



NAMMC
Promoting market access for South African agriculture

STRATEGIC PLAN

For 2020/25



ACCOUNTING AUTHORITY STATEMENT

PRESENTING YOU THE 2020/21 – 2024/25 STRATEGIC PLAN

The National Agricultural Marketing Council (NAMC) hereby presents its 2020/21 – 2024/25 Strategic Plan. We have heard the call that the Honourable Minister of Agriculture, Land Reform and Rural Development (DALRRD) Ms Thoko Didiza (MP) to provide timely market access advice to the Minister and the sector. In the past financial year, the outbreak of Food and Mouth Disease (FMD) had a negative impact on livestock producers and the agricultural sector as a whole posing a risk towards the country's food security. In our assessment, we found that the outbreak also affected our trading partners particularly in Africa and Asia who import some South African bovine meat. A number of South Africa's trading partners like China imposed a ban on the importation bovine meat originating from South Africa. China accounts for 45% share of South Africa's bovine meat exports measured in value terms.. We thank the Minister for reassuring that the situation was under control as we were inundated with requests by industry on the matter.

As the NAMC Council (Board), we are very mindful of the challenges our farmers face in accessing markets, especially smallholder farmers. As if that is not enough, we are aware that the government of the United States of America (USA) is in advanced stages in removing South Africa from receiving preferential access for the AGOA qualifying products. The potential impact of such a decision is expected affect the included agricultural produce negatively but nonetheless we will provide constant feedback and advice on the matter as it unfolds.

The NAMC through the Agribusiness Development Division (ADD) will be looking forward to collaborating with various institutions both nationally and internationally in designing market access models that are aimed at increasing market access, encouraging new business development and capacity building of historically disadvantaged enterprises.

As an advisory body to the Minister in areas related to trusts and agricultural transformation, this coming year the NAMC team and the trustees will be closely monitoring transformation around the different agricultural trusts. The Ministerial Trustees will be assisted by the NAMC team to ensure that they play an active role in the affairs of the trusts.

We have again noted the challenges identified by the Auditor General in our governance systems. Priority is to be given to improving our contract management and procurement systems. On behalf of the Board, I would like to send my gratitude to the Honourable Minister Thoko Didiza, the Parliamentary Portfolio Committee on Agriculture, Land Reform and Rural Development, the NAMC management and staff for their continued support and assistance during the previous period. Finally, I hereby endorse this Strategic Plan as a true reflection of government's and the NAMC's priorities for the 6th term of government ending in 2024/25, and that the NAMC and its Board are committed to ensuring implementation of this Strategic Plan.



.....
Mr. H Prinsloo
Acting Chairperson
National Agricultural Marketing Council

Accounting Officer Statement (CEO)

The 2019/20 financial year was a challenging year for South African agriculture as the sector experienced a number of setbacks such as drought, the outbreaks of bird flu, swine fever and Foot and Mouth Disease (FMD). On the positive side, all five agricultural state-owned entities in the sector joined committed to partner in strengthening the growth of the sector. For the first time, the five entities (ARC, Land Bank, NAMC, OBP and PPCEB) jointly hosted the Annual Agri Symposium to deliberate on pressing matters with the aim of soliciting expert input on how to their individual and collective contributions towards growing the sector, among other things. This was a watershed moment in the sector of not only working together but influencing the agricultural value chains, promoting sustainable development and transforming the sector. Of particular significance is the research collaboration such a partnership will produce.

As an entity we have made a significant effort to align our performance areas to the guidelines proposed by the Department of Planning, Monitoring and Evaluation (DPME). As we begin the new financial year, the National Agricultural Marketing Council (NAMC) Management will be approaching things more differently. The main aim is to achieve all the future plans mentioned our strategic plan with tangible positive outcomes. This is what the Minister of Agriculture, Land Reform and Rural Development Mrs Thoko Didiza is expecting from all State Owned Entities (SOE's). The NAMC also streamlined it service offering to ensure that we increase the rigour of our efforts in addressing market access issues.

The Acting Chairperson has already laid the path we are to follow in this financial period. We are also keenly involved in developing models to aid the government in arriving at a sounder economic policy. Our involvement in the development of the Agricultural Master Plan is a case in point. I would also like to express my sincere gratitude the NAMC Board and staff alike in ensuring we deliver on the set objectives. In presenting to you the National Agricultural Marketing Council Strategic Plan 2020/21 – 2024/25, and in my role as Acting Accounting Officer of the NAMC, I hereby commit to the implementation of this Strategic Plan.



.....
Dr. Simphiwe Ngqangweni
Acting - Chief Executive Officer
National Agricultural Marketing Council

Official Sign-Off

It is hereby certified that this Strategic Plan:

- Was developed by the management of the National Agricultural Marketing Council under the guidance of the Board of the NAMC
- Takes into account all relevant policies, legislation and other mandates for which the National Agricultural Marketing Council is responsible.
- Accurately reflects the Impact and Outcomes which the National Agricultural Marketing Council will endeavour to achieve over the period 2020/21-2024/25.

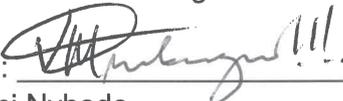
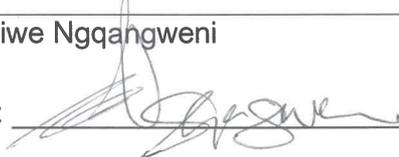
PROGRAMME	SIGNATORIES
Programme 1	<p>Dr. Simphiwe Ngqangweni Signature: </p> <p>Ms Sarah Netili Signature: </p> <p>Ms Virginia Nkobi Signature: </p>
Programme 2	<p>Mr Schalk Burger Signature: </p> <p>Professor Victor Mmbengwa Signature: </p>
Programme 3	<p>Ms Khumbuzile Mosoma Signature: </p> <p>Professor Victor Mmbengwa Signature: </p> <p>Mr. Bonani Nyhodo Signature: </p>
Chief Financial Officer	<p>Ms Sarah Netili Signature: </p>
Acting Chief Executive Officer	<p>Dr. Simphiwe Ngqangweni Signature: </p>
Chairperson of Council	<p>Approved by: Signature: </p> <p>Mr. Harry Prinsloo Chairperson of the Council</p>

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Definitions

Statutory measure	“statutory measure” means a levy contemplated in section 15, and a direction contemplated in sections 16, 18 and 19 of the MAP Act.
Industry Trusts	Trust within the Context of the MAP Act 47 of 1996 refers to bodies that were formed and became recipients of the assets and funds of the former control boards. The Trust Property Act, 57 of 1988 defines a “trust” as <i>the arrangement through which the ownership in property of one person is by virtue of a trust instrument made over or bequeathed.</i>
Transformation	Refers to ensuring that the previously disadvantaged individuals actively participate in entire agricultural value chain and broadly contributing to the economic development of the country.
Smallholder producers/farmers	Refers to a producer that produces (at primary, secondary, and tertiary level) for household consumption and markets, therefore farming is consciously undertaken in order to meet the needs of the household and derive a source of income. These are usually the new entrants aspiring to produce for market at a profit with a maximum annual turnover of up to R5 million per annum.
Market Access Models	Refers to models that enable smallholder producers to sell their agricultural produce in a market. The models are used to organise producers to deal with the quality and quantity as per market requirements as well as addressing comprehensive producer support during production.
Directly Affected Groups	“directly affected group” means any group of persons 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.
Minister	Refers to the Minister of Agriculture, Land Reform and Rural Development.
Department	Refers to the Department of Agriculture, Land Reform and Rural Development.

Abbreviations

ADD	Agribusiness Development Division
AMP	Agricultural Master Plan
ARC	Agricultural Research Council
DAG	Directly Affected Group
ICT	Information, Communication Technology
IT	Information Technology
ITAC	International Trade Administration Commission
FMD	Foot and Mouth Disease
MAP ACT	Marketing of Agricultural Products Act No. 47 of 1996
MERC	Markets and Economic Research Centre
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NAMC	National Agricultural Marketing Council
NDP	National Development Plan
OBP	Onderstepoort Biological Products
PPECB	Perishable Produce Export Control Board
RSA	Republic of South Africa
SOE	State owned Entity
US	United States
WTO	World Trade Organization



Part A

PART A: OUR MANDATE

1. Constitutional mandate

The constitutional basis of the work done by the NAMC rests in the mandate of the DALRRD which in turn is derived directly from the Constitution of the Republic of South Africa (Act No.108 of 1996). The specific sections of the Constitution (Act 108 of 1996) that applies to the DALRRD and thereby the NAMC are Sections 24, 25 and 27 of Chapter 2, the Bill of Rights. Section 24 deals which deals with environmental rights, including “secure ecologically sustainable development and use of natural resources while promoting justifiable economic and social development. Land reform to bring about equitable access to all South Africa’s natural resources is addressed in Section 25(4)(a). The important right to access to food and water is reflected in Section 27(1)(b). The provision for food security in this section covers the agriculture value chain from inputs, production, value add (agro-processing), marketing to retailing.

The National Agricultural Marketing Council (NAMC) as a statutory organisation of the Department of Agriculture, Land Reform and Rural Development (DALRRD) derives its mandate directly from the MAP Act. The NAMC was established by the Department and in terms of Marketing of Agricultural Products (MAP) Act No. 47 of 1996, as amended by Act No. 59 of 1997 and Act No. 52 of 2001. The MAP Act essentially provides for the authorisation, establishment and enforcement of regulatory measures to intervene in the marketing of agricultural products including the introduction of statutory measures on agricultural products. The NAMC plays an active role in the coordination of the work relating to the four statutory measures mentioned in the Act, coordinates the work of industry trusts, undertakes thorough research aimed at advising the Minister and DAG’s on marketing matters and works directly with farmers to address their marketing matters.

2. Legislative and policy 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, this section stipulates that -

“Functions of Council

9. (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; and*
 - (iii) the possibilities for promoting the objectives mentioned in section 2(2); and*
 - iv) the effect of 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 despatched 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.:

- Increasing market access to all market participants,
- Promotion of efficiency in the marketing of agricultural products,
- Optimise export earnings from agricultural products, and
- Enhancement of the viability of the agricultural sector.

Other Policies and Legislation

LEGISLATION	BRIEF DESCRIPTION
Agricultural Pests Act (No 36 of 1983)	Provides for measures to prevent and combat agricultural pests.
Agricultural Produce Agents Act (No 12 OF 1992)	Provides for the establishment of an Agricultural Produce Agents Council and fidelity funds in respect of agricultural produce agents and the control of certain activities of agricultural produce agents.
Agricultural Product Standards Act (No 119 of 1990)	Provides for the control over the sale and export of certain agricultural products, control over the sale of certain imported products and control over other related products.
Agricultural Produce Agents Act, 1992 (Act No.12 of 1992)	Provides for the establishment of an Agricultural Produce Agents Council and fidelity funds in respect of agricultural produce agents and for the control of certain activities of agricultural produce agents.
Animal Diseases Act (No 35 of 1984)	Provides for the control of animal diseases and parasites and for measures to promote animal health.
Animal Improvement Act (No 62 of 1998)	Provides for the breeding identification and utilisation of genetically superior animals in order to improve the production and performance of animals.
Fencing Act (No 31 of 1963)	Consolidates laws relating to fences and the fencing of farms and other holdings and matters incidental thereto.
Fertilisers, Farm Feeds, Agricultural Remedies and Stock Remedies Act (No 36 of 1947)	Includes provisions in respect of the regulation or prohibition of the importation, sale, acquisition, disposal or use of fertilisers, farm feeds, agricultural remedies and stock remedies and the designation of technical advisors and analysts.
Liquor Products Act (No 60 of 1989)	Includes provisions for control over the import and export of certain alcoholic products.
Meat Safety Act (No 40 of 2000)	Includes provisions/measures to regulate the importation and exportation of meat, and to establish and maintain essential national standards in respect of abattoirs.
Perishable Products Export Control Act (No 9 of 1983)	Provides for the control of perishable products intended for export from the Republic of South Africa.
Subdivision of Agricultural Land (Act 70 of 1970)	Provides for the sub-division and, in connection therewith, the use of agricultural land
National Development Plan (NDP)	The NDP advocated for agricultural development based on successful land reform, employment creation and strong environmental safeguards.
Agriculture Policy Action Plan (APAP)	APAP aims at promoting labour absorption and broadening market participation through well considered, adequately consulted and finely-tuned strategic interventions.
Integrated Growth and Development Plan (IGDP)	The IGDP focuses on three strategic issues, namely equity and transformation, equitable growth and competitiveness and environmental sustainability.
MAFISA Credit Policy Framework	Provides for provision of funding through accredited Retail Lending Entities to on-lend to targeted end-users within pre-determined target areas.

3. Institutional Policies and Strategies over the five-year planning period

The NAMC will not be developing any institutional policies and strategies over the 5-year planning period. However, the NAMC will actively contribute to and participate in the development of policies and strategies that impact on its work. Examples of policies that the NAMC will contribute to is the DALRRD's planned Agricultural Insurance Policy Framework, Animal Identification and Traceability policy, Agricultural and Agro-processing Master Plan, National Policy in Organic Production, Crop Production Policy, National Policy on Plant Improvement, State Assets Acquisition and Lease Disposal Policy, Rural Development Agency Policy, Agricultural Land Holdings Policy Framework and Land Tenure Policy for Commercial Farming Framework. In the course of performing its core functions, the NAMC provides the Minister with policy and statutory measures recommendations that inform and guide agricultural policies and strategies.

4. Relevant Court Rulings

There are no Court Rulings with significant, ongoing impact on the operation or service delivery of the NAMC.



Part B

PART B: OUR STRATEGIC FOCUS

1. Vision

The Vision of the NAMC is captured as “*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 to the sustainable agricultural productivity element of the DALRRD’s Impact Statement. As stated in the DALRRD’s Strategic Plan for the 2020-2025 (dated 24th October 2019), “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, bio-security, skills, etc) within the short and long term”.

Specifically, the NAMC Vision responds to:

- Outcome 5 (MTSF Priority) of the DALRRD’s Strategic plan, i.e. “Increased market access and maintenance of existing market”; and
- Outcome 7 (MTSF Priority), i.e. Growth of inclusivity within agricultural value chains”.

Furthermore, the Vision is directly responsive to two (2) of the seven (7) national priorities outlined in the June 2019 State of Nation Address (SONA); namely: Economic transformation and job creation; and A better Africa and World.

2. 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.

3. 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)

4. Situational analysis

The performance and achievements of the NAMC are directly impacted on by external and internal factors and contexts. The external context includes global and domestic demands-supply interactions for food as well as trade and market environments. The availability of financial (budget) and human (skills) resources for the work of the NAMC and limitations of the MAP Act constitute some of the internal context of the NAMC's operations. These contexts are summarised below.

5. External Environment Analysis

5.1 The Economic and Trade Environment

According to the 2019 Quarterly Gross Domestic Product Review of StatsSA, the agriculture, forestry and fisheries sector only contributes 2.50% to South Africa's Gross Domestic Product (GDP). Despite the relatively low sector share to the GDP, agriculture contributes 5.4% to total employment in the country. It is only agriculture and construction sectors that have higher employment shares relative to their GDP contribution, where construction contributes 3.7% to GDP and 8.2% to employment. The importance of agriculture in job creation points to the need for concerted interventions to enhance equitable access to resources such as water and land as well as increased access to markets and optimise export earnings of agricultural products in order to grow the sector on an inclusive basis.

Moreover, the changing global trade environment, driven by trade disputes between China and United States of America, Brexit, Europe's strict environmental protection laws and their sanitary and phytosanitary regulations and Africa's non-tariff measures underpinned by relatively low infrastructure development, high transaction costs and ad-hoc policy applications are changing global trade flows. The fluctuating global agricultural commodity prices, stressed consumer incomes and increasing incidence of disease outbreaks such as Avian Influenza, Foot and Mouth Disease and recurring droughts in South Africa and neighbouring countries have collectively had a negatively impact on agricultural production and thereby the contribution of the sector to economic growth and job creation.

Domestic weather variability is also constraining the performance of the agricultural sector. The sector's real growth rate has averaged 0.1% per annum since 2015 to date, falling from the annual average of 3.8% obtained between 2011 and 2014. Agricultural employment has stagnated at around 840 000 with fewer than 30 000 new jobs created in 2019. To stimulate agricultural growth, South African agricultural industries have spent R75,3 Million on market development and promotions in 2018 to increase market access in order generate foreign earnings and create employment. Industries further spent R223,9 Million on research and information to equip farmers with better adaptation strategies to the changing weather.

The impact of global trade distortions is also felt in the domestic agricultural market, where sugar and poultry farmers have applied for maximum tariff protection against imports. Farmers argue that imports from subsidised regions such as the European Union and United States of America are affecting the sustainability of local production. This has compelled the DALRRD to compile a Master Plan for the sugar, poultry and for the sector as a whole to boost agricultural growth and preserve jobs.

5.2 Transformation of the Agricultural Sector

The agricultural value chain remains dominated by large companies which impacts on food security as well as the sector's contribution to shared economic development and job creation. Primary agricultural producers remain predominantly white leaving the majority of previously disadvantaged farmers excluded in agricultural value chains. The agro-processing segment of the food value chain also excludes the participation of rural communities because they have resource and skills constraints which limits their ability to constantly supply large retailers and agribusinesses. According to the Competition Commission's investigative reports, approximately nine (9) companies dominate the packaging and distribution of agricultural processes goods and the retail of these good is dominated by four (4) major retailers. The large rural and township consumer base of the agricultural goods has very little participation in the value chain¹.

An inclusive agriculture growth is one of the key goals of the National Development Plan. To promote the goals of the NDP, the NAMC uses the Statutory Measures and Agricultural Trusts to finance transformation activities in the sector. The NAMC developed transformation guidelines that set-aside 20% of industry levies and interest generated from Agricultural Trusts' assets to promote transformation activities. This 20% set aside amounted to R116 million in 2018 and allowed industries to drive an inclusive agricultural growth. Using the statutory measures and agricultural trusts, the share of previously disadvantaged farmers in total agricultural output has marginally increased to an average of 4% across all commodities in 2019, which is still very low considering that majority of farmers and consumers are black.

5.3 Women, Youth and Persons with Disabilities

Over and above the promotion of general transformation, the NAMC is leading the effort to empower women in agriculture. The NAMC achieves this through the capacity building programmes such as the Agribiz Training for Women and corporate governance training for beneficiaries of various NAMC supported development schemes. Through these sectoral interventions, the NAMC strives to achieve an inclusive and sustainable agricultural growth that also creates jobs and ensure food security. Furthermore, the NAMC has been actively advocating for diversification of boards managing the agricultural trusts to ensure a proper representation of women, youth and persons with disabilities in the boards. To this effect, nearly 50% of Ministerial representatives in agricultural trusts are women.

5.4 Sector Analysis

Since 1994, South Africa's agricultural sector has witnessed the introduction of key global policy reforms such as the Marrakech Agreement and joining the WTO in 1995; the Marketing of Agricultural Products Act of 1996; the White Paper on Land Policy in 1997; the Land and Agricultural Bank Act of 2002, Infrastructure Development Act of 2014 and others. These legislations have brought a deregulated marketing system which opened up the agricultural sector to new investors and access to new export markets. The deregulation of the sector stimulated the agricultural exports, both raw and processed products. The overall agricultural exports grew from R8.9 million in 1994 to over R125 billion in 2019, driven largely by fruits, wine and dairy export products.

¹ DALRRD Strategic Plan 2020-2025, October 2019 DALRRD Strategic Plan 2020-2025, October 2019

It is not only exports that have grown but also imports of critical food items such as wheat, rice, fats and oils as well as processed food such as soybean oilcake for animals. This has helped the country to maintain its local food prices thus ensuring a sustainable supply of food. Looking at decomposed agricultural trade data, it is clear that South Africa is exporting unprocessed products such as fruits, wool, maize, soybean but importing processed products such as fruit juice, poultry meat, oilcake and sugar. This suggests a need to improve agro-processing capacity in the country, through infrastructure investments, to ensure value-addition is conducted before products are exported. This will also assist the country to substitute imports in commodities where the country has a comparative advantage such as meat and animal feed.

One of the contributing factors to the country's success in opening export markets for fruits, wine and other products, is the organic growth of commodity associations and their usage of statutory levies to finance critical functions such as research and marketing. The commodity associations' investment in research, information and market access has enabled farmers to improve their productivity in the past 25 years. The rise in productivity is a function of technology adoption and better agricultural practices in farms. The horticulture products have recorded the fastest growth rate with production increasing by an average of 12.9% per every five years between 1990 and 2019, followed by field crops at 4% and livestock products at 2.2% during the same period. Figure 1 indicates the growth rate in the three agricultural sub-sectors over the past 25 years.

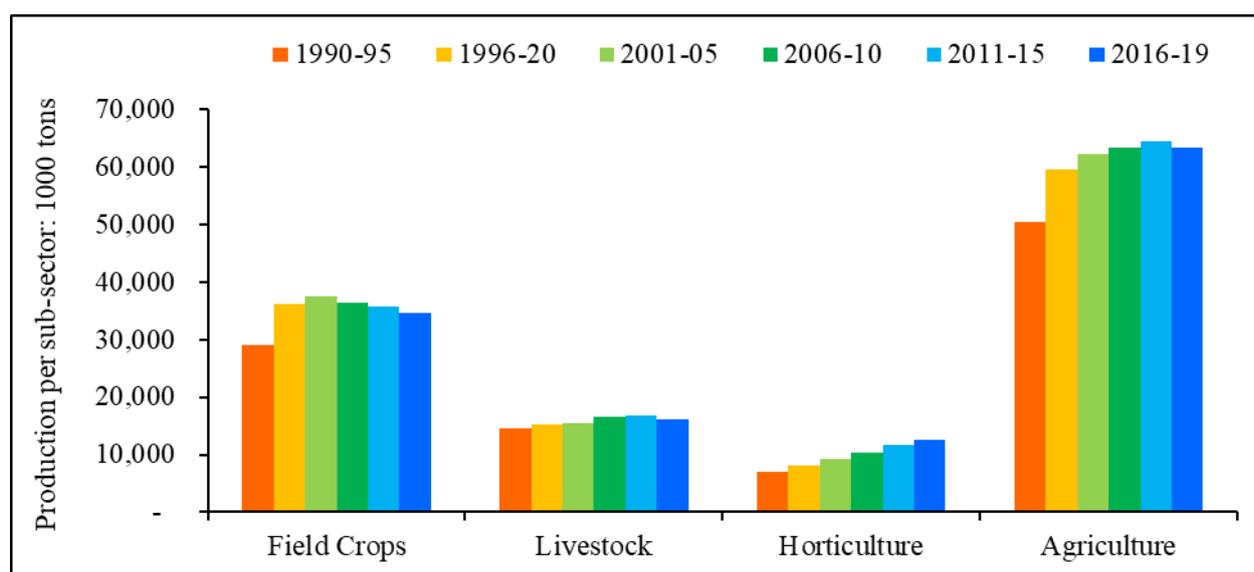


Figure 1: Primary agricultural production per sub-sector, 1990-2019

Source: Agricultural Abstract and Commodity Associations, 2019

The overall primary agricultural production grew by an average of 4.9% per every five years driven by all sub-sectors, but mainly the horticultural products such as fruits, wine and nuts. The observed production growth can be attributed to the adaptability of commercial farmers with limited contribution from emerging and household farmers. The growing agricultural output has enabled the country to become a net exporter of products such as fruits, dairy, wine, wool, and many others.

6. Internal Environment Analysis

The NAMC will build on its successes to date towards delivering on its outcomes and thereby achieving the impact it has reflected as its impact statement. A key challenge that the NAMC has to address at an operational, programme and projects level is that of facilitating market access for smallholder farmers. The NAMC's successes and key challenge are summarised below.

6.1 Administration of the Levy System

The functions of the agricultural industries are financed by statutory levies and the NAMC has been instrumental in administering the levy system in the agricultural sectors. At present, about 80% of agricultural industries have been assisted by the NAMC to institute statutory measures, and collectively industries have raised R589,2 Million of levies in 2018, up from R641,2 Million in 2017.

6.2 Research-based Policy and Statutory Measure/s Proposals

The NAMC through its Markets and Economic Research Centre (MERC) has conducted impact studies of tariff changes in sugar and poultry products on domestic production, consumer prices, and jobs with the intention of advising policy makers. These studies were conducted on request from the International Trade Administration Commission and their results have been used by the ITAC's to inform its policy decision tariff applications by industries. Part of NAMC's advice to policy makers is that tariff protection is not an ideal support measure to farmers. As a result, the Minister of Trade and Industry and Minister of Agriculture, Land Reform and Rural Development have established task teams to develop Master Plans in the poultry and sugar industries. The Master Plan seeks to provide a sustainable and profitable solutions to these industries in order to grow them on an inclusive basis. The sugar and poultry Master Plans will form part of the overall agriculture and agro-processing Master Plan that will guide the growth and development of the sector in the next 10 years.

6.3 Management of Agricultural Industry Trusts

The NAMC manages the appointment of Ministerial trustees on the current 11 Agricultural Industry Trusts. These Trusts advance transformation in the agricultural sector by using their funds to support previously disadvantaged individuals through various activities including farmer enterprise development and skills development support. Under the guidance of the NAMC the asset (monetary and fixed property) value of the Trusts has grown and is currently valued at over R2.4 billion.

6.4 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 lack of comprehensive support, inconsistent production, fluctuating quality and transport costs to markets. The NAMC's Agri-business Development division develops Market access models that enable farmers to participate into the new and existing markets. Quantity and Quality of the produce are also addressed through the technical support programmes that is

implemented in collaborations with the industries. The Division also facilitates skills development and advisory services to smallholder farmers.

6.5. Organisational capacity

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



Part C

PART C: MEASURING OUR PERFORMANCE

1. Institutional Performance Information

2. Impact statement

The impact statement of the successful implementation of this Strategic Plan is based on and directly aligned to the Vision and Mission of the NAMC and to the political priorities for the 6th term of administration.

Impact Statement	A viable and inclusive agricultural marketing system contributing to food security, economic growth and development
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3. Measuring Our Outcomes

The outcomes against which the NAMC can be measured are derived from, aligned to, and responsive to national priorities reflected as Medium Term Strategic Framework (MTSF) priorities / Outcomes of the Department of Agriculture, Land Reform and Rural Development and national priorities for the 6th term of administration outlined in the June 2019 State of Nation Address (SONA).

The three (3) outcomes are:

- The NAMC delivers on its mandate and core functions;
- An enabling agricultural marketing policy and statutory environment; and
- The agricultural sector is viable, inclusive and competitive as a key economic sector

MTSF Priority/ DALRRD Outcome	<ul style="list-style-type: none"> • Improved governance and service excellence • Increased Market Access and maintenance of existing market • Growth of inclusivity within agricultural value chains 		
Outcomes	Outcome Indicators	Baseline	Five-year target
The NAMC delivers on its mandate and core functions	Compliant management and good governance of the entity, throughout the current term of governance.	The NAMC achieved two clean audits and two unqualified audit opinions over the past five years.	The NAMC functions at optimal levels, delivers on its core-function indicators and receives unqualified audit opinions for each financial year of the 5-year period
An enabling agricultural marketing policy and statutory environment	Approved policy advisory and statutory measures recommendations and reports that facilitate the marketing of agricultural products, throughout the term of governance.	The NAMC provided 100% policy of scheduled advisory notes to policymaking institutions The NAMC recommended statutory measures to 80% of agricultural industries	NAMC approved policy and statutory measures of each financial year of the 5-year period is adopted by the Minister and implemented by all directly affected stakeholders
The agricultural sector is viable, inclusive and competitive as a key economic sector	NAMC annual reports reflect increased market access	Smallholder farmers hold 3% share in the agricultural market	The smallholder farmers' market share to increase to 5% by the end of the 5- year period
	NAMC annual reports reflect increased export growth of agricultural products	Agricultural exports growth rate fluctuated between 1.9% and 3.5% over the past five years.	Average growth in agricultural exports to be at 2% over the next 5-year period
	NAMC annual reports reflect transformation of the sector	An annual average of 20% of statutory levies is spent on transformation activities	Annual average of 20% of levies is spent towards funding of transformation activities

3.1 Explanation of Planned Performance over the Five-Year Planning Period

- a. Contribution to the MTSF and the mandate of the NAMC including, where applicable, priorities in relation to women, youth and people with disabilities.**

Contribution to the MTSF

The DALRRD's specific outcomes which serve as the MTSF priorities for the agricultural sector are:

- Outcome 3: Improved productivity of reformed land (contributes to sustainable agricultural productivity)
- Outcome 4: Increased Productivity in the agricultural Sector (contributes to food security and economic development and job creation)
- Outcome 5: Increased market access and maintenance of existing markets (contributes to economic development and job creation)
- Outcome 6: Increased contribution of the sector to livelihoods (contributes to food security)
- Outcome 7: Growth of inclusivity within agricultural value chains (contributes to increased participation of black businesses in the value chain)
- Outcome 8: Improved governance and service excellence

Outcome 1 of the NAMC, i.e. "The NAMC delivers on its mandate and core functions" contributes to Outcome 8 (improved governance and service excellence) of the DALRRD which is overarching and applicable to all the sectors the Department works with. Compliant management and good governance of the NAMC, which is reflective in its financial management and corporate services functions, will enable the institution to deliver on its mandate and core functions and thus Outcome 1 speaks to this.

Outcome 2 of the NAMC, i.e. "An enabling agricultural marketing policy and statutory environment" contributes primarily to Outcome 5 (Increased market access and maintenance of existing markets) of DALRRD. However, the NAMC also provides research, policy proposals and statutory measures that impact on the policy environment pertaining to Outcomes 3,4,6 and 7. In addition, NAMC representatives actively participate in policy development processes undertaken by the DALRRD.

Outcome 3 of the NAMC, i.e. "The agricultural sector is viable, inclusive and competitive as a key economic sector" contributes to Outcomes 5 (Increased market access and maintenance of existing markets) and 7 (Growth of inclusivity within agricultural value chains) of the DALRRD. This outcome includes initiatives that transform the sector, increase export earnings from agricultural products and increases market access for smallholder farmers.

Contribution to mandate of the NAMC

The mandate of the NAMC is to undertake investigations, advises the Minister on Agricultural Marketing policy and develop statutory measure proposals, for the Minister's consideration and adoption, in support of the four (4) objectives of the MAP Act, i.e.:

- Increasing market access to all market participants,
- More efficient marketing of agricultural products,
- Increased export earnings from agricultural products, and
- Enhanced viability of the sector.

The NAMC is also mandated to investigate implementation of and compliance to the statutory measures and is tasked with managing the establishment of Agricultural Industry Trusts which is the main mechanism for facilitating the development of a more inclusive sector.

Outcomes 2 and 3 directly contributes to the various elements of the NAMC's mandate and core functions.

b. Enablers to achieve 5-year targets

The following are the enablers to achieve the NAMC's 5-year targets:

- Human capital and a conducive working environment
- Budgetary availability to execute the mandate
- Technological and working tools
- Effective stakeholder management
- Effective support from the shareholder department

c. Contribution to achieving the Impact

All the outcomes, collectively and individually, contribute to the achieving the impact. However, Outcomes 2 and 3 are the dominant contributors. This collective and individual contribution is summarised below.

Outcome 1 relates to the support functions required to enable the core functional areas to perform at optimal levels and to deliver the outcomes specific to the NAMC's mandate. This outcome incorporates the principles of good governance and management, as well as effective, efficient and prudent use of resources. It encompasses Strategic management, governance and accountability; Financial Management, Human Resource Management; ICT; Financial Management; Communications and Enterprise Risk Management services.

Outcome 2 deals with the policy and statutory measure proposals that the NAMC is expected to develop and submit as per the MAP Act, and which will contribute to achieving the 4 objectives of the said Act. This outcome contributes to the marketing system, food security and economic growth and development aspects of the impact statement.

Outcome 3 deals with the viability and transformation of the sector and access to markets which contributes to the elements of a "a viable marketing system, economic growth and development" in the impact statement.

4. Key Risks and Mitigation

Outcome	Key Risks	Risk Mitigations
The NAMC delivers on its mandate and core functions	<ul style="list-style-type: none"> • Non alignment of the Organisational Structure to support strategy • Budget limitations to support the strategy • Failure to comply with policies and procedures governing the entity • Inability to integrate risk management in planning of operations to achieve priority objectives 	<ul style="list-style-type: none"> • Finalize the review of the Strategy and review the Organisational structure • Tighten and reprioritize the budget allocation and consider the possibilities of additional funding • Increase policy awareness and monitor compliance with policies • Make risk management a component of strategic and operational planning
An enabling agricultural marketing policy and statutory environment	<ul style="list-style-type: none"> • Delays in the response by the Minister in the recommendations for statutory measures and late applications by industries. • Potential legal exposure emanating from the policy advice and/or access to confidential information. • Noncompliance by administrators of statutory measures to the conditions of approval for the relevant statutory measures. 	<ul style="list-style-type: none"> • Regular enquiries by the NAMC secretariat as well as the involvement of line directorate in the department. • Include disclaimers on the template of the advisory reports and development of the confidentiality policy • NAMC attends industry meetings as observers in order to ensure compliance to the conditions of approvals.
The agricultural sector is viable, inclusive and competitive as a key economic sector	<ul style="list-style-type: none"> • Ineffective operations of the trusts due to possible delays in approval time (between original submission and signature), • Lack of buy-in from some stakeholders in supporting smallholder farmers • Limited resources to support the operational imperatives (funding, capacity) 	<ul style="list-style-type: none"> • Regular enquiries by the NAMC secretariat as well as the involvement of line directorate in the department. • More effective communication between the Department, Agricultural stakeholders and the NAMC. • Tighten and reprioritise the budget allocation and consider the possibilities of additional funding

5. Public Entities

There are no Public Entities reporting to the NAMC.

Name of Public Entity	Mandate	Outcomes
N/A	N/A	N/A



Part D

Part D: Technical Indicator Descriptions (TID)

Outcome 1

Indicator Title	The NAMC delivers on its mandate and core functions.
Definition	This refers to the strategic and operational management support services provided by the Business Excellence Unit to ensure the NAMC delivers on its mandate and core functions, uses its budget efficiently and prudently for such delivery, and achieves all financial and non-financial performance targets set for each financial year of the term of governance.
Source of data	Annual Audit Report, Annual and Quarterly Financial Statements, Annual Performance Report, Quarterly and monthly compliance reports to the DALRRD, National Treasury, Internal Oversight Committees, and corporate services annual operational plans and reports thereon.
Method of Calculation / Assessment	(Number of reports submitted/total number of expected reports x 100)
Assumptions	The information provided in the reports is accurate and will obtain approval
Disaggregation of Beneficiaries (where applicable)	The beneficiaries of the outcome indicator are the operational divisions of the NAMC. <ul style="list-style-type: none"> • Target for women: N/A • Target for youth: N/A • Target for people with disabilities: N/A
Spatial Transformation (where applicable)	Contribution to spatial transformation priorities: N/A Spatial impact area: N/A
Desired performance	Unqualified Audit Opinions each Financial Year 100% budget spend each Financial Year Achievement of Preferential Procurement Targets each Financial Year 100% achievement of all Corporate services operational plan targets each Financial Year
Indicator Responsibility	CEO, CFO, Senior Manager: Human Capital, Risk and Compliance Manager

Outcome 2

Indicator Title	An enabling agricultural marketing policy and statutory environment.
Definition	This refers to one of the core functions of the NAMC in terms of the MAP Act, and encompasses research into pertinent agricultural issues that impact on the marketing thereof. The research findings and recommendations are developed into Statutory measures, advice on trade remedies and agricultural value chain reports that are submitted to the Minister for his/her approval and adoption, and for implementation by all directly affected stakeholders.
Source of data	Statutory Measures Report, Agricultural Value Chain Reports, Trade Remedies Reports
Method of Calculation / Assessment	(Number of trade remedies reports, agricultural value chain and statutory measure reports submitted/total number of expected reports x 100) Number of statutory measures applications received and responded to
Assumptions	The information provided in the reports is accurate and will obtain approval. The information provided in the reports is well researched and reaches the minimum peer review requirements. There is sufficient support for the proposed statutory measures. The applications for statutory measures meet the conditions for approval.
Disaggregation of Beneficiaries (where applicable)	The beneficiaries of the statutory measures work are the 18 Agricultural Industries which are utilising Statutory measures. The beneficiaries of the policy advisory work are the Minister, other departments or organisations of government, the farmers, academia and Agri businesses <ul style="list-style-type: none"> • Target for women: N/A • Target for youth: N/A • Target for people with disabilities: N/A
Spatial Transformation (where applicable)	Contribution to spatial transformation priorities: Statutory measures and policy advisory will promote agricultural economic growth, create employment opportunities and will promote transformation in the relevant agricultural industries. Spatial impact area: South African Agriculture
Reporting Cycle	Annually, quarterly and monthly.
Desired performance	Approved Policy Advisory and/or Statutory Measure Recommendations to the Minister. Approved Trade Remedies and value chain advisory reports
Indicator Responsibility	Senior Manager: Markets and Economic Research Centre and Senior Manager: Statutory Measures

Outcome 3

Indicator Title	The agricultural sector is viable, inclusive and competitive as a key economic sector
Definition	This refers to increased market access for smallholder farmers through the design of models that integrate them into the commercial main stream markets using market intelligence. It also ensures the proper functioning of the Agricultural Industry Trusts and representation of the Minister.
Source of data	Market access models design report, Agricultural capacity development reports, Technical assistance reports, Status of Agricultural industry Trust Report, Minutes of the Transformation Review Committee and letters sent to industries.
Method of Calculation / Assessment	$(\text{Number of reports submitted} / \text{total number of expected reports}) \times 100$
Assumptions	<p>The information in the reports is accurate.</p> <p>The support measures (such as Financial and Development) for smallholder farmers are in existence and accessible.</p> <p>The farms are compliant to food safety standards and market requirements.</p> <p>The masters of the High court are operational to register and remove trustees.</p> <p>The transformation funds are used in accordance with the NAMC guidelines on transformation.</p>
Disaggregation of Beneficiaries (where applicable)	<p>The beneficiaries of the trust expenditure are the trust administrators and/or entities mentioned in the trust deeds who are using the funds for the benefit of the industries with the trust assets. The beneficiaries of the agribusiness development are all smallholder farmers who require services.</p> <p>Target for women: N/A</p> <p>Target for youth: N/A</p> <p>Target for people with disabilities: N/A</p>
Spatial Transformation (where applicable)	<p>Contribution to spatial transformation priorities: The Agribusiness Development, Agricultural Industry Trusts and Smallholder activities will promote agricultural economic growth, create employment opportunities and promote transformation in the relevant agricultural industries.</p> <p>Spatial impact area: South African Agriculture</p>
Desired performance	<ul style="list-style-type: none"> • Trust assets functional and generating income • Approved Market intelligence reports to directly affected stakeholders. • Increased number of smallholder farmers accessing domestic and export market opportunities
Indicator Responsibility	Senior Manager: Agribusiness development division and Senior Manager: Agricultural Industry Trusts

ANNEXURES TO THE STRATEGIC PLAN

ANNEXURE A: DISTRICT DEVELOPMENT MODEL

NOT APPLICABLE