

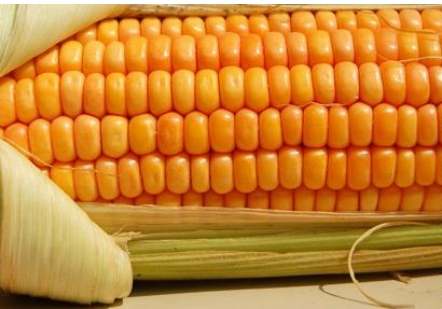
National Agricultural Marketing Council

Presentation of the Strategic Plan for the
2014/15 financial year.

Acting Chairperson: Mr. Andre Young

CEO: Mr. Tshililo R Ramabulana

CFO: Mrs. Sarah Muvhulawa



Objectives and Mandate



NAMC Council Members

Mr. Andre Young- **Deputy Chairperson & Acting Chairperson**

Ms Mina Gill- **Council Member**

Mrs JM v/d Merwe- **Council Member**

Dr. John Purchase- **Council Member**

Mr. Andries Cronje- **Council Member**

Dr Litha Magingxa- **Council Member**

Mr. Augustinus Hendricks- **Council Member**

Mandate and Objective

- Advisory body that advises the Minister of DAFF and DAG on all matters relating to marketing of agricultural products.
- Increase market access for all participants.
- Promotion of efficiency of marketing of agricultural products.
- Optimise export earnings from agricultural products.
- Enhance the viability of the agricultural sector.

Divisions

- Market and Economic Research Centre
- Agricultural Trusts
- Agribusiness Development
- Statutory Measures

Policy Alignment

National Development Plan

- Maximising use of communal land and enhancing productivity of land reform projects
- Opportunities to expand irrigation

Outcomes

- seeks to assist in the achievement of Outcome 4, Decent Employment through Inclusive Growth, and
- that of Outcome 7, Comprehensive Rural Development and Food
- Security.



IPAP

- Infrastructure pillar of IPAP
- Value chain analysis of target industries

Statutory Measures

Background

- 18 industries collecting statutory levies
- In 2012 financial year – R372 mill collected
- 20 industries administering statutory measures relating to registrations, records & returns



Expenditure paid by statutory levies

- Research, e.g. Grain Laboratory Services (29%),
- Transformation, e.g. GAFADA (22%),
- Export promotion, e.g. WOSA (17%),
- Information, e.g. SAGIS, SAWIS (12%), and local promotions (8%).

Cultivars replacement

- In 2009, the horticultural industry started a project to establish 1 000 ha of trees, including new cultivars, for black producers.
- By 2013, the industry already succeeded to establish 400 ha.
- The Western Cape Dept of Agric assisted the industry with soil preparation and irrigation.
- In the table grape industry, eight farmers were assisted to establish new cultivars on approximate 70 ha.
- The aim is to establish approximately 40 ha per annum – depending on available funds.



Lucerne transformation activities

Background

- The Lucerne Trust is donating lucerne seed to black farmers (25 kg per ha)
- Once the Trust receives a request, they will evaluate the situation (visit the farmer)
- In Taung area, black farmers producing lucerne under irrigation (pivot system)



Trust Intervention Progress

- The Trust already assisted 20 farmers on a total area of 200 ha (10 ha per farmer)
- The plan is to assist another 20 farmers on a further 200 hectares
- Farmers also being assisted with harvesting and the marketing of their lucerne

Lucerne hay calibrating machine

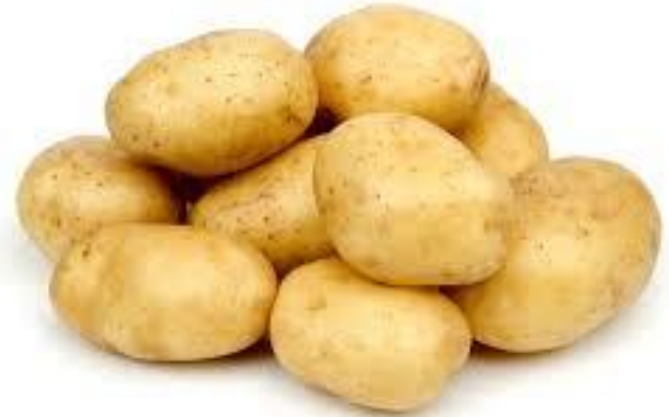


- Calibrating machine being used to grade lucerne hay.
- Certificate being issued for graded lucerne
- Expensive machine (R700 000 each) – 25 machines in South Africa
- Graded hay important for dairy industry to optimise feed intake
- The export market for lucerne hay grow tremendously due to graded lucerne

Markets & Economic Research Centre

MERC Aims

- gauge the efficiency of the market for every agricultural commodity (**Agro-food Chains**);
- undertake market and trade research to inform interventions aimed at enhancing the viability of agro-food (**Trade Focus Area**); and
- intensify research efforts on options to link smallholder farmers to agro-food value chains (**Smallholder Market Access Focus Area – formerly “Linking Farmers to Markets” Focus Area**)

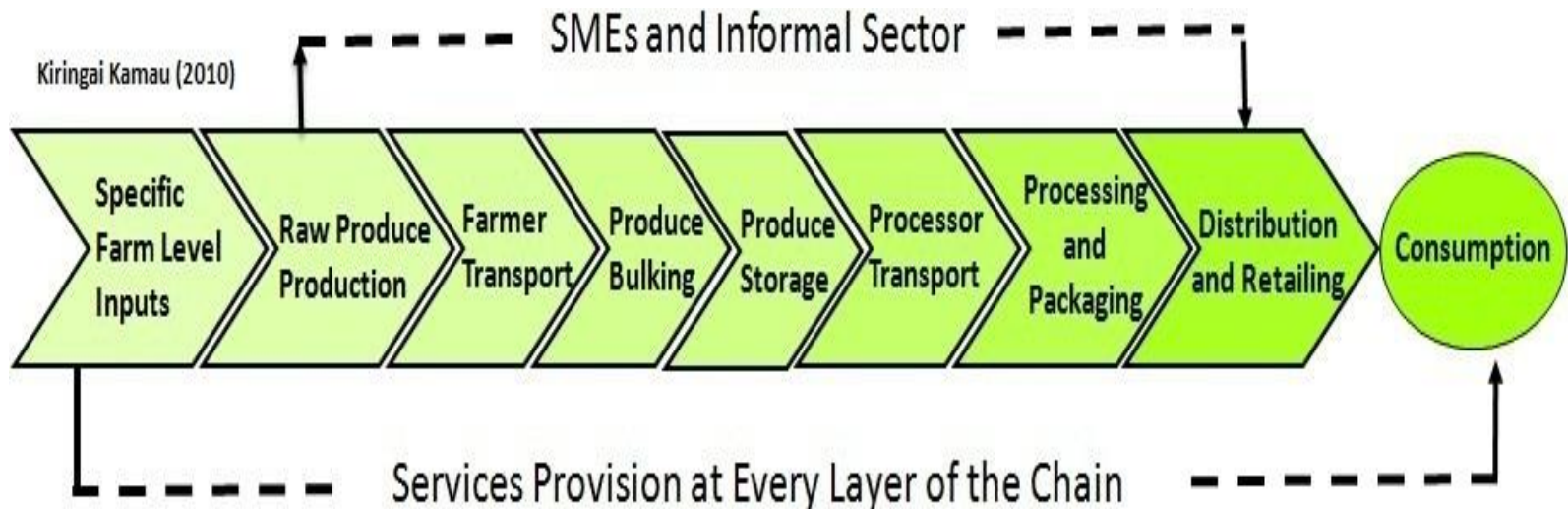


MERC Research Products

- Food Price Monitors, Food Cost Reviews, Input Cost Monitors, Trade Probes, Fruit Flow reports, and lately the South African Supply & Demand Estimates report.

Value Chain Studies

- MAPA objective: enhance efficiency of the sector:
- Analyse the sector's structure and current and potential contribution to economy and society
- Analyse structure, conduct and performance of agriculture commodity value chains
- Analyse comparative & competitive advantages, multipliers and economic linkages of value chains
- Ultimately benefit to society in terms of an efficient market system for food and agriculture commodities



Trade Analysis

MAPA objective: optimise South Africa's agricultural foreign exchange earnings

- Analyse local and international markets for commodities (esp. strategic markets: Africa, BRIC, etc.)
- Produce trade profiles of key commodities
- Participate in collaborative research programmes with international networks (FANRPAN, etc)
- Measure the impact of SA's formalised trade relationships



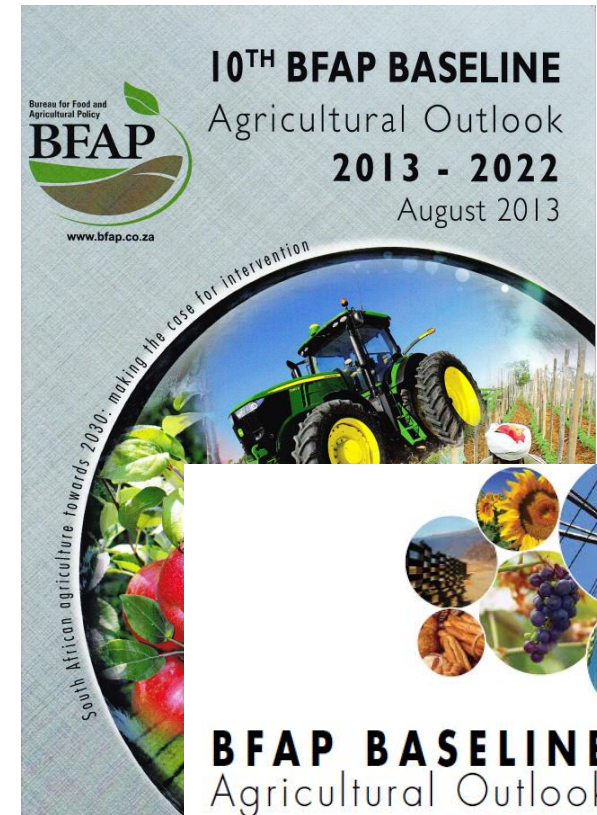
The Agri Benchmark Initiative

Some Key Advantages of being part of the Agri-Benchmark network

- **Creating** a national and international database on farm information and the economics behind.
- The **competitiveness** of our farmers will ultimately determine the long-term **sustainability** of South Africa's self-sufficiency with respect to grain- and oilseeds production, which further affects **food security**.
- The agri benchmark network is also designed to generate **updates** on local- and international agriculture and creates financial and managerial **strategies** for profitable and sustainable farming.
- Knowledge with regard to **optimal** production **techniques** (crop rotations, cultivation methods, tractors and implements used, fertilizing methods etc.) can be **gained, compared** and introduced on international and national level.
- The analysis provides critical data to analyse **impacts** on the agricultural sector with respect to **"what if"** questions and **scenarios** in conjunction with the linked BFAP system of sector and farm-level models.

Bfap baseline and food price analysis

- The Bureau has been tracking and developing future scenarios around South African agricultural commodity and food prices.
- The framework is based on the global data feeding into the South African situation – looking at supply and demand balances and farm sustainability.
- The typical analyses look at price trends, shocks and future outlooks.
- The Bureau generates future scenarios of the production and consumption of food under various macro and policy assumptions and projects commodity and food price inflation, taking price transmission and market integration into consideration.
- Contributions to the quarterly Food Price Monitor published by the National Agricultural Marketing Council (NAMC) where BFAP researchers keep track of the impact of food price inflation on household food expenditure patterns and provide a quarterly outlook of food price inflation.



SIP 11

NAMC's Role

- Assisting project owners (DAFF, provinces, local government) to strengthen the project business cases to raise funding
- Coordinating reporting on existing and proposed new high-impact/anchor agro-logistics & rural infrastructure projects
 - Quarterly reporting on a total of over **800** infrastructure projects nationally (**R26 bn**)
 - Draft Business Plan consisting of **28 proposed or recently initiated** high-impact/anchor projects (**R18 bn**)
- Assist to bring stakeholders to work together to enable implementation of these projects

Background

- National Infrastructure Plan - will be operationalised through legislation (Infrastructure Development Act)
- Current focus is on mobilisation of funding for many of the anchor projects (currently **only R3 billion funding** has been secured)



AIMS

Background

- DAFF and the provinces have been faced with challenges relating to lack of reliable production, marketing, natural resources and food security information
- AIMS is envisaged to fill that gap – by offering accurate and verifiable baseline information required for business, production, resource
- Conservation and marketing information for the practitioners, farmers and decision makers
- Funding will come from both DAFF and the provinces (through CASP)



Role of NAMC

- NAMC has been appointed to coordinate the national roll-out of AIMS (currently only Western Cape has implemented the AIMS)
- NAMC has set up governance (technical and strategic) committees
- In the next month, the first phase (business analysis) will be implemented following proper Supply Chain Procedures
- Regular reporting to DAFF EXCO, Mintech and other inter-governmental fora.

Agribusiness Development Division

Introduction

- ADD designs and facilitates the implementation of Agribusiness models that link small scale growers with markets through collaborations/partnerships with various organisations (public and private) in order to achieve the following:
 - increased market access,
 - encourage new market development,
 - build capacity for the developing producers.
- Organisations and institutions that we strengthen our partnership with:
 - Provincial Governments; DAFF, DRDLR, Land Bank; PPECB; IDC and other agencies.
 - Industries
 - Donors

ADD Programmes

- **Development Schemes** - driven to address food security and domestic market access.
- **Business Linkages** - develop and manage programmes that link growers with international markets.
- **Capacity Building** - facilitate training programmes in marketing, financial and strategic management to assist small holder producers in building successful and thriving businesses.
- **Market Information** - facilitate the dissemination of market information to farmers.

Development Schemes

- Continue with the design and implementation of the development schemes. The objective of the schemes is to integrate the developing agribusinesses into the commercial mainstream,.
- Designs are demand driven and guided by the following:
 - developmental impact
 - feasibility
- **Work in Progress**
 - Dry beans – Limpopo
 - Vineyard – Northern Cape
 - Blueberries – Mpumalanga



Vineyard Development Scheme

Background

- One of the Anchor project contributing towards the achievements of the Strategic Integrated Projects (SIP 11) targets.
- The aim is to establish 500 ha of wine, raisins and table grapes in the Northern Cape province.
- To date:
 - 105 ha have been planted with raisins,
 - 67 ha with wine grapes, and
 - 135 ha with table grapes.



Beneficiaries and Employment

- Grapes production creates at least 8 permanent jobs and 13 temporary jobs per 25ha.
- Currently approximately 300ha of Vineyards developed created an additional 252 jobs.
- Additional 500ha has capacity to create further 420 jobs.



NAMC Intervention

- The NAMC facilitates the design and the implementation of the project in collaboration with various stakeholders including the Department of Agriculture Land Reform and Rural Development in the NC and WineTech.

Market Access

Currently supplying Die Stel.

Drybeans Development Scheme

Background

- Project initiated in 2013 - integrate the selected group of small scale farmers with formal markets.
- Majority of the farms - direct beneficiaries of Land reform programme, few are privately owned.
- 23 farms selected to participate on the programme.
- A total of 500 ha is earmarked for production in the next season.



NAMC Intervention

- The NAMC secured an off-take agreement with Tiger brands food to supply bags of Dry beans (KOO) to its factory in Marble hall.
- Design and facilitates the implementation of the project in partnership with the Limpopo Department of Agriculture.
- Provision of both technical and advisory support along the value chain.
- A pilot project is underway where 20 ha will be planted this season.

Market Access

- Tiger Brand works on individual contracts with growers through a primary processor i.e. Northern Seeds processors.
- The main role of the primary processor:
 - clean the seeds (remove leaves, stones etc)
 - package the commodity and deliver to Tiger Brand for final processing.

Coromandel Trust -Blueberries Production

Background

- Coromandel estate operates enterprise such as Dairy, Maize, Soya, Peaches, Nectarines and Blueberries.
- The estate has 25 management houses, various game, trout dams and 70 thoroughbred horses.



Beneficiaries and Employment

- Approximately 248 beneficiaries.
- 6 permanent workers, more that 50 contracted staff during the picking season.
- Woman accounting for the highest rate of employment due to better understanding and satisfactory working capacity.



NAMC Intervention

- The NAMC in collaboration with PPECB is assisting the blueberry enterprise with food safety standards (GLOBALGAP and HACCP).
- Pre audits for blueberries production have been conducted.
- Technical Assistant Plan compiled.
- The FAO sponsored for the implementation of trainings and operational documents of the farm.

Market Access

Currently supplying big supermarkets such as Woolworth.

National Red Meat Development Programme

Background

- The aim of the project is to develop and enhance the Red Meat industry in the rural livestock rich communities of South Africa
- create feedlot capacity for subsistence livestock farmers
- Introduce livestock farmers to the formal marketing channels



Current operational feedlots:

- Mount Frere (Lugangeni), Ncorha, Gxwalubomvu, Mhlumayo (Elliot) and Middeldrift in the Eastern Cape.

Feedlots under construction:

Indaka in KZN, Kamastone, Lahlangubo and lower Hukuwa CFP are in the final stages of construction

Supply Chain and Logistics Development Programme (SCLP)

Background

SCLP assist small producers of fresh fruit and vegetables (FFV) in accessing international markets particularly the EC, by enhancing productive capacities and enhancing compliance with technical requirements and promoting certification.

NAMC Intervention

- The NAMC is the Project Management Unit
- Implement specific business support activities with inputs from the WCDoA. i.e. capacity building in certification, packaging, quality control, logistics planning and business linkages with potential buyers.
- Project funded by the Western Cape Department of Agriculture (WCDoA).

Beneficiaries and Employment

The project is being implemented in the Western Cape province and 18 producers of stone and pome fruits participate in the project.



Market Access

Export to EU countries including Netherlands and Germany, amongst others, through marketing agents.

Macadamia Project



NAMC Intervention

The NAMC in collaboration with Subtropical Growers Association solicited support from the IDC, Land Bank, LDA and other role players to commercialize the macadamia production in the district. The business plan for the project has been developed and approved.

Linking growers to the commercial farming entity for skills transfer.

Background

The project aims to support a group of macadamia growers in the Vhembe district of Limpopo province in accessing formal markets. The growers grouped themselves in a form of a cooperative which consists of 14 members. Since 2003, the cooperative established 114 ha of macadamia nuts on a dry land condition through funding from the European Union.

Beneficiaries and Employment

There are about 14 growers benefiting from the project. All the farms are located within the Vhembe district within a 50km radius.

Market Access

There are two main processors of macadamia nuts within the district namely, Royal macadamia and Green farm nut company.

Training and Capacity Building Programs

Making Markets Matter - MMM

- **Agribusiness training and mentorship** program aimed at emerging agribusiness entrepreneurs
- **Driven by the need** for Human Capital development in agriculture to meet the goals of South Africa and to redress past imbalances
- **Develop** entrepreneurs in agribusiness - necessary business skills - successfully and sustainably competition locally and internationally .

Collaboration with the Colleges and NGOs:

- Mzinti and Madzivhandila Agricultural Colleges

AGRIBIZ for Women

- The **management training** for women in agribusiness branded AGRIBIZ.
- **Designed for women entrepreneurs** engaged in on- and off-farm production and services and in the entire value chain of natural products, food and agricultural products.

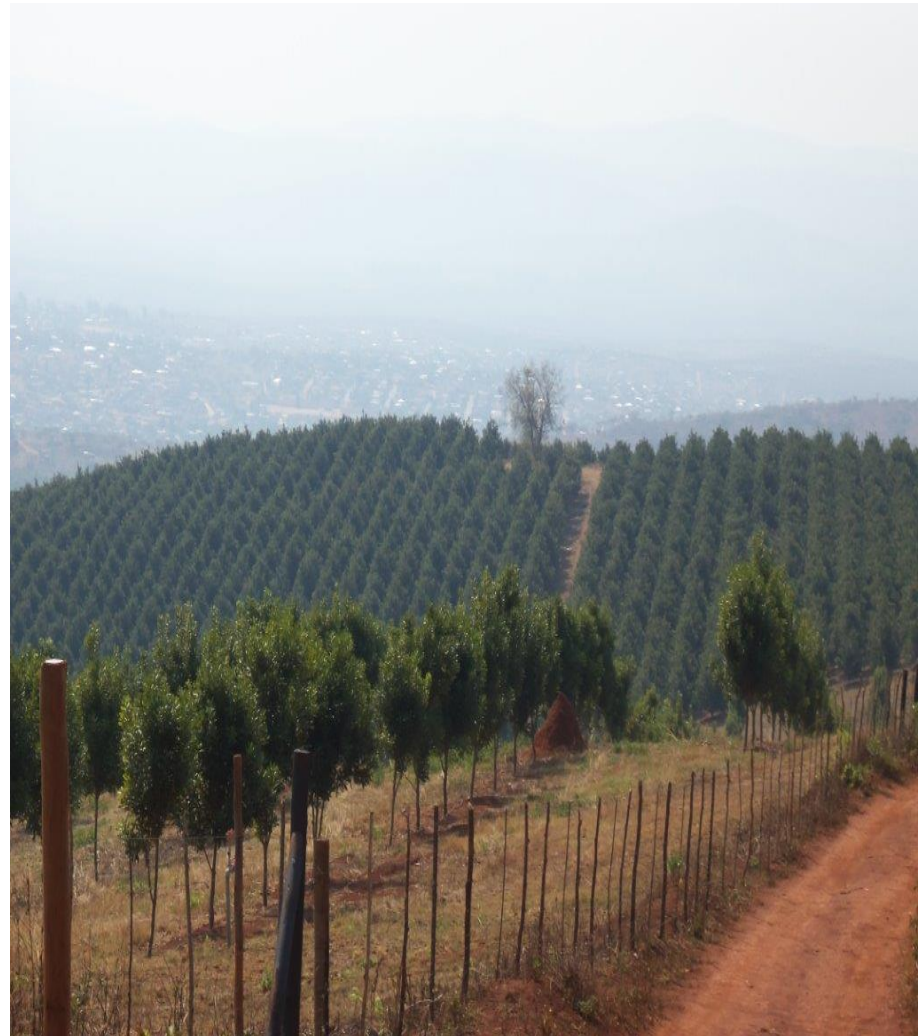
The MMM and AGRIBIZ training programmes take place every year in May in Cape Town.

MMM - 120 farmers trained since 2008 (± 15 per year)

AGRIBIZ - 210 famers trained since 2008 (± 35 per year)

M&E and Partnerships

- Monitoring and evaluation of projects
 - Development of M & E tools
 - Baseline
 - Impact assessment
 - Selection of proper indicators (portfolio committee and Minister)
- Partnerships
 - Identification of right partners
 - Focus on partners that are willing to work with us
 - Leverage funding from partners
 - Identification of implementing partners to cut our overheads



Agricultural Trusts

Background

- 11 agricultural industry trusts.
- 25 ministerial trustees. (excl. SAWIT)
- Total assets- approximately R2 billion



Trusts funded projects

- **NLT** : Taung project, supporting 20 farmers with 400 hectares
- **PIDT**: Supporting 16 enterprise development farmers, 55 small growers (food security gardens) and farm base training for farm workers
- **Maize Trust: GFADA** 53 farmers with 4982 hectares in EC, NW and MP
- **Wool Trust**: R1.85 million allocated for the supply of shearing equipment to 76 communal sheds in the EC. 33 856 quality rams distributed
- **Bursary Funded** for 2013-14
- MIT Trust 12, Citrus 45 and PIDT 25 and Maize Trust

Human Capital

Human process and Program design

Transforming HR team into a high performance, through benchmarking, process improvement and program assessment and design.

Talent Management

Talent Acquisition: through finding the right talent, right skills, right time and right qualification for the Job

Consulting

- Consultants provide expert advice and support using external experience

Coaching

- Facilitates current learning and for the future

Mentoring

- Give key people the benefits of their experience and to support future learning

Performance Management

- Performance agreement linked to strategic objectives
- Evaluate performance in a trimester basis
- Coach and Mentor
- Counsel for poor performance
- Recognition and reward
- Training and Development

Human Capital (Cont.)

Employee Relations

- Implementation of Human Capital Policies
- Reviewing and benchmarking HR Policies Procedures
- NAMC Structure



Wellness interventions

- Employee Wellness Programmes
- Diversity Forums
- Debriefing / Counselling
- HIV / AIDS programmes
- Awareness session



Annual Budget:

MTEF Budget 2014/15 -2016/17

The NAMC has received MTEF budget allocation letter for the period 2013/14 -2015/16 from DAFF

Budget allocations

- 2014/15: R 36 005 000
- 2015/16: R 37 912 000
- 2016/17: R39 921 000

Percentage fluctuations

- 2013/14 – 2014/15: 6% increase
- 2014/15 – 2015/16: 5% increase
- 2015/16 – 2016/17: 5% increase

BUDGET: SUMMARY OF INCOME

INCOME	2014/15	2015/16	2016/17
	R'000	R'000	R'000
Grant & transfers (MTEF)	36 005	37 912	39 921
TOTAL INCOME	<u>36 005</u>	<u>37 912</u>	<u>39 921</u>

Budget Allocation per Programme: MTEF Period 2014/15 – 2016/17

	2014/15	2015/16	2016/17
	R'000	R'000	R'000
Division:			
Finance & Administration	9 823	10 231	10 654
Human Resources	3 312	3 695	3 910
Statutory Measures	2 152	2 278	2 412
Agribusiness Development	3 301	3 486	3 682
Agricultural Trusts	1 216	1 287	1 362
MERC	10 900	11 340	11 996
Office of the CEO	3 674	3 887	4 113
Council & Audit & Risk Committee	1 626	1 708	1 793
Total	36 005	37 912	39 921

2013/14 BUDGET vs 2014/15 PER STANDARD ITEMS

<u>Expenditure categories</u>	<u>MTEF Budget 2013/14</u> <u>R'000</u>	<u>MTEF budget 2014/15</u> <u>R'000</u>	<u>Increase/ (Decrease)</u> <u>R'000</u>	<u>% Change</u>
Personnel	21 399	22 777	1 378	6%
Administration	8 322	8 681	359	4%
Professional services	3 676	4 100	424	12%
Assets	421	447	26	6%
Total	33 819	36 005	2 186	6%

Other Sources of Income

In addition to the NAMC budget, the NAMC is currently managing the following projects of which sponsorship funding have been allocated to each specific project.

Name of Project	Amount allocated R'000	Funded by	PURPOSE
National Red Meat Development Project	R20 610 - 2013/14 R 30 714 - 2014/15 R41 930 - 2015/16 R50 792 - 2016/17 R68 836 - 2017/18	Department of Rural Development and Land Reforms	The development of Red Meat Centres in Nine provinces over a period of five (5) years
Strategic Infrastructure Project (SIP 11)	R 15 000	Department of Agriculture, Forestry and Fisheries	The projects aims to develop infrastructure that aims to create jobs, increase agricultural production and alleviate poverty.
Vineyard Development Scheme	R 40 270 - 2013/14 R 40 100 – 2014/15	Northern Cape Department of Agriculture, Land Reform and Rural Development	To facilitate the implementation of the Vineyard Development Scheme in the Northern Cape Province

Thank you

