



# EXECUTIVE SUMMARY

## AGRISETA PORTFOLIO COMMITTEE ON LABOUR 17 NOVEMBER 2009

### In attendance from AgriSETA

• Chairperson	Mr Sipho Khumalo
• Vice-Chairperson	Mr. Jack van Dyk
• Board member	Ms Jacquie Bhana
• Board member	Mr Katishi Masemola
• CEO	Mr Jerry Madiba
• Corporate/HR Manager	Ms Annetjie Labuscagne
• Skill Planning Manager	Mr. Johann Engelbrecht

## 1. OVERVIEW

- The agricultural sector is highly diverse
- First economy
  - ±35 000 commercial enterprises
  - ±1 million employed (permanent and seasonal)
  - 4 100 levy payers
  - Total income (80%) R142,6 million
  - Discretionary fund ±R65 million
- Second economy
  - ±450 000 under resourced enterprises
  - Impact of Land reform
  - Poorest of the poor
  - Highly rural
- General
  - Poor education (30% illiterate)
  - External influences (eg. climate)
  - Sector contributes 25% to change rate in GDP

## 2. HIGHLIGHTS

- Financial support for mentoring to support new farmers is highly successful. Currently 5 projects supporting in excess of 200 new farmers
- Place learners with employers to engage in Internships and Workplace experience. Annually a total of 150 youth in scarce skills. Placement rate very high (80%+)
- Learnerships for the employed worker very successful as employer is engaged in process. Frequently leads to promotion
- As a small sector contributes actively to artisan project – more than 300 enrolled apprentices
- Since inception – unqualified audit report.

### 3. CHALLENGES AND CONSTRAINTS

- Sufficient funding to impact on land reform projects
- ABET has its limitations – very little progress from level 1 to higher levels
- Sourcing additional funding – limited/difficult to access NSF

“too little income received from too few levy payers to effectively address the needs of too many under resourced enterprises”

“the levy grant system is not ideal for a sector such as agriculture which is dominated by small enterprises and informal sector operators – top-up funds from either Treasury or the NSF is required on a regular basis”

### 4. NSDS PERFORMANCE

- DoL judged AgriSETA given their scoring mechanism as “meet requirements” (3.64 of a possible 5 rating)
- On the major success indicators – those pertaining directly to learners and learning interventions, highly successful. Targets exceeded (with the exception of ABET).
- On SI 2.8 and 4.1 combined total targets for enrollments were 2 310 whilst the actual achievement was 6 719 and for completions were 1 129 and 5 077 was achieved

### 5. THE TRAINING LAYOFF SCHEME

- A TLC summit for agriculture was held on 20 October 2009 and attended by Labour and business leaders
- There was a clear indication that the sector has not yet been directly affected by the economic meltdown (past 3 years were good agricultural years)
- Expected to “kick-in” early in 2010 due to low commodity prices and the strength of the Rand which negatively effects exports (specially fruit industry)
- Impact of *El Niño* not to be underestimated
- In preempting the future, R10 million has been set aside for TLC purposes - will be revised on a continuous basis

## 6. STAFF PROFILE

POST	Number	% BLACK	% WOMEN
CEO	1	100%	0%
Senior Mgnrs	3	33%	33%
Other staff	22	64%	87%
Contracted	3	100%	100%

- Participation of consultants are limited and on a needs basis – all with short term contracts and specific exit strategies.
- Two consultants are used to develop new qualifications which will be aligned to the Organising Framework for Occupations (OFO) and the Quality Council for Trades and Occupations (QCTO) as well as to, from time to time, develop learning materials.
- Deloitte & Touche had been contracted for a five year period to provide financial and data services. This contract comes to an end in March 2010 and the Board will then renegotiate.

**JERRY MADIBA**  
(Chief Executive Officer)