. All reports as requested by various stakeholders were submitted timeously as and when requested.

Supply Chain Management

The division renders supply chain management services to NAMC. The SCM unit ensures compliance with all regulatory requirements governing procurement practices in the public sector. During the financial year under review, there was a significant improvement on compliance with laws and regulations and irregular expenditure decreased from R25 000 in the previous financial year and the organisation did not incur irregular expenditure in the reporting period.

The determination test on past irregular expenditure was performed and the irregular expenditure condoned by the Council. The unit through adherence to key internal controls such as segregation of duties, implementation of SCM checklist which are being reviewed every time the legislation changes, monthly monitoring of procurement processes, monthly review of contract register has played a great role in ensuring that there is no material noncompliance to rules and regulations.

Information and Communication Technology

The Information and Communication Technology Unit is understaffed, and the majority of functions are outsourced to an external service provider. The service provider's performance has been assessed in line with deliverables as stated in the service level agreement (SLA). Monthly reports have been submitted to CFO and quarterly reports have been presented to ICT Steering Committee which plays an oversight role regarding ICT strategy, policies etc. These quarterly reports also get tabled at the Audit and Risk committee and ultimately to the Council.

Risk Assessment and Management

Finance and Administration recognises the importance of risk management in ensuring that its objectives are achieved. The Finance and Administration Division's risk register and controls to mitigate the risks were reviewed and updated.

Functioning of the Audit and Risk Committee

The NAMC's Audit and Risk Committee continued to function throughout the year. Various reports as requested and those imposed by statutes were presented to the committee as part of their fiduciary responsibilities.

Internal Audit Function

The role of Internal Audit is to provide independent, objective assurance and consulting activity which is designed to add value and improve the organisation's operations and the achievement of organisational objectives.

The internal audit function of the NAMC was outsourced to Nexia SAB & T. The following audits were undertaken during the financial year:

- Financial controls review,
- Supply chain management
- Follow-up review on audit findings,
- Asset Management
- Information Communication technology and
- Performance Information..

PROGRAMME 2: OUTCOME 2: A VIABLE AND EFFICIENT AGRICULTURAL SECTOR GENERATING OPTIMAL EXPORT EARNINGS

STATUTORY MEASURES

Introduction

The MAP Act makes provision for the application and implementation of the following statutory measures, namely -

- Statutory levies (section 15 of the MAP Act);
- Control of exports of agricultural products (section16);
- Records and returns (section 18); and
- Registration (section 19)..

Statutory measures are normally promulgated for a period of four years, after which the relevant industry must apply to the Minister for the continuation of measures if they wish to continue to make use of statutory measures. Recently, the NAMC decided that commodity organisations can apply to the Minister that statutory measures relating to registrations and records & returns, be valid for a period of eight years. The MAP Act stipulates the procedures that must be followed in order to investigate an application for the establishment, continuation, amendment or repeal of statutory measures. Some of the procedures involve the following, namely that the Council shall:

- Publish a notice setting out particulars of the request and an explanation in connection therewith in the Government Gazette and such magazines or newspapers as may be sufficient to bring the request to the attention of directly affected groups, and inviting such directly affected groups to submit any comments relating to the request within a specified time (normally 14 days);
- Consider such comments to ensure that there is sufficient support amongst directly affected groups for the proposed statutory measure; and
- Report on its findings and make a recommendation to the Minister.

Statutory levies are implemented for the purpose of funding essential generic functions, such as research, information, generic promotion, transformation, etc. in a particular agricultural industry. All levy applications must have a business plan and reasonable level of industry support. The NAMC follows the guideline that there must be indications that two-thirds of levy payers representing two-thirds of production support an application. In January 2021 the NAMC adopted a document titled "Standard Operation Procedure (SOP) for the approval process of statutory measure applications". This document was updated in April 2024..

To influence how the statutory levy funds should be spent, the NAMC requires that approximately 70% of levy funds should be spent on functions such as research, information, export promotion, etc., at least 20 % on transformation and not more than 10 % on the administration of the levy.

The MAP Act stipulates that a levy must not exceed 5 % of the price realised by a specific agricultural product at the first point of sale (average price at the first point of sale over a period not exceeding three years). The NAMC also has compiled guidelines on what should be regarded as administration costs, generic promotions, and transformation. These guidelines were compiled after the relevant agricultural industries were consulted.

Application for statutory measures

Section 10 of the MAP Act stipulates that a directly affected group may request the Minister to establish, continue, amend or repeal one or more statutory measures. Directly affected groups refer to any group of people which is party to the production, sale, purchase, processing, or consumption of an agricultural product and includes labour employed in the production or processing of such product.

It is important to understand that the application for statutory measures by commodity organisations is a voluntary process. It is also important to note that the NAMC is not involved in the administration and collection of statutory levies, except for a monitoring function in this regard.

Support from directly affected groups for statutory measures

The MAP Act stipulates that an application for statutory measures must contain particulars or evidence of support by directly affected groups. For the past two decades the NAMC has used the guideline that two-thirds of directly affected groups, representing two thirds of production, must support an application for statutory measures. This is only a guideline, and much larger support is preferable for the successful administration of statutory measures in the agricultural sector.

Conditions of approval

Statutory levies are normally approved for a period of up to four years. In addition to this period, the Minister approves statutory levies on the following conditions:

- That approximately 70% of the income is spent on generic functions such as consumer education, export promotions, information, research, etc.
- That not more than 10% of levy income is spent on

administration costs.

- That at least 20% of levy income is spent on transformation activities, including the development of emerging farmers and other role players in line with the NAMC's transformation guidelines.
- That the statutory levy income and expenditure are audited by the Auditor General, with the percentage allocated towards transformation clearly indicated.
- That surplus funds do not form part of the assets of the administrator, and that surplus fund only be utilised with the approval of the Minister upon the lapsing of the statutory period (for example, after four years);
- That the administrator submits an employment equity plan for the NAMC to monitor progress on employment equity within the relevant institution.
- That the administrator maintains a database of black role players and their market share to monitor the progress of transformation in the relevant industry; and
- That the NAMC has observer status on the board of the administrator to ensure compliance with the original intent of the application.

Surplus funds

The MAP Act stipulates that "any levies remaining in the possession of or under the control of any person or body after the period for which such levies were approved, shall be utilized in a manner determined by the Minister". In most cases, statutory levies are approved for a period of four years. During the past few years, the NAMC followed the guideline to recommend to the Minister that all surplus funds must be used for transformation activities, unless levy administrators can convince the NAMC to recommend otherwise.

The past few years, more levy administrators have highlighted the fact that in cases where administrators of statutory levies request for the continuation of levies, and where they operate as a going concern, it may cause financial difficulties if all surplus funds be solely used for transformation activities, leaving administrators at a deficit and unable to cover operational expenditure including salaries, accommodation and other commitments during the first few months of a new four year levy period.

During its May 2018 meeting, the NAMC debated this issue, and it was concluded that, depending on the merits of each case, a maximum of two months of levy income in a relevant industry, may be used to cover operating expenditure (salaries, accommodation, and other commitments) of administrators in order for them to operate as a going concern. In April 2024, the two months of levy income was increased to four months

Summary of statutory measures

The following table summarises the statutory measures that were applicable in the South African agricultural sector during the 2024/25 financial year:

Table 2: Statutory Measures Applicable During the 2024/2025 Financial Year

Industry	Administration body	Statutory Measures		
		Statutory levy	Records and returns	Registration
Citrus	SA Citrus Growers' Association	√	√	√
Cotton	Cotton SA	√	√	√
Dairy	Milk SA	√	√	√
Deciduous fruit	HORTGRO	√	√	√
Dried vine fruit (raisins)	Raisins South Africa	√	√	√
Fruit industry	Agrihub		√	√
Fruit fly	Fruit Fly Africa	√		
Fynbos (proteas)	Cape Flora SA	√	√	√
Maize, winter cereals, sorghum and oilseeds	South African Grain Information Service		√	√
Lucerne	National Lucerne Trust	√	√	√
Lupines	SA Cultivar and Technology Agency (SACTA)	√		
Macadamias	SA Macadamia Growers' Association	√	√	√
Milk	Milk Producers' Organisation		√	√
Olives	South African Olive Industry Association	√	√	√
Pecan nuts	SA Pecan Producers' Association	√	√	√
Pomegranates	Pomegranate Association of South Africa	√	√	√
Pork	SA Pork Producers' Organisation	√	√	√
Potatoes	Potatoes SA	√	√	√
Red meat	Red Meat Levy Admin	√	√	√
Soybeans	SA Cultivar and Technology Agency (SACTA)	√		
Table eggs	SA Poultry Association	√	√	√
Table grapes	SA Table Grape Industry	√	√	√
Wine	SA Wine Information and Systems (SAWIS); Wine Industry Network of Expertise and Technology (WINETECH); Wines of South Africa (WOSA) and South African Wine Industry Transformation Unit (SAWITU)	√	√	√
Winter cereals	SACTA	√		
Wool	Cape Wools SA		√	√

Total statutory levy income

The total funds collected through statutory levies in the 2024 survey amounted to approximately R1.149 billion, which is 6.9% higher compared to the previous survey's levy income of roughly R1.075 billion.

TABLE 3: Total statutory levy income – 2024 survey

Product	Levy income 2024 survey	Total value of product at the first point of sale	Levy income as a percentage of the value of the product
	R	R	%
Citrus (exported)	274 197 182	30 124 767 000	0,9%
Cotton lint	4 085 351	563 900 000	0,7%
Dairy products	65 429 661	24 384 920 000	0,3%
Deciduous fruit	160 136 830	10 071 415 900	1,6%
Dried fruit	10 841 301	1 363 328 000	0,8%
Fynbos (proteas)	1 401 047	374 350 189	0,4%
Lucerne	2 234 147	5 486 420 000	0,0%
Lupines (SACTA)	168 786	50 943 201	0,3%
Macadamias	58 347 568	3 117 880 000	1,9%
Olives	1 458 646	75 712 576	1,9%
Pecan nuts	9 207 388	1 726 350 000	0,5%
Pomegranates	1 216 109	142 549 436	0,9%
Pork	51 532 217	28 769 762 354	0,2%
Potatoes	50 357 561	12 840 000 000	0,4%
Red meat	51 212 239	49 890 674 000	0,1%
Meat imp/exp	3 131 251	49 890 674 000	0,0%
Soybeans (SACTA)	169 250 071	13 692 110 000	1,2%
Table eggs	8 227 157	12 450 000 000	0,1%
Table grapes	38 769 518	10 000 000 000	0,4%
Wine	111 857 399	7 109 400 000	1,6%
Winter cereal SACTA)	76 497 401	12 091 026 000	0,6%
TOTAL	1 149 558 830	224 325 508 656	0,5%

The MAP Act stipulates that a statutory levy may not exceed 5% of the price realised for a specific agricultural product at the first point of sale. The maximum of 5% must be based on a guideline price, calculated as the average price at the first point of sale over a period not exceeding three years. For the 2024 survey, the total levy income as a percentage of the value of agricultural products at the first point of sale is approximately 0.5%.

Total statutory levy expenditure

The 2024 survey shows that approximately R1.106 billion was spent on industry functions – an increase of 8.2% compared to the 2023 survey.

Of the total expenditure, about 44.6% was spent on research, 10.6% on export promotion/market access, and 8.1% on information. About 20.4% (R225.7 million) was spent on transformation projects. It is important to note that all the figures analysed in this 2024 survey were obtained from the relevant audited financial statements as received from levy administrators.

Table 4: Allocation of levy expenditure: 2023 survey

Functions funded	2022 survey R	2023 survey R	2024 survey R	2024 %
Administration	48 829 202	54 522 048	59 717 185	5,4
Information	60 072 980	79 555 284	89 072 306	8,1
Research	421 316 576	460 064 529	493 933 015	44,6
Transformation	179 226 062	202 113 148	225 704 614	20,4
Export promotion/ market access	81 015 134	103 565 687	116 782 522	10,6
Consumer education / promotion	61 152 393	71 130 610	66 439 056	6,0
Production development	6 613 468	6 849 795	3 429 649	0,3
Plant improvement	938 373	4 706 905	12 938 677	1,2
Quality control	36 867 535	39 883 442	38 233 054	3,5
TOTAL	896 031 723	1 022 391 448	1 106 250 078	100

Administration

The NAMC's guidelines on the utilisation of levy funds stipulate that not more than 10% of levies collected should be used for administrative purposes. The 2024 survey shows that, in total, all levy administrators spent approximately 5.4% (R59.7 million) of levies collected on administration costs, which is well below the guideline of 10%. Audit fees are one of the major components of administration costs.

Information

For the 2024 survey, approximately 8.1% (R89.1 million) of total levy expenditure was allocated to the information function. The cotton, fynbos and the pecan nut industries spent proportionally the most on information and industry liaison. Statutory measures relating to records and returns and registrations play an important role in an effective information function.

The information and the analysis thereof make market signals visible for the role players in the industry and for Government institutions and contribute significantly to the achievement of the relevant objectives of the Act. It also facilitates communication in the industry aimed at matters of common interest such as technical issues, food safety, product standards and other issues regarding the improvement of the viability of the industry.

Confidential information of any person subject to a statutory measure, obtained by the administrator through the implementation, administration, and enforcement of these statutory measures, is dealt with in accordance with section 23 (2) of the Act.

Research

Research is the generic function that receives the largest proportion of total statutory levies and a steady increase in levies spent on research is evident over the past 10 years. The 2024 survey shows that approximately 44.6% (or R493.9 million) of total levy expenditure was allocated to the research function. The citrus industry is by far the biggest collector of statutory levies, and they allocated R168.2 million (or 65.8% of total expenditure) to the research function.

It is also important to note that South Africa is the second biggest exporter of citrus products in the world.

Transformation

Since 2000 statutory levies have been approved, with the provision that approximately 10% of levy income should be spent on transformation activities. In August 2005, this guideline was changed to approximately 20%, and in 2010 it was changed again, with the

provision that at least 20% of levy income should be used for transformation activities.

In 2018 the NAMC adopted new transformation guidelines, in line with the AgriBEE scorecard, to increase the return on investment of funds being used for transformation. Although the 'at least 20 %' provision was not changed, the NAMC adopted specific generic transformation guidelines with the focus on enterprise development.

In terms of the 2018 transformation guidelines, levy administrators should, on an annual basis and three months before the start of a financial year, submit a business plan in respect of transformation activities envisaged for the coming financial year. Six months after the close of a particular financial year, levy administrators should also report on actual transformation activities, by comparing their activities with the budget for that financial year. The NAMC appointed a Transformation Review Committee to manage this process.

The NAMC further endorsed the view of the then Department of Agriculture that all its stakeholders should adhere to the Employment Equity Amendment Act, No 47 of 2013, which strives to achieve equity in the workplace by promoting equal opportunities and fair treatment in employment, and to ensure equitable representation in all occupational levels in the workforce.

Therefore, administrators of statutory levies will be requested to submit an employment equity plan, with the racial composition of the staff employed by the statutory levy administrator, with every new statutory levy application to the NAMC and the Minister.

According to the 2024 survey, approximately 20.4% (R225.7 million) was spent on transformation projects, compared with R202.1 million reported in the previous survey, being an increase of 11.7%. This is in line with the condition of approval for all statutory levies, namely that at least 20% of statutory levy income must be used for transformation activities

Consumer education

According to the 2024 survey, approximately 6.0% (R66.4 million) of total levy expenditure was spent on consumer education or local promotions, compared with the R71.1 million reported in the previous survey. The dairy, olive, pork, and red meat industries spent a major part of statutory levies on consumer education/local promotions. The dairy industry allocated 35.8% of levy funds towards this function, while the olive industry allocated 40.0% of levy funds towards consumer education and local promotions for marketing their produce.

In the red meat industry, the Meat Classification Function is the responsibility of the Department of Agriculture and is being done in terms of the Agricultural Product Standards Act (Act No 119 of 1990). Due to various reasons, South African Meat Industry Company (SAMIC) was appointed as an assignee to perform this function on behalf of the Department. Although SAMIC is performing this function on behalf of the Department, the red meat industry is paying for this function as part of the statutory levy allocations

Export promotion and market access

The 2024 survey indicated that approximately 10.6% (R116.8 million) of total levy expenditure was allocated to export promotion and market access, compared with the roughly R103.6 million reported in the 2023 survey. The horticultural industries, and more specifically the deciduous fruit, dried fruit, pomegranate and wine industries, spent a major portion of their statutory funds on export promotion activities.

The market development levy in the deciduous fruit industry is used specifically to fund the market development or consumer education programmes planned in Europe, the Middle East and Far East. The Association of Meat Importers and Exporters recently started to administer statutory levies, and 36.6% of their expenditure was spent on export promotion.

Quality control

The function of quality control is becoming more important. It is mainly undertaken by the cotton, dairy, lucerne, pork, red meat and table egg industries to ensure that consumers have peace of mind when using their products. These industries spent approximately 30%, each, of the relevant expenditure on the quality control function. Approximately R38.2 million (3.5% of total levy expenditure) was spent on quality control in the 2024 survey.

Plant improvement

The deciduous fruit industry spent approximately R12.9 million (1.2% of total levy expenditure) on plant improvement in the 2024 survey. Over the past number of years, much less of the statutory levy funds has been spent on the plant improvement function. The assumption can be made that much of the activities previously financed under the plant improvement function are now being absorbed under the research function.

Production development

Although only a small percentage of statutory levy expenditure was allocated to production development, the red meat industry spent approximately R3.4 million (0.3% of total levy expenditure) on production development.

TRADE RESEARCH UNIT

In support of the broader mandate of NAMC and the MERC division, the Trade Research Unit focused on research output that provided evidence-based policy advice to shareholders such as the Minister and directly affected groups like the various industries, the Competition Commission, and the International Trade Administration Commission (ITAC) regarding the de/merits of applications for mergers, acquisitions, trade remedies and tariffs.

Additionally, the various reports analyzed South Africa's trade relations, proposed strategies, and possible trade arrangements for diversifying whilst maintaining access to markets. Moreover, the Unit undertook research on agricultural trends in trade and forecasted possible shifts and potential impact on the domestic economy.

During the 2024/25 Financial Year, the Business Unit delivered on APP commitments of four (4) quarterly Trade Probe reports that were compiled in collaboration with DALRRD. These reports were widely disseminated to exporters and importers. Trade Probe reports covered various themes such as: (i). Quarter 1 report focused on increasing market access and facilitating trade for South Africa's agricultural products; (ii) Quarter-2 report analyzed exploring local agricultural production and export opportunities created by the new trade agreements and protocols.

Additionally, the Trade Research Unit compiled quarterly Market Intelligence Reports (MIR). These reports analyze the shifts in global supply and demand of agricultural products to identify opportunities for exploitation and risks mitigation by various stakeholders. All the quarterly editions focused on the dynamics of global grains and oilseeds; fruits and vegetables; and livestock and animal products. These quarterly reports were published on the NAMC website.

The other significant research output was the economy-wide analysis on the impact of AGOA erosion on the agricultural sector in South Africa. Additionally, the research study undertaken on the effects of electricity tariff increases on the agricultural sector. The other significant research study that was conducted is on the impact of the proposed 2% VAT

increase on the agricultural sector. These studies were published on the website of the NAMC and widely disseminated to shareholders and stakeholders alike.

The Trade Research Unit consistently interacts with the media through opinion pieces, interviews on radio and television, and other media platforms to further shed light on a variety of current topics concerning the agricultural industry. In 2024/25, the media engagement index was shared with the Management Committee for concurrence. More than 28 radio and television interviews were done, and over 18 commentary articles appeared in a variety of agriculture magazines and newspapers.

AGRICULTURAL INDUSTRY TRUSTS DIVISION

Agricultural Industry Trusts

The activity of the NAMC's Agricultural Industry trusts was founded and receives its mandate from Section 26 (1 and 2) of the Marketing of Agricultural Products Act (MAP Act), which regulates "assets, liabilities and contractual rights and obligations of Control Boards." Under the guidance of the trusts' deeds, the ten agricultural industry trusts that are managed by the Board of Trustees, with representatives of the Minister and Industry representatives, are mandated to keep the assets evergreen and use income from these assets to fund industry activities in line with the industry strategic directions.

The NAMC continues to participate on observer status in the meetings of the Board of Trustees, the division works closely with each Trust to provide a guarantee (through the Status Report) to the Minister of Agriculture. The NAMC also coordinates the process of appointment of Ministerial Trustees and recommends to the Minister, and upon appointment the NAMC inducts the newly appointed trustees.

Through the Transformation Review Committee (TRC), the division closely collaborates with the statutory measures unit, the agribusiness development and the research division to guarantee that industry applications for statutory levies (the transformation component) comply with the transformation standards. The industry transformation proposals need to comply with the NAMC generic guidelines, which are compatible with the AgriBEE sector codes.

Table 5: Trusts' asset bases for the 2022/23 and 2023/24 financial years.

TRUST NAME	2021/2022 (R' 000)	2022/2023 (R' 000)	Change (R' 000)	
The Maize Trust	R1 113 557	R1 076 104	-R37 453	3.36
Wool Trust	R634 541	R725 843	R91 302	14.39
Oil and Protein Seeds Development Trust.	R321 758	R319 411	-R2 347	0.73
Mohair Trust	R299 738	R317 485	R17 747	5.92
Meat Industry Trust	R62 214	R67 000	R4 786	7.69
Citrus Industry Trust	R18 982	R19 282	R300	1.58
The Sorghum Trust	R24 967	R30 714	R5 747	23.02
Potato Industry Development Trust	R24 130	R25 659	R1 529	6.34
Deciduous Fruit Industry Development Trust	R21 621	R22 952	R1 331	0.66
National Lucerne Trust	R1 799	R2 059	R260	14.45
Winter Cereal Trust	R47 192	0	0	
Total	R2 570 499	R2 606 509	R36 010	

Source: Trust Balance sheets and own calculations (2025)

Transformation

Since 2000 statutory levies have been approved, with the provision that approximately 10% of levy income should be spent on transformation activities. In August 2005, this guideline was changed to approximately 20%, and in 2010 it was changed again, with the provision that at least 20% of levy income should be used for transformation activities.

In 2018 the NAMC adopted new transformation guidelines, in line with the AgriBEE scorecard, to increase the return on investment of funds being used for transformation. Although the 'at least 20%' provision was not changed, the NAMC adopted specific generic transformation guidelines with the focus on enterprise development.

In terms of the 2018 transformation guidelines, levy administrators should, on an annual basis and three months before the start of a financial year, submit a business plan in respect of transformation activities envisaged for the coming financial year. Six months after the close of a particular financial year, levy administrators should also report on actual transformation activities, by comparing their activities with the budget for that financial year. The NAMC appointed a Transformation Review Committee to manage this process.

The NAMC further endorsed the view of the then Department of Agriculture that all its stakeholders should adhere to the Employment Equity Amendment Act, No 47 of 2013, which strives to achieve equity in the workplace by promoting equal opportunities and fair treatment in employment, and to ensure equitable representation in all occupational levels in the workforce. Therefore, administrators of statutory levies will be requested to submit an employment equity plan, with the racial composition of the staff employed by the statutory levy administrator, with every new statutory levy application to the NAMC and the Minister.

To qualify for the approval of a statutory levy application, it is required that at least 20% of the total levy income be dedicated to transformation activities. These transformation funds must be allocated in accordance with the NAMC Transformation Guidelines. According to these guidelines, the 20% transformation portion should be distributed as follows: 60% for Enterprise Development to support black-owned enterprises and emerging farmers; 18% for Skills Development to enhance training and capacity building; 17% for Management Control to promote diversity and inclusion in leadership structures; and 5% for Ownership and Socio-Economic Development, which supports broader empowerment and community upliftment initiatives.

This structured allocation is intended to ensure that levy-funded initiatives actively contribute to meaningful and measurable transformation within South Africa's agricultural sector. The Transformation Review Committee (TRC), responsible for overseeing transformation initiatives funded through levies and Trust funds, conducts regular monitoring and evaluation of these initiatives within the relevant industries.

During this reporting period the TRC visited a number of businesses during the period under review to confirm that the projects that were reported were, in fact, operational and that their status matches what the industries had reported. The TRC visited the following industries and saw their projects: Cape Flora South Africa, Milk South Africa, Macadamias South Africa (SAMAC), Raisins SA, and Potato Industry Development Trust (PIDT).

Table 6: Agricultural Trust and levy income/expenditure on transformation over the years (2017/18 to 2023/24)

Financial Year	Trusts (R)	Levies (R)	Total (R)
2017/18	61 374 228	113 382 930	174 757 158
2018/19	66 423 430	116 601 648	183 025 078
2019/20	76 615 120	124 393 310	201 008 430
2020/21	63 068 176	147 236 706	210 304 882
2021/22	56 007 226	179 226 062	235 233 288
2022/23	81 956 019	178 310 118	260 266 137
2023/24	74 116 437	179 539 013	253 655 450

Trusts and income levy are essential for funding agricultural transformation. The proceeds from Trusts fund transformation, whereas levies are subject to a 20% transformation condition. The NAMC's transformation guidelines have proven effective in transforming the funding sector.

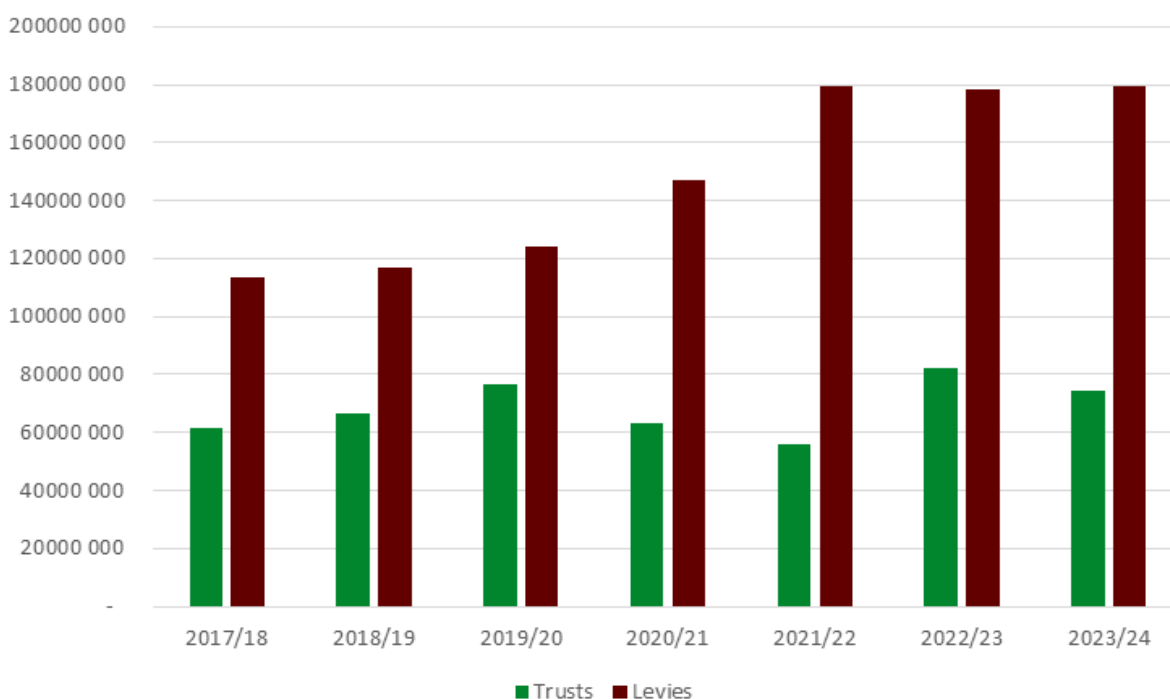


Figure 1: Trusts and Levy Expenditures on Transformation from 2017/18 to 2023/24

During the 2023/24 financial year, Trusts and levy administration spent over R253,7 million on transformation initiatives. Trusts contributed R74.1 million, while levy administrators provided R179.5 million. From the total transformation expenditure, 86 percent were spent towards enterprise development and skills development at the share of R167.9 million and R49.1 million, respectively.

In addition, R24 million was spent towards management control while R11.9 million and R125 000 were spent towards ownership and socio-economic development categories, respectively. These spending aligns with the recommendations of the NAMC Generic Guidelines. However, compared to the previous period, expenditure towards transformation has gone down by R6,6 million from R260.3 million in 2022/23 to R253.7 million in 2023/24. This is mainly attributed to relatively lower financial performance of the Trusts and levy.

The 20% transformation spending of the total levy income, which helps black farmers and agripreneurs in businesses that use statutory levies, is the primary focus of the NAMC transformation guidelines. The levy administering entities are obliged to present a business plan outlining their transformation efforts and budget when applying for statutory levies.

During the period under review, the Transformation Review Committee (TRC) evaluated and recommended transformation business plans from the following industry bodies:

- Milk South Africa (Milk SA)
- Raisins South Africa (Raisins SA)
- Citrus Grower Association- Grower Development Company (CGA-GDC)
- South African Cultivar and Technology Agency (SACTA)
- South African Olive (SA Olive)
- South African Table Grape Industry (SATI)
- Cape Flora South Africa (Cape Flora SA)

At any given time of the year, the NAMC arranges with the industry for farm and enterprise visits as per the Section 4 of the NAMC's Transformation Guideline. The monitoring work is aimed at ensuring that what is in the yearly activity-plans are what is happening on the ground.

In the 2024/25 period, the following industries and representatives of the Minister were visited:

- Ministerial Representatives based in Limpopo Province
- Milk South Africa
- South African Pork Producers Organisation (SAPPO)
- Potato Industry Development Trust (PIDT)

NAMC TRC members participated in various industry transformation committees to strengthen relationships and guide transformation activities. During the period under review, the TRC attended the following transformation committees:

- Potatoes South Africa (PSA) Transformation Committee
- Raisins South Africa Transformation Committee meeting
- South African Poultry Association (SAPA)
- Transformation Committee meeting
- Mohair Empowerment Trust
- Wool Empowerment Trust (establishment)
- South African Pork Producers Organisation (SAPPO) business Development meeting

AGRO-FOOD CHAINS RESEARCH UNIT

Within the Agro-Food Chains Research Unit, research focused on assessing the competitiveness of various agro-food value chains for evidence-based recommendations on how to enhance the efficiency and resilience of the sector. The Unit achieved its commitment as per the 2024/25 APP to publish monthly Supply and Demand Estimates (S&DE) reports for grain and oilseeds. These monthly S&DE reports are part of the advisory notes that were shared with the Minister and stakeholders to track and monitor grain stock levels in the country. Grain and oilseeds are important sources of food security because they are a major ingredient of staple food. The monthly S&DE reports were published on the NAMC website.

Additionally, the Unit published the quarterly Poultry Price Monitor Reports (PPMR) as part of the economic and technical support to the implementation of the Poultry Master Plan. Most of South Africa's population obtains affordable animal protein from poultry, making it crucial for maintaining and improving the country's food security.

The quarterly PPMR report tracked the cost of different chicken meat products in South Africa and compared them to current global poultry market trends. International poultry meat prices, imports of chicken products into South Africa, producer pricing, and retail poultry prices are examined every quarter. To provide a comprehensive comparison between domestic poultry prices and global market prices, the analysis also included feed prices. These reports are published on the NAMC website.

The NAMC monitored food prices at retail level and released regular authoritative reports. The Department of Agriculture, Land Reform and Rural Development (DALRRD), formerly the Department of Agriculture, Forestry and Fisheries (DAFF) established the Food Price Monitoring Committee (FPMC) at the NAMC to track, trace, and report food price trends in South Africa.

The intention was to provide explanations of the observed trends and to then advise the Department on any possible action that could be taken should national and household food security be threatened. The NAMC issued four quarterly Food Price Monitoring reports annually. These reports are published on the NAMC website.

The study on sustainable tomatoes production for smallholder farmers in South Africa analysed the global and domestic tomato value chain, noting a consistent increase in tomato consumption and production driven by the health benefits associated with tomatoes. Both producers and processors of tomato products in South Africa faced numerous challenges though including retail price fluctuations, climate uncertainty, and competition, that limit their significant participation in the value chain.

The interface between production, agro-processing, and markets was a major challenge identified by smallholder farmers in the South African tomato value chain. The study proposed various mitigation strategies such as sustainable production practices like utilisation of drought/disease resistant seeds, water efficient production practices, utilisation of organic fertilisers, crop rotation, pre-harvest begging, and provision of adequate and responsive extension services. The report is published on the NAMC website.

Agricultural inputs such as fertilisers and fuel play a significant role determining the competitiveness of the agricultural sector. The Input Cost Monitoring (ICM) report, published by the National Agricultural Marketing Council (NAMC) is a quarterly report analysing historic and current trends of selected agricultural production input prices in both domestic and international markets. Data is obtained from Grain South Africa (Grain SA), the Department of Energy (DoE) and the South African Grain Information Service (SAGIS). The Unit achieved the commitment to publish quarterly Input Cost reports. These reports are published on the NAMC website..

PROGRAMME 3: OUTCOME 3: ENHANCED MARKET ACCESS FOR THE AGRICULTURAL SECTOR PARTICIPANTS

AGRIBUSINESS DEVELOPMENT DIVISION (ADD)

The Agribusiness Development Division facilitates market access for farmers, especially smallholder farmers who are mostly disadvantaged in terms of market information, compliance (SA and Global GAP certification), packaging, quality control, consistency, logistic planning and business linkages with potential buyers. This programme enables the NAMC to contribute to making the agricultural sector more inclusive and viable as a contributor to economic growth and transformation.

This is achieved by working collaboratively with the existing network of partners with the respective knowledge and resources. The market facilitation programme is guided by market analysis, market readiness of farmers, market demand and stakeholder intervention to support farmers in order to supply the identified market. The NAMC linked 185 smallholder farmers with different markets during the financial year 2024/2025. Out of the 185 farmers linked with the market, 43% are male; 57% are female and 19% youth. The smallholder farmers are spread over three provinces in South Africa: KwaZulu- Natal (50%), Mpumalanga (32%), and Gauteng (17%).

Actual Achievement for Quarter 1

During the period in review, the Agribusiness Development Division in collaboration with uGu Department of Agriculture Land Reform and Rural Development (uGu – DALRRD) and the KwaZulu Natal Economic Development and Agricultural Movement (KZN-EDAM), linked 23 smallholder potato farmers with an aggregator Krystal Farming and Consulting market to supply potatoes. Their clients include Frimax which is in Verulam, KwaZulu Natal. The participating farmers are located in the surrounding areas within uGu District Municipality and there is a total of 11 males and 12 females. They collectively operate on a total of approximately 550 hectares of communal/ family-owned land and from the land reform redistribution. Farmers also specialize in different varieties of vegetables, such as spinach, cabbages, carrots, sweet potatoes and potatoes.

The Division also linked 10 farmers with Simply Garlic in Gauteng Province to supply cabbages. Farmers are located in West Rand, Sedibeng and City of Tshwane within the Gauteng province. Farmers produce vegetables such as cabbage, tomatoes, butternuts, peppers, spinach, chilies, etc. Demographics stand as follows; 7 females, 3 Males, 1 youth and 9 adults. The total hectares of farms is 225.5ha of either private

land, land reform and leased land. The market is open to buy fresh cabbage, onion, fresh tomatoes, carrots, chillies, butternut and sweet potato from the farmers.

Actual Achievement for Quarter 2

During the period in review, the Agribusiness Development Division in collaboration with uMkhanyakude District and Mtubatuba Local Department of Agriculture Land Reform and Rural Development (uMkhanyakude/ Mtubatuba – DALRRD), KwaZulu Natal Agribusiness Development Agency (ADA) and the KwaZulu Natal Development and Agricultural Movement (KZN-EDAM) linked 25 smallholder farmers with Frimax Foods (Pty) Ltd, to supply them with potatoes.

The company manufactures potato chips, corn chips, maize puffs and nax. There is a total of 25 participating farmers from the surrounding areas of Mtubatuba Local Municipality, of which 11 of them are male, 14 are female and 23 youth. Farmers also specialize on other commodities which include vegetables and livestock.

The Division also linked 10 farmers with Simply Garlic in Gauteng Province to supply vegetables (cabbages). Farmers were profiled in Gauteng province at Midvaal and City of Tshwane municipality. Farmers produce vegetables such as cabbages, an essential element peppers, spinach, chillies etc., Demographics stand as follows; 5 females, 5 males, 1 youth and 9 adults. The total ha of farms is 71.9 ha of private land and leased land. The market is open to buy fresh cabbage, onion, fresh tomatoes, carrots, chillies, butternut and orange sweet potato. Simply Garlic main operations are on the processing of vegetables.

Actual Achievement for Quarter 3

During the period in review, Agribusiness Development Division collaborated with Mpumalanga Department of Agriculture, Rural Development Land and Environmental Affairs (DARDLEA) and linked 60 smallholder farmers with Spaza Eats fresh produce market to supply tomatoes. Spaza Eats is a leading e-commerce marketplace serving South Africa's township and urban markets, as an additional platform for smallholder farmer produce. The participating farmers are located in Mkhuhlu and surrounding areas, Bushbuckridge Local Municipality, in Mpumalanga province. Out of the 60 participating farmers, 23 are male, 37 female, and 20 youth. Farmers also specialize in other commodities which include vegetables and livestock.

Actual Achievement for Quarter 4

During the period under review, the Agribusiness Development Division collaborated with KZN Department of Agriculture, Land Reform and Rural Development and linked forty-five smallholder farmers with Medigrow to supply hemp. The participating farmers are located in Ndwedwe area in the iLembe District Municipality of the KwaZulu Natal province.

Out of the 45 participating farmers, 19 are male, 26 female and 7 youth. Farmers also specialize in other commodities such as sweet potatoes, amadumbe (taro), vegetables, and diverse types of beans, as well as maize, groundnuts, potatoes, and yams (amadumbe). Alongside crop farming, other farmers raise livestock, including goats, cattle, and poultry such as broilers and layers.

The Division also facilitated market access for smallholder poultry (broiler) farmers in Emfuleni Local Municipality, Gauteng Province. The farmers were linked with Spaza Eats to supply chicken as outlined in the specification. Of the 12 farmers, there was one youth (ages 18–35). The participants were predominantly male (8), with female farmers making up the remaining 4. Operation sizes ranged between 100 to 8,000 chickens, enabling a comprehensive assessment of their needs and the support required to facilitate their success in the poultry market. Farmers also produce other commodities such as pigs, cows, goats, ducks, soya and vegetables.

Production Scheme Design

The agriculture and agro-processing master plan promotes inclusive growth in the sector achieved through a district-based commodity value chain development that is safeguarded by comprehensive farmer support, data and evidence-based policies and equitable access to land, water, competitive markets, technology and research. Implementing these AAMP interventions will ensure food security, jobs and a reduction of inequality in the country.

To implement the AAMP interventions, sector players must recognize the crucial role of both commercial and emerging farmers, and their existence must be sustained through meaningful partnerships with government and markets. The support provided must be tailored to the needs and growth prospects of commercial and emerging farmers as they are at different levels of development and participation in the global linked value chains.

Emerging farmers refers to new entrants in agriculture, that is, subsistence, small-scale and medium scale farmers, who are predominantly black and were historically denied by law to farm commercially and sell to formal markets. To make emerging farmers operate in a modern commercial and market-linked manner, not necessarily making them large scale, a Production Scheme concept is proposed which will result in a structured arrangement of emerging farmers, expanded production output, economies of scale with bargaining power to access affordable agricultural inputs and seeds, government support and secured market offtake agreements.

During the period in review, the Agribusiness Development Division finalized the designs of the two production schemes: Wine and Wool. The designs are guided by the production scheme framework, to be implemented through private and public partnerships.

SMALLHOLDER MARKET ACCESS UNIT

The smallholder Market Access Unit conducted research to determine factors that influence market access by smallholder farmers. The research output from the Unit assists policy makers, researchers and value chain actors to determine adequate and responsive agribusiness market support packages.

During the 2024/25 financial year, the Unit published quarterly Smallholder Market Access Estimates (SMAE) reports. The quarterly SMAE reports estimated smallholder market participation at National Fresh Produce Markets (NFPMS) in South Africa. The report focused on the following constructs: (i) volume of fresh produce supplied by smallholder farmers; (ii) the revenue generated by smallholder farmers; and the average producer prices per ton. These estimations were informed by the National Agricultural Marketing Council's (NAMC) Section 7 Committee Report (2006), that recommended 30% of volumes should be traded through black commission market agents. The quarterly SMAE reports indicated that:

Fresh produce trade remains highly concentrated in four major urban markets:

Johannesburg, Tshwane, Cape Town, and Durban, that together account for approximately 79% of total quantity traded and over 84% of smallholder farmer revenue. The fresh produce concentration limits smallholder market access to alternative distribution channels.

Smallholder vegetable trade is heavily dominated by five crops: potatoes (44.42% of volume), onions, tomatoes, carrots, and cabbage, together making up over 83% of total traded volume. Fruit trade is similarly concentrated, with bananas, apples, watermelons, pears, and oranges accounting for nearly 67% of the total fruit volume. This narrow commodity focus increases exposure to price and production risks. The SMAE reports are published on the NAMC website.

Additionally, the Unit conducted a Smallholder Market Access Tracker (SMAT) baseline study on the mohair industry. The SMAT is a tool that measures progress in achieving the market access goal for smallholders in South Africa. The tool aims to analyse market information geared to determine interventions to mitigate the challenges of market access for smallholder farmers in South Africa.

The baseline discovered that Mohair producers have access to market through brokers. Mohair growers travel an average of 306 kilometres to sell their mohair to brokers. Therefore, brokers remain the primary distribution channels for mohair farmers. Mohair production varies from 118 kg to 5 000 kg, underpinning the farm income disparities and is further exacerbated by a high stock turnover as farmers face substantial losses, with an average of 66 goats stolen per farm over 3-years and 45.6 lost to sickness or predation, compared to about 46 kids produced. Furthermore, the farmers indicated that the brokers offer a better price, although they take between two weeks to three months to pay, with some farmers waiting over three months for their payments.

It was recommended that the government and industry upscale their support to the farmers through

creating a shared vision, while including other value chain role players as envisaged in the Agriculture and Agro-processing Master Plan (AAMP). Where possible, the role of government must be clearly defined, and its participation as a partner must be fostered in the Mohair Empowerment Trust (MET). The quarterly SMAE reports are published in the NAMC website.

Furthermore, the Unit produced a quarterly Agripreneur publication that creates a platform for agripreneurs and farmers, particularly smallholders, to share their knowledge, skills, challenges, experiences, and insights.

The Agripreneur publication promotes and profiles aspects of South African agriculture and packages the sector as an attractive brand for aspiring agripreneurs. During the 2024/25 financial year Agripreneur edition 37 covered the effects of avian influenza on the poultry industry, the mohair industry, goat farming, goat farmer of the year, and profiled a young farmer. The Agripreneur edition-38 covered empowerment of smallholder farmers through E-commerce, the opportunities from cassava crop, best mohair production practices and opportunities within the cannabis industry.

The Agripreneur edition-39 focused on the olive industry, the mohair value chain and the link with the hospitality sector, agro-tourism, and the profiling of young tomatoes farmers. Agripreneur edition-40 focused on the profiling of mohair farmers, export opportunities in China and dis/advantages of starting big and/or small. A female farmer was profiled on the journey into agribusiness. These reports are published on the NAMC website.

Table 7: Linking Performance with Budget

Programme/ activity/ objective	2024/2025			2023/2024		
	Budget R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Budget R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
Administration	36 828	36 387	441	30 971	30 611	360
Markets and Economic Research Centre (MERC)	10 608	10 458	150	3 707	3 657	51
Statutory Measurers	3 462	3 261	201	2 864	3 202	339
Agricultural Trusts	2 869	2 693	176	12 088	10 097	1 991
Agribusiness Development	4 013	3 914	99	3 341	3 521	181
Total	57 780	56 712	1 068	52 971	51 089	1 882

Strategy to overcome areas of underperformance

The NAMC's budget for the year under review was R57.7 million. There was a surplus of R1 million at the end of the reporting period. The underspending on the budget is due to office relocation projects that were still in progress as at year-end. Most of the funds were spent on employee costs, Council, and oversight committee fees and to further the mandate of NAMC as per the MAP Act..

Table 8: Revenue Collection

Sources of revenue	2024/2025			2023/2024		
	Budget	Actual Amount collected	(Over)/Under collection	Budget	Actual Amount collected	(Over)/Under collection
Government Grant	45 765	45 765	0	49 771	49 771	-
Sponsorship Revenue		2 683	-2 683	-	2 316	(2 316)
Interest Income	3 000	3864	-864	2 400	4 323	(1 923)
Other income	3 500	3724	-224	800	1 024	(224)
Roll-over of surplus funds	5 515	5 515	0			
Total	57 780	61 551	-3 771	52 971	57 434	4 463

Sponsorship Revenue: These are funds received on various projects during the year as part of a collaboration with other relevant industry bodies such as Cassava Value Chain Analysis project.

Rendering of service: This is the management fee received from projects administered by NAMC.

Interest income: The NAMC had a favourable bank balance due to funds from projects and the approved retention of surplus in the previous financial years resulting in increased interest received from the bank.



PART C:

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

1. INTRODUCTION

The Government has identified good corporate governance as being one of the key focus areas within the public sector, leading to the creation of the Protocol on Corporate Governance in the Public Sector, which encompasses the recommendations by the King Codes on Corporate Governance.

The NAMC undertakes to promote good corporate governance, which will encourage an efficient, effective, and transparent business enterprise.

2. PORTFOLIO COMMITTEE

Parliament exercises its oversight role over the NAMC by evaluating its performance and interrogating its annual financial statements and other relevant documents. This oversight role is fulfilled by the Portfolio Committee on Agriculture, Forestry and Fisheries and by the Standing Committee on Public Accounts (SCOPA).

The Portfolio Committee oversees service delivery and performance in accordance with the mandate and strategy of the NAMC. The Committee reviews financial and non-financial information, such as efficiency and effectiveness measures, and therefore reviews the non-financial information contained in the Annual Reports of the NAMC.

SCOPA Oversight

SCOPA oversees the financial performance and accountability of the NAMC in terms of the PFMA, and it, therefore, reviews the annual financial statements and audit reports from the Auditor General of South Africa.

3. EXECUTIVE AUTHORITY

Parliament oversees the Executive Authority, which is required to provide it with full and regular reports concerning matters under its control. The Executive Authority for the NAMC is the Minister of Agriculture, Land Reform and Rural Development. The MAP Act, No. 47 of 1996, provides that the Executive Authority can appoint or dismiss members of the Council, including the Chairperson, Deputy Chairperson, and members of the Council.

The appointment procedure for Council members is set out in subsection (4) of the MAP Act. Before the expiration of a member's term of office, the procedure set out in subsection (4) of the MAP Act must be followed for the appointment of a successor.

The NAMC Council submits quarterly reports on actual performance against pre-determined objectives to the Executive Authority within 30 days of the end of a quarter.

4. ACCOUNTING AUTHORITY / COUNCIL

The MAP Act, No. 47 of 1996, provides guidelines for the composition of the Council. The Minister of Agriculture, Land Reform and Rural Development is responsible for appointing one of the members of the Council to the position of Chairperson and another member as Vice-Chairperson. The Council is composed of 10 members. The current Council was appointed on 25 May 2021, and their term of office will end on 25 May 2025.

Functions of Council

According to Section 9 of the MAP Act, No. 47 of 1996, the functions of Council are as follows:

- (1) Subject to the provisions of section 2, the Council;
 - (a) shall, when requested by the Minister, or of its own accord, investigate in terms of section 11 (2), the establishment, continuation, amendment or revocation of statutory measures and other regulatory measures affecting the marketing of agricultural products, evaluating the desirability, necessity or efficiency of, and if necessary proposing alternatives to, the establishment, continuation, amendment or repeal of a statutory measure, or other regulatory measure, and to report to and advise the Minister accordingly;
 - (b) shall prepare and submit to the Minister for consideration statutory measures and changes to statutory measures which the Minister directs it to prepare.
 - (c) shall, whenever requested by the Minister, and at least once annually, report on the activities of the Council.
 - (d) may direct any institution or body of persons designated for the implementation or administration of a statutory measure in terms of section 14; to furnish the Council with such information pertaining to a statutory measure as the Council or the Minister (or the parliamentary committees) may require.

- (e) may undertake investigations and advise the Minister regarding:
 - (i) the agricultural marketing policy and the application thereof.
 - (ii) the co-ordination of agricultural marketing policy in relation to national economic, social and development policies and international trends and developments; and
 - (iii) the possibilities for promoting the objectives mentioned in section 2 (2);and
- (iv) the effect that marketing of products has on the objectives mentioned in section 2 (2) shall monitor the application of statutory measures and report thereon to the Minister and shall evaluate and review such measures at least every two years.
- (f) shall prepare a budget of its expenses, in consultation with the Director-General, on an annual basis for approval by the Minister.

(2) Copies of all reports which are submitted to the Minister in terms of subsection (1) shall simultaneously be dispatched to the parliamentary committees for their information

Council Charter

The Council is governed by a Charter, as recommended by the King Codes on Corporate Governance, which details the roles, structures and functions of the Council and its composition.

5. COMPOSITION OF THE COUNCIL

Name	Designation	Date appointed	Date contract ended	Qualifications	Area of expertise	Board directorship (List of entities)	Other committees or task teams	No. of meetings attended
Mr. Angelo Petersen	Chairperson: Council	May 2021	Not applicable	Post Graduate Diploma in Leadership Development (cum Laude (University of Stellenbosch).	Extensive experience in leading agricultural strategy at multi- market and multiple divisional levels for commercial agricultural organisations. FFMA and PPPFA Board governance, ethical leadership, and compliance experience (King Code).	<p>Angelo chaired the following boards;</p> <ul style="list-style-type: none"> • Perishable Products Exports Control Board (2013-2019) • Agricultural Produce Agents Council (2009-2013) • IFC/Thandi Land Reform Programme (2006-2009) • Institute of People Management Western Cape (2004-2005). <p>Angelo served on the following councils and boards;</p> <ul style="list-style-type: none"> • Casidra Soc (2021-2023) • Produce Marketing Association (PMA) Country Council (2018-2019) • Agricultural Produce Agents Council (2006-2013) • Western Cape Trade and Investment promotion Agency (Wesgro) during 2006 - 2008 and 2010 – 2014 period • Thandi Wines (2006-2009), • Ceres Fruit Growers (2006-2010) • African Grand Prix Bid Company (2007-2009) and • Community Chest of the Western Cape (2016-2017). • FPT Group and FPT Empowerment Holdings (2012-2019). 	None	9 of 9

Name	Designation	Date appointed	Date contract ended	Qualifications	Area of expertise	Board directorship (List of entities)	Other committees or task teams	No. of meetings attended
Ms Fezeka Mkile	Council Member	May 2021	Not Applicable	Bachelor of Administration (University of Durban Westville), Diploma Office Management and Information Technology (Infotech College), Introduction to Corporate Governance and Board Effectiveness, Being a Director, Parts 1-5, Governance of Ethics, Financial insights for Non- financial Directors, Mastering Chairmanship (Institute of Directors Southern Africa), Certificate of Competence in Leadership and Team Building (Ubumbo Research and Development).	Agribusiness Development	She is a Non-executive Director of different Companies: She previously served as the chair of the National Agricultural Marketing Council's Human Resource and Remuneration Committee. She is the Chairperson of the Cookhouse Wind farm Community Trust and serve as an Independent Trustee. She is a Board member of Renewables Cookhouse Wind Farm 1(RF) (Pty) LTD and Chairperson of the Social and Ethics Committee. She is an Independent Trustee of Fort Hare Piggery Trust and Chairperson of the Social and Ethics Committees. She is the Board member of the Mzimvubu Tsitsikama Management Catchment Agency and Chairperson of the Governance, Social and Ethics Committee. Fezeka is member of the Institute of Directors of Southern Africa (IoDSA) in good standing.	Member of HR and R Committee	5 of 5
Ms Thandeka Ntshangase	Deputy Chairperson Council	May 2021	Not Applicable	Bachelor of Commerce (University of Kwa-Zulu Natal)	Strategic Business Planning and Execution. Corporate Governance and Strategy. Finance, Budgeting and Cost Management. Risk or Change Management and Performance Metrics. Policy and Procedure Development	Director and Shareholder of Logico Logistics, Member of the PSIRA Council, Non-Executive Director, Chairperson of Projects and Finance Committee- KZN Agribusiness Development Agency, and Non-Executive Director and Deputy Chairperson- Mjindi Farming (Pty) Ltd.	None	4 of 5

Name	Designation	Date appointed	Date contract ended	Qualifications	Area of expertise	Board directorship (List of entities)	Other committees or task teams	No. of meetings attended
Mr. Sifiso Mhlaba	Council Member	May 2021	Not applicable	<p>Master of Business Administration (MBA) University of Stellenbosch Business School, Master of Science (M. Sc) In Applied Economics. Washington State University, USA.</p> <p>BSc Honours in Agriculture Economics (Cum Laude) North West University. Being a director part 1 - 4, Governance of Ethics (IoDSA)</p>	<p>Market research and analysis Policy analysis and evaluation</p> <p>Agricultural Trade research and analysis</p> <p>Competition and Regulatory Economics</p> <p>Financial Modelling</p> <p>Project Management</p>	<p>Director: Davhuka Investments;</p> <p>Director: Umvongothi Holdings</p>	Member of the HR and RC	5 of 5
Dr. Thembi Xaba	Council Member	May 2021	Not Applicable	<p>PhD in Business Management Administration (University of Stellenbosch Business School) MPhil in Development Finance (University of Stellenbosch Business School) Advanced Diploma in Economics Policy (University of the Western Cape)</p> <p>Post Graduate :Land & Agrarian Studies (University of the Western Cape)</p>	<p>Agriculture/ Agribusiness</p> <p>Climate Action</p> <p>Deal Structuring</p> <p>Growth & Stability strategy implementation.</p> <p>Investment Promotion</p> <p>Infrastructure development & financing</p> <p>Portfolio & Project Management</p>	<p>As an Executive, she serves on the various Boards and Committees; Human Resource Development Council of South Africa (Deputy Chairperson) Crookes Brother Limited - JSE listed (Chairperson: Human Capital Committee), Gibela Business Incubator (Chairperson: Human Capital, Governance & Sustainability Committee) , National Empowerment Fund as Member of the Risk and Portfolio Management Committee,</p> <p>She has also served as Non-Executive Director for the Joburg Market where she chaired the Audit and Risk Committee.</p>	Chairperson of the HR and RC	5 of 5

Name	Designation	Date appointed	Date contract ended	Qualifications	Area of expertise	Board directorship (List of entities)	Other committees or task teams	No. of meetings attended
Prof. Andre Jooste	Council Member	May 2021	Not Applicable	PhD Agricultural Economics (Free State University) MSc Agricultural Economics University of Pretoria BSc Honors Agricultural Economics University of Pretoria	Conducting Market, policy, rural and industry analysis. Value Chain analysis. Market Research	Chairperson Red Meat Research and Development Trust Project Committee. Chairperson of the Grain and Oilseed Demand and Supply Estimates Committee. Member of the Steering Committee of the South African Node of the Food, Agriculture and Natural Resources Policy Analysis Network (FANRPAN). Non-Executive Director and Shareholder Elardus Park Properties; Ad Hoc consultancy projects.	Member of the Audit and Risk Committee	4 of 5
Ms Nonie Mokose	Council Member	May 2021	Not Applicable	Master's degree of Agriculture in Rural Development (University of Pretoria), BSc. Nutritional Sciences (Cornell University, Ithaca, New York).	Rural Development, Agricultural and Farmer Development and Empowerment, Sustainable Agri-Food Systems, and Fast-Moving Consumer Goods (FMCG) Marketing, Human Nutritional Sciences.	Central University of Technology: Free State (CUT) Member of Council.2019 to 2025 Specialist Agricultural Representative on Council Member of Planning Finance and Resources Committee (PFRC) 2019 to 2025 Kgodiso Trust (Pioneer Food Group (Pty) Ltd: PepsiCo Inc.) Independent Trustee of the Kgodiso Trust Chairperson of Kgodiso Trust Investment Committee Previous Laeveld Agrochem Steering Committee Member: Agricultural Entrepreneur Development Company.	Audit and Risk Committee Member	5 of 5
Ms Shandini Naidoo	Council Member	May 2021	Not Applicable	LLB LAW (WITS) BA International Relations (WITS) LLM International Economic Law (UNISA)	Legal and Risk Management Legal Advisory Legal Compliance Company Secretary Business Development Legal Research International Trade Advisory and Policy Business proposals	AVOPORT PTY LTD	None	5 of 5

Name	Designation	Date appointed	Date contract ended	Qualifications	Area of expertise	Board directorship (List of entities)	Other committees or task teams	No. of meetings attended
Mr Gerhard Schutte	Council Member	May 2021	Not Applicable	Master's degree in agriculture, Baccalaureus Honours in Agriculture (Animal Nutrition), Bachelor of Science in Agriculture.	Commercial Agriculture Transformation Animal welfare Animal Health	Chairman: Livestock Welfare Coordinating Committee Board member Milk Producers Organisation	None	5 of 5
Mr. Jan Mocke	Council Member	February 2024	Not-applicable	Masters in Business Leadership (MBL -Unisa SBL). Electronic Engineer B(Eng)Electron (University of Pretoria)	<ul style="list-style-type: none"> - Management of large companies - Corporate governance - Agricultural production - Agricultural Marketing - Agro-Processing - Engineering - Fresh Produce Market design - Management of fresh produce markets - Business turnaround - Feasibility Studies - Business Plans - Market Studies - Board Governance. 	<p>Currently serving as a NED on the Board of the Tshwane Economic Development Agency</p> <p>He also served for three terms on the Board of the Joburg Market as NED and Chairperson of the Operations Committee. He also served as Chairperson of the Board for a period during this time.</p> <p>He also served on the following Boards:</p> <ul style="list-style-type: none"> - Zetmac - SAUFM - Mukumbani Tea Estates - Extracted Oils and Resins - Venteco <p>He also served on the following industry bodies:</p> <ul style="list-style-type: none"> - Tea Council of Southern Africa (Chairman) - SAMAC (Chair of the marketing committee) - Coffee Growers Secretariat of South Africa - Tea Research Foundation (Based in Malawi). 	<p>Member of NAMC Audit and Risk Committee.</p> <p>Chair of TEDA Projects and Investment Committee.</p> <p>Member of TEDA Finrisk and Social and Ethics Committees.</p>	5 of 5

Table 10: Audit and Risk Committee Meetings

No.	Name	Role	No. of meetings attended
1	Mr. Paul Slack	Chairperson	7 of 7
2	Mr. Simphiwe Dzengwa	Audit and Risk Committee Member and Chairperson of the Risk Management Committee	7 of 7
3	Ms Nonie Mokose	Council Member	7 of 7
4	Mr. Sazi Ndwandwa	Independent Member of the Audit and Risk Committee	5 of 7
5	Mr. Jan Mocke	Council Member	4 of 7
6	Prof. Andre Jooste	Council Member	3 of 7

Table 11: Human Resources and Remuneration Committee Meetings

No.	Name	Role	No. of meetings attended
1	Dr Thembi Xaba	Council Member (Chairperson)	4 of 4
2	Ms Fezeka Mkile	Council Member	4 of 4
3	Mr Sifiso Mhlaba	Council Member	4 of 4
4	Mr Gerhard Schutte	Council Member	4 of 4

Table 12: Risk Management Committee Meetings

NO.	Name	Role	No. of Meetings attended
1.	Mr. S Dzengwa	Chairperson and Audit and Risk Committee Member	5 of 5
2.	Dr S. Ngqangweni	Chief Executive Officer	5 of 5
3.	Ms L. Dire	Chief Financial Officer	4 of 5
4.	Ms N. Simelane	Senior Manager: Human Resources Management	4 of 4
5.	Ms F. Mudau	Acting Chief Financial Officer	1 of 5
6.	Mr S. Burger	Senior Manager: Statutory Measures	5 of 5
7.	Ms K. Mosoma	Senior Manager: Agribusiness Development	5 of 5
8.	Mr B. Nyhodo	Senior Manager: Agricultural Trusts	4 of 5
9.	Mr MD Mohale	Communication Manager	4 of 5
10.	Ms N Shelembe	Risk and Compliance Manager	5 of 5
11.	Dr. MV Thindisa	Senior Manager: MERC	3 of 5
12.	Mr S Ndwandwa	Member of RMC	5 of 5

6. RISK MANAGEMENT

Risk management is, in essence, about proactively identifying and understanding the factors and events that may impact upon the achievement of strategic and operational objectives, including managing, monitoring, and reporting of risks and opportunities. It is in this regard that the Risk and Compliance Unit of the NAMC was established, based on the prescripts of the Public Finance Management Act, Treasury Regulations and the Public Sector Risk Management Framework issued by the National Treasury.

The implementation of the Risk Management Strategy was executed through a Risk Management Implementation Plan, approved by the Council. The Risk Management Implementation Plan is meant to guide and assist in implementing the activities that will assist in serving the organisation.

The Risk Implementation Plan empowers the Risk and Compliance Unit to perform the following:

- Facilitation of risk identification,
- Risk mitigation.
- Risk monitoring and reporting at the operational, project and strategic levels.
- Implementation of the approved fraud prevention policy.
- Implementation of the approved continuity management policy.
- Implementation of the compliance and ethics programme; and
- Implementation of the combined assurance framework.

7. INTERNAL CONTROL

The Council has the ultimate responsibility for establishing a framework for internal controls, including an appropriate procurement and provisioning system. This function is delegated to the executive management to ensure that the risks are properly managed. The controls throughout the entity focus on the critical risk areas identified and confirmed by management.

The Council relies on the Audit and Risk Committee, Risk Management Committee, and Internal Auditors to monitor and report on the status of the internal controls at the NAMC. These controls are designed to provide a cost-effective assurance that assets are safeguarded and that the available working capital is managed efficiently, effectively, and economically.

Organisational policies, procedures and the delegation of authority provide direction, accountability, and division of responsibilities, and contain self-monitoring mechanisms. The designed internal controls are closely monitored by both management and internal audit, and actions are taken to correct deficiencies identified.

8. INTERNAL AUDIT AND AUDIT AND RISK COMMITTEE

The Audit and Risk Committee plays an important role in ensuring that the entity functions according to good governance, accounting, and audit standards. The Committee also monitors the adoption of appropriate risk management arrangements, and a brief description of these is as follows:

- Key activities and objectives of the internal audit
- Specify summary of audit work done
- Key activities and objectives of the Audit and Risk Committee
- Attendance of Audit and Risk Committee meetings by Audit and Risk Committee members.

9. FRAUD AND CORRUPTION

The NAMC has an approved Whistle Blowing and Fraud Prevention Policy, which is established to facilitate the development of controls that will aid in the detection and prevention of fraud against the entity. The NAMC has zero tolerance towards fraud and corruption; in addition, the entity has a Declaration of Interest Policy which ensures that the values of the entity are maintained and upheld

10. MANAGING CONFLICT OF INTEREST

Managing the risk of conflict of interest, it is a requirement that all officials in the supply chain management unit and all internal staff participating in the tender/procurement committees – whether bid specification, bid evaluation or bid adjudication – complete and sign declaration of interest forms and the code of conduct. In instances where an affected party is conflicted, it is a requirement that recusal be made and that the matter of conflict be declared and registered.

11. CODE OF CONDUCT

The NAMC Code of Conduct outlines the expected standards of behaviour, ethical norms, and responsibilities that all employees are required to uphold in the execution of their duties. Instances of misconduct have led to investigations due to non-compliance with established policies. To promote awareness and ensure clarity on these expectations, the Code of Conduct is regularly workshopped with all employees.

12. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

This report provides a comprehensive overview of the Occupational Health and Safety (OHS) landscape at the NAMC for the period 01 April 2024 to 31 March 2025. It highlights key initiatives implemented, progress made, and challenges encountered in our ongoing efforts to maintain a safe and healthy working environment for all employees..

The OHS Policy and Management

The NAMC remains firmly committed to ensuring the health and safety of its employees through the implementation of a well-defined and Council-approved Occupational Health and Safety (OHS) policy. This policy is regularly communicated, reviewed, and updated to remain aligned with current legislation and best practices. To support its implementation, a dedicated OHS Committee has been established, meeting quarterly to review safety-related matters, oversee compliance, and address emerging issues. The committee also monitors legislative developments and ensures that any necessary policy updates are effectively communicated and adopted.

Risk Assessment and Control

Thorough risk assessments were carried out across all office areas to identify potential hazards. This allowed us to implement appropriate control measures. Regular inspections and audits ensured compliance with safety protocols, and any hazards identified were promptly addressed with corrective actions. The risk register was also updated every quarter.

Training and Education

During the reporting period, all employees participated in the OHS training and due workshops programs, with the assistance of Agbiz. These sessions covered various topics, including injuries and illnesses, employee well-being, increased productivity, compliance with regulations, handling, identification and control of

hazardous materials, and general health and safety awareness.

Incident Reporting and Investigation

The office relocation project from Arcadia prompted the organisation to strengthen its incident reporting system, encouraging employees to report all workplace incidents, accidents, or near misses. This process was actively implemented during the transition from the former premises to the new offices located in Hillcrest. Each safety or security-related incident reported was thoroughly investigated to determine root causes and identify areas for improvement, with corrective actions promptly implemented to prevent recurrence.

Following the expiry of the previous lease on 31 July 2024, the NAMC secured new office accommodation through a compliant procurement process. The relocation to Hillcrest took full account of Occupational Health and Safety (OHS) requirements, including accessibility provisions for employees with disabilities. An OHS risk assessment was conducted for the new premises, and as of 01 March 2025, the organisation has been addressing the resulting recommendations to ensure a safe and inclusive work environment as operations settle.

Emergency Preparedness

Emergency response plans have been aligned with those of the landlord to ensure full compliance with safety regulations. These plans are regularly communicated to staff and tested for effectiveness. Evacuation drills were carried out to ensure all employees are familiar with emergency procedures and designated assembly points. Additionally, routine inspections and maintenance were conducted on all emergency equipment, including fire extinguishers and first aid kits, to ensure readiness at all times..

Mental Health and Well-being

Acknowledging the vital role of mental health in the workplace, the NAMC introduced targeted initiatives to promote employee well-being in partnership with the specialist service provider Lyra (formerly known as ICAS). These efforts included awareness campaigns, access to a range of mental health support resources, and confidential Employee Assistance Programmes (EAPs) aimed at supporting staff through personal or work-related challenges.

Challenges Encountered

Despite notable progress in promoting a safe and healthy work environment, a few challenges were encountered during the reporting period. One such challenge was the incomplete participation in a scheduled fire drill, primarily due to the Hybrid Working Arrangements. Measures have since been implemented to ensure full participation in future drills, ensuring that all employees are familiar with emergency procedures and response protocols.

The new office premises offer a significantly improved standard compared to the previous building, enhancing the overall working environment. However, maintaining consistent adherence to safety protocols and addressing minor, evolving risks particularly those related to housekeeping, and fumigation remained ongoing priorities. These issues continue to be closely monitored and proactively managed to uphold a high standard of workplace safety.

Future Focus Areas

▪ NAMC Annual Safety Improvement Plan Reporting Period: 01 April 2024 – 31 March 2025

Finalising office accommodation adjustments and ensuring a smooth transition. Complete outstanding fit-out and accessibility enhancements at the new Hillcrest office. Address employee feedback related to workspace functionality and comfort. Ensure full compliance with OHS standards in new premises.

▪ Strengthening Preventative Measures for Workplace Injuries and Illness

Enhance hazard identification processes and reporting. Conduct routine safety inspections and risk mitigation activities. Implement proactive measures to reduce workplace injuries.

▪ Reinforcing Safety Protocols and Promoting a Safety-First Culture

Emphasise consistent application of safety procedures across all work areas. Promote leadership visibility and staff accountability in OHS. Increase visibility of safety signage and reminders in shared spaces.

▪ Enhancing Communication and Training on Emerging Safety Issues

Conduct regular briefings on new and emerging OHS risks. Include modules on remote work safety, ergonomic practices, and crisis response. Improve internal communications around policy changes and compliance.

▪ Promoting Employee Well-being and a Positive Organisational Culture

Integrate wellness programmes into the broader HR and OHS strategies. Encourage participation in mental, physical, and social wellness activities. Foster an inclusive, supportive, and respectful workplace environment.

▪ Strengthening Mental Health Support and Work-Life Balance

Expand Employee Assistance Programme (EAP) access through Lyra. Increase awareness and destigmatisation of mental health support. Promote flexible work arrangements and workload balance where feasible.

▪ Boosting Productivity, Motivation, and Business Continuity

Link wellness and safety to productivity goals. Support staff with tools and resources that enable efficient, healthy performance. Develop plans that maintain operational stability during crises or disruptions.

▪ Regular Review and Updating of OHS Risk Assessments

Reassess risk profiles regularly to account for new work methods and technologies. Incorporate employee feedback into ongoing risk evaluation. Ensure compliance with legislative changes and emerging hazards.

▪ Exploring Innovative Technologies and Solutions to Enhance Safety Practices

Investigate and pilot safety-related digital tools (incident tracking, checklists). Explore the use of IoT, automation, and data analytics in safety monitoring. Align innovations with broader digital transformation goals.

▪ Reducing Costs and Enhancing Compliance

Prevent costly incidents and fines through strict policy enforcement. Optimise use of resources in safety planning and response. Conduct cost-benefit reviews of key OHS programmes annually.

Conclusion

The NAMC remains committed to continuously improving its Occupational Health and Safety environment. By prioritizing employee well-being, proactive prevention, and innovation, we aim to ensure a safe, supportive, and compliant workplace that supports both staff and organisational success.

13. AUDIT AND RISK COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2025, set out in three parts:

Part 1: Audit Committee Reflections – 2024/2025

Chairperson's brief reflections on key objectives and activities of the AC, which must at least include

The Audit and Risk Committee exists as an independent statutory committee appointed by the Council of the National Agricultural Marketing ("NAMC"). The Committee operates within the approved Audit and Risk Committee Charter and complies with all relevant legislation in executing its responsibilities in terms of the PFMA and Treasury Regulations and the requirements of King 1V.

Audit Committee Responsibility

Statutory Duties

The Audit and Risk Committee compiled this report with the purpose to outline its responsibilities arising from Section 78 of the Public Finance Management Act and Treasury Regulation 3.1.13. and the requirements of the KING 1V Code of Corporate Governance include:

- To assist the Council in its evaluation of the adequacy and effectiveness of the internal control systems, governance, accounting practices, information systems, risk management and auditing processes applied within the NAMC's day-to-day management of its business.
- To facilitate and promote communication between the Council, Management, the External Auditors and internal auditors on matters which fall within the responsibilities of the Committee.
- To ensure the risk and compliance areas of NAMC operations to be covered in the scope of Internal and External audits.
- To ensure the accounting and auditing concerns are identified from the internal and external audits conducted during the period under review.
- To ensure NAMC compliance with legal and regulatory provisions, the MAP Act and the PFMA as well as the Treasury Regulations; and
- To ensure the independence and objectivity of the Internal and External Auditors.

Part 2: Audit Committee Composition and Meeting Attendance

The table below records the ARC meeting attendance

Table 13: Audit and Risk Committee Information

Name (Position)	Qualifications	Is the AC member an employee of an organ of state?	Number of ordinary meetings attended	Number of special meetings attended
Mr Paul Slack (Chairperson)	CA (SA)		7 of 7	5 of 5
Mr Simphiwe Dzengwa (Independent member)	MBA		7 of 7	5 of 5
Mr. Sazi Ndwandwa (Independent member)	CA (SA), MPhil (Management Coaching)		7 of 7	5 of 5
Ms N Mokose (Council member)	Master of Agriculture in Rural Development		4 of 7	5 of 5
Mr. Jan Mocke (Council member)	Mr. Jan Mocke is a qualified electronic engineer (University of Pretoria) and completed a Masters in Business Leadership (Unisa SBL).		5 of 7	3 of 5
Prof. Andre Jooste (Council member)	PhD Agricultural Economics (Free State University), MSc Agricultural Economics (University of Pretoria), BSc Honors Agricultural Economics (University of Pretoria)		3 of 7	2 of 5

The Chief Executive Officer, The Chief Financial Officer, The Chairperson of the Information Communication Technology Steering Committee, and the Risk and Compliance Manager are all standing invitees to the Audit and Risk Committee meetings. Representatives from the Internal Auditors and the Auditor General of South Africa also attended the meetings

Part 3: Audit Committee Focus Areas

The following was reviewed during the year under review:

Effectiveness of the internal control systems

Below are the primary activities undertaken by the Audit and Risk Committee in assessing the effectiveness of internal controls:

- a) Reviewed the effectiveness of internal control systems by approving the risk-based Internal Audit Plan and reviewed internal audit reports every quarter.
- b) Assessed the adequacy, reliability and accuracy of financial information provided by management.
- c) Reviewed the effectiveness of the internal audit function, and thorough assessment of the quality of reports submitted to the committee.
- d) Reviewed the NAMC's processes for compliance and legal and regulatory provisions.
- e) Reviewed the NAMC's processes for risk management and ethics management.
- f) Reviewed the expertise, resources, and experience of the organisation's finance function.
- g) Reviewed, and where appropriate, recommended changes to the Annual Financial Statements as presented by the NAMC for the year ended 31 March 2025.
- h) Reviewed the accounting policies and practices, as reported in the Annual Financial Statements, and confirmed that these were appropriate.
- i) Reviewed the information of the predetermined objectives as reported in the Annual Report.
- j) Reviewed AGSA's Management Report and management's response thereto.
- k) Reviewed adjustments resulting from the audit of the NAMC.
- l) Provided a channel of communication between the Accounting Authority and management, internal auditors, and external auditors.
- m) Ensured that a combined assurance model was applied to provide a coordinated approach to all assurance activities and ensured that it was appropriate to address all significant risks faced by the NAMC.

Effectiveness of the Internal Audit Function (IAF)

The Audit and Risk Committee discharged its responsibility to approve the annual and three-year rolling plan and consider Internal Audits quarterly reports and the mitigation action plans as agreed between NAMC and Internal Audit. The Committee further ensured that Internal Audit remained independent, and objective and had the necessary resources, standing and authority within the NAMC to enable it to discharge its duties.

Effectiveness of risk management

Risk management is, in essence, about proactively identifying and understanding the factors and events that may impact upon the achievement of strategic and operational objectives, including managing, monitoring, and reporting of risks and opportunities. It is in this regard that the Risk and Compliance Unit of the NAMC was established, based on the prescripts of the Public Finance Management Act, Treasury Regulations and the Public Sector Risk Management Framework issued by the National Treasury.

The implementation of the Risk Management Strategy was executed through a Risk Management Implementation Plan, approved by the Council. The Risk Management Implementation Plan is meant to guide and assist in implementing the activities that will assist in serving the organisation.

The Risk Implementation Plan empowers the Risk and Compliance Unit to perform the following:

- Facilitation of risk identification,
- Risk mitigation.
- Risk monitoring and reporting at the operational, project and strategic levels.
- Implementation of the approved fraud prevention policy.
- Implementation of the approved continuity management policy.
- Implementation of the compliance and ethics programme; and
- Implementation of the combined assurance framework.

Adequacy, reliability, and accuracy of financial and performance information

Our review of the findings highlighted by Internal and External Audit revealed several weaknesses. These were raised with management, and some were adequately and effectively addressed, hence most remain as work in progress.

In line with the PFMA requirements, the internal auditor's objectives are to provide the Audit and Risk Committee and management with objective assurance that the internal controls are appropriate and effective. This is achieved by means of an objective appraisal and evaluation of the risk management processes, internal controls and governance processes, as well as identifying corrective action and suggested enhancements to the controls and processes.

The Audit and Risk Committee ensured that the organisation's internal audit function was independent and had the necessary resources and authority to discharge its duties. Nexia SAB & T were the appointed internal auditors for the NAMC. The following audits were conducted during the following year:

- Annual Financial Statements Review
- Annual Performance Report Review
- Finance review
- Supply Chain Management Review
- Projects Review
- Follow Up Reviews (Quarter 2 and 3)
- Performance Information review (Quarter 3)

The internal auditors are fully supported by management, Council and the Audit and Risk Committee and have full, unrestricted access to all organisational activities, records, property, and personnel. During the period under review, the internal auditors conducted a follow-up on the prior year's audit findings review. The results were reported to management and the Audit and Risk Committee and Council.

Having considered, analysed, and reviewed the combined assurance information provided by management, Internal Audit, external auditors and the management risk committee, the Audit and Risk Committee confirms that:

- The internal controls of the organisation were somewhat effective in isolated material aspects throughout the period under review.
- Some of the identified weaknesses associated with non-compliance with the Supply Chain Management were addressed, however, there is room for improvement.
- Appropriate policies supported by reasonable and prudent judgement and statements were somewhat applied.
- A reasonable degree of effective controls is in place to safeguard assets, though not adequate to the required standards.
- The Financial Statements comply, in all material respects, with the relevant provisions of the PFMA of 1999 and GRAP.
- The skills, independence, audit plan, reporting, and overall performance of the external auditors were acceptable.
- The finance function is under capacitated; however, some degree of skills, knowledge and expertise exists in the function.

The quality of the in-year management and monthly/quarterly reports submitted in terms of legislation

As a public entity, the NAMC reports quarterly to the Executive Authority and National Treasury, as is required by the PFMA. The Audit and Risk Committee is satisfied with the content and quality of the quarterly reports prepared and submitted by the NAMC during the year under review, to the Executive Authority and National Treasury.

The Audit and Risk Committee has:

- Reviewed the appropriateness of accounting policies.
- Reviewed the appropriateness of assumptions made by management in preparing the financial statements.
- Reviewed the significant accounting and reporting issues and understood their impact on the annual financial statements.
- Reviewed the annual financial statements and considered that they are complete, consistent scribed accounting practices and information known by the Committee; and
- Obtained assurance from Management concerning the completeness and accuracy of the annual financial statements.

External Audit

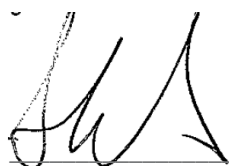
The Audit and Risk Committee independently engaged the Auditor General, and the Committee is satisfied that it has adequately discharged its legal and regulatory responsibilities. The Committee has reviewed and accepted the Auditor General's final Management Report and Audit Opinion relating to the Annual Financial Statements, Audit of Performance Information and Compliance with legislation as well as the audit findings issued by the Auditor General which are to be addressed per the mitigation action plans as agreed between NAMC and the AGSA

The Audit and Risk Committee recommended the approval of the audited annual financial statements and the audit outcome for the financial year ended 31 March 2025 at its special meeting held on 25 July 2025 and these annual financial statements and audit outcomes were duly approved by the Council on 31 July 2025 to be included in the NAMC Annual Report for the financial year ended by 31 March 2025

Conclusion

The Audit and Risk Committee recommended the approval of the audited annual financial statements and the audit outcome for the financial year ended 31 March 2025 at its special meeting held on 25 July 2025 and these annual financial statements and audit outcomes were duly approved by the Council on 31 July 2025 to be included in the NAMC Annual Report for the financial year ended by 31 March 2025.

The Audit and Risk Committee will continue to provide oversight and monitor management's action plans to improve on the audit outcome.



Mr Paul Slack
 Chairperson of the Audit and Risk Committee
 National Agricultural Marketing Council
 Date: 31 July 2025

14 BBBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed entities in terms of section 13(g) (1) of the broad-based black economic empowerment act 53 of 2003 as amended by act 46 of 2013.

Table 14: Compliance to the BBBEE requirements

Name of Sphere of Government / Public Entity / Organ of State:	National Agricultural Marketing Council
Registration Number (If Applicable):	Not applicable
Physical Address:	536 Francis Baard Street, Meintjiesplein Building, Block A, 4th Floor, Arcadia, 0007
Type of Sphere of Government / Public Entity / Organ of State:	Public Entity
Organisation Industry / Sector	Agricultural Sector

The following table must be completed in full by the Sphere of Government / Public Entity / Organ of State:

Has the Sphere of Government / Public Entity / Organ of State applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Circle relevant answer	Attachment
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law	Yes <input checked="" type="radio"/> No	If Yes, please attach Qualification Criteria as well as the compliance report of implementation thereof in the Annual Report
Developing and implementing a preferential procurement policy	Yes <input checked="" type="radio"/> No	If Yes, please attach Preferential Procurement Policy as well as the compliance report of implementation thereof in the Annual Report
Determining qualification criteria for the sale of state-owned enterprises	Yes <input checked="" type="radio"/> No	If Yes, please attach Qualification Criteria as well as the compliance report of implementation thereof in the Annual Report
Developing criteria for entering into partnerships with the private sector	Yes <input checked="" type="radio"/> No	If Yes, please attach Qualification Criteria as well as the compliance report of implementation thereof in the Annual Report
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment	Yes <input checked="" type="radio"/> No	If Yes, please attach Qualification Criteria as well as the compliance report of implementation thereof in the Annual Report

APPROVED BY



Mr. Angelo Petersen
Chairperson of the Council
National Agricultural Marketing Council
Date: 31 July 2025



PART D:

HUMAN RESOURCE MANAGEMENT

HUMAN RESOURCE MANAGEMENT

1 INTRODUCTION

The Human Capital Division continues to play a strategic role in enabling the National Agricultural Marketing Council (NAMC) to deliver on its mandate by ensuring the organisation is equipped with the right talent, skills, and capacity. Our efforts are anchored in building a positive employee experience and fostering a high-performance culture across the organisation.

We remain committed to cultivating a diverse, inclusive, and values-driven workplace that recognises and leverages the strengths of our people.

This report is structured in alignment with the South African Board for People Practices (SABPP) thirteen (13) Human Resource Standards, as illustrated in the diagram below..

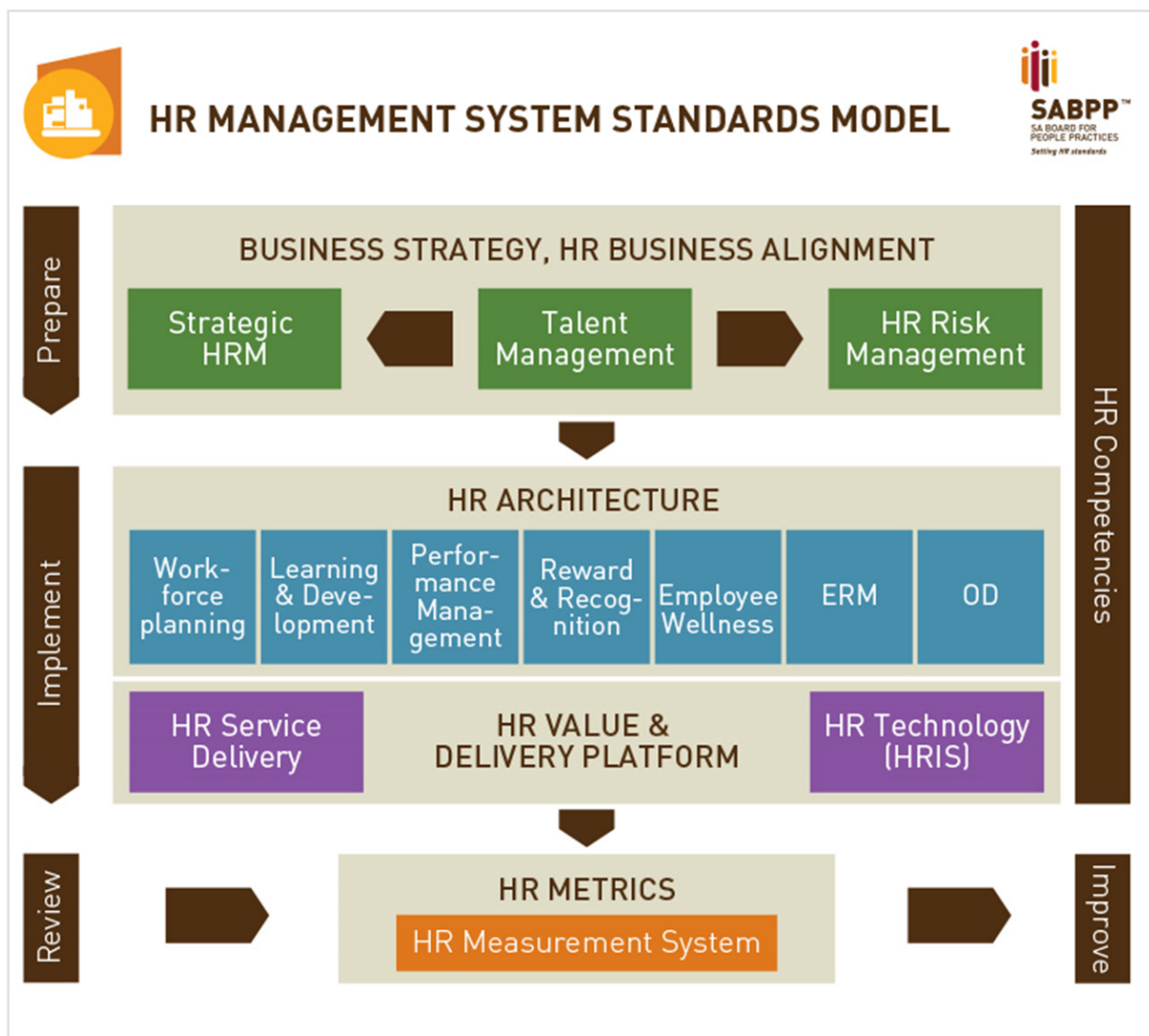


Figure 1: SABPP THIRTEEN (13) HR STANDARDS

2 HUMAN CAPITAL STRATEGY

The NAMC's strategic human capital management approach ensures that HR functions are fully integrated with the organisation's overarching strategic objectives. This alignment is designed to drive high performance while reinforcing the NAMC's vision, mission, and values.

To strengthen this alignment, the Human Capital Strategy has been harmonised with internal policies, providing a clear framework for managing the employer–employee relationship. This framework supports the creation of a conducive work environment grounded in transparency, accountability, and good governance.

In line with this strategic intent, the Human Capital Division has undertaken a review of the following policies, procedures, and strategic documents:

- Payroll Policy
- Succession Planning Framework.

The development and review or update process ensures that our policies are in compliance with the relevant legislations and the standards of good practice in the application of human resources processes.

3 HUMAN CAPITAL RISK MANAGEMENT

The Human Capital Risk Register ensures that people management practices align with the organisation's governance, risk, and compliance framework, as well as its integrated reporting model.

During the 2024/25 financial year, the following key risks were identified within the Human Capital environment:

- Capacity and Retention constraints due to budget limitations.
- Inability to attract skilled personnel, which poses a risk to the organisation's performance.
- Lack of resources to fill critical positions in the organisational structure.
- Risk of loss of institutional knowledge.
- Inadequate implementation of good practices in dealing with labour relations matters and conflict management.
- Risk to employee performance and organisational performance due to capacity constraints.
- Inability to attract and retain skilled personnel.
- Organisational Development (lack of funds and resources to fully implement the newly approved structure);
- Ineffective or poor management of Registry or Records; and
- Inadequate implementation of good practices in dealing with labour relations matters.

These risks are actively monitored, with mitigation strategies in place to address high-priority concerns as outlined in the Human Capital Risk Register.

Table 15: Human Capital Risks and Mitigation Plans (2024/25)

Risk Identified	Description	Mitigation Plan
Capacity and Retention Constraints	Budget limitations hinder the ability to retain key personnel.	Prioritise critical roles; implement non-monetary retention strategies; succession planning.
Inability to Attract Skilled Personnel	Limits organisational performance and service delivery.	Strengthen employer branding; review job profiles; explore secondments or contract hiring.
Unfunded Critical Positions	14 approved posts remain unfunded, affecting capacity.	Engage with Treasury; reprioritise within budget; phased implementation of structure.
Loss of Institutional Knowledge	Risk of losing key knowledge as experienced employees exit.	Implement knowledge transfer and mentorship programmes.
Inadequate Labour Relations and Conflict Management	Weaknesses in handling disputes and labour issues.	Strengthen internal HR capacity; expedite legal services appointment; train line managers.
Talent Acquisition and Retention Challenges	Difficulty in attracting and keeping top talent.	Improve recruitment turnaround time; develop employee value proposition (EVP).
Occupational Health Risks	Health-related issues may impact employee wellness.	Promote EAP and wellness initiatives; ensure compliance with health and safety regulations.
Performance Risk Due to Capacity Constraints	Freezing of posts limits performance delivery.	Regular workload reviews; prioritise strategic deliverables; propose temporary capacity solutions.
Organisational Development Delays	Lack of funding delays full implementation of structure.	Phase implementation based on criticality; integrate structure into MTEF budgeting.
Ineffective Registry/Records Management	Weak records control poses operational risks.	Accelerate RM Policy implementation; upskill relevant staff; conduct compliance audits.
Delayed Legal Advisory Support	No appointed legal service delays labour relations support.	Finalise procurement/appointment; consider interim legal partnerships or panel support.

4 LEARNING AND DEVELOPMENT

The NAMC's Learning and Development strategy is designed to identify and close performance gaps, ensuring that both current and future training initiatives are aligned with the organisation's strategic objectives. This approach supports the development of a strong internal talent pipeline and enhances organisational capability.

Through the Human Capital Division, efforts are focused on strengthening employees' professional, academic, and technical skills to drive high performance. These initiatives are supported by bursaries and training programmes, primarily funded through Agri-SETA's discretionary grants.

During the 2024/25 financial year, the Human Capital and Communication Division coordinated the following training interventions:

Table 16: Training Facilitated

NAME OF THE PROGRAMME	THE NUMBER OF EMPLOYEES ATTENDED
Supply Chain Management Training	18
Business Etiquette Presentation (Interns)	15
Leave and Incapacity Policy and Procedure Workshop	42
Basic Conditions of Employment Workshop	42
Electronic Communications and Transactions Act (ECT), POPIA, PAIA, The National Archives and Records Services Act Workshop	49
Employee Self Service Training	16
Financial Wellness Session	26
Finance Performance Management Session	16
Employee Wellness Policy Workshop	39
Occupational Health and Safety Policy and Procedure Workshop	39
Internship and Learnership Framework Workshop	38
NAMC Change Management Intervention	54
The use of IA in HR	6
Finance Change Management Intervention	16
Induction to Newly Appointed Employees	13
Payroll Policy and Procedure Workshop	38
Records Management Training	42
HR Policy Workshop	
Secondment Policy Workshop	35
Induction to New Employees	17
Sanlam Investment Presentation	52
Coaching Intervention (MERC)	1

4.1. Bursaries and Internships

The Internship Program is a vital component of the National Agricultural Marketing Council (NAMC), contributing significantly to both organizational growth and the professional development of young talent. There is an established Committee that oversees the implementation of the graduate placement and internship programmes within the NAMC.

Table 17: The NAMC Internship Intake for 2024

Type Of Internship	Number of Interns	Region	Funder
N6 Farming Management Internship	5	Provinces	Agri-Seta
TVET Agricultural Internship	16	Provinces	Agri-Seta
Graduate Placement	10	NAMC Office	NAMC
TVET Administrative Intern	4	NAMC Office	Agri-Seta

The internship and graduate placement for 2024/2025 was implemented on the 01 April 2024 and terminated on the 31 March 2025. The Internship and Graduate Development Committee was fundamental in offering assistance and guidance to the candidates that participated.

The NAMC applied for 2025 Discretionary grant for Internship, Graduate Placement as well as for Bursaries from AgriSETA. The closing date for the application of the discretionary grant was 30 September 2024.

The table here below provides a snapshot of the different programmes that the NAMC has managed, and it is worth a while to also provide previous utilisation and funding associated with the initiative.

Table 18: NAMC Programme Snapshot - Historical Utilisation and Funding

Year	Programme	Number of Participants	Budget Allocated	Budget utilised	Challenges	Outcomes
2023/24	Graduate Placement	13 University Graduates	R620 100	R500 850	Only three (3) candidates resigned	One (1) candidate got a permanent offer with a higher financial benefit. Two (2) candidates were provided contracts by FANRPAN.
	Bursaries	07	R391 250	R254 400.00	None	Six (06) results / Progress report received, so far.
2024/25	Internship	05	R300 000	R300 000.00	None	In Progress
	Graduate Placement	20 TVET Graduate Placement	R1 2000 000	R933 922.47	Two (2) Candidates Resigned, and two (2) were Terminated.	Sixteen (16) are currently in progress.
	Bursaries	02	R212 400	R40 377.00	None	Waiting for results.
2025/26	Internship	13	R780 000.	TBA	TBA	TBA
	Graduate Placement	30 TVET & 05 University	R2 100 000	TBA	TBA	TBA
	Bursaries	12	R849 600	TBA	TBA	TBA

Human Capital Unit seeks to build the capabilities of our employees and accelerate their professional, academic and skills development. Bursaries and training initiatives were funded through Agri-SETA's discretionary grants. It worth noting that for the period 2025/2026 the NAMC will not be hosting the Internship and Graduate Placement.

4.2. Succession Planning

The division is in the process of identifying the critical positions within the organization and developing action plans for internal individuals, to assume those positions as part of succession planning. The implementation of the Succession Planning framework will depend on the available financial resources. The table below outlines the continuous process undertaken by Human Capital Unit.

Table 19: Succession Planning Process

Succession Planning Activities	Progress (Due Date)
Identifying critical positions in the NAMC	Completed
Identifying High potential employees	In progress pending finalisation of recruitment in some core divisions
Developing Succession Plan and Development Plan	In progress
Implementing a succession plan for the identified high-potential employees	In progress
Developing retention plan in line with the Talent Management Strategy (updated)	31 March 2025
Identify key employees for leadership development	In progress
Monitor the implementation against the set targets.	Continuous

5 WORKFORCE PLANNING

Workforce planning is significant in ensuring that the organisation has the required number of people with the requisite skills, knowledge and competencies to achieve our strategic objectives. Through this process, we assess our workforce profile against current and future organisational needs to ensure that:

- The NAMC has the right number of competent people, at the right place, at the right time, doing the right work;
- Critical and scarce skills are allocated sufficient funding; and
- The organisational structure is aligned with the NAMC mandate.

The following positions were advertised during 2024/25 financial year:

- Management Accountant
- Financial Accounting Manager
- Senior Manager-MERC
- Cleaner
- Company Secretary and Legal Services
- Supply Chain Management Coordinator

- Senior Economist: Smallholder Market Access
- Personal Assistant for Executive Managers
- Economist: Agro Food Chains
- Graphic Designer
- Senior Economist: Agribusiness Development
- Records Management Coordinator
- Human Capital Administrator
- Economist-ARMD
- Chief Executive Officer
- Manager: Financial Accounting.

The following Agriculture Agro-processing Master Plan (AAMP) project secondments and contract positions were also advertised during 2024/25 financial year:

- Administrative Officer
- Project Finance Coordinator
- Monitoring and Evaluation Coordinator: AAMP Project.

5.1. Appointments

The Human Capital Unit facilitated the following contract and permanent appointments during the reporting period:

Table 20: Appointments

NUMBER OF EMPLOYEES	RACE	GENDER
Economist - Trade	Black	Male
Risk and Compliance officer	Black	Female
Manager - Trade	Black	Male
Economist: Agricultural Regulatory Measures	Black	Male
Economist - Agro Food Chains	Black	Male
Research Assistant: Cassava Contract Position	Black	Male
Management Accountant: Contract Position	Black	Female
Intern / Graduate Placement	13 Black	Males
Intern / Graduate Placement	23 Black	Females
Chief Financial Officer	African	Female
Manager: Financial Accounting	African	Male
Management Accountant	African	Male
Manager: Smallholder Market Access	African	Male
Cleaner: Contract position	African	Female
Monitoring and Evaluation Coordinator: AAMP Secondment position	African	Female
Administrative Officer: AAMP Secondment position	African	Female
Project Manager: AAMP Secondment position	African	Male
Senior Economist: Smallholder Market Access	Black	Male
Supply Chain Management Coordinator	Black	Male
Company Secretary	White	Female
Senior Manager: MERC	Black	Male
Graphic Designer	African	Male
Economist: Agro Food Chains	African	Female
Senior Economist: Agribusiness Development	African	Male
PA to Executive Managers	African	Female
Finance Project Coordinator: AAMP	African	Female

Challenges experienced during 2024/25 financial year.

The NAMC experienced challenges during this period with attracting suitably qualified candidates for critical positions, due to the limited funds available for salaries. This has had an impact on our ability to fill some of the vacant positions, which has a direct impact on the organisation's ability to deliver on some performance areas.

5.2. Terminations

Table below outlines the terminations that were facilitated during the reporting period.

Table 21: Terminations

NAME OF POSITION	REASON FOR TERMINATION	RACE	GENDER
Manager: Financial Accounting	Resignation	Black	Female
Management Accountant	Resignation	Black	Male
Management Accountant Contract	Resignation	Black	Female
Intern	Resignation	Black	Female
2 x Interns	End of Contract	Black	Males
1 x Research Assistant: Cassava Project	End of Contract	African	Male
1 x Finance Administrator	End of Contract	African	Female
1 x Intern	End of Contract	African	Female
1 x Graphic Designer	Resignation	Black	Male
1 x Senior Economist: Agribusiness Development	Resignation	Black	Female
1 x PA to Executive Managers	Retirement	White	Female
1 x Registry Clerk	Early Retirement	White	Female
1 x Human Capital Intern	Resignation	Black	Female
1 x Finance Intern	End of Contract	Black	Male
1 x Manager: Financial Accounting	Resignation	African	Male
1 x Human Capital Administrator	Resignation	African	Female
1 x Economist: ARMD	Resignation	African	Male
1 x Intern: AAMP	Resignation	African	Female
1 x SCM Officer: AAMP	Resignation	African	Male
Internship 2024/25	End of Contract	African	Female/Male

6 PERFORMANCE MANAGEMENT

Performance Management is an integral part of effective service delivery, and the National Agricultural Marketing Council (NAMC) is committed to building a strong performance culture that provides a target-driven, motivating, and transparent work environment for all employees.

Council approved the performance bonuses for the 2023/24 financial year, in line with the approved Performance Management and Development Policy & Procedure and the resolution of the 10-point reduction scale which was utilised to moderate the scores low, based on the fact that the NAMC has a 100% score rating, and a 10-point reduction was the maximum reduction that would have had an impact on the moderation of scores.

The outcome of applying the 10 points reduction is that: Only one (1) employee is in a score rating range of 80%-100% and no longer nine (9) employees. Thirty-five (35) employees received a score rating range of 61%-79% and no longer thirty-one (31). Two (2) employees received the score rating of 60%. Five (5) employees received a score rating range of 31%-59%.

Out of the (4) employees affected by the 10-point reduction, only one (1) employee was treated with an exception. Management recommended that only the cleaner be eligible for the performance bonus and should be exempted from the 10-point score reduction to ensure fairness and recognition of their indispensable role within the NAMC. A rectification of a bonus calculation error and adjustment of the payment to the affected employee was implemented.

Therefore, a total of thirty-seven (37) employees qualified for a performance bonus out of (43). Only one (1) employee did not qualify due to the incompleteness of the six (6) months' qualifying criteria. Two (2) employees did not qualify due to poor performance. One (1) employee did not qualify due to prolonged ill health.

The scoring allocation for the 2023/24 financial year is outlined in the table below:

Table 22: Final moderation revised ratings (lower end of the bonus range used for calculating the bonus payments)

Average Rating	Performance Range	Bonus Range	Number of Employees	Internal Moderation
5	80%-100%	1.6 months' salary	0	9
4 - 4.9			1	
3.6 - 3.9	61%-79%	1 month's salary	7	31
3.1 - 3.5		0.5 month's salary	28 (4 employees on pro-rata)	
3	60%	No Bonus	2 (Affected by the 10 point reduction)	1
2	31%-59%	No Bonus	4 (1 Affected by 10-point reduction and 1 affected by prolonged illness and 2 poor performance under PIP)	2
1	0%-30%	No Bonus	0	
0		No Bonus	1 (incompletion of the six (6) months qualifying criteria)	
Total			43	43

Employees were given bonus payment notification letters, and the performance bonuses were paid in November 2024.

7 REWARDS AND RECOGNITION

7.1. Long Service Award and Performance Recognition Certification

7.1.1. Long Service Award

The NAMC Rewards and Recognition are aligned with its business strategy, organisation operating conditions and culture which drives the achievement of organisation objectives and achieves a fair balance between rewarding and recognising employee contributions.

For performance recognition the following employees were recognised and will be issued with certification of excellent work for the year 2024/2025:

Table 23: Certification of Excellence in Performance: 2024/2025 Award Recipients

Division	Number Of Employees
Human Capital and Communications	2
Office of the CEO	1
Finance and Administration	3
MERC	1
Total number of employees	7

It is worth noting that that Senior Managers are not part of the recognition program. This is because of the following reasons: Senior managers, including the CEO, are often recognized at a higher organisational level. Their contributions may be acknowledged through executive-level programs, such as coaching and mentoring, compensation packages, or other forms of recognition that are distinct from those provided to lower-level employees. Human Capital is exploring possible interventions that can be put in place for this initiative.

Inclusion of senior managers in standard recognition programs may be seen as self-recognition or as an expected part of their role. Excluding them ensures that recognition is not perceived as routine but is reserved for exceptional contributions

7.2. Long Service Award

One employee was recognised for long service during the reporting period. She retired after serving in the NAMC for 19 years.

8 ORGANISATIONAL DEVELOPMENT

The Agriculture Agro-processing Master Plan project structure was developed in consultation with the Acting Project Manager during the reporting period. The structure focuses on the key areas of the project, to ensure that we appoint and second the right people with the requisite skills and capabilities to deliver on the project objectives. Post the unfreezing of the positions Human Capital has initiated the recruitment of the vacant positions within the project. The recruitment process for the Contracts and Secondments Positions into the project was facilitated during the reporting period.

A Change Management workshop was facilitated by Influence Afrika Group; the staff had the opportunity to assess the current state of the organization and identify key areas for improvement. During the workshop, various challenges faced by the staff were discussed, with a particular focus on issues related to HR and skills development programs. It became evident that in order to enhance organizational effectiveness, staff members need to be equipped with the necessary skills relevant to their roles and functions. The workshop began with a team assignment that encouraged engagement upon every member's arrival.

The workshop began with a comprehensive assessment of the current state of the organization. This involved evaluating the existing processes, structures, and systems in place within the organization. Through a series of interactive sessions, staff members were able to identify areas where improvements were needed and highlight specific challenges that were hindering the organization's growth and success. One of the main topics of discussion during the workshop was the challenges faced by the organization in terms of HR and skills development.

Staff members expressed their concerns about the lack of training opportunities, development programs, bursaries, technology, consistent structure and uniform available to them. Many felt that they were not adequately equipped with the skills necessary to perform their roles effectively and contribute to the organization's overall goals.

It was clear from the discussions that in order to address these challenges, the organization needs to invest in constant training for its staff. By providing employees with the opportunity to enhance their knowledge, the organization could improve overall performance and productivity. Staff members are eager to participate in such programs and expressed their willingness to learn and upskill

The Change Management workshop provided valuable insights into the challenges facing the organization and highlighted the importance of investing. Moving forward, it will be crucial for NAMC to prioritize skills and leadership development, training initiatives and mentorship to ensure that staff members are prepared to meet the demands of their roles.

9 EMPLOYEE WELLNESS

During this period the NAMC has been unsuccessful to host the Wellness Day Awareness due to financial constraints. The Human Capital Division recognises the need for wellness in the workplace to create an environment that promotes healthy behaviours and improves the work/life balance of the employees. The Human Capital Division continues to provide employee wellness which is crucial in the workplace for the several reasons, when employees feel supported in their well-being, it positively impacts their morale.

At the NAMC we prioritise wellness that fosters a sense of belonging and care, leading to happier and more satisfied employees. Healthy and engaged employees are more productive. The working from home policy serves as initiative that also boosts the wellness of the employees.

By promoting wellness initiatives such as exercise programs via communications, mental health resources, and healthy eating options, organisations attempt to enhance employee focus, energy levels, and overall productivity. During this period the Men's Diversity Forum took place, and their initiative was a sporting event that went well. A farewell function was held for the outgoing interns and the event went well. While we still have the work - from - home arrangement employee wellness programs help reduce absenteeism due to illness or burnout. When employees prioritize their physical and mental health, they are less likely to experience frequent sickness or exhaustion, leading to fewer days off work.

In the past wellness initiatives demonstrate that the organisation values its employees beyond their work output. This fosters a sense of loyalty and commitment among employees, leading to higher levels of engagement with their work and the organisation. It is important to note that organisations that prioritize employee wellness are more attractive to prospective employees. Wellness initiatives have served as a competitive advantage in attracting talent and retaining existing employees who value a supportive and healthy work environment.

Investing in employee wellness can lead to long-term cost savings for organisations. By preventing illness, reducing turnover, and increasing productivity, wellness programs can result in lower healthcare costs and higher profitability. A focus on employee wellness contributes to a positive company culture. It demonstrates that the organisation cares about the holistic well-being of its employees, fostering a supportive and inclusive work environment.

Occupational Health and Safety Committee

The OHS Committee held four (4) meetings to discuss the risks associated that are being addressed in the Occupational Health and Safety Implementation and Monitoring Plan. The progress is shared with the Management Committee on regular basis.

The OHS committee continues to monitor the implementation of safety measures within the NAMC.

One employee who was on the temporary disability process took early retirement in the last quarter.

Employee Assistance Programme

The Human Capital Division facilitated the following Employee Assistance Programme:

ICAS Intervention

- Trauma
- Personal Problem
- Bereavement

10 EMPLOYEE RELATIONS

The Human Capital Unit consistently reviews all employee relations procedures to ensure alignment with best practices and compliance with legal requirements. We maintain ongoing communication with employees regarding our policies and procedures to ensure consistency and clarity.

All relevant policies are workshopped to all the employees within the NAMC.

During the reporting period, the NAMC held the CEO's engagement sessions quarterly, where managers and employees were engaged in the following:

- The NAMC quarterly achievements
- Expectations for the new financial year and refocusing service delivery for the organisation.
- Employee Wellness and NAMC Values; and
- Update on the office space.
- Salary increases

There was (1) Legal services that was initiated with the external service provider, and the outcomes of the report were shared with the Council.

One (1) employee has been placed under precautionary suspension until further notice.

10.1. Women's and Men's Diversity Forums

The Diversity forums are to inspire men and women, to face new opportunities and challenges, through building a culture of diversity and inclusivity. Employees are encouraged to create dialogue, debate and forward-thinking in addressing issues affecting them both in the workplace and personal. The Men's Diversity Forum undertook its outing on the 29 August 2024.

10.2. Grievances

- The Human Capital Division facilitated the process for two (2) grievances. Due to resources constraints these processes took longer to conclude.
- The Human Capital Division also facilitated the investigation of one (1) grievance. The outcomes were positive to the NAMC.

10.3. Disciplinary Notice

- One (1) disciplinary notice was issued.
- There was one (1) resignation pending the enquiry. The resignation was for our best interest as it helped avoid protracted legal battles and protect the reputation of the NAMC.
- The cost considerations were considered as the disciplinary processes would have been expensive, with legal fees and other associated costs, and due to delays and postponements etc.

10.4. Staff Representative Committee

- Two (2) meetings were held by the Staff Representative Committee during the financial year under review

11 HUMAN CAPITAL STATISTICS

Table 24: Employment and Vacancies

Programme	2022/2023 Approved Posts	No. Of Employees	2024/2025 Vacancies including non funded	% Of Vacancies
Programme 1: CEO's Office	8	6	2	25%
Programme 1: Finance and Administration	10	6	4	40%
Programme 1: Human Resources	11	9	2	18.18%
Programme 2: MERC	19	14	5	26.3%
Programme 3 and 4 Agricultural Regulatory Measures	9	7	2	22.2%
Programme 5: Agribusiness Development	5	3	2	40%
TOTAL	62	45	17	27.4%

The majority of the vacancies are from the non-funded positions in the approved organisational structure. The positions will be filled when the organisation has the necessary funds available in anticipation.

Table 25: Number of Disabled Personnel

Levels	Male	Target	Female	Target
Senior Management	1	0	0	0
Professional Qualified	0	0	0	0
Skilled	0	0	0	0
Unskilled	0	0	0	0
TOTAL	1	0	0	0

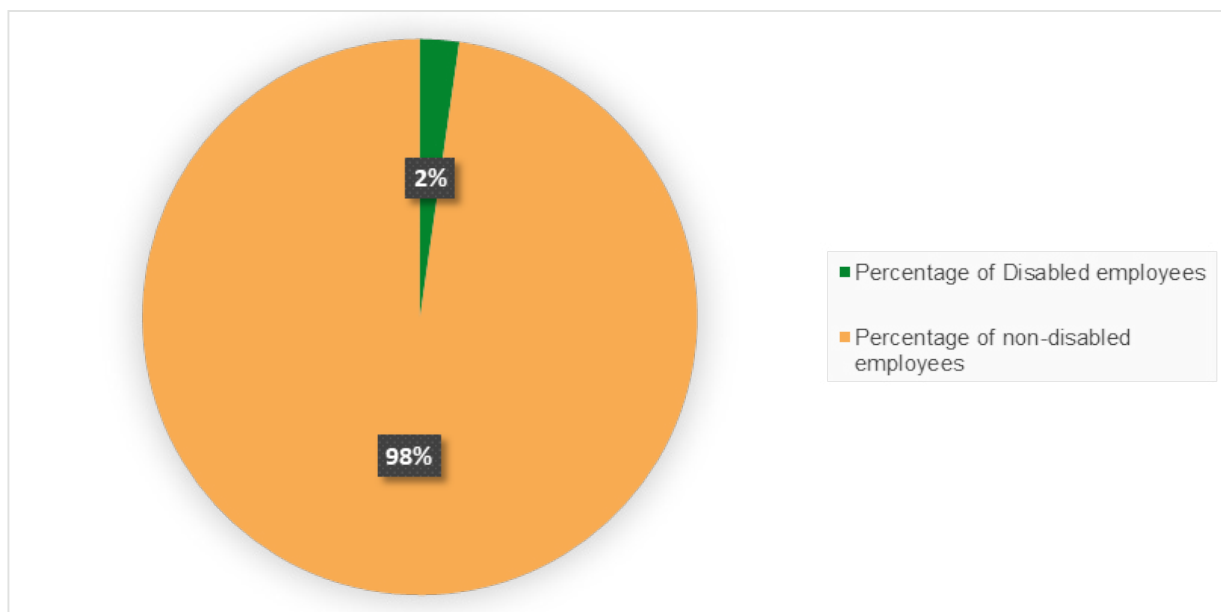


Figure 2: Number of disabled personnel

Table 26: Management Committee Gender Equity (% of Total Staff)

Gender	Number	% of total staff
Males	4	57%
Females	3	43%
TOTAL	7	100%

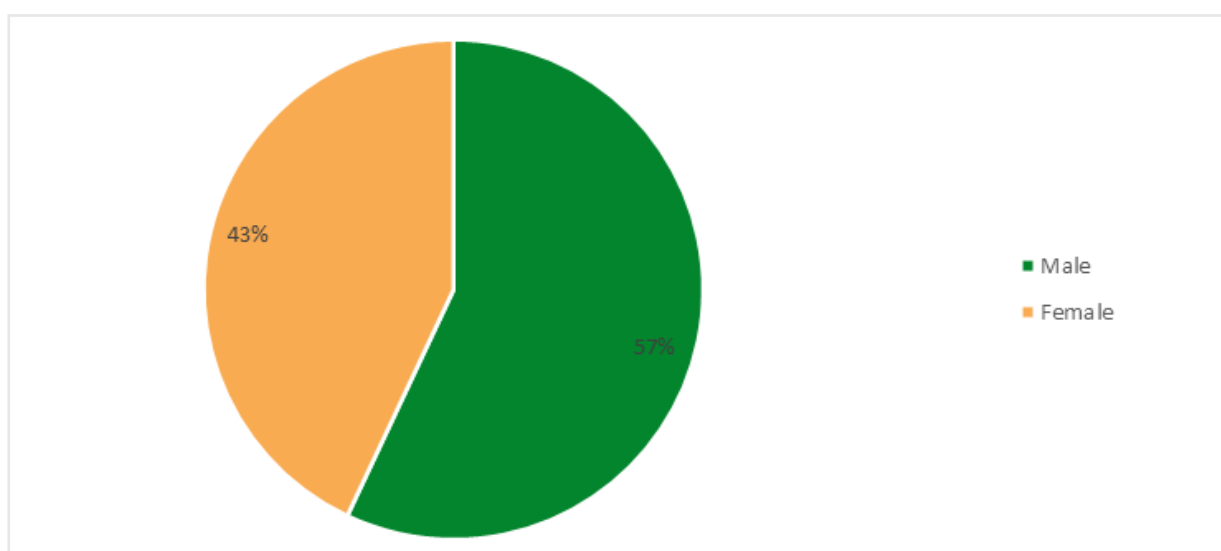


Figure 3: Management Committee Gender Equity

Table 27: Employment Gender Equity

Gender	Number	% of total staff
Males	25	56%
Females	20	44,4%
TOTAL EMPLOYEES	45	100%

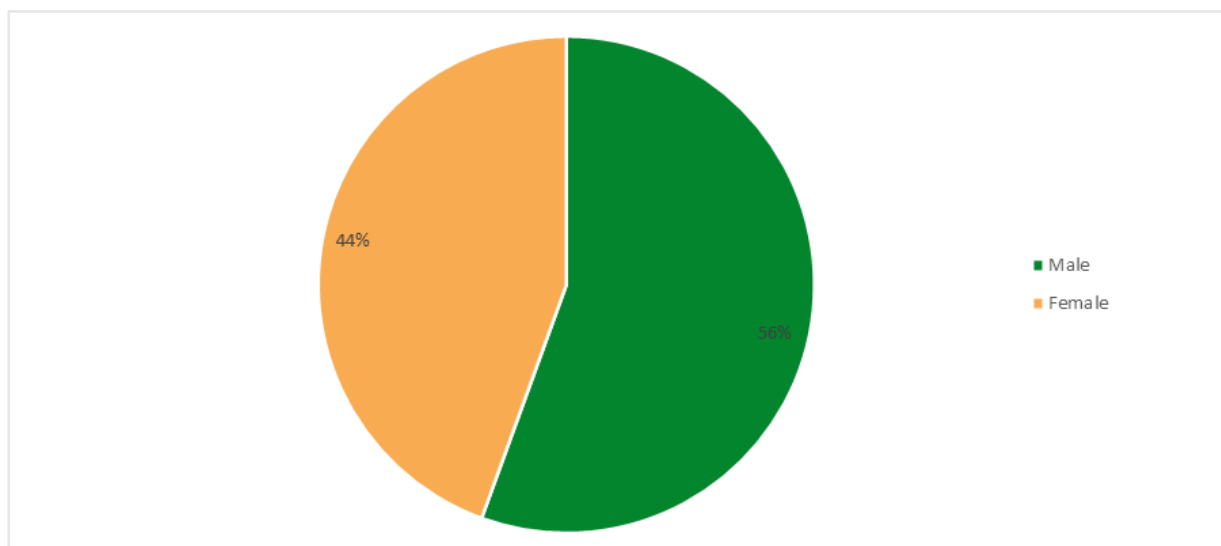


Figure 4: Employment Gender Equity

Table 28: Employment Equity Females

Levels	Female African	Female White	Female Indian	Female Coloured
Top Management	3	0	0	0
Professional qualified	6	3	0	0
Skilled	5	1	0	0
Semi-skilled	1	0	0	0
Unskilled	1	0	0	0
TOTAL	16	4	0	0

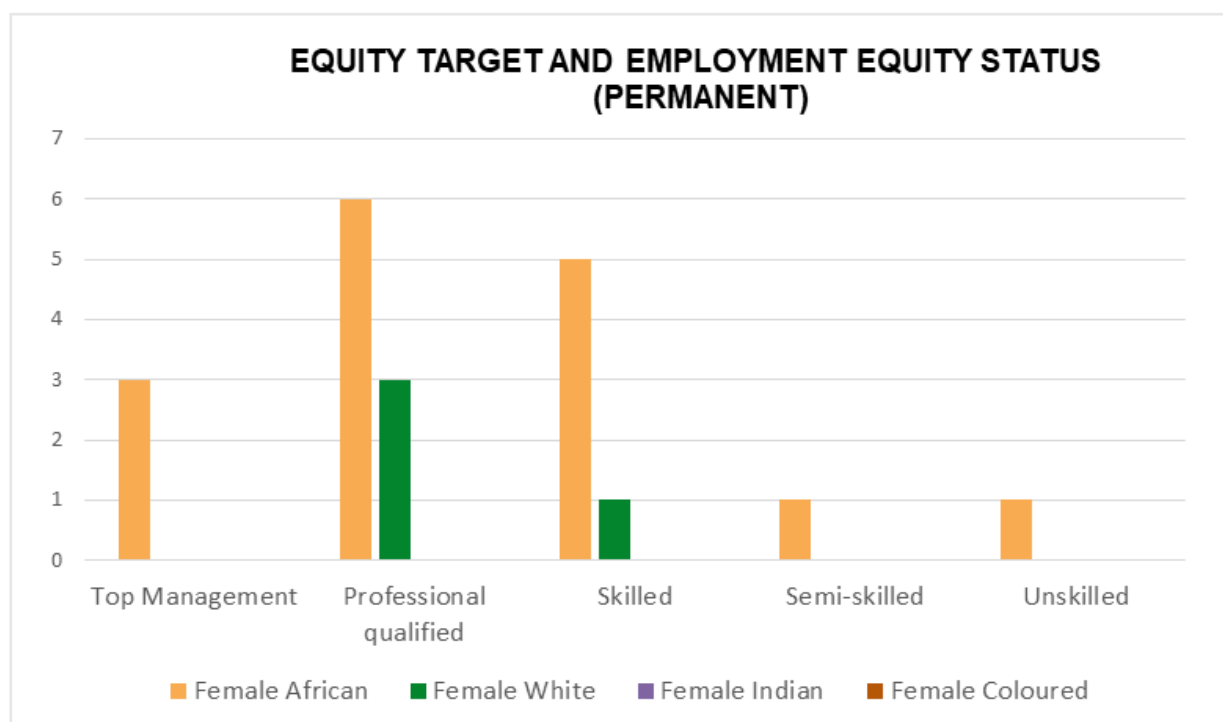


Figure 5: Employment Equity Females

Table 29: Employment Equity Males

Levels	Male African	Male White	Male Indian	Male Coloured
Top Management	3	1	0	0
Professional qualified	10	0	0	0
Skilled	10	0	0	0
Semi-skilled	1	0	0	0
Unskilled	0	0	0	0
TOTAL	24	1	0	0


Figure 6: Equity Target and Employment Equity Status (Permanent)
Table 30: Reasons for Staff Leaving (Permanent and Contract)

Reasons	Number
Death	0
Resignation	9
Retrenchment	0
Retirement	2
Ill Health	0
Expiry of Contract	30
Dismissal	0
Separation Agreement	0
TOTAL	41



PART E:

PFMA COMPLIANCE REPORT

PFMA COMPLIANCE REPORT

1. IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES

1.1. Irregular expenditure

a) Reconciliation of irregular expenditure

Description	2024/2025 R'000	2023/2024 R'000
Opening balance	2 138	156 115
Add: Irregular expenditure confirmed	-	25
Less: Irregular expenditure condoned	-	(154,002)
Closing balance	2,138	2,138

Reconciling notes

Description	2024/2025 R'000	2023/2024 R'000
Irregular expenditure that was under assessment	-	2,113
Irregular expenditure for the current year	-	25
Total	-	2,138

b) Details of irregular expenditure (under assessment, determination, and investigation)

Description	2024/2025 R'000	2023/2024 R'000
Irregular expenditure under assessment	-	2,125
Irregular expenditure under determination	2,138	13
Total	2,138	2,138

c) Details of irregular expenditure condoned

Description	2024/2025 R'000	2023/2024 R'000
Irregular expenditure condoned	-	154,002
Total	-	154,002

1.2. Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2024/2025 R'000	2023/2024 R'000
Opening balance	33	-
Add: Fruitless and wasteful expenditure confirmed	1	33
Less: Fruitless and wasteful expenditure not recoverable and written off	-	-
Closing balance	34	33

Reconciling notes

Description	2024/2025 R'000	2023/2024 R'000
Fruitless and wasteful expenditure that was under assessment	-	-
Fruitless and wasteful expenditure for the current year	1	33
Total	1	33

b) Details of fruitless and wasteful expenditure (under assessment, determination, and investigation)

Description	2024/2025 R'000	2023/2024 R'000
Fruitless and wasteful expenditure under determination	34	33
Total	34	33

c) Details of fruitless and wasteful expenditure not recoverable and written off

Description	2024/2025 R'000	2023/2024 R'000
Fruitless and wasteful expenditure written off	-	-
Total	-	-

LEVY ADMINISTRATORS



For more information, contact:
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PART F:

FINANCIAL INFORMATION

FINANCIAL INFORMATION

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Abbreviations used:

AAMP	Agriculture and Agro-Processing MasterPlan
AGRISETA	Agricultural Sector Education and Training Authority
CSIR	Council for Scientific and Industrial Research
ECDC	Eastern Cape Development Corporation
GDARD	Gauteng Department of Agriculture, Rural Development
GRAP	Generally Recognised Accounting Practice
NRMDP	National Red Meat DevelopmentProgramme
PFMA	Public Finance Management Act

General Information

Country of incorporation and domicile	South Africa
Legal form of entity	Schedule 3A Public Entity
Nature of business and principal activities	Administration of the 1996 Marketing of Agricultural Products Act, 47 and advise the Minister of Agriculture, Land Reform and Rural Development on the provision of the Act, and provision of marketing advisory services to key stakeholders in support of a vibrant agricultural marketing system in South Africa.
Registered Office	Hillcrest Office Park 177 Dyer Road Barbet Place Ground Floor Hillcrest Pretoria 0002
Accounting Authority	Mr. Angelo Petersen (Chairperson of the Council) Ms. Thandeka Ntshangase (Deputy Chairperson) Prof. Andre Jooste Mr. Sifiso J Mhlaba Ms. Fezeka Mkile Mr Jan G Mocke Ms. Nonie Mokose Ms. Shandini Naidoo Mr. Gerhard Schutte Dr. Sharon Thembi Xaba
Controlling entity	Minister of Department of Agriculture
Bankers	Standard Bank of South Africa
Auditors	Auditor-General of South Africa

Report of the Auditor-General to Parliament on National Agricultural Marketing Council

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the National Agricultural Marketing Council set out on pages 107 to 161, which comprise the statement of financial position as at 31 March 2025, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts with actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the National Agricultural Marketing Council as at 31 March 2025 and financial performance and cash flows for the year then ended in accordance with the Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Restatement of corresponding figures

7. As disclosed in note 28 to the financial statements, the corresponding figures for 31 March 2024 were restated as a result of an error in the financial statements of the public entity at, and for the year ended, 31 March 2025.

Responsibilities of the accounting authority for the financial statements

8. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the Generally Recognised Accounting Practice Standards and the requirements of the Public Finance Management Act 1 of 1999 and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
9. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

Report of the Auditor-General to Parliament on National Agricultural Marketing Council

Report on the audit of the financial statements

Responsibilities of the auditor-general for the audit of the financial statements

10. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 104, forms part of my auditor's report.

Report on the audit of the annual performance report

11. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
12. I selected the following material performance indicators related to enhanced market access for the agricultural sector presented in the annual performance report for the year ended 31 March 2025. I selected those indicators that measure the public's performance on its primary mandated functions and that are of significant national, community or public interest.
 - Number of smallholder farmers linked to market opportunities
 - Number of facilitated designs for production schemes
 - Number of smallholder market access tracker (SMAT) reports produced
 - Number of smallholder market access estimates reports produced
13. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.
14. I performed procedures to test whether:
 - the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives
 - all the indicators relevant for measuring the public entity's performance against its primary mandated and prioritised functions and planned objectives are included
 - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
 - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated

Report of the Auditor-General to Parliament on National Agricultural Marketing Council

Report on the audit of the annual performance report

- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

15. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.

16. I did not identify any material findings on the reported performance information for the selected indicators.

Report on compliance with legislation

17. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity's compliance with legislation.

18. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

19. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

20. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statements

21. The annual financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework as required by section 55(1) (b) of the PFMA.

22. Material misstatements of general expenditure and prior year adjustment disclosure notes identified by the auditors in the submitted financial statements were corrected, resulting in the financial statements receiving an unqualified opinion.

Report of the Auditor-General to Parliament on National Agricultural Marketing Council

Other information in the annual report

23. The accounting authority is responsible for the other information included in the annual report which includes the audit committee's report. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in programme presented in the annual performance report that have been specifically reported on in this auditor's report.
24. My opinion on the financial statements and my reports on the audit of the annual performance report and compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
25. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators in the scoped-in programme presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
26. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected, this will not be necessary

Internal control deficiencies

27. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
28. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on compliance with legislation included in this report.
29. Preventative controls were not implemented to ensure reliable financial reporting as well as compliance with applicable laws and regulations.

Auditor General

Pretoria
31 July 2025



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected material performance indicators and on the public entity's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the public entity to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a public entity to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to those charged with governance, I determine those matters that were of most significance in the audit of the financial statements for the current period and are therefore key audit matters. I describe these matters in this auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in this auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest of such communication.

Compliance with legislation - selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999	Section 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii); 53(4); 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b); 55(1)(c)(i); 56; 57(b); 66(3)(c); 66(5)
Treasury Regulations, 2005	Regulation 16A3.2; 16A3.2(a); 16A6.1; 16A6.2(a); 16A6.2(b); 16A6.3(a); 16A6.3(a); 16A6.3(b); 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5; 16A6.6; 16A.7.1; 16A.7.3; 16A.7.6; 16A8.3; 16A8.4; 16A9.1(b)(ii); 16A 9.1(d); 16A9.1(e); 16A9.1(f); 16A9.2; 16A9.2(a)(ii); 30.1.1; 31.1.2(c); 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1; 31.2.1; 31.2.5; 31.2.7(a); 31.3.3; 32.1.1(a); 32.1.1(b); 32.1.1(c); 33.1.1; 33.1.3
Companies Act 71 of 2008	Section 45(2); 45(3)(a)(ii); 45(3)(b)(i); 45(3)(b)(ii); 45(4); 46(1)(a); 46(1)(b); 46(1)(c); 112(2)(a); 129(7)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A)
National Treasury Instruction No. 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
Second Amendment National Treasury Instruction No. 5 of 2020/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 202/21	Paragraph 2
National Treasury Instruction No. 1 of 2021/22	Paragraph 4.1
National Treasury Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction N_o.03 of 2021/22	Paragraph 4.1; 4.2(b); 4.3; 4.4; 4.4(a); 4.17; 7.2; 7.6
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
National Treasury Practice Note 5 of 2009/10	Paragraph 3.3
National Treasury Practice Note 7 of 2009/10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulations, 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; 6.6; 6.8; 7.1; 7.2; 7.3; 7.6; 7.8; 8.2; 8.5; 9.1; 10.1; 10.2; 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

Financial information: Accounting Authority Responsibilities and Approval

The members are required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the members to ensure that the annual financial statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The members acknowledge that they are ultimately responsible for the system of internal financial control established by the entity and place considerable importance on maintaining a strong control environment. To enable the members to meet these responsibilities, the accounting authority sets standards for internal control aimed at reducing the risk of error or deficit in a cost- effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the entity and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the entity is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The members are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The members have reviewed the entity's cash flow forecast for the year to 31 March 2026 and, in the light of this review and the current financial position, they are satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

Although the accounting authority are primarily responsible for the financial affairs of the entity, they are supported by the entity's internal auditors.

The annual financial statements set out on page 107, which have been prepared on the going concern basis, were approved by the accounting authority on 30 July 2025 and were signed on its behalf by;



Mr. Angelo Petersen (Chairperson of the Council)

National Agricultural Marketing Council

Statement of Financial Position as at 31 March 2025

Audited Annual Financial Statements for the year ended 31 March 2025

Figures in Rand	Notes	2025	2024 Restated*
Assets			
Non-Current Assets			
Property, plant and equipment	3	796 307	1 247 584
Investment property	4	1 285 000	1 345 000
Intangible assets	5	80 886	176 164
		2 162 193	2 768 748
Current Assets			
Inventories	6	99 479	98 223
Receivables from non-exchange transactions	7	-	2 718 854
Receivables from exchange transactions	8	1 209 977	1 461 838
Cash and cash equivalents	9	23 879 471	41 570 282
		25 188 927	45 849 197
Total Assets		27 351 120	48 617 945
Liabilities			
Current Liabilities			
Operating lease liability	10	-	24 457
Payables from exchange transactions	11	551 465	3 896 214
Short-term Employee Benefits	12	3 494 327	3 702 780
Deferred Income	13	8 793 404	24 537 667
		12 839 196	32 161 118
Total Liabilities		12 839 196	32 161 118
Net Assets		14 511 924	16 456 827
Accumulated surplus		14 511 924	16 456 827
Total Net Assets		14 511 924	16 456 827

National Agricultural Marketing Council

Statement of Financial Performance

Audited Annual Financial Statements for the year ended 31 March 2025

Figures in Rand	Notes	2025	2024 Restated*
Revenue			
Revenue from exchange transactions			
Rental income		132 000	132 000
Rendering of services		711 232	339 155
Other income		416 412	526 075
Proceeds from insurance		-	27 028
Interest received - investment		3 863 805	2 904 879
Total revenue from exchange transactions		5 123 449	3 929 137
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies		45 765 000	49 771 000
Sponsorship revenue		2 456 986	1 505 727
Total revenue from non-exchange transactions		48 221 986	51 276 727
Total revenue		53 345 435	55 205 864
Expenditure			
Employee related costs	15	(36 406 624)	(35 860 765)
Depreciation, amortisation and impairment	16	(827 363)	(945 080)
Finance costs	17	(731)	(585)
Lease rentals on operating lease	18	(2 470 604)	(2 548 790)
Debt Impairment	19	(1 065 922)	(117 356)
Loss on disposal of assets		-	(62 563)
General Expenses	20	(14 550 008)	(12 578 847)
Total expenditure		(55 321 252)	(52 113 986)
(Deficit) surplus for the year		(1 975 817)	3 091 878

National Agricultural Marketing Council

Statement of Changes in Net Assets

Audited Annual Financial Statements for the year ended 31 March 2025

Figures in Rand	Accumulated surplus / deficit	Total net assets
Balance at 1 April 2022	11,120	11,120
Changes in net assets		
Surplus for the year	3 091 878	3 091 878
Total changes	3 091 878	3 091 878
Opening balance as previously reported	17 697 090	17 697 090
Adjustments		
Prior year adjustments - Note 28	(1 209 349)	(1 209 349)
Restated* Balance at 01 April 2024 as restated*	16 487 741	16 487 741
Changes in net assets		
Deficit for the year	(1 975 817)	(1 975 817)
Total changes	(1 975 817)	(1 975 817)
Balance at 31 March 2025	14 511 924	14 511 924

National Agricultural Marketing Council

Statement of Cash Flows

Audited Annual Financial Statements for the year ended 31 March 2025

Figures in Rand	Notes	2024/25	2023/24
Cash flows from operating activities			
Receipts			
Grants		45 765 000	49 771 000
Interest income		4 173 894	2 594 789
Insurance proceeds		-	27 028
Project revenue		2 372 269	650 000
Sponsorship revenue		1 653 905	1 213 381
		53 965 068	54 256 198
Payments			
Employee costs		(35 480 471)	(33 966 633)
Suppliers		(35 946 536)	(18 484 374)
Finance costs		(731)	-
		(71 427 738)	(52 451 007)
Net cash flows from operating activities	22	(17 462 670)	1 805 191
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(228 141)	(602 741)
Proceeds from sale of property, plant and equipment	3	-	27 956
Purchase of other intangible assets	4	-	(88 980)
Net cash flows from investing activities		(228 141)	(663 765)
Cash flows from financing activities			
Finance lease payments		-	(39 990)
Finance costs		-	(549)
Net cash flows from financing activities		-	(40 539)
Net increase/(decrease) in cash and cash equivalents		(17 690 811)	1 100 859
Cash and cash equivalents at the beginning of the year		41 570 282	40 469 423
Cash and cash equivalents at the end of the year		23 879 471	41 570 283

National Agricultural Marketing Council

Statement of Comparison of Budget and Actual Amounts

Audited Annual Financial Statements for the year ended 31 March 2025

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amount on comparative basis	Difference between final budget and actual	Reference
Statement of Financial Performance						
Revenue						
Rental income	-	-	-	132 000	132 000	29.1
Other income	3 500 000	-	3 500 000	3 592 349	92 349	29.2
Interest received - investment	3 000 000	-	3 000 000	3 863 805	863 805	29.3
Total revenue from exchange transactions	6 500 000	-	6 500 000	7 588 154	1 088 154	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	45 765 000	-	45 765 000	45 765 000	-	
Sponsorship revenue	-	-	-	2 456 986	2 456 986	29.4
Roll-over	-	5 515 000	5 515 000	5 515 000	-	
Total revenue from non-exchange transactions	45 765 000	5 515 000	51 280 000	53 736 986	2 456 986	
Total revenue	52 265 000	5 515 000	57 780 000	61 325 140	3 545 140	
Expenditure						
Personnel	(35 683 000)	(2 000 000)	(37 683 000)	(36 406 624)	1 276 376	29.5
Depreciation and amortisation	-	-	-	(827 363)	(827 363)	29.6
Lease rentals on operating lease	-	-	-	(2 470 604)	(2 470 604)	29.8
Debt Impairment	-	-	-	(1 065 922)	(1 065 922)	29.7
General Expenses	(13 856 000)	(4 925 000)	(18 781 000)	(14 657 270)	4 123 730	29.8
Capital Expenditure	(2 726 000)	1 410 000	(1 316 000)	(228 141)	1 087 859	29.9
Total expenditure	(52 265 000)	(5 515 000)	(57 780 000)	(55 655 924)	2 124 076	
Surplus	-	-	-	5 669 216	5 669 216	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	-	-	-	5 669 216	5 669 216	

National Agricultural Marketing Council

Statement of Comparison of Budget and Actual Amounts

Audited Annual Financial Statements for the year ended 31 March 2025

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amount on comparative basis	Difference between final budget and actual	Reference
Reconciliation of surplus with the surplus in the Statement of Financial Performance						
Basis difference						
Roll-over funds				(5 515 000)		
Depreciation and amortisation				(829 407)		
Debt impairment				(1 065 922)		
Provisions raised				(208 453)		
Capital expenditure				(228 141)		
Operating lease				(24 547)		
Actual Amount in the Statement of Financial Performance				(2 202 254)		

All adjustments relate to a difference in the basis of preparation. There is a difference between the accounting basis used in the preparing and presenting the budget and the accounting basis used in the financial statements. The budget has been prepared on a Cash Basis whereas the financial statements are on an accrual basis. The adjustments have been included to make the budget comparable to the financial statements.

National Agricultural Marketing Council

Accounting Policies

Audited Annual Financial Statements for the year ended 31 March 2025

1. Significant accounting policies

The significant accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 Basis of preparation

The annual financial statements have been prepared in accordance and in compliance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise.

These accounting policies are consistent with the previous period..

1.2 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the NAMC.

1.3 Going concern assumption

These annual financial statements have been prepared based on the expectation that the NAMC will continue to operate as a going concern for at least the next 12 months. As at 31 March 2025, the NAMC had an accumulated deficit, however the total assets exceeds the total liabilities.

1.4 Materiality

Omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions. The NAMC does not retrospectively adjust the accounting of past items (or group of items) that were previously assessed as immaterial, unless an error occurred.

1.5 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

National Agricultural Marketing Council

Accounting Policies

Audited Annual Financial Statements for the year ended 31 March 2025

Trade receivables

The NAMC assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the NAMC makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Impairment testing

The NAMC reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 12 - Provisions.

Allowance for doubtful debts

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

Property, plant and equipment

In determining the useful life of each category of property, plant and equipment, management took into consideration the nature and use of each asset. In determining the useful lives of items of plant and equipment, consideration is given to the physical condition and the likelihood of obtaining funding to replace individual assets. The useful lives of items of property, plant and equipment were re-assessed during the financial year and adjusted where necessary. In re- assessing useful lives, the depreciation charge in the statement of financial performance is adjusted.

Intangible assets

In determining the useful life of computer software, management took into consideration that the software will have to be upgraded from time to time. The residual value of computer software is regarded as zero due to the fact that computer software is not resellable.

1.6 Investment property

Investment property is property (land and buildings) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

The NAMC's Investment property comprises of Land and Buildings.

National Agricultural Marketing Council

Accounting Policies

Audited Annual Financial Statements for the year ended 31 March 2025

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the NAMC, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Depreciation

Depreciation is determined using the straight-line method. It is calculated based on the assets' historical cost less residual value, over the useful life of the asset.

Asset class	Estimated useful life in years
Land	Infinite
Building	20 years

Investment property is measured at cost less any subsequent accumulated depreciation and any accumulated impairment losses. Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

The NAMC separately discloses expenditure to repair and maintain investment property in the notes to the annual financial statements (see note 4).

1.7 Property, plant and equipment

The NAMC recognises the cost of an item of property, plant and equipment as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

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The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

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Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management. Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses. The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Leased office equipment	Straight-line	2 - 3 years
Furniture and fixtures	Straight-line	6 - 26 years
Motor vehicles	Straight-line	5 - 10 years
Office equipment	Straight-line	4 - 26 years
Computer Equipment	Straight-line	3 - 18 years
Leasehold improvements	Straight-line	Lease term

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the NAMC. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

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The NAMC assesses at each reporting date whether there is any indication that the NAMC expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the entity revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

The entity separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 3).

1.8 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the NAMC; and
- the cost or fair value of the asset can be measured reliably.

The NAMC assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred. Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result, the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Computer software	Straight-line	3 - 13 years

Intangible assets are derecognised:

- ***on disposal; or***
- ***when no future economic benefits or service potential are expected from its use or disposal.***

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1.9 Financial instruments

A financial asset is:

- cash;
- a contractual right to:
 - receive cash or another financial asset from another entity; or
 - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

Financial assets are initially measured at fair value plus transaction costs.

The NAMC's principal financial assets are trade receivables and cash and cash equivalents. Subsequently, items included in this category are measured at the amortised cost, calculated based on the effective interest method, and material interest is included in the surplus or the deficit for the year. Net gains or losses represent gains and losses on de-recognition and are included in other income or other expenses.

Receivables with no stated rate are measured at the original invoice amount if the effect of discounting is immaterial. Impairment losses are recognised on receivables when there is objective evidence of impairment. An impairment loss is recognised in the surplus or the deficit when the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate of the instrument.

The NAMC's principal financial liabilities are trade and other payables.

These financial liabilities are initially measured at fair value plus transaction costs. Subsequently, these items are measured at the amortised cost, using the effective interest rate method. Interest expenses on these items are measured at the amortised cost, using the effective interest rate method. Net gains or losses represent gains or losses on de-recognition and are included in other income or other expenses.

Classification

The NAMC has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Receivables from exchange transactions	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at fair value

The NAMC has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Payables from exchange transactions	Financial liability measured at amortised cost

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1.10 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability

1.11 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition. Inventories comprise of stationery on hand. Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Current replacement cost is the cost the entity incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

1.12 Cash and cash equivalents

Cash comprises cash on hand and demand deposits.

Cash and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, and which are subject to an insignificant risk of changes in value.

Cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Cash and cash equivalents comprise bank balances, cash on hand and deposits held in call accounts. The call accounts are highly liquid with insignificant risk of changes in value.

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1.13 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Designation

At initial recognition, the NAMC designates an asset as non-cash-generating, or an asset or cash-generating unit as cash-generating. The designation is made on the basis of the NAMC's objective of using the asset.

The NAMC designates an asset or a cash-generating unit as cash-generating when:

- its objective is to use the asset or a cash-generating unit in a manner that generates a commercial return; such that
- the asset or cash-generating unit will generate positive cash flows, from continuing use and its ultimate disposal, that are expected to be significantly higher than the cost of the asset.

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The NAMC assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the NAMC estimates the recoverable amount of the asset.

Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the entity estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the entity applies the appropriate discount rate to those future cash flows.

Basis for estimates of future cash flows

In measuring value in use the entity:

- base cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset. Greater weight is given to external evidence;
- base cash flow projections on the most recent approved financial budgets/forecasts, but excludes any estimated future cash inflows or outflows expected to arise from future restructuring's or from improving or enhancing the asset's performance. Projections based on these budgets/forecasts covers a maximum period of five years, unless a longer period can be justified; and
- estimate cash flow projections beyond the period covered by the most recent budgets/forecasts by extrapolating the projections based on the budgets/forecasts using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. This growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used, unless a higher rate can be justified.

Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

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An impairment loss is recognised immediately in surplus or deficit.

When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, the entity recognises a liability only to the extent that it is a requirement in the Standard of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.14 Employee benefits

Identification

Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees or for the termination of employment.

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service.

Leave Entitlement

Employees' entitlement to annual leave represents the present obligation that the NAMC has as a result of employees' services provided up to the reporting date. The provision is calculated using salary rates effective at the reporting date.

Post-Retirement Employee Benefits

The NAMC contributes to a provident fund on behalf of some of its employees and is not exposed to any actuarial or investment risk of the fund. As the contributions made are those of the employees from guaranteed remuneration, the contributions paid are expensed as remuneration.

Performance Awards

The NAMC's remuneration policy permits the payment of performance awards when funding is available and other criteria are met. The amount of the award is determined based on organisational and individual performance. The awards are paid after the reporting date, and as a result, a provision is raised at year end.

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1.15 Provisions and contingencies

Provisions are recognised when:

- the entity has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

The NAMC's provisions relate to Short-term Employee benefits.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

A provision is used only for expenditures for which the provision was originally recognised. Provisions are not recognised for future operating deficit.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 24.

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events that are beyond the control of the entity

A contingent liability is a present obligation that arises from past events but is not recognised because:

- It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, or
- The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Recognition and Measurement

Contingent liability is disclosed if there is a possibility of an outflow to the entity. The entity shall disclose for each class of contingent liability at the reporting date a brief description of the nature of the contingent liability and where practicable an estimate of its financial effect. The entity will indicate the uncertainties relating to the amount or timing of the outflow

1.16 Commitments

Commitments represent the orders issued to the suppliers that have been approved, but where no delivery has taken place as at year end and commitment for contracts signed with the service providers, of which as at 31 March the contracts had not expired.

Commitments are disclosed at the cost of the purchase order issued.

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1.17 Revenue from exchange transactions

The NAMC's revenue from exchange transactions comprises mainly of interest generated from investments, management fees and rental income from investment property.

An exchange transaction is one in which the NAMC receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Interest

NAMC generates interest from its investment accounts. Interest is recognised using the effective interest rate method for financial instruments and using the nominal interest rate method for statutory receivables.

1.18 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by the NAMC, which represents an increase in net assets, other than increases relating to contributions from owners. The NAMC recognises the grant received from the Department and sponsorships as revenue from non-exchange transactions.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

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Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the entity.

When, as a result of a non-exchange transaction, the entity recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

1.19 Contingent liabilities and contingent assets

Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

The NAMC is a party to various principal and agent agreements.

Identifying whether an entity is a principal or an agent

When the NAMC is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether the NAMC is a principal or an agent requires the NAMC to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

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Binding arrangement

The NAMC assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Where the terms of a binding arrangement are modified, the parties to the arrangement re-assess whether they act as a principal or an agent.

Assessing which entity benefits from the transactions with third parties

When the NAMC in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If the NAMC concludes that it is not the agent, then it is the principal in the transactions.

The NAMC is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- It does not have the power to determine the significant terms and conditions of the transaction.
- It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- It is not exposed to variability in the results of the transaction.

Where the NAMC has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that it is an agent. The NAMC applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the NAMC is an agent.

Recognition

The NAMC, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal- agent arrangement.

The NAMC, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal.

The NAMC recognises assets and liabilities arising from principal-agent arrangements.

1.20 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year

1.21 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is defined as expenditure that was made in vain and would have been avoided had reasonable care been exercised. All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the Statement of Financial Performance in the year the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

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Fruitless and wasteful expenditure is recorded in the Annual report when it is either:

- under assessment, determination and/or investigation;
- transferred to receivables for recovery; or
- written off if it is not recoverable.

A separate register is kept and maintained for historical fruitless and wasteful expenditure incurred in previous reporting periods and not addressed.

1.22 Irregular expenditure

Irregular expenditure is defined in Section 1 of the PFMA as expenditure other than unauthorised expenditure incurred in contravention of or not in accordance with the requirements of any applicable legislation. Such expenditure is accounted for in the Statement of Financial Performance. Irregular expenditure is recorded in the Annual report when it is either:

- under assessment, determination or investigation;
- condoned by the relevant authority;
- transferred to receivables for recovery;
- written off if it is not recoverable; or
- not condoned and removed.

A separate register is kept and maintained for historical irregular expenditures incurred in previous reporting periods and not addressed.

1.23 Segment information

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

Measurement

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the entity's financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segment's surplus or deficit that is used by management. Similarly, only those assets and liabilities that are included in the measures of the segment's assets and segment's liabilities that are used by management are reported for that segment. If amounts are allocated to reported segment surplus or deficit, assets or liabilities, those amounts are allocated on a reasonable basis.

If management uses only one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities in assessing segment performance and deciding how to allocate resources, segment surplus or deficit, assets and liabilities are reported in terms of that measure. If management uses more than one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities, the reported measures are those that management believes are determined in accordance with the measurement principles most consistent with those used in measuring the corresponding amounts in the entity's financial statements.

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Figures in Rand

2025

2024

1.24 Budget information

The approved budget is prepared on a cash basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2024/04/01 to 2025/03/31.

The annual financial statements and the budget are not on the same basis of accounting therefore a reconciliation between the statement of financial performance and the budget have been included in the annual financial statements.

1.25 Related parties

A related party to the NAMC is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

The NAMC is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the NAMC to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the NAMC is exempt from the disclosures in accordance with the above, the NAMC discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

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Notes to the Financial Statements

Audited Annual Financial Statements for the year ended 31 March 2025

Figures in Rand	2025	2024
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2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity’s accounting periods beginning on or after 01 April 2025 or later periods:

Standard/ Interpretation:

- GRAP 2023 Improvements to the Standards of GRAP 2023
- GRAP 1 (amended): Presentation of Financial Statements (Going Concern)
- GRAP 104 (as revised): Financial Instruments

Effective date:

Years beginning on or after

Not yet effective
 Not yet effective
 01 April 2025

Expected impact:

Unlikely there will be a material impact
 Unlikely there will be a material impact
 Unlikely there will be a material impact

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Notes to the Financial Statements

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Figures in Rand	2025			2024		
	Cost	Accumulated depreciation and accumulated impairment	Carrying value	Cost	Accumulated depreciation and accumulated impairment	Carrying value

3. Property, plant and equipment

Furniture and fixtures	1 091 815	(1 052 005)	39 810	1 091 815	(966 591)	125 224
Motor vehicles	645 730	(580 551)	65 179	645 730	(515 730)	130 000
Office equipment	599 215	(446 705)	152 510	592 320	(391 603)	200 717
Computer equipment	2 588 734	(2 049 926)	538 808	2 367 490	(1 646 545)	720 945
Leasehold improvements	1 165 101	(1 165 101)	-	1 165 101	(1 094 403)	70 698
Total	6 090 595	(5 294 288)	796 307	5 862 456	(4 614 872)	1 247 584

	Opening balance	Additions	Depreciation	Total
Reconciliation of property, plant and equipment - 2025				
Furniture and fixtures	125 223	-	(85 413)	39 810
Motor vehicles	130 000	-	(64 821)	65 179
Office equipment	200 717	6 896	(55 103)	152 510
Computer equipment	720 945	221 245	(403 382)	538 808
Leasehold improvements	63 367	-	(63 367)	-
	1 240 252	228 141	(672 086)	796 307

National Agricultural Marketing Council

Notes to the Financial Statements

Audited Annual Financial Statements for the year ended 31 March 2025

	Opening balance	Additions	Disposals	Depreciation	Total
Reconciliation of property, plant and equipment - 2024					
Furniture and fixtures	170 339	66 755	(31 712)	(80 159)	125 223
Motor vehicles	195 000	-	-	(65 000)	130 000
Office equipment	134 396	123 947	(12 540)	(45 086)	200 717
Computer equipment	667 519	412 039	(33 168)	(325 445)	720 945
Leasehold improvements	235 618	-	-	(172 249)	63 369
Leased equipment	45 628	-	-	(45 628)	-
	1 448 500	602 741	(77 420)	(733 567)	1 240 254

Restrictions

There are no restrictions on the property, plant and equipment items.

Other information

Expenditure incurred to repair and maintain property, plant and equipment

Leasehold improvements	2 627	76 330
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National Agricultural Marketing Council

Notes to the Financial Statements

Audited Annual Financial Statements for the year ended 31 March 2025

Figures in Rand	2025			2024		
	Cost	Accumulated depreciation and accumulated impairment	Carrying value	Cost	Accumulated depreciation and accumulated impairment	Carrying value

4. Investment property

Investment property	1 750 000	(465 000)	1 285 000	1 750 000	(405 000)	1 345 000
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	Opening balance	Depreciation	Total
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Reconciliation of investment property - 2025

Investment property	1 345 000	(60 000)	1 285 000
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Reconciliation of investment property - 2024

Investment property	1 405 000	(60 000)	1 345 000
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Restrictions

There are no restrictions placed on the Investment Property. There are no commitments related to the Investment property.
 Amounts recognised in surplus or deficit

Rental revenue from Investment property

132 000	132 000
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No direct operating expenses related to the investment property were incurred during the 2024-2025 financial year.

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Notes to the Financial Statements

Audited Annual Financial Statements for the year ended 31 March 2025

Figures in Rand	2025			2024		
	Cost	Accumulated depreciation and accumulated impairment	Carrying value	Cost	Accumulated depreciation and accumulated impairment	Carrying value

5. Intangible assets

Investment property	700 653	(619 767)	80 886	969 313	(793 149)	176 164
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	Opening balance	Amortisation	Total
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Reconciliation of intangible assets - 2025

Computer software - acquired	176 164	(95 278)	80 886
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	Opening balance	Additions	Disposals	Amortisation	Total
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Reconciliation of intangible assets - 2024

Computer software - acquired	251 469	88 980	(12 772)	(151 513)	176 164
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Restrictions

There are no restrictions placed on the intangible assets

National Agricultural Marketing Council

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6. Inventories

Stationery on hand	99 479	98 223
Inventories recognised as an expense during the year	84 375	80 311

Inventory pledged as security

No inventory has been pledged as security.

7. Receivables from non-exchange transactions

Receivables from non-exchange (projects)	-	2 716 589
Other receivables from non-exchange revenue	-	2 265
Total personnel expenditure	-	2 718 854

Receivables from non-exchange transactions mainly relate to funding from sponsorships and projects. The balance for 2024-2025 relates to the outstanding funding from AGRISSETA for interns. The receivable has been assessed for impairment and has been provided for.

Receivables from non-exchange transactions impaired

As of 31 March 2025, a receivable from non-exchange transactions amounting to R933 922 (2024: -) was impaired and provided for.

The ageing of the receivable is as follows:

3 to 6 months	933 922	-
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Reconciliation of provision for impairment of receivables from non-exchange transactions

Opening balance	-	-
Provision for impairment	933 922	-
	933 922	-

The creation and release of provision for impaired receivables have been included in operating expenses in surplus or deficit. Based on the on-going investigation relating to the funding from AGRISSETA, the recoverability of the receivable is not certain and therefore the provision for bad debt has been raised.

National Agricultural Marketing Council

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8. Receivables from exchange transactions

Employee advances	6 969	3 411
Deposits	250 600	250 600
Other receivables	81 036	391 166
Prepaid expenses	871 372	816 661
	1 209 977	1 461 838

The prepayments are based on contractual obligations with suppliers of goods and services and include subscriptions for the unused portions of annual software licenses and other operating costs.

Rental income to the value of R132 000 was raised as revenue from exchange transaction. Based on historical events, the NAMC does not anticipate the tenant to pay rent for 2024/2025 financial year. As such, the NAMC has raised an additional provision for bad debts of R132 000

Trade and other receivables impaired

As of 31 March 2025, trade and other receivables of R494 987 (2024:R362 987) were impaired and provided for.

The amount of the provision was R132 000 as of 31 March 2025 (2024: R117 356).

The ageing of these receivables is as follows:

3 to 6 months	66 000	66 000
Over 6 months	428 987	296 987
Reconciliation of provision for impairment of trade and other receivables		
Opening balance	362 987	245 631
Provision for impairment	132 000	117 356
	494 987	362 987

The creation and release of provision for impaired receivables have been included in operating expenses in surplus or deficit.

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9. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	1 490	267
Bank balances	23 877 981	41 570 015
	23 879 471	41 570 282

Cash and cash equivalents held by the NAMC that are not available for use by the NAMC (Deferred income)	8 802 262	24 537 667
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The cash and cash equivalents comprise of cash and short-term highly liquid investment, that are held with a registered banking institution and that are subject to insignificant interest rate risk. Surplus funds are invested in a call account to generate interest. The cash held by the NAMC during the current reporting period mainly relates to the deferred income disclosed under note 13.

10. Operating lease liability

Current liabilities	-	24 457
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11. Payables from exchange transactions

Trade payables	470 846	1 131 545
Accrued expense	80 619	2 764 669
	551 465	3 896 214

National Agricultural Marketing Council

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Audited Annual Financial Statements for the year ended 31 March 2025

Figures in Rand	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
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12. Short-term Employee Benefits

Reconciliation of short-term employee benefits - 2025

Leave	1 702 780	-	(208 453)	-	1 494 327
Performance bonus	2 000 000	2 000 000	(1 134 606)	(865 394)	2 000 000
	3 702 780	2 000 000	(1 343 059)	(865 394)	3 494 327

Reconciliation of short-term employee benefits - 2024

Leave	1 604 537	98 243	-	-	1 702 780
Performance bonus	2 000 000	2 000 000	(1 897 944)	(102 056)	2 000 000
	3 604 537	2 098 243	(1 897 944)	(102 056)	3 702 780

The NAMC paid out a bonus amounting to R1.1 million in the 2024/2025 financial year relating to prior year, the payout is a result of the performance management policy which states that the bonus will be paid in the next financial year. During the 2024/2025 financial year the NAMC raised a bonus provision of R2 million. The NAMC does not know the timing of the payment, if any, for accrued leave pay, as this is dependent on whether an employee remains in the service of the NAMC or not.

13. Deferred Income

Deferred income reflects the amount of income received during the current and previous financial years, but which will be utilised in the subsequent years. Disclosure of deferred income is accounted for according to GRAP 109, where the contracts are assessed according to the standard to determine whether its an agent or principal. The decrease in the deferred income balance is largely attributed to projects that ended during the financial year and the unutilised project funds were returned to the funders.

National Agricultural Marketing Council

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Audited Annual Financial Statements for the year ended 31 March 2025

	Opening Balance	Amount Received / Receivable	Amount utilised	Amount returned	Total
Projects 2024-2025					
GDARD - Extension services as a catalyst to improve farm productivity	139 980	-	-	-	139 980
CASSAVA project	264 000	-	(234 403)	-	29 597
Total Principal projects	403 980	-	(234 403)	-	169 577
Other funding - AgriSeta	820 000	1 226 599	(2 046 599)	-	-
	1 223 980	1 226 599	(2 281 002)	-	169 577
Agent projects 2024-2025					
Agriculture and Agro-Processing Master Plan (AAMP)	12 012 674	-	(4 807 713)	-	7 204 961
National Red Meat Development Programme (NRMDP)	8 201 495	-	-	(8 201 495)	-
AgriSeta (AAMP)	483 000	-	(415 000)	-	68 000
One Food (CSIR)	616 668	350 000	(383 497)	(583 172)	-
Eastern Cape Grain Development (ECDC)	2 000 000	-	(649 134)	-	1 350 866
	23 313 837	350 000	(6 255 344)	(8 784 667)	8 623 827

National Agricultural Marketing Council

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Audited Annual Financial Statements for the year ended 31 March 2025

	Opening Balance	Amount Received / Receivable	Amount utilised	Amount returned	Total
Projects 2023-2024					
GDARD - Extension services as a catalyst to improve farm productivity	156 000	-	(16 170)	-	139 830
CASSAVA project	228 000	627 000	(591 000)	-	264 000
Total Principal projects	384 000	627 000	(607 170)	-	403 830
Other funding - AgriSeta	703 000	707 000	(590 000)	-	820 000
	1 087 000	1 334 000	(1 197 170)	-	1 223 830
Agent projects 2023-2024					
Agriculture and Agro-Processing Master Plan (AAMP)	14 828 925	-	(2 816 251)	-	12 012 674
National Red Meat Development Programme (NRMDP)	9 994 198	-	(1 792 703)	-	8 201 495
AgriSeta (AAMP)	823 000	-	(340 000)	-	483 000
One Food (CSIR)	-	650 000	(33 332)	-	616 668
Eastern Cape Grain Development(ECDC)	-	2 000 000	-	-	2 000 00
	25 646 123	2 650 000	(4 982 286)	-	23 323 310

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14. Accounting by principals and agents

The NAMC is a party to principal-agent arrangements.

AGRISETA - The Agricultural Sector Education and Training Authority (Agriseta AAMP)

An amount of R1 500 000 was received in the prior years from the Agricultural Sector Education and Training Authority for implementation of projects and programs identified in the national skills development strategy and other national priorities. At the beginning of the current financial year the project had an opening balance of R483 000 and a total of R415 000 was utilised at the end of the reporting period. The closing balance of R68 000 was recognised in the statement of financial position as deferred income.

One Food (CSIR) Project

During the prior financial year the NAMC entered into a SLA agreement with Council for Scientific and Industrial Research (CSIR) to provide a comprehensive stakeholder mapping report on South African food value chain to the value of R1 000 000. The NAMC received a total of R1 000 000 between 2023/24 and 2024/2025. A total of R416 828 was utilised for the implementation of the project. The unutilised fund amounting to R583 172 was refunded to the CSIR as at the end of the period.

Eastern Cape Grain development (ECDG)

During the 2023/24 financial year the NAMC entered into a SLA agreement with Eastern Cape Development Corporation, the project objective is collaborating and implementation of agro-processing route-to-market support and development of the grain industry value chain focusing on providing for the development of enabling economic infrastructure. As at 31 March 2024, NAMC raised a receivables of R2 000 000 which was only received in the current financial year. As at 31 March 2025, a total of R649 134 of this amount was utilised for operational costs and R1 350 866 was recognised as deferred income in the statement of financial position.

Agriculture and Agro-Processing Master Plan

An amount of R20 200 000 was received in the prior years from the Department of Agriculture, Land Reform and Rural Development for the implementation of Agriculture and Agro-Processing Master Plan (AAMP). During the current financial year the project had an opening balance of R12 012 674 and a total of R4 807 713 was utilised during the 2024/25 financial year for personnel expenditure and other administrative and capital expenses. The closing balance of R7 204 961 is recognised in the statement of financial position as deferred income.

National Red Meat Development Project

During the current financial year the project had an opening balance of R8 201 459 and no expenditure was incurred during 2024/25 financial year. The unutilised amount was returned to the Department at the end of the reporting period.

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15. Basic	27 992 252	26 944 583
Bonus provision	2 000 000	1 897 944
UIF	251 115	107 750
SDL	346 298	334 422
Leave pay provision charge	(208 453)	98 243
Pension: Post-employment benefits	3 692 454	3 479 136
Other non-pensionable allowances	1 198 352	1 100 743
Performance bonus paid out	1 134 606	1 897 944
	36 406 624	35 860 765
16. Depreciation, amortisation and impairment		
Property, plant and equipment	672 086	733 567
Investment property	60 000	60 000
Intangible assets	95 277	151 513
	827 363	945 080
17. Finance costs		
Finance leases	-	585
Other interest paid	731	-
	731	585
18. Lease rentals on operating lease Premises		
Contractual amounts	2 302 434	2 447 819
Equipment		
Contractual amounts	168170	100971
	2 470 604	2 548 790
19. Debt impairment		
Debt impairment	1 065 922	117 356

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Audited Annual Financial Statements for the year ended 31 March 2025

Figures in Rand	2025	2024
20. General expenses		
Auditors remuneration	1 658 730	1 594 511
Audit and risk committee fees	393 484	282 650
Bank charges	44 080	39 184
Bursaries	20 170	82 941
Catering	23 055	14 207
Cleaning	36 351	30 199
Conference costs	188 904	125 711
Consulting and professional fees	2 056 153	1 538 370
Consumables	129 157	136 940
Council Fees	2 366 002	1 832 795
Entertainment	-	2 000
Gifts	2 970	450
Insurance	435 142	445 327
Internal audit fees	518 793	361 943
IT expenses	2 513 232	1 831 455
Motor vehicle expenses	86 412	40 344
Recruitment Costs	167 543	7 590
Postage and courier	3 970	4 175
Printing and stationery	215 357	216 658
Promotions	120 954	-
Repairs and maintenance	2 627	76 330
Research costs	683 613	1 073 948
Research Supply and Demand Estimates fees	304 007	264 684
Section 7 Committee fees	74 478	98 909
Subscriptions and membership fees	353 090	317 542
Telephone	459 900	437 959
Training	159 486	207 735
Travel - local	1 532 348	1 514 290
	14 550 008	12 578 847

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21. Reclassification of comparative figures

During the reporting period, the presentation of administrative and operating expenses presented in the prior year Statement of Financial Performance, were reclassified to align with internal management reporting and to improve the reporting of information to users. Comparative figures for the prior year have been restated accordingly. The reclassification has not affected the prior year surplus, only the classification of expenses has changed.

	Previously reported	Reclassification	Restated
General administrative expenses	887 000	(887 000)	-
Insurance	-	445 327	445 327
Motor vehicle expenses	-	40 344	40 344
Subscription and membership fees	-	317 542	317 542
Cleaning	-	30 199	30 199
Conference cost	-	125 711	125 711
Catering	-	14 207	14 207
Printing and stationery	370 000	(370 000)	-
Rentals in respect of operating lease	1 007 000	(1 007 000)	-
Municipal charges*	1 440 000	(1 440 000)	-
Water expenses*	13 000	(13 000)	-
Property related expenses*	69 000	(69 000)	-
Consumables	-	136 940	136 940
Lease rentals - equipment	-	100 970	100 970
Lease rental - premises	-	2 447 819	2 447 819
Printing and stationery	-	216 658	216 658
Section 7 Committees and Consultancy	1 206 000	(1 206 000)	-
Research & Workshop	829 000	(829 000)	-
Council members	7 000	(7 000)	-
Project expenses	543 000	(543 000)	-
Consulting and professional fees	-	1 538 370	1 538 370
Research costs	-	1 073 948	1 073 948
Travel and subsistence	2 068 550	(2 068 550)	-
Travel local	-	437 959	437 959
Telephone	-	1 514 290	1 514 290
Training and development	299 000	(299 000)	-
Recruitment costs	-	7 590	7 590
Bursaries	-	82 941	82 941
Training	-	207 735	207 735
	8 738 550	-	8 738 550

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Figures in Rand	2025	2024
22. Cash (used in) generated from operations		
(Deficit) surplus	(1 975 817)	3 091 878
Adjustments for:		
Depreciation and amortisation (Note 16)	827 363	945 080
Gain on sale of assets and liabilities	-	62 563
Finance costs - Finance leases	-	585
Debt impairment	1 065 922	117 356
Movements in operating lease assets and accruals	(24 457)	(48 407)
Movements in provisions	(208 453))	98 243
Changes in working capital:		
Inventories	(1 256	(38 719)
Receivables from exchange transactions	119 862	(574 900)
Other receivables from non-exchange transactions	1 782 667	(2 628 942)
Payables from exchange transactions	(3 304 237)	2 976 334
Deferred Income	(15 744 264)	(2 195 880)
	(17 462 670)	1 805 191
23. Commitments		
Authorised capital expenditure Already contracted for but not provided for		
Property, plant and equipment	954 457	-
Intangible assets	669 576	-
	1 624 033	-
Total capital commitments		
Already contracted for but not provided for	1 624 033	-
Operational Commitments		
Goods and services	5 953 333	7 670 000
Total	7 577 366	7 670 000

This committed expenditure relates to operational expenditure and will be financed by available bank facilities and retained surpluses.

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Operating leases - as lessee (expense)

Minimum lease payments due

- within one year	-	446 636
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Operating lease payments represent rentals payable by the NAMC for its office properties. The lease entered into was a 3 year lease agreement and expired in July 2024. No contingent rent was payable.

The lease agreement for the old office accommodation ended on 31 July 2024. The NAMC has since moved to its new offices. The new lease agreement will commence on 01 May 2025.

24. Contingencies Termination of contract

The NAMC received summons from a service provider relating to the contract being terminated due to poor performance. The service provider is claiming payment of the remainder of the contract. The NAMC appointed Counsel to represent the organisation on the matter, and a notice of intention to defend has been filed. Should the matter go to court, the NAMC will likely incur legal expenses and additional costs should the applicant's claim succeed. The NAMC estimates that the maximum exposure will amount to R860 000.

Settlement agreement

The matter pertaining to the settlement agreement reached with the previous CEO of NAMC totalling an amount of R1.4 million was reported to the Public Protector. The NAMC submitted information requested by the Public Protector to conduct their investigation. As at the end of the reporting period, management has assessed the outcome of this matter to be remote as no further legal action will be taken and no further communication has been received from the Public Protector on this matter.

Disputed payments

The NAMC received summons from a service provider relating to the outstanding payments to the service provider. The outstanding payment on the contract in question was not paid due to the dispute regarding the claims made by the NAMC arguing poor workmanship and defective delivery. Notice of set-down for default judgment was received in a matter involving a claim for payment of funds incurred during implementation of a contract. The NAMC estimates that it will incur R1 000 000 in legal expenses and damages should the applicant's claim succeed.

The NAMC received a letter of demand from a service provider relating to alleged outstanding payments amounting to R198 864 due on a previously cancelled business account. The service provider alleges that the cancellation process was not fully completed. The assertion by the service provider is that the costs are "undisputed" which is incorrect and refuted by NAMC.

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Surrender of surpluses

As per Section 53(3) of the PFMA, NAMC, as a Schedule 3A Public Entity, may not accumulate a surplus without the prior written approval of the National Treasury. Therefore, regarding this section and National Treasury's instruction No.12 of 2020/2021, the NAMC will submit to National Treasury to retain surpluses for 2024/2025 in line with this instruction during September 2025 based on the final audited figures. In the past, the NAMC has received approval from the National Treasury to retain surpluses. At 31 March 2025, the NAMC had an adjusted cash surplus of R12 349 731.

25. Related parties

Relationships

Controlling entity	Minister of Department of Agriculture
Public entities under common control	Agricultural Research Council (ARC) Onderstepoort Biological Products (OBP) South Africa's Official Perishable Produce Export Certification Agency (PPECB)
Council members and Independent Audit and Risk mem- bers	Council members and Independent Audit and Risk members Refer to note 25
Members of key management	Key Management Remuneration Refer to Note 25

The NAMC is a Schedule 3A Public Entity in terms of the PFMA and is therefore related to all entities and departments at a national government level. Transactions and balances with these related parties have not been disclosed to the extent that these transactions were obtained at prices that were the same as dealing with these parties under the same circumstances and the terms and conditions were in the normal operating parameters established in accordance with the respective mandates.

Related party balances

Amounts included in Deferred Income regarding related parties

Department of Agriculture, Land Reform and Rural Development (AAMP)	7 204 961	12 012 674
Department of Agriculture, Land Reform and Rural Development (NRMDP)	-	8 201 495

The balance on related parties relates to the unutilised project funds as at 31 March 2025. The balances disclosed are interest free and not secured.

Related party transactions included in the financial statements

Department of Agriculture, Land Reform and Rural Development - Government grants and subsidies	45 765 000	49 771 000
Department of Agriculture, Land Reform and Rural Development (AAMP)	4 807 713	2 816 251
Department of Agriculture, Land Reform and Rural Development (NRMDP)	-	1 792 703

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Key management information

Class	Description	Number
Council Members	Accounting Authority (Council)	10
Audit and Risk Committee members	Council Sub-committee	5
Human Resources and Remuneration Committee	Council Sub-committee	4
Management committee	Management	7

Remuneration of management

Council member's fees

2025

Name	Fees paid for attendance and preparation	Total
Mr. Angelo Petersen: Chairperson of the Council	592 057	592 057
Ms. Thandeka Ntshangase (Deputy Chairperson of the Council)	134 926	134 926
Prof. Andre Jooste	164 815	164 815
Mr. Sifiso Mhlaba	136 149	136 149
Ms. Fezeka Mkile	113 051	113 051
Mr. Jan Mocke	137 915	137 915
Ms. Nonie Mokose	186 873	186 873
Ms. Shandini Naidoo	260 647	260 647
Mr. Gerhard Schutte	139 156	139 156
Dr. Thembi Xaba (Chairperson of Human Resources and Remunerations Committee)	500 414	500 414
	2 366 003	2 366 003

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Name	Fees paid for attendance and preparation	Total
Mr. Angelo Petersen: Chairperson of the Council	320 192	320 192
Ms. Thandeka Ntshangase (Deputy Chairperson of the Council)	160 660	160 660
Prof. Andre Jooste	162 979	162 979
Mr. Sifiso Mhlaba	148 505	148 505
Ms. Fezeka Mkile	225 527	225 527
Ms. Nonie Mokose	190 437	190 437
Ms. Shandini Naidoo	200 848	200 848
Mr. Gerhard Schutte	130 662	130 662
Dr. Thembi Xaba (Chairperson of Human Resources and Remunerations Committee)	286 252	286 252
	1 826 062	1 826 062

Fees paid to Independent Audit and Risk Committee members

Name	Fees paid for attendance and preparation	Total
Mr. P Slack (Chairperson of Audit and Risk Committee)	266 530	266 530
Mr. S Dzengwa (Audit and Risk Committee member and Chairperson of Risk Management Committee)	70 224	70 224
Mr. S Ndwandwa (Audit and Risk Committee member and Risk Management Committee member)	56 730	56 730
	393 484	393 484

Fees paid to Independent Audit and Risk Committee members

Name	Fees paid for attendance and preparation	Total
Mr. P Slack (Chairperson of Audit and Risk Committee)	131 420	131 420
Mr. S Dzengwa (Audit and Risk Committee member and Chairperson of Risk Management Committee)	104 746	104 746
Mr. S Ndwandwa (Audit and Risk Committee member and Risk Management Committee member)	46 848	46 848
	283 014	283 014

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Senior manager's remuneration

2025

Name	Basic salary	Performance Bonus	Pension contribution payments	UIF	Total
Dr. Simphiwe Ngqangweni - Chief Executive Officer	2 031 301	-	285 379	2 125	2 318 805
Ms L Dire - Chief Financial Officer (Appointed 01 July 2024)	1 321 714	-	-	1 594	1 323 308
Ms. B Kgopane - Acting Chief Financial Officer (Contract terminated 30 June 2024)	103 620	-	-	354	103 974
Ms. F Mudau - Acting Chief Financial Officer (01 March 2024 - 15 May 2024)	16 009	-	-	-	16 009
Mr. Schalk Burger - Senior Manager - Statutory Measures	1 304 498	60 061	183 786	2 125	1 550 470
Ms K Mosoma - Senior Manager - Agribusiness Development	1 307 752	60 061	183 786	2 125	1 553 724
Mr. B Nyhodo - Senior Manager – Agricultural Trusts	1 370 926	60 061	183 786	2 125	1 616 898
Ms. N Simelane - Senior Manager – Human Resources and Communication	1 304 498	120 121	183 786	2 125	1 610 530
Ms. N Shelembe - Risk and Compliance Manager	686 524	31 490	96 361	2 125	816 500
Dr. Victor Thindisa - Senior Manager – MERC (Appointed 01 November 2024)	471 426	-	76 577	886	548 889
Ms Stephanie van der Merwe - Legal & Company Secretary (Appointed 01 November 2024)	370 138	-	60 299	886	431 323
	10 288 406	331 794	1 253 760	16 470	11 890 430

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Name	Basic salary	Performance Bonus	Pension contribution payments	UIF	Total
Dr. Simphiwe Ngqangweni - Chief Executive Officer	1 987 464	157 264	279 783	-	2 426 636
Ms M Mathatho – Chief Financial Officer (Resigned 29 February 2024)	1 695 913	120 932	-	-	1 818 970
Ms F Mudau - Acting Chief Financial Officer (01 March 2024 - 15 May 2025)	10 304	-	-	-	10 304
Mr. Schalk Burger – Senior Manager – Statutory Measures	1 279 073	101 279	180 185	-	1 562 662
Mr. T Mokutu - Legal & Company Secretary (Contract terminated 22 May 2023)	169 173	-	19 603	-	189 307
Ms K Mosoma – Senior Manager - Agribusiness Development	1 286 897	101 279	180 182	-	1 570 483
Mr. B Nyhodo - Senior Manager - Agricultural Trusts	1 372 396	101 279	180 182	-	1 655 982
Ms. N Simelane – Senior Manage - Human Resources and Communication	1 278 076	101 279	180 182	-	1 561 662
Ms. N Shelembe - Risk and Compliance Manager	672 498	53 101	94 471	-	822 195
Dr. N Tempia - Senior Manager MERC (Contract terminated 30 November 2023)	790 632	-	120 123	480 485	1 393 365
	10 542 426	736 413	1 234 711	480 485	13 011 566

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26. Risk management

Financial risk management

The NAMC's activities expose it to a variety of financial risks: interest rate risk, credit risk and liquidity risk. Exposure to currency and interest rate risk is minimal. NAMC has an overall risk management plan approved by Council and is reviewed by Audit and Risk committee every financial year. Council has approved written policies such as Cash, Bank and Investment Policy, Debtors Management Policy and other policies that management adheres to.

The following are the carrying values of the NAMC's financial instruments per category:

Financial assets at amortised cost	24 218 076	44 934 313
Cash and cash equivalents (Note 9)	23 879 471	41 570 282
Receivables from non-exchange transactions (Note 7)	-	2 718 854
Receivables from exchange transactions (Note 8)	338 605	645 177
Financial liabilities at amortised cost		
Payables from exchange transactions (Note 11)	551 465	3 896 214
Prepayments are excluded from financial instruments in both financial years.		

The following table represents the gains or losses per financial instrument category:

Financial assets at amortised cost		
Interest income	3 863 805	2 904 879
Financial liabilities at amortised cost		
Finance cost	731	585

Liquidity risk

The NAMC manages its liquidity risk by monitoring cash flows and ensuring that necessary funds are available to meet any commitments that arises and further manages its liquidity risk by spending according to their budget which is fully funded.

At 31 March 2025	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions (Note 11)	551 465	-	-	-
At 31 March 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions (Note 11)	3 896 214	-	-	-

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Credit risk

Credit risk relates mainly to cash deposits, cash equivalents and trade debtors. The NAMC only deposits cash with major banks with high quality credit standing and limits exposure to any one counterparty. Credit risk is the risk of a counterparty to a financial instrument defaulting on its obligation to the NAMC, thereby causing financial loss. Receivable balances are monitored on an ongoing basis, resulting in exposure to bad debts being insignificant. Reputable financial institutions are used for investing and cash handling. As at 31 March 2025 there was no significant concentration of credit risk.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2025	2024
Cash and cash equivalents (Note 9)	23 879 471	41 570 282
Receivables from non-exchange and exchange transactions (Note 7)	-	2 718 854
Receivables from exchange transactions (Note 8)	338 605	645 177

Market risk

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate owing to changes in market interest rates

Balances exposed to interest rate risk	2025	2024
Cash and cash equivalents (Note 9)	23 879 471	41 570 282

27. Irregular and Fruitless and Wasteful Expenditure

Irregular expenditure	-	25 214
Fruitless and wasteful expenditure	731	32 654
Closing balance	731	57 868

***Refer to reconciling notes in the annual report**

National Agricultural Marketing Council

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28. Prior-year adjustments

The prior year figures have been restated to reflect the correction of material errors. The effect of the restatement on the financial statements are as follows:

Statement of financial position

2024

	As previously reported	Correction of error	Restated
Property, plant and equipment	1 251 285	(3 701)	1 247 584
Payables from exchange transactions	(2 664 924)	(1 231 290)	(3 896 214)
Deferred income	(24 563 310)	25 642	(24 537 668)
	(25 976 949)	(1 209 349)	(27 186 298)

Statement of financial performance

2024

	As previously reported	Correction of error	Restated
Interest income	(4 322 592)	1 417 713	(2 904 879)
Sponsorship revenue	(1 489 557)	(16 170)	(1 505 727)
Depreciation and amortisation	981 267	(36 186)	945 081
Loss on disposal of assets	22 675	39 888	62 563
General Expenses	12 774 742	(195 896)	12 578 846
Surplus for the year	7 966 535	1 209 349	(3 402 962)

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Notes to the Financial Statements

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2025

	As previously reported	Correction of error	Restated
Cash flow from operating activities			
Grants	47 667 000	2 104 000	49 771 000
Interest income	4 322 592	(1 727 803)	2 594 789
Project receipts	-	650 000	650 000
Sponsorship receipts	-	1 213 381	1 213 381
Employee costs	(35 841 000)	1 874 367	(33 966 633)
Suppliers	(14 463 416)	(4 020 958)	(18 484 374)
	1 685 176	92 987	1 778 163

Statement of financial position

2024

Cash flow from investing activities

Purchase of intangible assets	(91 000)	2 020	(88 980)
Proceeds from sales of assets	50 000	(22 044)	27 956
Proceeds from rental of investment property	132 000	(132 000)	-
	91 000	(152 024)	(61 024)

Cash flow from financing activities

Repayments of operating lease liability	49 000	(49 000)	-
Finance cost	(10 000)	9 415	(585)
	39 000	(39 585)	(585)

Errors

In the prior financial year, accruals for interest payable to the Department of Agriculture and for other operating costs were not raised correctly. This resulted in the misstatements of interest and other general expenses in that period. The errors have been corrected in accordance with GRAP 3: Accounting Policies, Changes in Accounting Estimates and Errors.

In the prior year, the Cash flow statement was not prepared in accordance with GRAP 2. The error has been corrected in accordance with GRAP 3: Accounting Policies, Changes in Accounting Estimates and Errors. In the prior year, the disposal of assets was incorrectly accounted for which resulted in the property, plant and equipment being misstated. The errors have been corrected in accordance with GRAP 3: Accounting Policies, Changes in Accounting Estimates and Errors.

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29. Budget differences

Material differences between budget and actual amounts

29.1 Rental income

Rental income to the value of R132 000 was raised as revenue from exchange transaction. Based on historical events, the NAMC does not anticipate the tenant to pay rent for 2024/2025 financial year. As such, the NAMC has raised an additional provision for bad debts of R132 000.

29.2 Other income

Other income includes funds retained from prior year and income from management fees generated from the delivery of projects during the financial year. Included in other income are the cost recoveries from the printing of gazettes and funds from Discovery. The variance is due to higher cost recoveries than anticipated.

29.3 Interest received

Interest received was more than budgeted due to additional funds available to earn more interest. The surplus funds from the prior financial year were retained and the grant was paid in one tranche in the beginning of the year resulting in more funds available to earn interest.

29.4 Sponsorship revenue

Revenue from sponsorships is not budgeted for by the NAMC. The amount of R2 456 986 was utilised for the intended projects.

29.5 Personnel cost

The variance of R1 276 376 is due to the vacancies during the financial year. These were filled as at year end.

29.6 Depreciation and amortisation

Depreciation and amortisation are not budgeted for as this is a non-cash item. The total depreciation and amortisation amount to R827 363.

29.7 Debt Impairment

There is no budget allocation for debt impairment as it is a non-cash item. The total debt impairment amounted to R1 065 922.

29.8 General expenses and Lease rentals on operating lease

The main cost drivers under this category are audit fees, ICT costs, office accommodation rentals and Council fees. Overall, the expenditure remained within the allocated budget. The variance is due to planned office relocation projects that were not finalised at year end. The remaining budget will be utilised for office relocation projects.

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29.9 Capital expenses

Computer equipment and office equipment were procured during the financial year. The variance is due to capital expenditure related to the office relocation project that were not finalised as at year-end. The remaining budget is committed to the procurement of computer software and other office relocation projects.

Differences between budget and actual amounts basis of preparation and presentation

The budget and the accounting bases differ. The annual financial statements for the NAMC are prepared on the accrual basis using a classification based on the nature of expenses in the statement of financial performance. . The annual financial statements differ from the budget, which is approved on the cash basis. The actual amounts in the Statement of Comparison of Budget and Actual Amounts are therefore adjusted to be comparable with the final budget.

Changes from the approved budget to the final budget

The changes between the approved and final budget are a consequence of reallocations within the approved budget parameters and the inclusion of the retained surplus from prior year.

30. Change in estimate

Property, plant and equipment

During the financial year, the NAMC reviewed the estimated useful lives of its furniture and fittings as part of its annual assessment process. As a result of this review, the useful lives of the furniture and fittings was extended by one additional year to better reflect the assets' actual usage patterns and expected service potential.

This change in estimate has been applied prospectively in accordance with the requirements of GRAP 3: Accounting Policies, Changes in Accounting Estimates and Errors. The impact of the change in the current financial year was not material to the financial statements.

31. Comparative figures

In the prior year, amounts disclosed in the annual financial statements were rounded to the nearest ten thousand rand (R10 000). In the current year, amounts have been rounded to the nearest one rand (R1). This change in rounding methodology has been applied to enhance the accuracy and comparability of financial information. As a result, comparative figures may differ from those presented in the prior year's financial statements.

32. Going concern

We draw attention to the fact that at 31 March 2025, the NAMC had an accumulated deficit of R1 975 817 and that the entity's total assets exceed its liabilities R14 511 924.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

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33. Taxation

The NAMC is exempted from income tax in terms of Section 10(1) cA (i) of the Income Tax Act 1962.

34. Segment information

General information

Identification of segments

The NAMC is organised and reports to the Accounting Authority and Executive Authority on the basis of five segments. The segments were organised around the type of services they deliver/provide. Management uses these same segments for determining strategic objectives. The business main operations are focused in the Republic of South Africa.

Information reported about these segments is used by management as a basis for evaluating the segment's performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

The NAMC's financing (including finance costs and finance income) and revenue are allocated to operating segments. Inter-business unit services are not valued and are deemed to have been supplied for no consideration and are therefore not eliminated. However, the quality of services provided internally is monitored as part of the non-financial service performance information through quarterly performance information reports.

The entity's business operations offices are in Pretoria.

The NAMC has the following five primary reportable segments:

Programme 1: Administration

The purpose of this programme is to provide support services towards achieving internal business excellence within the NAMC. The programme is currently structured in accordance with the following sub-programmes:

Sub Programme 1.1: Finance and Administration

Sub Programme 1.2: Human Resources

Sub Programme 1.3: Office of the Chief Executive Officer

The segments were aggregated on the basis of services delivered as management considered that the economic characteristics of segments throughout the NAMC were sufficiently similar to warrant aggregation.

Programme 2: Markets and Economic Research Centre (MERC)

The purpose of this programme is to provide quality research to key stakeholders in support of agricultural marketing decision making.

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Programme 3: Statutory Measures

The purpose of this programme is to facilitate the process to implement statutory measures in order to promote the efficiency of the marketing of agricultural products.

Programme 4: Agricultural trusts

The purpose of this programme is to provide advisory services relating to trusts to the Minister.

Programme 5: Agri-business Development

The purpose of this programme is to provide development programmes that will link small holder farmers to markets.

Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

National Agricultural Marketing Council

Notes to the Financial Statements

Audited Annual Financial Statements for the year ended 31 March 2025

Revenue	Administration	Markets and Economic Research Centre (MERC)	Statutory Measures	Agricultural Trusts	Agribusiness Development	Total
2025						
Government grant & subsidies	45 765 000	-	-	-	-	45 765 000
Sponsorship revenue	2 449 694	143 367	68 093	22 269	-	2 683 423
Rendering of services	-	507 064	-	-	-	507 064
Other income	-	394 143	-	-	-	394 143
Rental income	132 000	-	-	-	-	132 000
Interest received - investment	3 863 805	-	-	-	-	3 863 805
Total segment revenue	52 210 499	1 044 574	68 093	22 269	-	53 345 435
Entity's revenue						53 345 435
Expenditure						
Salaries and wages	18 400 004	8 888 119	3 297 246	2 229 152	3 592 103	36 406 624
Debt Impairment	1 065 922	-	-	-	-	1 065 922
Depreciation and amortisation	827 363	-	-	-	-	827 363
Lease rentals on operating lease	2 470 604	-	-	-	-	2 470 604
Finance cost	731	-	-	-	-	731
General Expenses	12 032 412	1 581 651	221 064	421 500	293 381	14 550 008
Total segment expenditure	34 797 036	10 469 770	3 518 310	2 650 652	3 885 484	55 321 252
Total segmental surplus/(deficit)	17 413 463	(9 425 196)	(3 450 217)	(2 628 383)	(3 885 484)	(1 975 817)

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Notes to the Financial Statements

Audited Annual Financial Statements for the year ended 31 March 2025

Revenue	Administration	Markets and Economic Research Centre (MERC)	Statutory Measures	Agricultural Trusts	Agribusiness Development	Total
Assets						
Property, plant and equipment	796 307	-	3 297 246	2 229 152	3 592 103	796 307
Investment property	1 285 000	-	-	-	-	1 285 000
Intangible assets	80 886	-	-	-	-	80 886
Inventories	99 479	-	-	-	-	99 479
Receivables from exchange transactions	1 209 977	-	-	-	-	1 209 977
Cash and cash equivalents	15 077 209	8 802 262	221 064	421 500	293 381	23 879 471
Total segment assets	18 548 858	8 802 262	3 518 310	2 650 652	3 885 484	27 351 120
Total assets as per Statement of financial Position						27 351 120
Liabilities						
Payables from exchange transactions	551 465	-	-	-	-	551 465
Provisions	3 494 327	-	-	-	-	3 494 327
Deferred Income	-	8 802 262	-	-	-	8 802 262
Total segment liabilities	4 045 792	8 802 262	-	-	-	12 848 054
Total liabilities as per Statement of financial Position						12 848 054

Following a change in the composition of its reportable segments, the corresponding items of segment information for earlier periods has been restated.

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Notes to the Financial Statements

Audited Annual Financial Statements for the year ended 31 March 2025

Revenue	Administration	Markets and Economic Research Centre (MERC)	Statutory Measures	Agricultural Trusts	Agribusiness Development	Total
2024						
Government grants and subsidies	49 771 000	-	-	-	-	49 771 000
Sponsorship revenue	504 455	896 949	-	64 573	39 750	1 505 727
Rendering of services	339 155	-	-	-	-	339 155
Other income	369 207	-	156 868	-	-	526 075
Rental income	132 000	-	-	-	-	132 000
Proceeds from insurance	27 028	-	-	-	-	27 028
Interest received - investment	2 904 879	-	-	-	-	2 904 879
Total segment revenue	54 047 724	896 949	156 868	64 573	39 750	55 205 864
Entity's revenue						55 205 864
Expenditure						
Salaries and wages	17 562 945	9 072 966	3 255 294	2 644 283	3 325 277	35 860 765
Debt Impairment	117 356	-	-	-	-	117 356
Depreciation and amortisation	945 080	-	-	-	-	945 080
Lease rentals on operating lease	2 548 790	-	-	-	-	2 548 790
Finance cost	585	-	-	-	-	585
Loss on disposal of assets	62 563	-	-	-	-	62 563
General expenses	9 396 877	2 096 960	261 286	508 312	315 412	12 578 847
Total segment expenditure	30 634 196	11 169 926	3 516 580	3 152 595	3 640 689	52 113 986
Total segmental surplus/(deficit)	23 413 528	(10 272 977)	(3 359 712)	(3 088 022)	(3 600 939)	3 091 878

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Revenue	Administration	Markets and Economic Research Centre (MERC)	Statutory Measures	Agricultural Trusts	Agribusiness Development	Total
Assets						
Property, plant and equipment	1 247 584	-	-	-	-	1 247 584
Investment property	1 345 000	-	-	-	-	1 345 000
Intangible assets	176 164	-	-	-	-	176 164
Inventories	98 223	-	-	-	-	98 223
Receivables from non-exchange transactions	718 854	2 000 000	-	-	-	2 718 854
Receivables from exchange transactions	1 461 838	-	-	-	-	1 461 838
Cash and cash equivalent	17 852 615	15 516 172	-	-	8 201 495	41 570 282
Total segment assets	22 900 278	17 516 172	-	-	8 201 495	48 617 945
Total assets as per Statement of financial Position						48 617 945
Liabilities						
Operating lease liability	24 457	-	-	24 457	-	551 465
Payables from exchange transactions	3 896 214	-	-	3 896 214	-	
Provisions	3 702 780	-	-	3 702 780	-	3 494 327
Deferred Income	820 000	15 516 172	8 201 495	24 537 667	-	8 802 262
Total segment liabilities	8 443 451	15 516 172	8 201 495	32 161 118	-	12 848 054
Total liabilities as per Statement of financial Position				32 161 118		12 848 054

35. Events after the reporting date

Management is not aware of any matters or circumstances as at the end of the financial year, not otherwise dealt with in the annual financial statements, that significantly affects the financial position of the NAMC or the results of its operations.

ANNEXURE A: CONTACT DETAILS

Table 31: Contact Details of Levy Administrators and Transformation Managers

Administering Body	Contact Person	Transformation Manager
Agri-hub (Fruit Industry Information)	Jolene Wium T 072 249 1234 jolene@agrihub.co.za	Not applicable
Cape Flora SA	Karien Bezuidenhout T 021 870 2900 F 021 870 2915 karien@hortgro.co.za	
Citrus Growers' Association of SA	Dr Boitshoko Ntshabele T 031 765 2514 F 031 765 8029	Mr Lukhanyo Nkombisa C 072 257 8386 lukhanyo@cga-gdc.org.za
Cotton SA	Annette Bennett (Dr) T 012 804 1462 annette@cottonsa.org.za	Mr Tertius Schoeman T 012 804 1462 tertius@cottonsa.org.za
Cape Wools SA	Mr Deon Saayman T 041 484 4301 F 041 484 6792 capewool@capewools.co.za	
National Lucerne Trust	Mr Fritz Ruppig T 044 272 8991 fritz@lusern.org.za	
Milk Producers' Organisation	Mr Fanie Ferreira T 012 843 5600 F 012 843 5781 fanif@mpo.co.za	
Milk SA	Mr Nico Fouché T 012 460 7312 F 012 460 9909 nico@milksa.co.za	Mr Godfrey Rathogwa T 012 460 7312 godfrey@milksa.co.za
Mohair Empowerment Trust	Marco Coetzee T +27 41 581 1681 marco@mohair.co.za	Ms Beauty Mokgwamame T: 041 581 1681 beauty@mohair.co.za
Fruitfly Africa	Ghian du Toit The Manager T 021 882 9541 F 086 756 8656 ghian@fruitfly.co.za	Not applicable
HORTGRO	Mariette Kotze T 021 870 2900 mariette@hortgro.co.za	Cynthia Mahlathi T 021 870 2900 cynthia@hortgro.co.za
Macadamias South Africa	Lizel Pretorius T 012 001 4107 lazel@samac.org.za	Juandré du Toit 012 001 4107 juandre@samac.org.za
SA Olive Industry	Ms Wendy Petersen T 021 201 8506 wendy@saolive.co.za	Mr John Scrimgeour T 021 868 3120 buffet@icon.co.za

Administering Body	Contact Person	Transformation Manager
SA Table Grape Industry	Mecia Petersen T 021 872 1438 F 021 872 4375 mecia@satgi.co.za	Mr Wilton September T 021 872 1438 F 021 872 4375 wilton@satgi.co.za
Raisins SA	Wessel Lemmer C 071 354 2948 wessel@raisinsa.co.za	
SA Cultivar and Technology Agency (SACTA)	Andrew Bennett C 0766768206 andrew@sactalevy.co.za	Mr Sandile Mahlangu T 012 807 3958 F 012 349 8707 sandile@sactalevy.co.za
South African Pecan Producers' Association	Mr Andre Coetzee C 083 271 6577 andrec@sappa.za.org	
South African Pork Producers' Organisation	Dr Marlene Louw T 012 100 3035 Marlene@sappo.org	Ms Kgadi Senyatsi T 012 100 3035 kgadi@sapork.com
Pomegranates Association of South Africa	Ms Andriette de Jager T 021 870 2900 andiette@hortgro.co.za	
Potatoes SA	Mr Willie Jacobs T 012 349 1906 F 012 349 2641 monica@potatoes.co.za	Rendani Murovhi T 012 349 1906 rendani@potatoes.co.za
Red Meat Industry Services	Mr Dewald Olivier C 082 800 3737 exec@safeedlot.co.za	
South African Grain Information Service (SAGIS)	Mr Bernard Schultz T 012 941 2050 F 086 543 2639 bernards@sagis.org.za	
Southern African Poultry Association (SAPA)	Dr Abongile Balarane T 011 795 9920 abo@sapoultry.co.za	
SA Wine NPC	Rico Basson T 021 276 0437 rico@sawine.co.za	Ms Karin Kleinbooi T 021 276 0720 karin@sawine.co.za
SA Winter Cereal Industry Association (SAWCIA)	Mr Gert Kok C 083 395 6959 admin@viridisafc.co.za	Ms Clare Carter-Ferguson C 082 945 8456 cosec@viridisafc.co.za

NOTES:



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