



**National Agricultural
Marketing Council**
Promoting market access for South African agriculture



Briefing on the 2016/17 Annual Report
Presented by; Chairperson: Prof PK Chauke
Acting CEO: Mr. Z Xalisa
CFO: Ms. S Netili

11 October 2017
Parliament South Africa

Presentation Outline

Abbreviations

Vision and Mission

Mandate and Objectives

Governance

Audit Opinion

Preamble

Market access to all participants

Efficiency of the marketing of agricultural products

Optimise export earnings from agricultural products

Enhance the viability of the agricultural sector

Human Resources

Communication

Financial Overview

Abbreviations & Acronyms

ACRONYM	MEANING	ACRONYM	MEANING
AEASA	Agricultural Economics Association of South Africa	KZN	KwaZulu-Natal
AGOA	African Growth and Opportunity Act	NAMC	National Agricultural Marketing Council
CFP	Custom Feeding Programme	MAP Act	Marketing of Agricultural Products Act)
OPDT	Oil & Protein Seeds Development Trust	NC	Northern Cape
DAFF	Department of Agriculture, Forestry and Fisheries	NRMDP	National Red Meat Development Programme
DARLRD	Northern Cape Department of Agriculture, Land Reform and Rural Development	NW	North West
DRDLR	Department of Rural Development and Land Reform	OWK	Oranjerivier Wynkelders (Orange River Cellars)
GSP	General System of Preferences	OPDT	Oil & Protein Seeds Development Trust
IDC	Industrial Development Corporation	PDA	Provincial Department of Agriculture
		SA	South Africa
		SAAEPF	South African Agricultural Economic Professionals Fellowship

Abbreviations cont....

ACRONYM

MEANING

SABPP

South African Board for Personnel
Practice

SACTA

South African Cultivar and Technology
Agency

SAGIS

South African Grains and Information
Services

SAMAC

Southern African Macadamia Growers'
Association

SASDE

South African Grains and Oilseeds Supply
and Demand Estimates

SATI

South African Table Grape Industry

SCLP

Supply Chain and Logistics Development
Programme

SMF

Small Holder Farmers

ACRONYM

MEANING

TRC

Transformation Review Committee

WCT

Winter Cereal Trust

PSA

Potatoes SA

SAPPO

South African Pork Producers'
Organisation

WCDoA

Department of Agriculture in the
Western Cape

USA

United States of America

Vision

Strategic positioning of agriculture in a dynamic global market.

Mission

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

Mandate

Advisory body that advises the Minister of DAFF and DAG on all matters relating to marketing of agricultural products.

Objectives

- 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.

Governance

The Minister of Agriculture, Forestry and Fisheries appointed 10 Council members for the NAMC during May 2017. The list of Council Members is as follows:

- **Prof PK Chauke** (Chairperson);
- **Mr H Prinsloo** (Vice Chairperson);
- **Mr S Faku;**
- **Ms F Mkile;**
- **Mr H Mohane;**
- **Mr B Mokgatlhe;**
- **Ms N Mokose;**
- **Prof D Rangaka;**
- **Mr G Schutte;**
- **Mr Z Wapi.**

Audit Opinion

2016/17 Unqualified –Clean Audit Award from AGSA

2015/16 Unqualified –Clean Audit Award from AGSA

2014/15 Unqualified

Preamble

- **1930s**, National Department of Agriculture maintained various agricultural schemes, each administered by control boards.
- Main role (production and marketing of agricultural products in South Africa).
 - Protect the primary producers from excessive price fluctuations, thereby improving their long-term economic survival.
 - **Effect:** **Many farmers also exited agriculture due to insolvencies and poor economic conditions**
- **1980s**, large subsidies were paid to farmers in the form of drought aid and other disaster payments

Preamble cont....

- The schemes were formalised according to:
 - The composition,
 - Finances,
 - Regulations of the various marketing issues, such as single desk exports and imports, levies and price determination, to highlight a few.
- **1996**, the Marketing of Agricultural Products Act (Act No. 47) came into effect. (new Government & Directly Affected Groups)
 - Control boards were more on protection and support of the industry, than after 1996
- **1997**, all the former control boards submitted: Business Plans & Trust deeds to the NAMC for ministerial approval.

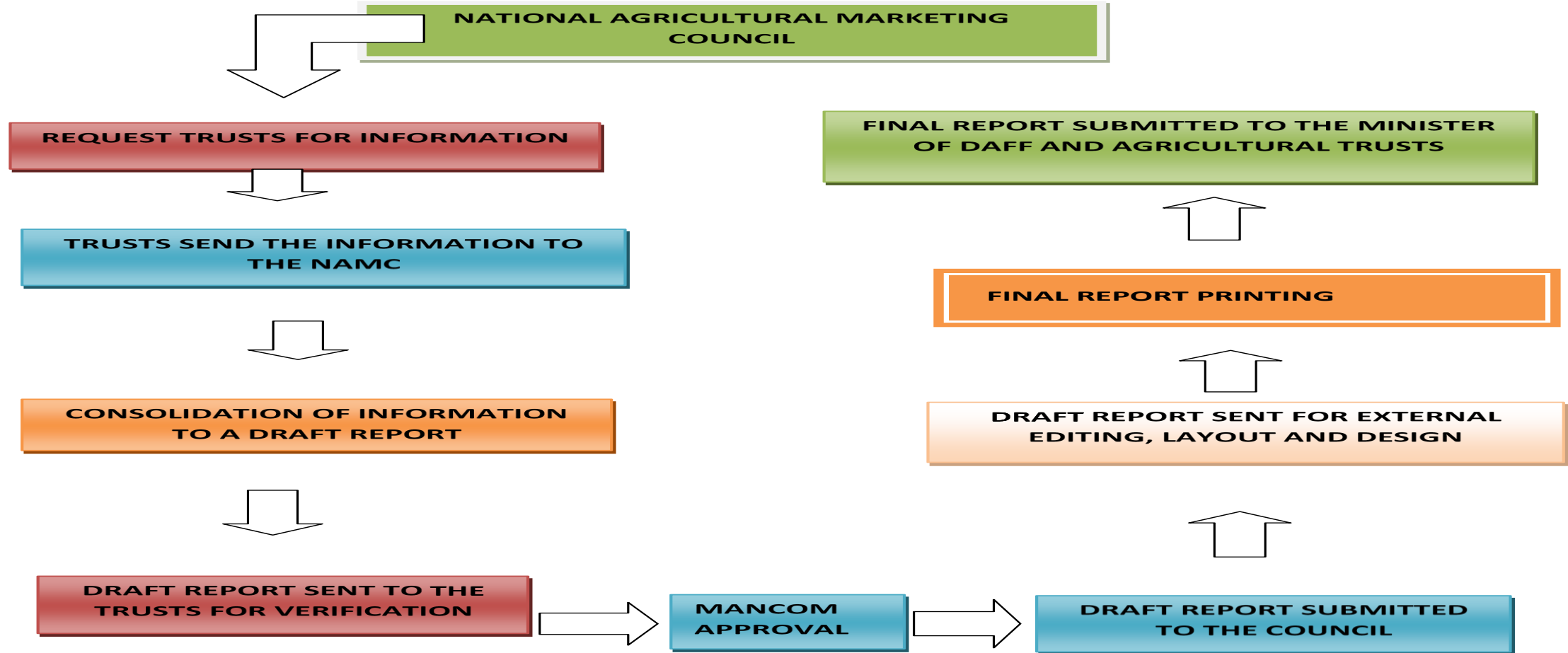
Outlook of Agricultural Trusts

Trust Name	Established	Age	Total Inherited Assets (R)	Current Asset value	Growth/Decline
Maize Trust	Aug-00	17	R 319 234 732	R 1 083 282 392	R 764 047 660
Wool Trust	Aug-97	20	R 87 625 322	R 507 665 974	R 420 040 652
Oil & Protein Seeds Development Trust	Oct-97	20	R 74 086 064	R 331 729 485	R 257 643 421
Mohair Trust	Sep-97	20	R 101 391 436	R 271 631 595	R 170 240 159
Winter Cereal Trust	Nov-97	20	R 11 239 713	R 118 081 032	R 106 841 319
Meat Industry Trust	May-98	19	R 44 363 570	R 45 732 450	R 1 368 880
Sorghum Trust	Feb-99	18	R 6 554 135	R 26 112 890	R 19 558 755
Citrus Industry Trust	Feb-99	18	R 16 689 489	R 16 185 950	-R 503 539
Deciduous Fruit Industry Development Trust	Aug-98	19	R 13 692 000	R 15 487 968	R 1 795 968
Potato Industry Development Trust	Sep-04	13	R 0	R 14 522 389	R 14 522 389
National Lucerne Trust	Aug-97	20	R 2 952 398	R 7 932 337	R 4 979 939
Total/Average		19	R 677 828 859	R 2 438 364 462	<u>R 1 760 535 603</u>

Agricultural Trusts

- Manage the communication and reporting processes between the Minister of DAFF, Ministerial Trustees and Agricultural Industry Trusts;
- To report on annual basis to the Minister of DAFF through the status report on agricultural trusts on the operations and functioning of the Trusts; and
- To ensure that the Industry trusts carry out the objectives of the trust deeds by aligning them to government transformation mandate.

The process on collection of information to compile the Status Report



Statutory Measures

- Statutory measures may only be introduced if the Minister is satisfied that it will advance one or more objectives of the Act (as stipulated in section 2 of the Act):
 - Increase in market access,
 - Promote efficiency in marketing of agricultural products,
 - Optimise export earnings, and
 - Enhance the viability of the sector.
- May not be detrimental to food security, employment opportunities or fair labour practices
- The MAP Act makes provision for four statutory measures:
 - Levies (section 15)

Statutory Measures

- Records and returns (section 18)
- Registration (section 19)
- Control of exports of agricultural products (section 16)
- They complement each other
- The system of statutory measures is well developed – started in 1937
- Until recently, 83% of total agricultural production was subjected to statutory measures
- Decreased to 63% after the poultry industry opted not to continue with statutory measures
- Poultry is biggest agricultural industry in SA

Conditions of approval

- Statutory levies must be audited by the Auditor General
- At least 70% of levy income be used on other generic functions such as information, promotion, research, quality control, etc
- At least 20% of all levy income must be used for transformation projects
- Not more than 10% of levy income be used on administrations costs
- Any surplus funds after 4 year levy period only be used as approved by the Minister
- The NAMC has observer status on meetings of levy administrators
- Employment Equity plans

Summary of statutory measures applicable in South Africa 2016

INDUSTRY	Administering body	Statutory Measures		
		Levy	Registration	Records & Returns
Citrus (export only)	Citrus Growers Association	√	√	√
Cotton	Cotton SA	√	√	√
Dairy	Milk SA	√	√	√
Deciduous fruit (pome & stone)	HORTGRO Services	√	√	√
Dried fruit	Dried Fruit Technical Services	√	√	√
Fynbos (proteas)	HORTGRO Services	√	√	√
Grains (Maize, Oilseeds, Sorghum, and Winter Cereals)	The South African Grains and Information Services (SAGIS)		√	√
Lucerne	Lucerne Seed Organisation	√	√	√
Macadamias	Southern African Macadamia Growers' Association (SAMAC)	√	√	√
Mangoes	Subtrop	√	√	√
Milk	Milk Producers' Organisation		√	√
Olives	SA Olive	√	√	√
Pecan nuts	SA Pecan Producers' Association	√	√	√

Summary of statutory measures applicable in South Africa 2016

INDUSTRY	Administrating body	Statutory Measures		
		Levy	Registration	Records & Returns
Pomegranates	Pomegranate Association of South Africa (POMASA)	√	√	√
Pork	SA Pork Producers' Organisation	√	√	√
Potatoes	Potatoes SA	√	√	√
Red meat	Red Meat Levy Admin	√	√	√
Sorghum	Sorghum Trust	√		
Table Grapes exported	SA Table Grape Industry	√	√	√
Wine	SAWIS, WIDA, Winetech and WOSA	√	√	√
Winter Cereals	Winter Cereal Trust SA Cultivar and Technology Agency (SACTA)	√		
Wool	Cape Wools SA		√	√

Industry Transformation Support

- In 2014, Transformation Review Committee (TRC).
- **Purpose:** Review, comment and inputs to Transformation Business plans (20% levy expenditure)
- Aligned to NAMC transformation guidelines

Key roles of the industry transformation support

- Business Plans Reviewed (4 reviewed)
- Participation in industries transformation committees (WCT, PSA, SAPPO & Milk SA)
- M & E conducted (3 red meat industry)

Stakeholder/Industry Engagements Achievements (TRC)

Potatoes SA

- Reviewed enterprise development programme – Amount R4 883 300
- 16 Black farmers supported (provinces Limpopo, Free state, KZN, MP, EC and Gauteng)
- 10 – 15 hectares
- Retired mentors were co-opted to mentor the 16 black potato farmers
- This is to ensure that that at least 7 Smallholder farmers graduate to commercial level a year.

Stakeholder/Industry Engagements Achievements (TRC)

South African Pork Producers' Organisation (SAPPO)

- A proposal on the approach by TRC was accepted in 2016 by SAPPO (Implementation in process).
- Selected projects are Servimark, simba mabhele, Inanda and KP piggery.
- R6 million was spend on this 4 projects (machinery and other farm inputs)
- Aligned with the NAMC transformation guidelines (50% enterprise development).

Transformation Spent

Industry	Enterprise development (guideline 50%)	Skills development (guideline 20%)	Employment equity, etc (guideline 30%)	Total spent on transformation	% of levy income (guideline 20%+)	Levy income
Citrus (exported)	7,266,004	2,300,000		9,566,004	17.6%	54,199,844
Cotton lint	50,482	348,428		398,910	20.6%	1,933,555
Dairy products	1,187,895	6,062,951		7,250,846	15.6%	46,585,458
Deciduous fruit	5,225,018	4,195,784	811,105	10,231,907	22.3%	45,882,958
Dried fruit	644,690	273,000	318,419	1,236,109	21.3%	5,816,018
Fynbos (proteas)		69,213		69,213	18.8%	367,495
Lucerne	891,825			891,825	36.5%	2,443,252
Macadamias		233,060		233,060	2.0%	11,551,652
Olives		275,652		275,652	31.6%	871,754

Transformation Spent

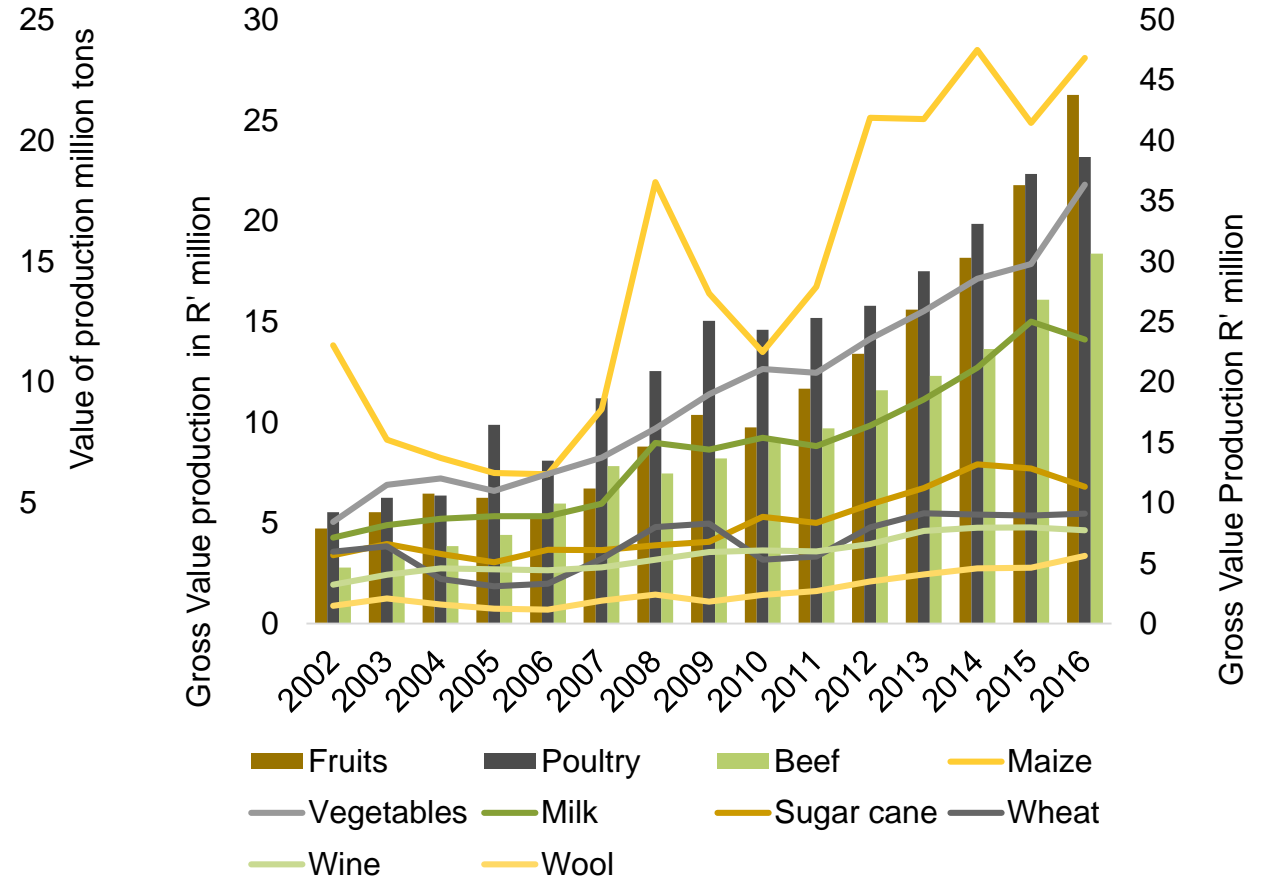
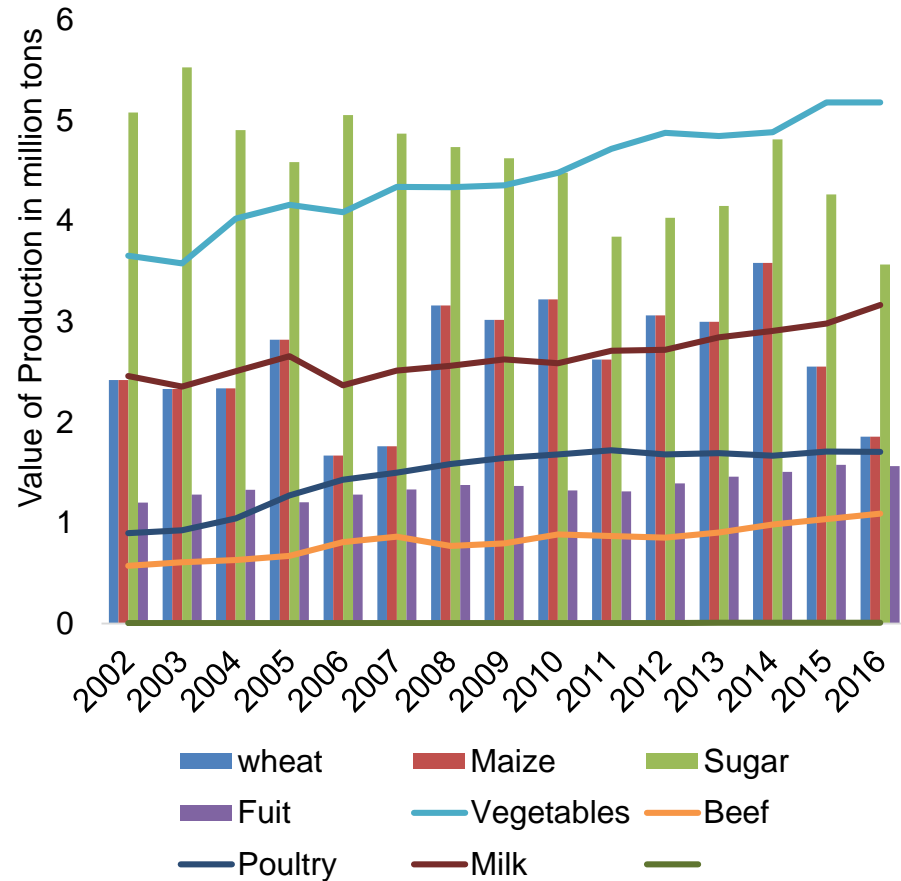
Industry	Enterprise development	Skills development	Employment equity, etc	Total spent on transformation	% of levy income	Levy income
	(guideline 50%)	(guideline 20%)	(guideline 30%)		(guideline 20%+)	
Pecan nuts	525,800	19,600	61,600	607,000	38.6%	1,571,913
Pork		4,118,942		4,118,942	16.7%	24,737,146
Potatoes	4,776,161	1,338,875	2,941,615	9,056,651	23.7%	38,203,447
Red meat	4,634,711	2,383,444	562,477	7,580,632	21.8%	34,782,190
Sorghum	80,750	43,860	23,000	147,610	7.1%	2,074,028
Table grapes	1,800,792	1,248,731	1,259,190	4,308,713	20.0%	21,502,612
Wine	6,143,165	4,429,232	9,554,205	20,126,602	23.1%	87,210,168
Winter cereal		12,248,081		0	0.0%	61,861,825
TOTAL	33,725,560	39,588,853	15,531,611	88,846,024	18.1%	489,842,563
	38.0%	44.6%	17.5%	100.0%		

Market access to all participants

Commercial farming sector in South Africa

	Value in R' million			
	2015	2016	Share by industry in Agriculture (2016)	Growth between 2015-2016
Maize	24859	28094	11,4%	13%
wheat	5366	5456	2,2%	2%
Sugar	7704	6792	2,8%	-12%
Field Crops	54965	57370	23,3%	4%
Fruit	36279	43763	17,7%	21%
Vegetables	17851	21804	8,8%	22%
Wine	4772	4636	1,9%	-3%
Horticulture crops	60861	72555	29,4%	19%
Beef	26792	30630	12,4%	14%
Poultry	37225	38611	15,7%	4%
Wool	2774	3361	1,4%	21%
Milk	14994	14101	5,7%	-6%
Livestock Products	109842	116729	47,3%	6%
Total Agriculture	225668	246654		9%

Commercial farming sector in South Africa



Recorded produce and volumes by non-commercial farmers - Maize

	Tons		Area planted		
	Final crop 2016	Last estimate 2017	2016	2017	Production growth between 2016- 2017
Non-Commercial Maize	435 740	731 000	266 130	366 650	67.8%

Source: DAFF, 2017

During 2016 Non-Commercial maize represent 12% of area planted and 5% of final maize harvest.

During 2017 Non-commercial maize represents 12% of estimated area planted and 4% of estimated maize harvest.

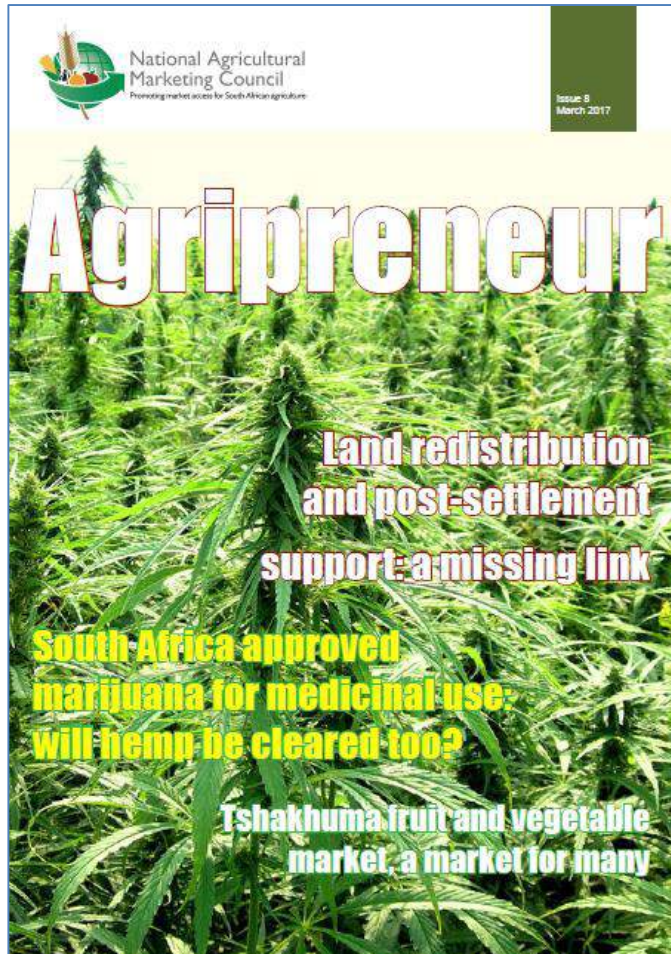
Recorded produce and volumes by non-commercial farmers...cont

- This is a broad estimate of the production by small scale and subsistence farmers.
- The estimate is based on incomplete and infrequent information and estimates by selected producer's organisations.
- Estimated 6% of grain and other field crops from non-commercial agriculture.
- Estimated 5% of horticulture and 14% of animal products from non-commercial agriculture.
- On average this adds up to around 3.4 to 3.7 million tons per year which represents approximately 7 to 8% of total primary agricultural production in SA.
- During 2016 total primary agriculture production came to 50.1 million tons.

Percentages produced by non-commercial farmers – Maize & other products

Recorded produce (estimations)		Non-commercial maize		
Grain & other field crops	6%	Year	Area planted	Maize harvest
Horticulture	5%	2016	12%	5%
Animal products	14%	2017	12%	4% (estimated)

Agricultural research



Agripreneur

- Agripreneur was introduced in 2015 in response to a need for a publication that would be accessed specifically smallholder farmers that aspire to grow and become commercial farmers in their own right.
- Through this publication, the NAMC seeks to create a platform where farmers, particularly smallholders share their knowledge and skills, challenges, experiences, and insights with each other
- Agripreneur is currently distributed online through the NAMC website and the Research Portal. It is envisaged that in future the publication will be printed and distributed widely into platforms that target smallholder farmers

Development Schemes

- Design and facilitate the implementation of the development schemes.
- **The objective:** is to integrate the developing agribusinesses into the commercial mainstream.
- Designs are demand driven and guided by **developmental impact & feasibility**
- **Achievements**
 - National Red Meat Development Programme
 - Vineyard Development Scheme

Development Schemes

NRMDP

Partners:

- DRDLR - funder of the programme
- Eastern Cape Department of Rural Development and Agrarian Reform
- Chris Hani District Municipality, Insika Yethu Local Municipality
- Fort Cox Institute of Agriculture
- Aspire, amongst others

CFP 2015/2016

- Eastern Cape (6 CFP & 1 feedlot)
- KZN (3CFP operational)
- NC (1 CFP)

CFP 2016/2017

- Eastern Cape (10 CFP & 1 feedlot)
- KZN (3CFP operational & 1 constructed)
- NW (1 CFP operational & 2 under construction)

Achievements

Number of animals sold

2015/16 **2 594**

2016/17 **6 550**

Auctions

2015/16 **10**

2016/17 **14**

Income generated

2015/16 **R23 149 000**

2016/17 **R33 739 000**

Beneficiaries

2015/16 **550**

2016/17 **700**

NRMDP MARKET



Development Schemes

Vineyard

Partners

- NC DALRRD – (project Owner), Dried Fruit Technical Services, OWK, Distel, IDC, SATI, amongst others
- The aim is to establish 500 ha of wine, raisins and table grapes

Vineyard projects 2015/2016 (9 projects)

- Blocuso Trust, Eksteenskuil Cooperative, Coboop, Pella, Onseepkans , Nomalangha, Silwer moon, Lemoendraai and Ruimvasmaak

Vineyard projects 2016/2017 (10 Projects)

- Blocuso Trust, Eiland Wine Project, Eksteenskuil Cooperative, Coboop, Pella, Onseepkans , Nomalangha, Silwer moon, Lemoendraai and Ruimvasmaak

Achievements

Number of ha developed since inception

- 184,02 ha raisins,
- 65.87 ha of wines grapes, and
- 5.7 ha of table grapes

Number of jobs (both seasonal and permanent)

2015/16 439

2016/17 617

Funds allocated

2015/16 R27 950 000,00

2016/17 R37 150 000,00

Vineyard



Efficiency of the marketing of agricultural products



Capacity Building Programme

AGRIBIZ for Women: The **management training** for women in agribusiness branded AGRIBIZ.

- Financial Management
- Marketing

Making Markets Matter (MMM):
Agribusiness training and mentorship program aimed at emerging agribusiness entrepreneurs

Partners

- Landbank,
- AgriSeta
- DAFF, PDA's
- Farmers



AGRIBIZ for Women

- **364** Women trained over 10 years
- 2015/16 43
- 2016/17 45

Making Markets Matter

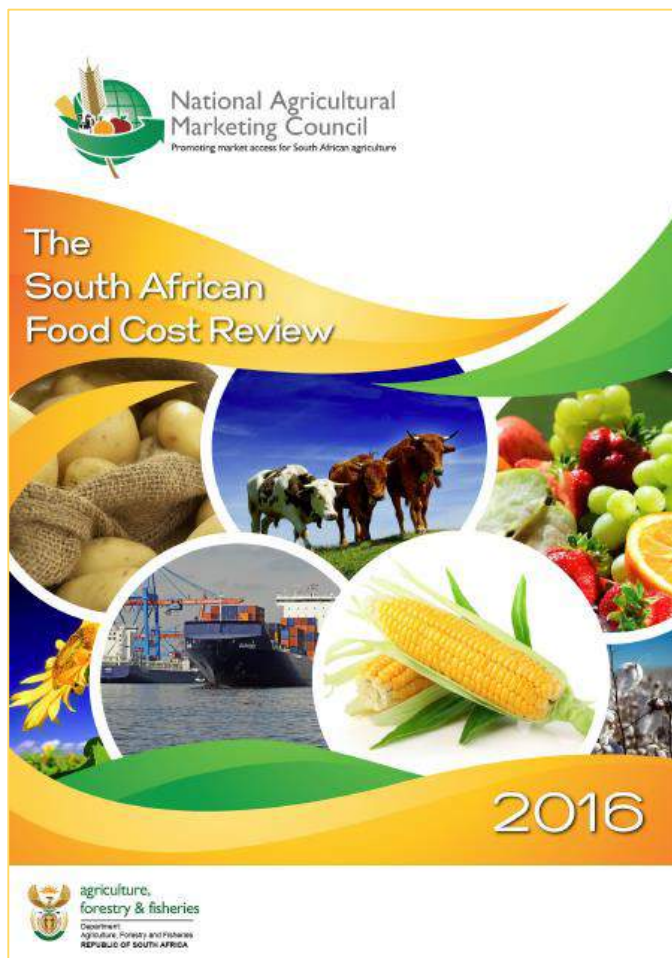
- **179** Agri-entrepreneurs over 16 years
- 2015/16 15
- 2016/17 15

•Achievements

Obtained accreditation of AGRIBIZ

- | | |
|-----------------------|---------|
| -Marketing | level 3 |
| -Financial Management | level 3 |

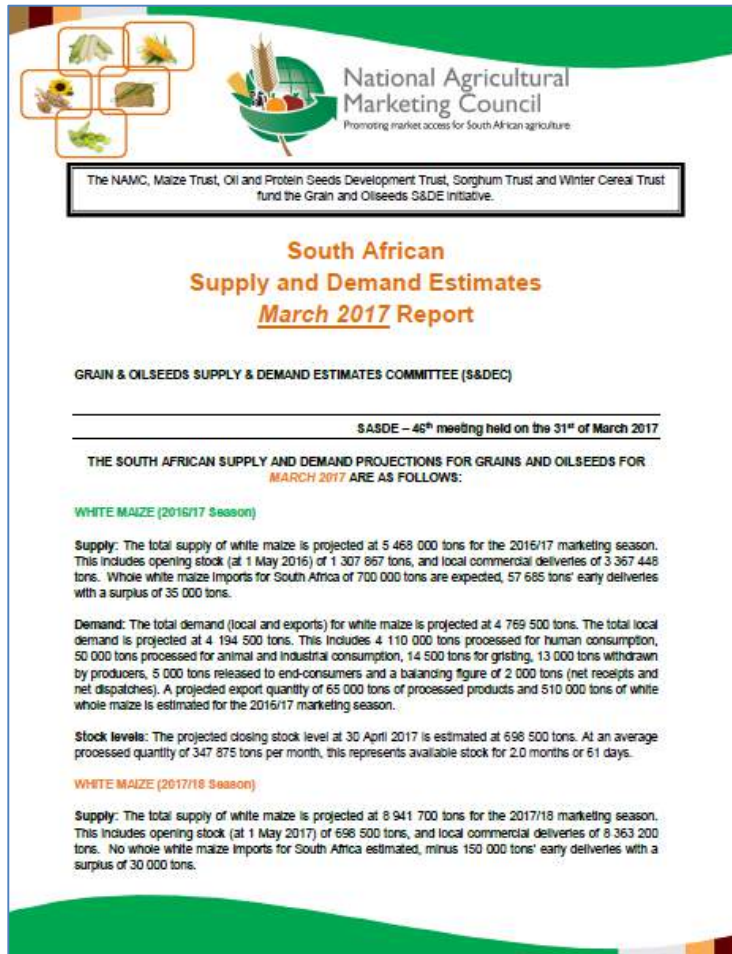
Agricultural research



The South African Food Cost Review

- It provides more insight into the complex factors driving commodity and food prices annually
- It emanates from the recommendations by the Food Pricing Monitoring Committee in 2003 to monitor food prices in South Africa on a regular basis
- It reflects on food price trends, food processing costs, trends in trade of agricultural commodities and food products and trends in input costs along the value chain
- Beneficiaries/readers include the consumer, industry specialists, academia, media, policymakers, agriculture and the general public

Agricultural research cont....



The South African Grains and Oilseeds Supply and Demand Estimates (SASDE) Report

- The importance of food security, volatile grain and oilseed prices and the lack of sufficient information regarding future stock levels, led to the establishment of the South African Grain and Oilseeds Supply and Demand Estimates Committee in (SDEC) 2012, managed by the NAMC
- The SASDE report publishes official grain and oilseeds supply and demand estimates on a monthly basis
- Beneficiaries/readers include academia, financial & investment institutions, Government, millers, traders, producers, storage facilitators, input suppliers, research institutions and transport providers

Agricultural research cont...

- Research for the future development of the sector
 - ☐ Quantified the impact of statutory levy expenditure on export promotion and market development the agricultural sector
 - ☐ Analysed the impact of non reciprocal trade policies (AGOA & GSP) on trade between South Africa and the USA
 - ☐ Intra-Africa trade in fruits
- NAMC sponsors the following
 - ☐ AEASA annual conference
 - ☐ South African Agricultural Economic Professionals Fellowship (SAAEPF)
 - ☐ Bursaries to students (NAMC staff and non staff members) pursuing agriculture related studies

Optimise export earnings from agricultural products



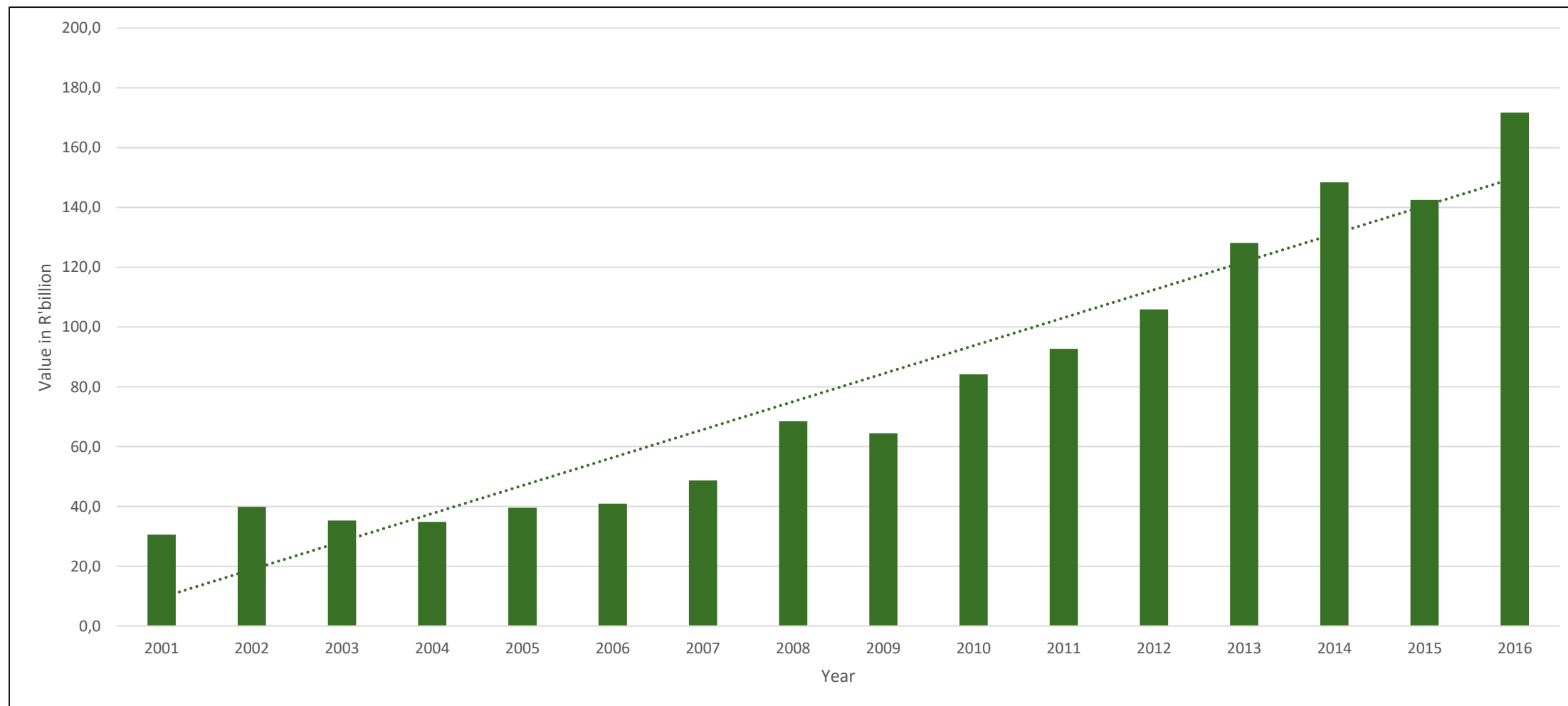
Agricultural products exported to foreign markets

- Table below highlights SA's top agricultural products exported to foreign markets (both value and volume).
- Export volume of agricultural products has increased in 2016 as compared to 2015 period, while exported value declined
- Citrus fruits were the largest products exported by South Africa

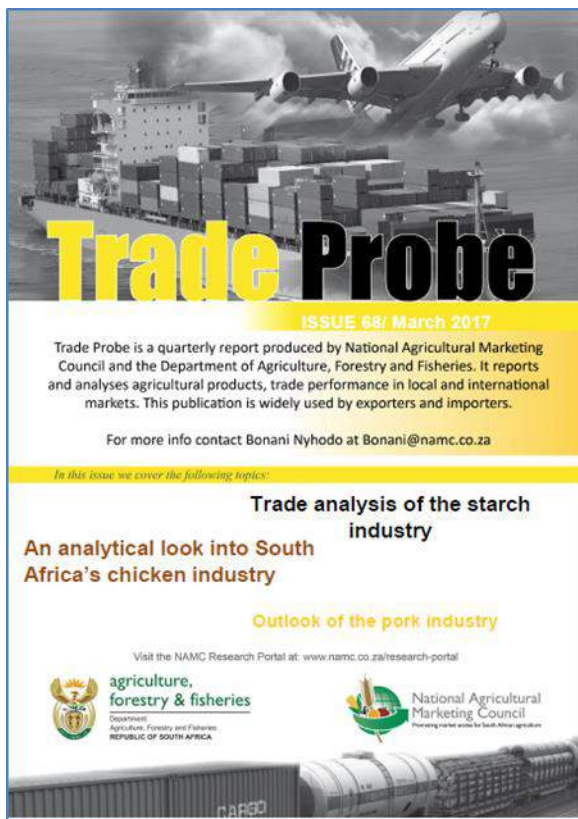
Agricultural products exported to foreign markets

Export volume (R'Million)				Export value (Million Tons)			
Code	Product label	2015	2016	Code	Product label	2015	2016
Total Agriculture		17106	16947	Total Agriculture		136,7	164,3
'0805	Citrus fruit	1681	1701	'0805	Citrus fruit	13,2	17,1
'1005	Maize	762	1027	'2204	Wine of fresh grapes	8,5	9,7
'0808	Apples, pears and quinces	594	761	'0808	Apples, pears and quince	6,1	8,0
'2204	Wine of fresh grapes	480	497	'0806	Grapes	8,3	7,8
'2901	Acyclic hydrocarbons	305	354	'2901	Acyclic hydrocarbons	4,5	5,4
'0806	Grapes, fresh or dried	412	351	'1005	Maize	2,6	4,9
'2009	Fruit juices	296	320	'5101	Wool,	2,5	4,0
'2905	Acyclic alcohols and their	216	284	'0802	Other nuts	3,8	3,8
'2202	Waters, incl.	253	272	'2009	Fruit juices	3,4	3,7
'1103	Cereal groats	267	264	'3304	Beauty or make-up preparations	2,8	3,4
'2309	animal feeding	241	254	'3815	Reaction initiators	3,7	3,1
'1701	Cane or beet sugar	202	249	'3808	Insecticides	2,9	3,0
'0106	Live animals	163	222	'2008	Fruits, nuts and other edible parts	2,2	2,8
'2914	Ketones and quinones	133	193	'2106	Food preparations	2,3	2,6
'2207	Undenatured ethyl alcohol	108	150	'2202	Waters,	1,8	2,3

Agricultural products exported to foreign markets



Agricultural research



The Trade Probe

- The Trade Probe publication is published quarterly and communicates easy to read and factual trade information on trade regarding agricultural products.
- The articles are presented in ways that show the trend and lucrative markets of agricultural products.
- More attention is always put on South Africa's export markets.
- The target market for the Trade Probe publication include, and not limited to, private sector stakeholders involved in trade as well as public policy makers in the area of agricultural trade.

Business Linkages

- Assists producers to produce exportable products.
- **to access international markets, by**
 - enhancing **productive capacities**,
 - enhancing **compliance** with technical requirements and
 - promoting **certification**.
- **Partnership**
 - The programme is funded by the Department of Agriculture in the Western Cape (WCDoA).
 - NAMC- PMU
 - Hortgro



Achievements:

- Facilitated the implementation of SCLP in the Western Cape (provision of on-farm technical support , assistance with Global GAP accreditation, Development of business plans and linkages with markets).

Number of beneficiaries

2015/16	18 producers
2016/17	18 producers

Enhance the viability of the agricultural sector

Agricultural Trusts

Achievements

- Appointment of ministerial trustees (6 WCT, 1 Wool Trust and 1 Citrus Industry Trust, 1 OPDT) during the 2016/17 financial year
- A policy on the appointment of trustees was developed
- Induction (information provided to newly appointed Ministerial trustees on trusts operations)
- Status report (Communication between Trusts, NAMC and Minister on Trusts operations)
- Agricultural trusts workshop (Minister meets with Trusts)

Applications & promulgations of Statutory measures

	Investigations		Promulgations	
	Targets	Actual	Targets	Actual
2011/12	30	38 127%	20	29 145%
2012/13	36	31 86%	24	19 79%
2013/14	36	31 86%	24	13 54%
2014/15	30	36 120%	20	16 80%
2015/16	30	32 107%	20	19 95%
2016/17	30	38 127%	20	25 125%
2017/18	30	??	20	??



Levies collected per commodity

Product	Total value at first point of sale R	Levy income R	Transformation R
Citrus (exported)	11 241 576 908	54 199 844	9 566 004
Cotton lint	168 000 000	1 933 555	398 910
Dairy products	9 784 000 000	46 585 458	7 250 846
Deciduous fruit	5 402 611 877	94 130 207	10 730 174
Dried fruit	569 626 735	5 816 018	1 236 109
Fynbos	59 818 787	367 495	69 213

Levies collected per commodity

Product	Total value at first point of sale R	Levy income R	Transformation R
Lucerne	268 898 000	2 443 252	891 825
Macadamias	276 000 000	11 551 652	233 060
Olives	66 043 180	871 754	275 652
Pecan nuts	651 000 000	1 571 913	607 000
Pork	4 772 306 000	24 737 146	4 118 942
Potatoes	7 100 000 000	38 203 447	9 056 651

Levies collected per commodity

Product	Total value at first point of sale R	Levy income R	Transformation R
Red meat	29 900 000 000	34 782 190	7 580 632
Sorghum	345 422 500	2 074 028	147 610
Table grapes	5 000 000 000	21 502 612	4 308 713
Wine	4 727 000 000	87 210 168	20 126 602
Winter cereal	7 663 128 267	61 861 825	12 248 081
TOTAL	87 965 432 354	489 842 564	88 846 024

Status report on levies

19 industries collected statutory levies

Total collected: R489.8 million (2016 survey)

	2016 survey	2015 survey
• Research:	36%	38%
• Transformation:	20%	18%
• Information:	6%	9%
• Local consumer education:	11%	10%
• Export promotion:	17%	17%
• Administration:	6%	4%
• Quality control:	4%	2%

Levies allocated to functions

Functions	2014 survey	2015 survey	2016 survey	2016
	R	R	R	%
Administration	23 382 174	19 121 246	26 846 253	5,5
Information	42 289 121	44 559 122	33 507 938	6,8
Research	129 488 083	179 640 753	176 362 303	36,0
Transformation	97 857 656	86 684 333	88 846 024	18,1
Export promotions	61 125 753	79 233 031	81 121 908	16,6
Local promotions	41 781 397	45 898 192	52 102 231	10,6
Production development	2 885 571	4 175 338	8 146 266	1,7
Plant improvement	4 732 794	4 775 529	5 712 346	1,2
Quality control	18 024 659	9 159 350	16 994 722	3,5
TOTAL	421 567 208	473 246 894	489 639 991	100

Human Resources

HR ensures that NAMC is a preferred employer and developer of professional and specialised skills in the Agriculture sector of South Africa.

Highlights

- The Staff Representative Committee facilitated the conditions of employment issues with staff members.
- The affiliation with SABPP has enabled the HR division to benchmark its human resources process with other organisations.
- NAMC was nominated as one of the top three finalists of the audited companies during the 4th Annual HR Standards and Research in Practice Summit.
- The categories were as follows HR Risk, Learning & Development and Performance Management

Highlights

- An Animal Health Intern in the National Red Meat Development Programme was selected as the second best performing Intern at the AgriSETA Excellence Awards.
- The Y-Agriculture Model was successfully launched and agricultural industries attended the event.

Talent Management

- The Talent Management Forum was established to oversee the implementation of scarce and critical skills.
- Agricultural professionals were identified to provide coaching and mentorship to economist on various disciplines in agriculture.
- 2 managers were taken for leadership development programme
- The Y-Agriculture model was launched and agricultural industries participated
- HR facilitates the Y-Agriculture programme to learners on various career opportunities in the agricultural sector.

Performance Management

- Linking performance contracts with the annual performance plan.
- Training business units on performance management.
- Reviewing scoring guideline and monitoring performance.
- (3) evaluations on performance management were conducted.
- (39) employees were awarded performance bonuses.

Learning & Development

- **Funding received from Agri-SETA 2015/16:**
 - ✓ R825 000
- **As part of skills development:**
 - ✓ 14x employees were awarded bursaries;
 - ✓ 6x external students were awarded bursaries to study towards agricultural degrees;
and
 - ✓ 18x employees were offered training.
 - ✓ 27x contracts employees were offered training

Learning & Development

- **Funding received from Agri-SETA 2016/17:**
 - ✓ R607 000, 00
- **As part of skills development:**
 - ✓ 14x employees were awarded bursaries;
 - ✓ 21x external students were awarded bursaries to study towards agricultural degrees;
and
 - ✓ 16x employees were offered training.
- The Work Skills Plan report was submitted to the AgriSETA.

Graduate Placement & Internships

- **Funding received from Agri-SETA 2016/17:**
- **Graduate Placement**
 - ✓ R315 000 for Graduate Placement
 - ✓ 9x Graduate Placements.
- **Internship.**
 - ✓ R180 000 for Internships
 - ✓ 4x Internships.

Graduate Placement & Internships

- **Funding received from Agri-SETA 2015/16:**
- **Graduate Placement**
 - ✓ R270 000 Graduate Placement
 - ✓ 6x Graduate Placements .
- **Internships.**
 - ✓ R180 000 for Internships
 - ✓ 4x Internships.

Employment Equity

Category	Number
Female African	14
Female White	9
Female Coloured	1
Male African	19
Male White	2
Total	45

Communication

Stakeholder Relations



agriculture,
forestry & fisheries

Department:
Agriculture, Forestry and Fisheries
REPUBLIC OF SOUTH AFRICA

SIP 11 i.e. developing agri
videos & info-graphs

1st Agricultural Research
Symposium together with



As a Node Host, we
convened a Climate Smart
Agriculture Workshop



**South African Workshop on the Industrial
Hemp Feasibility**, to evaluate the commercial
viability of setting up a hemp industry in
South Africa

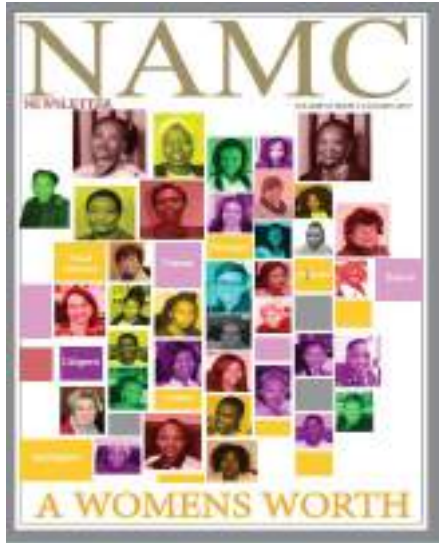


Published a Book i.e. hosted a briefing
launch of the book.



Agribiz Female Training,
marked 10 years of
providing entrepreneurship
to female agribusinesses

Public Relations



NAMC Newsletter

Published quarterly to report on the organisational activities / programmes



Food Prices

Informing the public on food prices.

2016/2017 started with developing Food Price podcasts for radio dissemination



Y-Agriculture

Promote corporate careers by visiting high schools. Two schools we adopted has seen increased number of pupils enrolling for Agri courses.

2018/2019 Communications Plans

- Intensifying the promotion of NAMC Research work
- Officially launch the Love RSA Agriculture campaign.
- Agri-Preneuer Journal to be converted into a Magazine to provide smallholder farmers with informed knowledge and access to opportunities.
- Y-Agriculture, establish relations with Universities

Financial Overview 2016/17

Financial Overview 2016/17 vs 2015/16

Description	2016/17	2015/16
Revenue (Grant received)	R35 million	R34,6 million
Interest generated	R4,9 million	R2,8 million
Sponsorship received and utilised	R38,5 million	R23,8 million
Expenditure	R80,2 million	R62,1 million
(Deficit)/Surplus for the year	(R61,000)	R524,000
Amount of assets (current assets less inventory and prepayments)	R76,1 million	R74,7 million
Total amount of non-current assets	R7,2 million	R6,4 million
Total amount of current liabilities	R40,6 million	R11,000
Total amount of non-current liabilities	R41,3 million	R78,3 million
Fruitless, wasteful, irregular & unauthorized expenditure	R0,00	R0,00
External Audit Report	Clean Audit on both Financials and Report on Predetermined objectives	Clean Audit on both Financials and Report on Predetermined objectives

Statement of Financial Performance for the year ended 31 March 2017 vs March 2016

	<u>2015/16</u>	<u>2016/17</u>	<u>% Change</u>
	R'000	R'000	
<u>Revenue</u>	62 136	80 157	
Non- exchange revenue	58 444	73 482	26%
Exchange revenue	3 692	6 675	81%
<u>Expenses</u>	61 605	79 377	
Administrative Expenses	4 436	5347	21%
Personnel Expenditure	29 727	35 638	20%
Operating Expenditure	25 596	34 702	36%
Depreciation & Amortisation	1 832	3 674	101%
Finance cost	14	15	7%
Loss on disposal of assets	(7)	(74)	957%
Assets transferred		(534)	100%
Impairment loss on property, plant & equipment		(227)	100%
Loss on disposal of inventory	0	(6)	100%
Surplus / (Deficit) for year	524	(61)	



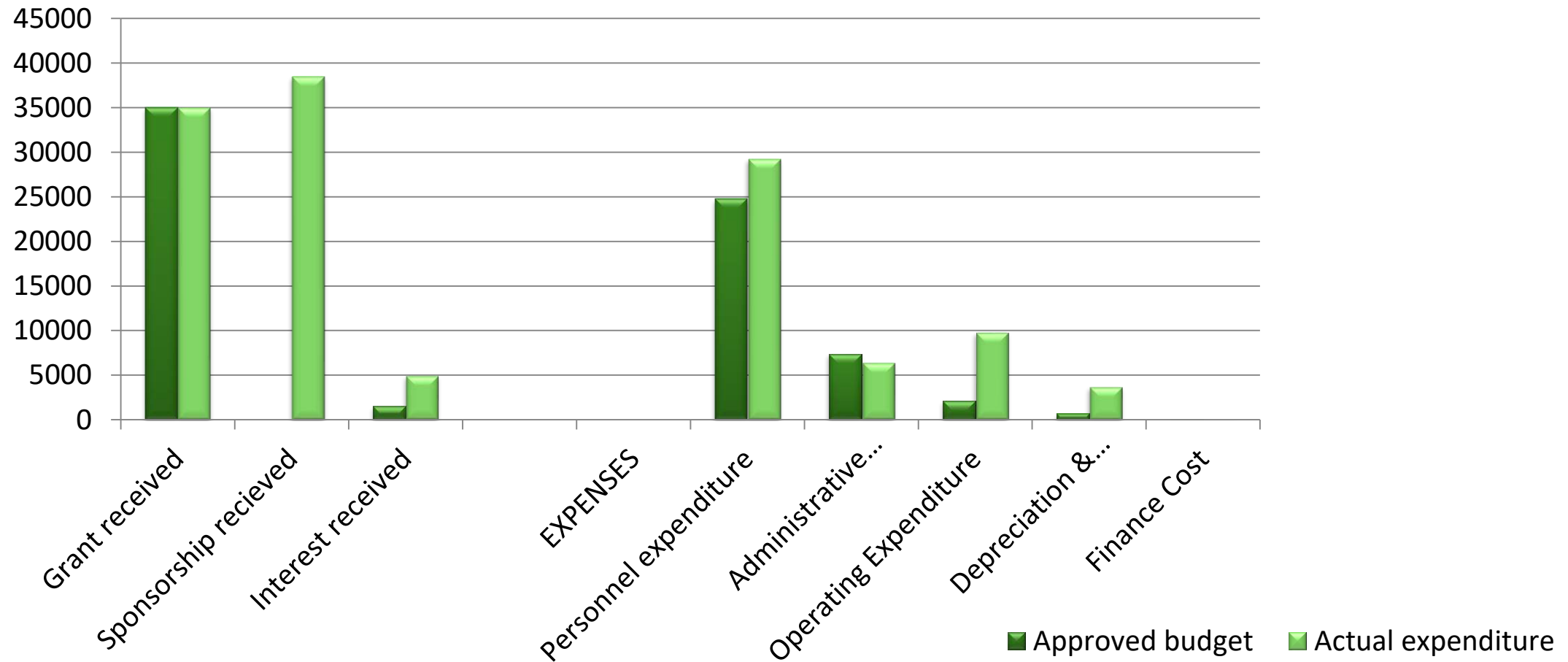
Budget vs Actual for the period ended 31 March 2017: Income

Description	Final budget	Actual amounts on a comparable basis	% of actual against budget
	R'000	R'000	%
Revenue			
Grant received	35 005	35 005	
Other income and sponsorship received	-	38 477	-
Interest received	1 500	4 926	(228%)
Total revenue	<u>36 505</u>	<u>80 157</u>	<u>120</u>

Budget vs Actual for the period ended 31 March 2017: Expenditure

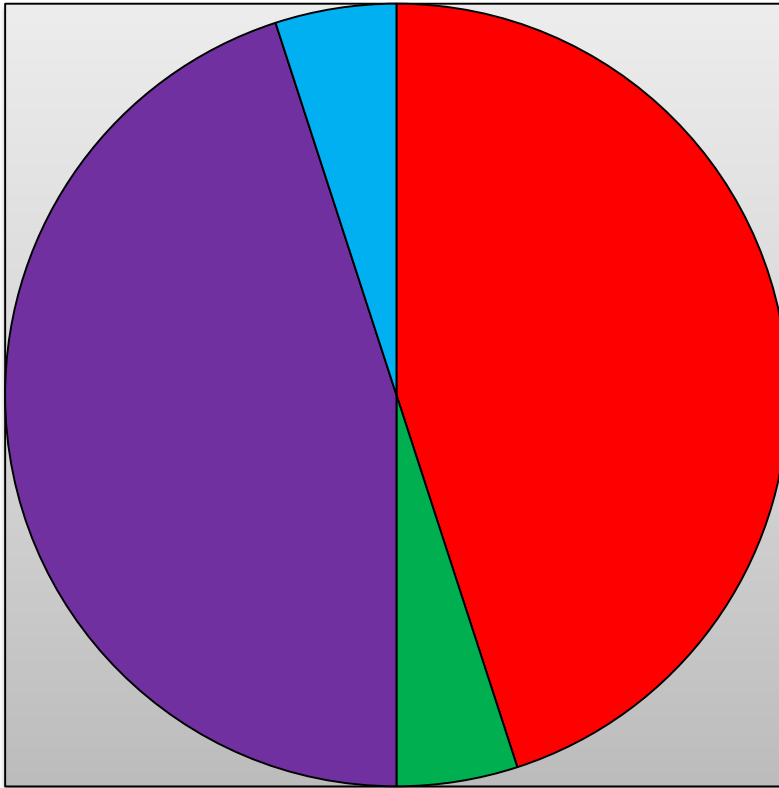
Description	Final budget	Actual amounts on a comparable basis	% of actual against budget	% of actual expenditure per category against total budget
	R'000	R'000	%	
Expenses				
Personnel expenditure	24 762	29 249	(12%)	45%
Personnel expenditure (Projects)		6 389	-	
Administration expenses	7 376	4 279	32%	5%
Operating expenses	2 119	9 779	(361)	45%
Operating expenses (projects)		25 765	100%	
Depreciation & amortisation	711	3 674	(417%)	5%
Finance cost	37	15	58%	
<u>Total expenditure</u>	<u>35 005</u>	<u>80 218</u>	(129%)	

Budget vs Actual expenditure graphic analysis



Expenditure per category as a percentage of total expenditure: 31 March 2017

Expenditure Categories:



■ Personnel - 45%

■ Administration - 5%

■ Operating - 45%

■ Depreciation & Amortisation- 5%

Statement of Financial Position as at 31 March 2017 vs March 2016

	2015/16: R'000	2016/17: R'000	% Change	Reasons for variances
Non-current assets	6 370	7 214	13%	Increase due to additional assets bought for the National Red Meat Development Project.
Receivables	7 779	384	(95%)	Decrease in number of outstanding invoices raised as at year end.
Cash & cash equivalents	66 935	75 666	13%	Increase in sponsorship funding received and not fully utilised as at year-end.
Liabilities	78 281	81 858	5%	Increase in liabilities as a result of un-utilised sponsorship funding relating to projects.

PROPOSED MTEF BUDGET FOR 2018/19-2020/21

The NAMC reviewed its budget and proposed new budget that will cater for the operational activities of the NAMC. The table below shows the proposed additional budget:

PROPOSED MTEF BUDGET FOR 2018/19-2020/21

PROGRAMME	2018/19 R'000	2019/20 R'000	2020/21 R'000
<u>PROGRAMME 1: ADMINISTRATION</u>			
<u>Office of the CEO</u>	2 500	2 650	2 809
Training and Development for board members, Administrative expenditure for Council and Council committees, and meeting allowance for Council and Council committees.			

PROPOSED MTEF BUDGET FOR 2018/19-2020/21

PROGRAMME	2018/19 R'000	2019/20 R'000	2020/21 R'000
AUDIT & FINANCE			
IT support costs	800	848	889
<u>Human Capital</u>			
<u>Marketing & Communication</u>	485	514	544
Stakeholder Relations			
Public Relations			
Media Relations			
Personnel budget: NAMC structure reviewed	15 500	16 585	17 829
Personnel budget: NRMDP	8 000	8 600	9 245

PROPOSED MTEF BUDGET FOR 2018/19-2020/21

PROGRAMME	2018/19 R'000	2019/20 R'000	2020/21 R'000
PROGRAMME 2: MARKETACCESS TO ALL PARTICIPANTS	27 137	29 566	32 610
Development schemes			
Market access programmes			
Operational budget for National Red Meat Development project			
Strategic Integrated Projects (Sip) 11			
Smallholder Market Access Tracker			

PROPOSED MTEF BUDGET FOR 2018/19-2020/21

PROGRAMME	2018/19 R'000	2019/20 R'000	2020/21 R'000
PROGRAMME 3: EFFICIENCY OF THE MARKETING OF AGRICULTURAL PRODUCTS	1 100	1 220	1 342
Capacity building programmes			
Publications of statutory measure report and monitoring and evaluations of the statutory measures			

PROPOSED MTEF BUDGET FOR 2018/19-2020/21

PROGRAMME	2018/19 R'000	2019/20 R'000	2020/21 R'000
PROGRAMME 4: EXPORT EARNINGS FROM AGRICULTURAL PRODUCTS	1 350	1 550	1 750
Business linkages			
PROGRAMME 5: VIABILITY OF THE AGRICULTURAL SECTOR			
Ministerial trustee's training	500	550	605
Trust workshop			
Transformation review committee			
<u>TOTAL</u>	57 372	62 083	67 623

SUMMARISED MTEF BUDGET FOR 2018/19- 2020/21

Description	2018/19 R'000	2019/20 R'000	2020/21 R'000
Current baseline allocation	44 348	46 831	49 641
Additional funding required	57 372	62 083	67 623
Proposed MTEF baseline allocation	101 720	108 914	117 264
<u>% Increase</u>	<u>129%</u>	<u>133%</u>	<u>136%</u>

Thank You

