



We develop the South African Agricultural Industry.  
Ons ontwikkel die Suid-Afrikaanse Landbou Industrie.

# Annual Report

## 2016/2017

# Vision & Mission of Agri SA

## Vision

Unity about agriculture.

## Mission

Agri SA promotes the development, profitability, stability and sustainability of agriculture in South Africa by means of its involvement and input on national and international policy and the implementation thereof.



We develop the South African Agricultural Industry.  
Ons ontwikkel die Suid-Afrikaanse Landbou Industrie.

Agri SA 2016/2017 ANNUAL REPORT  
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## Foreword by the President

**T**he past year was characterised by various highs and lows in the agricultural industry.

The lowest point was certainly the lingering drought and devastation experienced by our farmers in the Western, Eastern and Northern Cape. While the drought has had a dramatic impact on the lives of farmers and their workers, as well as consumers and the economy, it has compelled civil society and the private and public sectors to work together in an attempt to improve the conditions of farmers. We wish to extend our sincere appreciation for the support received, especially via Agri SA's Disaster Relief Fund. We also express a special word of thanks to Senwes for their contribution towards the development

of Agri SA's "Smart Disaster Desk" project, which will be launched soon and will serve as an early warning system to identify disasters and mitigate the effects thereof.

It is no secret that we live in uncertain times, both politically and economically - from Bell Pottinger, KPMG and the Guptas, to a president who couldn't care less about the economy, and in many cases, innocent South Africans being impacted negatively by these events.

The government's ability to manage and protect our resources effectively is declining by the day, especially those resources that are vital for farming operations, with specific reference to shale-gas extraction and mining, which pose the biggest threat to our water and soil resources. There has also been mention of a new

water policy, threats of expropriation without compensation and the scrapping of the property clause from the Constitution.

The only way to address these threats is to form strong partnerships, get public opinion on our side and call on our courts to protect our members' fundamental rights. Agri SA will soon be launching a large-scale fundraising campaign to finance litigation in this regard.

Despite the lows, the agricultural industry remains a beacon of hope. In the first quarter of 2017 it made by far the biggest contribution to the limited growth in the gross domestic product – the first positive growth since 2014. There seems to be optimism within the sector, which has inspired us here at Agri SA to reach for new heights.

Despite the lows, the agricultural industry remains a beacon of hope. In the first quarter of 2017 it made by far the biggest contribution to the limited growth in the gross domestic product – the first positive growth since 2014.



Agri SA's core business is to influence policy to ensure that our farmers remain in production, without any disruption, to ensure food and nutritional security in South Africa. To this end, Agri SA has forged partnerships with politicians, corporates and business leaders where input is provided and the farmer's cause is promoted. Agri SA has even experienced an open-door approach at ministerial level, for which we are very grateful.

In the light of globalisation, partnerships at both national and international level are becoming increasingly important for agriculture to advance economically. Farmers must use these opportunities and position themselves as price-makers in the industry. Our congress theme this year is therefore very appropriate:



**We cannot solve our problems with the same thinking we used when we created them.**

**ALBERT EINSTEIN**



**Johannes Möller**

"Agri SA's strategic partnerships are essential for a successful South Africa". Agri SA's congress is a highlight on its annual calendar and should be seen as a platform for policy-making for future generations. On the home front Agri SA has been intensely involved in the development and refinement of our new strategy and transformation initiatives. As part of the strategy, we are looking at better service delivery to our members and farmers. To this end Agri SA has expanded its staff complement considerably, with top appointments heading up each of the Centres of Excellence, where all policy work is done.

A massive amount of work went into this and the aim is to finalise the new strategy during the 2017 congress, after which it will be implemented. We thank our members and every

person who has played a positive role and made a contribution in this regard. We are proud to be able to say that Agri SA's Corporate Chamber performs splendidly, with a membership that grew to 17 during the past year – a hearty welcome to all.

Through hard work we managed to post good results for the 2016/2017 report year in terms of our key objectives and we will build forth on these successes to promote a growing and inclusive agricultural sector while striving constantly for unity about agriculture.

**Johannes Möller**

PRESIDENT

*Agri SA's core business is to influence policy to ensure that our farmers remain in production, without any disruption, to ensure food and nutritional security in South Africa. To this end, Agri SA has forged partnerships with politicians, corporates and business leaders where input is provided and the farmer's cause is promoted.*

# Overview by the Executive Director

*The supreme quality for leadership is unquestionably integrity. Without it, no real success is possible, no matter whether it is on a section gang, a football field, in an army, or in an office.* DWIGHT D. EISENHOWER

## General overview

South Africa is going through an interesting time in its history with the political dispensation very volatile and the economy hanging on by a thread. 2017 was riddled with Zuma politics, the Guptas and state capture, Bell Pottinger and other influencers that created an unstable social and divisive dispensation in South Africa.

South Africans are feeling the pinch and the same can be said for farmers in general. Post the drought of 2016 we have rebounded as an industry with a remarkable increase in output – which is remarkable and shows the buoyancy and strength of the sector. We still have serious challenges in the Western Cape, Eastern Cape and the Northern Cape with acute drought conditions – which we will have to manage

through the season. Government's general lack in support is problematic and its inability to manage natural disasters has acutely affected the industry.

## Markets and the economy

The following information relates mainly to 2016/2017, which means the initial impact of the drought in 2015/2016 has been incorporated. Whilst droughts have a significant impact on agricultural output, the agricultural sector has performed particularly well this year – measured

against official income statistics. Considering the impact from droughts, the sector's performance can be lauded. Net farm income amounted to R100,9 billion, which is 22% more than in the previous period. The increase can be largely attributed to a hike in income derived from summer crops.

During 2016/2017 the gross value (R127,3 billion) of animal production increased by 11%, while horticultural products were valued at R75,7 billion – an increase of 4% since 2015/2016.

Considering the impact from droughts, the sector's performance can be lauded. Net farm income amounted to R100,9 billion, which is 22% more than in the previous period. The increase can be largely attributed to a hike in income derived from summer crops.



The nominal cost of intermediate goods and services increased by 6,6% in 2016/2017, after increasing annually by an average of 10,3% over the past six years. This declining increase was driven by the relatively depressed oil price, compared to mid-2014 levels.

The first half of 2017 was characterised by serious drought conditions in the Western, Eastern and Northern Cape, which had an impact on various areas, for example smaller vegetable and fruit crops yields. The limited availability of water for irrigation purposes as well as instances of avian flu presented significant challenges. The financial implications of these setbacks will become clear in due course.

On the international front, South Africa remained a net exporter of

Whilst droughts have a significant impact on agricultural output, the agricultural sector has performed particularly well this year – measured against official income statistics.



Omri van Zyl

agricultural products in 2016/2017. Backed by the depreciation of the rand against the most important currencies, the value of South African agricultural exports increased by

17% in 2016/2017 to approximately R97,4 billion. The main drivers of this growth in exports were the European Union, Africa (Mozambique and Zimbabwe) and China.



*The limited availability of water for irrigation purposes as well as instances of avian flu presented significant challenges. The financial implications of these setbacks will become clear in due course.*

**Agri SA's financial position**

<b>Most Important Movements - Balance sheet</b>				
	<b>2016</b>	<b>2017</b>	<b>Movement</b>	<b>%</b>
Capital and reserves	R 235 008 209	R 220 679 247	(R 14 328 962)	(6,10%)
Non-current assets	R 42 146 847	R 42 097 625	(R 49 222)	(0,12%)
Investment	R 193 134 829	R 177 750 921	(R 15 383 908)	(7,97%)
Current assets	R 5 749 708	R 5 739 467	(R 10 241)	(0,18%)
Current liabilities	R 6 023 175	R 4 908 766	(R 1 114 409)	(18,50%)

The main drain on our capital resources stem from our investment income that declined significantly, creating a situation where we had to delve into our capital reserves to keep the business afloat. We also paid out retirement packages to the staff that left the organisation. The combination created the shortfall. As far as other income streams are concerned we have shown an uptick on previous years with project income and additional sponsorships increasing at a steady level. The addition of our corporate members will also help to get Agri SA into positive numbers.

**Risk management desk**

At NAMPO, we launched our new risk management desk with Senwes. This was done in the aftermath of the drought to ensure that we have a handle on the biggest risks facing our sector and the economy and how we will mitigate these. Emphasis will be given to the measures we need to take to implement to mitigate risks. Our approach to the risk desk is to be very practical – and to ensure we

design mechanisms that will make a practical difference to farmers.

**Strategy interventions – questions and answers**

In a recent interview with Annelie Coleman from Farmer’s Weekly certain critical questions were posed on Agri SA’s new strategy and course – I have added these for more clarity.

**a) Was Agri SA’s structural changes made in haste?**

It is false – this strategy has been developed over a period of more than two years with in-depth research and world class strategy guidance. We have followed a thorough process of consultations within our different chambers, within our General Council, and independently with our provincial structures. We followed a rigorous consultation process on both strategy and general governance issues and we firmly believe that this is the best way forward to align ourselves with King IV, and streamline the organisation. King IV is the benchmark for corporate governance in South Africa and stipulates the

fiduciary duties of directors and board members. In certain instances where directors do not act in the interest of the organisation or are grossly negligent, they can be held personally liable for any damages. Part of the consultation with members was to illustrate the onerous nature of these responsibilities and provide guidance on the implications thereof.

It has become pivotal to streamline a fast growing organisation and to make Agri SA more responsive to the requirements of the economy and good governance. We realised the need for change and responded to the needs of our members.

*We have done our homework and assessed several South African and international organisations that fulfil the same or similar functions as Agri SA. We looked at international best practices and from there brought it back to South Africa and the agriculture context.*

Our General Council, currently consisting of all Commodities and Provincial organisations, will be rolled up into a Board of Directors with three representatives from the Provincial, Commodity and Corporate Chambers. We will essentially have a much smaller Board – from potentially **68 members** to approximately **14**.

**b) Are you satisfied with the member consulting process so far? Did Agri SA disseminate sufficient information about the changes and did the information reach the farmers on farm level?**

We have done our homework and assessed several South African and international organisations that fulfil the same or similar functions as Agri SA. We looked at international best practices and from there brought it back to South Africa and the agriculture context. We also conducted an in-depth survey on the needs and aspirations of our commodity organisations. The information was disseminated and shared with our members. We consulted regionally with the agriculture leaders across South Africa. We have simplified it into infograms

that we used to share the basics of the strategy and structure modifications. Remember that a strategy is a live document that changes over time – nothing is cast in stone but it is a directive to better serve our member organisations.

**c) What do the changes entail?**

The structure is streamlined – our centres of excellence, namely labour, economics and trade, safety, agricultural development and natural resources remain the mainstay of our business, with more acute focus on policy work. Our General Council, currently consisting of all commodities and provincial organisations, will be rolled up into a Board of Directors with three representatives from the Provincial, Commodity and Corporate Chambers. We will essentially have a much smaller Board – from potentially

68 members to approximately 14. The rest of the business stays intact. The chambers will function as normal and will give directive to the Board, which will be considered and executed by our centres of excellence.

**d) Why does the leadership deem the proposed changes so important?**

It has become pivotal to streamline a fast growing organisation and to make Agri SA more responsive to the requirements of the economy and good governance. We realised the need for change and responded to the needs of our members. Commodity organisations have more specific needs that relate to their specific members, for example: market access, bilateral agreements, diesel rebates, biological pest control, where the provincial needs relate to direct impact events on farmers, e.g. farm violence,



drought relief, land and related issues and farm worker relationships. There are transversal issues that applies to all of us and are critical for risk management in the sector – the policy environment where land has reference, as well as water and other environmental concerns.

**e) The benefit it holds for the agricultural value chain, from the primary producers to the end consumer?**

The idea is to have a farm to fork value chain linkage with value and synergies being explored within the extended value chain. By way of explanation, when we talk about water rights, farmers, agribusinesses, input suppliers and distributors have a vested interest in ensuring the just and equitable application of water

rights. In the past Agri SA faced many of these practical challenges on our own, with the additional players in the value chain we would create a much more compelling lobbying body with more resources.

To summarise: everything starts with the primary producer, and we feel that it is extremely important to get other organisations involved in our battles and opportunities, to spread the risks and increase leverage. The idea is to finalise the structural alignment this year and look at the management company concept through the course of 2018.

**f) The impact of these plans on the Agri SA personnel?**

There will be no additional impact on personnel – we will be able to get quicker decision-making – which

will enable us to deliver quicker on meaningful decisions. Our recruitment strategy is to create capacity in Agri SA with specialists in all the centres of excellence. It is a much more focussed approach with deep problem-solving skills being deployed on critical issues. Our staff is very excited about these changes as well as the brand positioning and eminence we are starting to create in our new structures and with our new members.

**g) The reaction from Agri SA's provincial organisations about the proposed changes?**

We have consulted all the provinces regarding the changes and by and large the response was very positive. The organisation is progressive in its core and there is an acknowledgement

A stagnant organisation will eventually become irrelevant – we must adapt to the times and ensure that we capture not only current generations but also the next generation farmers. We have found that the next generation farmers are particularly excited about these changes and revival.



The initial cost estimate for the Land and Environmental Fund is **R38 million** – we will have to source the funding from a variety of sources. The aim of the fund is to protect property rights of farmers and all South Africans – and to protect the environment and our water sources.

that we should focus on change and strategy refinement. It is normal to have pockets of resistance to change, but we feel that the progressive part of our business creates an environment where we can take this process forward with full confidence.

A stagnant organisation will eventually become irrelevant – we must adapt to the times and ensure that we capture not only current generations but also the next generation farmers. We have found that the next generation farmers are particularly excited about these changes and revival. This is also part of the national evolution of our organisation and our sector. The bottom line is that, if we don't make future generations part of our strategy, we simply don't have a future.

**h) Does Agri SA guarantee that the ultimate authority remains in the hands of the farmers? If so, how?**

We have made sure that farmer leaders are by far the majority in the Board – the chairperson and deputy-chairs are farmers as well – the control of the organisation will vest with the farmers without question. The direction and decisions are mostly motivated and made within our centres of excellence – this is where the real work happens.

**i) The financial impact of the proposed changes on the members of Agri SA?**

There will be minimal budgetary changes – the new structure will enable us to use technology and other mechanisms to manage costs – as is the case with many modern

organisations. With the addition of more corporate members we can do more monetary wise. Policy excellence costs a lot of money and, in most cases, this is the main constraint. Our policy work is much more expensive than our structural changes.

**j) You have also referred to a Land and Environmental Fund. How much money does Agri SA need to get the fund going and what is Agri SA's plans to realise said fund?**

The initial cost estimate for the fund is R38 million – we will have to source the funding from a variety of sources. The aim of the fund is to protect property rights of farmers and all South Africans – and to protect the environment and our water sources. To be very practical: expropriation without compensation will collapse



*We have made sure that farmer leaders are by far the majority in the Board – the Chairperson and Deputy-Chairs are farmers as well – the control of the organisation will vest with the farmers without question.*

our whole economy – and with agriculture in the front lines we need to make sure we have our own arsenal to protect property rights.

The shale gas exploration issue will be very contentious and will require resources to manage and mitigate. The fund will deal with transversal

issues that threaten our existence as farmers and South Africans – we see this as a South African fund with agriculture as the custodian.

**New staff**

New Person	Position	Qualification
Janse Rabie	Head: Natural Resources	BCom Law LLB LLM (Marine and Environmental Law) Admitted Attorney
Jahni de Villiers	Head: Labour and Development	LLB, currently studying towards her LLM in Labour Law
Requier Wait	Head: Economics and Trade	BCom (Economics & Accounting) BCom Hons (Economics) MCom (Economics) PhD (Economics)
Yolisa Mfaise	Legal Advisor	LLB
Pietman Roos	Head: Corporate Affairs	BCom Law BCom Hons (Econometrics) LLB Chartered Financial Analyst (CFA)
Leanne George	Communications manager	BA (General) BA Hons (Archaeology) ( <i>Cum laude</i> ) MSc (Archaeology) Senior Journalist
Jolanda Andrag	Intern (Labour and Transformation)	BA (Political Studies and Humanities) ( <i>Cum laude</i> ) BA Hons (Political Studies) ( <i>Cum laude</i> ) MA (Political Studies) (Currently studying)
Gregory Smith	Research Assistant (Natural Resources)	BSc (Environmental and Water Science) BSc Hons (Environmental and Water Science)
Pusho Makgolane	Intern (Economics and Trade)	BSc (Agricultural Economics)

*We will have a streamlined organisation that is rapidly growing with the addition of value chain players with an interest in primary agriculture. We will propel our policy practise to the next level for the benefit of all the farmers in South Africa.*

Our team, which consisted of the Agri SA staff, the provincial leaders, our Management Committee and the General Council, did an exceptional job in managing and planning for assistance and interventions.

**k) Where does Agri SA see itself in a year's time?**

We will have a streamlined organisation that is rapidly growing with the addition of value chain players with an interest in primary agriculture. We will propel our policy practise to the next level for the benefit of all the farmers in South Africa. We are and will remain a solution driven organisation – that will come up with constructive ways to tackle problems in agriculture and the greater South African context.

**New staff**

2017 was a big year for Agri SA in terms of new staff appointments. Johan Pienaar and Nic Opperman, Elize van der Westhuizen, Theo Boshoff and Livhu Ngwekhulu left Agri SA in pursuit of retirement and alternative career paths and we have appointed the best talent we could source in the market. Find the professionals appointed in the table on the previous page.

**New corporate members**

Part of our strategy that supports value chain integration and the addition of new corporate members was extremely successful – we have managed to add 17 new corporate members and two additional commodities to our extended organisation. We are proud of this achievement and the fact that our value proposition and status in primary

agriculture is of such importance to the agricultural value chain.

**Accounting policy**

No changes were made during the report year to the accounting policy relating to fixed assets and the writing off thereof, and the international standards applicable since December 2016 were complied with. This means that all assets must be valued at fair value at year-end. Depreciation is written off over the expected lifespan of the assets and a residual value is linked to each asset, which must be reviewed on an annual basis.

**Responsibilities**

In terms of Agri SA's constitution, the responsibility for keeping accounting records rests with the Management Committee. This committee is also responsible for the content and integrity of the financial statements and related financial information.

Although the Management Committee is primarily responsible for the financial statements, they are supported by Agri SA's external auditors, who must express an independent opinion and report thereon. Approval of the financial statements rests with the General Council. Financial management takes place in accordance with an appendix to Agri SA's constitution: "Delegation of Powers".

**Auditors**

Agri SA's auditors are The Ashton CA (SA) Group.

The audited financial statements were presented to and approved by the General Council. In accordance with the provisions of Agri SA's constitution, the abridged financial statements are presented to the congress.

**Acknowledgements**

Our team, which consisted of the Agri SA staff, the provincial leaders, our Management Committee and the General Council, did an exceptional job in managing and planning for assistance and interventions.

I also wish to express my thanks to all our member organisations that assisted us during this time with advice, financial relief and information to protect and grow our membership and customer base. We have all contributed towards strengthening the Agri SA brand within the South African and international spheres, and I firmly believe that our brand is stronger than ever before.



**Omri van Zyl**  
EXECUTIVE DIRECTOR

# Reflection on transformation initiatives by Agri SA

**T**he past year was indeed a very busy and very interactive year for the team responsible for transformation

initiatives at Agri SA. This reflects well on the calibre of people appointed and tasked with the responsibilities to lay a solid basis for growth through win-win partnerships and transformation in the agricultural sector.

Our team has specifically paid attention to three collaborative focus areas relating to government, business and labour.

In terms of our government collaborative focus, Agri SA representatives played a critical role in ensuring that public funding is used effectively and efficiently to bring about transformation. Currently Agri SA representatives serve on

the boards of AgriSETA and the AgriBEE Council. Agri SA also formed part of the joint technical task team responsible for conceptualising a turnaround strategy for Agri-Colleges. These institutions play a crucial role in terms of transformation and a key objective of their respective mandates is to ensure an inclusive and growing agricultural sector.

Whilst good governance, effective management and broad-based empowerment remain a challenge at government institutional level, it is equally important that organised agriculture remain part of these institutions to influence, to lobby and to expose bad governance and management practices that undermine the realisation of transformation outcomes.

In terms of our business collaborative

focus, a range of interactions between Agri SA, Land Bank, FNB and other financial roleplayers were facilitated.

The primary objective of these interactions is to promote AgriBEE partnerships and to facilitate broad-based black economic empowerment in the agricultural sector. Whilst Agri SA awaits the approval of the amended AgriBEE sector code, a range of networking and information-sharing initiatives were also launched this past year to promote equitable access at all levels of the agricultural value chain, especially for black farmers.

In terms of our labour collaborative focus, Agri SA's continuous involvement in the Agricultural Phakisa process, attest to organised agriculture's commitment towards social accord initiatives. Four key labour stream initiatives emerged

Four key labour stream initiatives emerged from the Phakisa process. It relates to a private and public-sector demand led training initiative, a farmworker housing and land ownership as well as agropreneurship initiative and two other initiatives related to decent work and compliance.



from the Phakisa process. It relates to a private and public-sector demand led training initiative, a farmworker housing and land ownership as well as agropreneurship initiative and two other initiatives related to decent work and compliance.

A lot of work has gone into the Agri-Village concept and hopefully government will make funding available to bring about greater tenure and social security for farmworkers.

The following transversal key performance outputs give further substance and meaning to our transformation objectives. In short this is transformation in practice.

It entails communication, research, networking, training, mentoring opportunities, information sharing, best practices, advocacy and influencing, AgriBEE deal brokering and youth and

**Our team has specifically paid attention to three collaborative focus areas relating to government, business and labour.**



**Christo van der Rheede**

women empowerment. Communication focusses on the sharing of good news stories on social, print and audio media. Agri SA has had tremendous transformation related

media exposure during the past year, especially in the Afrikaans as well as English print, audio, visual as well as social media. Our media footprint also continues to grow on a daily basis and



*A lot of work has gone into the Agri-Village concept and hopefully government will make funding available to bring about greater tenure and social security for farmworkers.*

it helps to dispel negative perceptions and change the mindset of ordinary citizens about the agricultural sector.

Some team members were also appointed as part time columnists by agri-magazines and daily newspapers and this provides a good opportunity to promote and build the stature of Agri SA.

Research focusses on the publication of an annual diagnostic and impact assessment agri-transformation and black economic empowerment report and the compilation of a research report about the challenges and opportunities for young people in agriculture.

Significant findings contained in the agri-transformation and black economic empowerment report indicate that Agri SA affiliates increased their contributions to transformation projects by 27,34% to R187 million in 2016/2017. A total of 97 593 farmers were upskilled during this period, up from 82 083 previously. Shortage of capital and lack of access to water and agriculture implements are some of the biggest challenges new farmers face. While public-private projects have unlocked significant opportunities, more ground-level support from government would have a significant long term sustainable impact.

Networking, training, information sharing and mentoring opportunities were also initiated this past year through the introduction of 'actionsshops'. Various institutions such as Land Bank, Santam, ABSA, AB-InBev,

McCain and various commodities such as Grain SA, Cotton SA, Sugar SA, Forestry SA etc. participated in the first event, which was attended by 300 emerging farmers.

Earlier this year Agri SA also facilitated a networking session between Grain SA and the officials in charge of the Agricultural Phakisa initiative. The aim of this session was to introduce the activities of Grain SA and to position Grain SA as the champion for grain empowerment initiatives.

Agri SA and Agri Gauteng also launched the 'Growing Agriculture in South Africa' project in Gauteng. A hand-picked group of 150 farmers was invited to explore the world of smallholder farming. The day was packed with information sharing and hands-on experience regarding sheep, goat, chicken, cattle, vegetables and bee farming. These networking

opportunities help to break down barriers between farmers from diverse backgrounds and normalise relationships.

Best practices and the sharing thereof is of critical importance, given the fact that agriculture is a high-risk business. Agri SA has therefore embarked on an initiative to showcase 150 best practices related to transformation projects in agriculture on the official Agri SA website. In addition, some team members were also requested to serve on adjudication panels to recognise and award agricultural excellence amongst young female farmers. These awards also serve as best practices and encourage their peers to break out of the mould of dependency and mediocrity, but more so to also strive for excellence.

Advocacy and influencing focuses on ensuring good governance at

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government institutional level and to influence policies in such a way that it promotes growth through continuous investment. In this regard, the input by representatives of Agri SA are held in high esteem.

Very good relationships have also been developed and Agri SA is continuously requested to form part of private and public-sector initiatives spearheaded by various government institutions such as Daff, DRDLR, AgriSETA, Agri-Colleges, dti, department of labour, Busa, Nedlac etc. Although the level of governance and management remain an issue in many government departments, there is a growing dependence on Agri SA's high level skills and input from government side, which provides a good opportunity to strengthen our influencing and lobbying role on behalf of the commercial agricultural sector. AgriBEE Deal Brokering focuses on the



facilitation of AgriBEE partnerships between various stakeholders. This facilitation is aligned with the following elements that will be measured to determine the BEE status of an agricultural enterprise. It includes ownership (equity and land ownership), which is aimed at promoting the transfer of land and to deracialise land and enterprise ownership, control, skilled occupants and management of existing and new agricultural enterprises. Management control is aimed at promoting equitable access and participation of black people in the entire agricultural value chain. Skills development is aimed at promoting access to economic activities, infrastructure and skills training. Enterprise and supplier development seeks to unlock the full entrepreneurial skills and potential of black people in the sector and assist black people in owning, establishing, participating in and running agricultural enterprises. Socio-economic development seeks to socially uplift black people within the sector by improving and promoting decent living and working conditions for farmworkers.

Youth and women initiatives focus on empowerment programmes aimed at youth and women in agriculture. In this respect, a women conference was held that was attended by influential women in agriculture. Agri SA women representatives also attended the SACAU women in agriculture conference in Tanzania. Agri SA interns also attended a youth in agriculture conference in Zambia. These

engagements with fellow women and youth from all over Africa provide not only a valuable networking opportunity, but also promote the stature of Agri SA as an organisation that is prioritising women and youth in agriculture.

Various provinces, such as North West and Kwanalu, embarked on training initiatives aimed at improving the skills and knowledge of emerging black farmers. These highly successful initiatives especially at provincial level are sincerely appreciated and must be encouraged throughout the country. In conclusion, despite the negative connotations attached to the word transformation, Agri SA remain committed to transform the agricultural landscape for the better. Too often transformation has become synonymous with failure, discrimination, dilapidation and stagnation. This is not transformation. Transformation in the true sense is about the creation of win-win partnerships and the advancement of talent to benefit all of our people regardless of race, creed or gender. More so transformation is about realising and deepening the values and ideals embedded in our National Constitution. Our future and that of our descendants depend on it.

**Christo van der Rheede**  
DEPUTY EXECUTIVE DIRECTOR



**AGRI SA GENERAL COUNCIL 2017**

From left to right: Front

Sandy la Marque, Dr Jan Visser, Christo van der Rheede, Phenias Gumedede, Dan Kriek, Johannes Möller (President), Omri van Zyl, Henk van Wyk, Harry Prinsloo, Preline Swart

From left to right: First row

Livhuwani Ngwekhulu, SK Makinana, Annelize Crosby, Thinus van Zijl, Marietjie Odendaal, Kobus Visser, Janse Rabie, Daan van der Merwe, Andy Buchan, Wiehahn Victor, Cornie Swart, Jannie de Villiers, Chris Schoonwinkel, Ramodisa Monaisa, Derick Mathews, Adri Kitshoff-Botha, Carl Opperman, Willem Pretorius, Leon Borcherds, Robert Davel, Thinus Ferreira, Jahni de Villiers

From left to right: Second row

Kobus Breytenbach, Cobus van Zyl, Tommy Ferreira, Moorrees du Toit, Willie Jacobs, Douglas Stern, Francois Wilken, Henk Vermeulen, Dr Piet Prinsloo, Japie Grobler, Nicol Janse, Pierre Vercueil, Walter Visser, Boeta du Toit, Johan Kotze, Ernest Pringle, Wayman Kritzinger, Piet Engelbrecht  
Back

Jaco Minnaar, Lynette Bezuidenhout, Willem Basson, Oubaas Malan, Willem van Jaarsveld, Henning Myburgh



**EXECUTIVE COMMITTEE**

- 1 **Johannes Möller**  
President
- 2 **Dan Kriek**  
Deputy president
- 3 **Phenias Gumede**  
Deputy president
- 4 **Henk van Wyk**  
Chairman General Affairs Chamber
- 5 **Harry Prinsloo**  
Chairman Commodity Chamber & Chairman Commercial Policy Committee
- 6 **Neil Hamman**  
Chairman Labour and Social Welfare Policy Committee
- 7 **Kobus Breytenbach**  
Chairman Rural Safety Policy Committee
- 8 **Carl Opperman**  
Chairman Communication and Image Building Policy Committee
- 9 **Ernst Pringle**  
Chairman Agriculture Development Policy Committee
- 10 **Wayman Kritzing**  
Chairman Natural Resources Policy Committee
- 11 **Dr Jan Visser**  
Audit and Risk Committee



**MANAGEMENT COMMITTEE**

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- 3 **Phenias Gumede**  
Deputy president
- 4 **Henk van Wyk**  
Chairman General Affairs Chamber
- 5 **Harry Prinsloo**  
Chairman Commodity Chamber & Chairman Commercial Policy Committee

# Congress Report 2016



We develop the South African Agriculture Industry | Ons ontwikkel die Suid-Afrikaanse Landbou-Industrie



### **Times of congress sessions**

Thursday, 13 October 2016 from 07:30 to 17:30

Friday, 14 October 2016 from 08:00 to 13:00

### **Theme**

The dynamics in agriculture

### **Venue**

Spartan Room, St George Hotel & Conference Centre, Old Pretoria – Kempton Park Road, Rietvlei Dam

### **Registration**

Separate registration points were made available for the General Affairs Chamber, Commodity Chamber and guests.

## **CONGRESS AGENDA**

### **Opening session**

#### **Scripture reading and prayer**

Prof Stephan Joubert opened the proceedings with scripture and prayer, after which the president thanked him.

Congress attendees then sang the national anthem.

#### **Constitution of the congress**

The executive director of Agri SA, Omri van Zyl, declared the congress duly constituted and confirmed that a quorum was present and that all constitutional requirements to start the congress had been met. The congress was attended by 91 delegates and 169 guests.

#### **Order arrangements**

Changes in the composition of delegations had to be communicated

in writing before or during registration.

Delegates received and signed for their ballot forms during registration. Lost ballot forms were not replaced.

For interactive participation during the congress, delegates received hand-held devices during registration.

- The chair determined the sequence of the discussions;
- Persons who were not delegates could provide input with the permission of the chair;
- Participation in discussions was limited to five minutes per speaking opportunity;
- Speakers were asked to provide the administration office with their speeches; and
- Arrangements were made for the nomination and voting process to elect office bearers.

### **Word of welcome**

The deputy president, Dan Kriek, welcomed all present, with a special word of welcome to delegates, other representatives of affiliates, speakers, delegates of various state departments, representatives of portfolio committees, statutory bodies and embassies, delegates of other agricultural organisations, former presidents of Agri SA, guests and the media. He thanked, in particular, the head of the South African National Defence Force (SANDF), general Shoke; the acting commissioner of police, general

Phalane; the brigadier general of the SANDF and other officers for attending the congress.

Apologies were recorded for former presidents who were unable to attend due to other engagements.

Logos of congress sponsors were displayed throughout, namely:

**Platinum and informal function sponsor**

Santam Agriculture

**Diamond sponsor**

Land Bank

**Gold sponsors**

AgriSETA

GWK

Villa Crop Protection

**Silver sponsors**

ABSA AgriBusiness

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**Bronze sponsors**

Nissan SA

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DuPont Pioneer

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Dan Kriek also thanked Agri SA's partners for their loyal support, namely CrisisOnCall, Nissan SA, Sanlam, AliSom, Sonfin and T&E FinOps.

**Guest speaker**

**Jacques Celliers, ceo: FNB – Future organisations and innovation: What is needed to achieve success?**

Discussions focused specifically on the need for digital innovation as a prerequisite for remaining relevant and competitive in future.

With regard to the rapidly changing banking environment, Celliers said banks such as FNB attempt to keep up with innovation, especially in the field of digitalisation, all other technical platforms, statistics and access to data. He was of the opinion that this should apply to all sectors, specifically agriculture and the universities. Celliers said he suspected that the latter was not keeping up and were still relying on obsolete technology and systems.

“Innovation was driven by the banks’ clients, who wanted better service. On the other hand, there were innovative people within the bank who were constantly coming up with new plans. Each year FNB appoints 150 recent graduates because the bank believes that young people have a lot of creative potential. We must constantly do things differently, and FNB ensures a healthy balance between experience and new ideas.”

People at the head of organisations must be open to new ideas, he said. “You don’t have to be an expert. Listen to and look at fresh ideas. Be open to new technology and give young people the chance to experiment. Success depends on how quickly people in leadership positions adapt to new ideas.”

**Presidential address**

**Johannes Möller – president, Agri SA Agri SA makes many positive contributions in the interest of South Africa**

Parliament was in recess from May to August to prepare for local government elections, which meant not many bills were tabled during the first half of the year, Agri SA president Johannes Möller said in his presidential address.

He referred to the following as of particular importance to the agricultural sector:

FNB appoints **150** recent graduates because the bank believes that young people have a lot of creative potential.

### **Expropriation Bill**

After the public commentary had been incorporated into the bill, a process of negotiation within the National Economic, Development and Labour Council (Nedlac) followed and various amendments were proposed. Thereafter the bill was tabled in parliament and a process of public hearings followed. Agri SA and its affiliates provided input towards each of these processes.

Besides amendments aimed at pro rata compensation in favour of once-off compensation, the bill was now clear that there would be full access to courts for all types of disputes, while provisions for mediation were built in. The bill was approved by parliament on 26 May. After representations by various parties (Agri SA was not one of them), the state president referred it back to parliament. Agri SA was criticised from various sides for its approach in this regard. The organisation, however, sought legal advice and was of the opinion that the main objections had been covered in the bill.

There is still a concern regarding the methodology that can be followed when calculating compensation. However, this was derived from the Constitution and is not unique to the draft Expropriation Bill. Agri SA in any case intended to join the proceedings as friend of the court in light of a

recent court case where less than market value was awarded in respect of a land transaction.

### **The Conservation and Development of Agricultural Land Framework Bill**

Agri SA has for years addressed representations for legislation that will provide effective protection to agricultural land. This bill was published in 2013.

Although acceptable protection for agricultural land is built into the bill, there was concern about the possibility that the minister of agriculture, forestry and fisheries would obtain custodianship of all agricultural land, and also a clause that makes provision for land to be expropriated at less than market value in certain circumstances.

Agri SA sought legal opinions on these aspects and provided comprehensive input on the legislation. A further version of the bill addressed the objections. The bill is currently serving in Nedlac, and Agri SA is leading the task team that submits inputs towards the bill on behalf of business.

### **Aquaculture Bill**

This bill was published during March 2016 for public commentary. It attempts to introduce the principle of licensing for the aquaculture industry. In terms of the provisions of the bill, no person will be able

to participate in aquaculture unless the minister of agriculture, forestry and fisheries has issued a licence for this purpose. The minister may set all types of conditions for awarding such licences. This could hold serious implications for other commodities and set a dangerous precedent.

Agri SA also sought a legal opinion on the bill and, together with Aquaculture SA, registered strong objections. Agri SA leads the business delegation in Nedlac, which is currently negotiating on the bill.

### **Shale-gas development**

The management of exploration and development of mineral resources, including shale gas, will be an important focus area for Agri SA in the coming years.

With regard to shale gas, this will include exploration and production where mining activities had rarely or never taken place in the past. With these changes, there are many questions regarding the nature of the shale gas development, the possible impact thereof on the environment and, of course, the ability of the existing regulatory structure to deal with this development.

International and regional cooperation is important to resolve the conflict between development and natural resources. "The rights of South African farmers are at the core of this and we are of the

opinion that we cannot deplete and pollute our environment to the extent that it threatens the sustainability of agriculture,” Möller urged.

**Government does not attach enough value to food security**

Agri SA is concerned about the visibly low priority enjoyed by the agricultural sector and food security within government, while policy and the application thereof should be of primary importance, also in the national interest.

With reference to the drought, Möller said it was the most serious since the 1980s. Senwes initiated the disaster relief fund and transferred it to Agri SA. “The disaster fund received donations from concerned individuals, organisations and companies. The funds are used to purchase feed, to subsidise the transportation costs and to distribute feed among producers in need.” The action also included humanitarian aid.

Agri SA received donations of approximately R16 million, which were used as explained above, Möller said. “We thank all donors, members, volunteers and others who were involved – this was indeed a huge success story. Agri SA is privileged to be part of this tangible effort to assist farmers and rural communities.”

**Mike Mlengana, director-general department of agriculture, forestry and fisheries**

In his speech Mlengana referred, among others, to the following:

- As a fellow farmer, he listens to farmers and follows an “open door” approach;
- When farmers call his department, it is not for unimportant reasons – he tries to create a relevant service culture;
- Training of officials is necessary in certain instances to be able to provide an efficient service;
- Communication between farmers and the department must improve;
- The department needs a strategy for commercial farmers;
- All roleplayers must help to coordinate existing strategies; and
- The drought was a learning process for us on how to stand together.

**THEME 1: THE FUTURE OF LAND REFORM: HARD BARGAINING AND COMPROMISE, OR CHAOS?**

The session focused on possible scenarios for land reform and what should be done to ensure a positive outcome.

**Programme director:** Brian Whittaker, retired CEO of Vumelana Development Fund and initiator of the Land Reform Futures Scenarios

**Rapporteur:** Annelize Crosby, Agri SA legal and policy adviser

**Panel members:**

- Masiphula Mbongwa, ministerial adviser, ministry of rural development and land reform
- Henk Smith, attorney,

Legal Resources Centre

- Preline Swart, vice president, Grain SA
- Ernest Pringle, chair, Agri SA, Agricultural Development Policy Committee.

**Discussion**

In his introductory remarks, Brian Whittaker referred to the following relevant issues:

- The need to determine and debate core aspects of land reform; and
- It is important not merely to pay lip service to this, but to take into account the relevant aspects.

**Adequate financing**

Ernest Pringle was of the opinion that effective financing is needed. “At present the process is open to abuse and corruption.”



We thank all donors, members, volunteers and others who were involved – this was indeed a huge success story. Agri SA is privileged to be part of this tangible effort to assist farmers and rural communities.

According to Pringle, it is important that beneficiaries secure ownership because this will promote self-sufficiency. He also emphasised the need for proper support systems. Such support must be provided by, among others, organised agriculture, especially commodity organisations. "All types of partnerships must be encouraged, as it will offer financial and other assistance," Pringle said. "The process must be managed from grassroots level, which will require a workable district land committee system.

Government officials who implement the policy should not also be managing the process. The primary purpose of these committees should be to establish emerging farmers successfully."

### **South Africa belongs to all**

Masiphula Mbongwa said despite

the prescripts of the Constitution, there could be differences regarding the application of aspects such as land reform. Mbongwa emphasised that land reform should not disrupt production. As a minimum requirement, production should remain at the same level, but preferably be increased after a land reform transaction. "The process must put us in a better position in terms of production and relationships."

He emphasised the need for inputs from commercial farmers to the benefit of their developing neighbours, as well as partnerships in various forms.

### **The right candidate for the right farm**

Preline Swart said no farm land should be traded without the

government's knowledge. This will ensure that farmers do not sell only to each other and will offer smaller and developing farmers an opportunity to own land. It is important that farmers secure title to the farms. In this way, they will be able to become independent and access loans on capital markets.

"Help those farmers who have already made an effort to help themselves and ensure that the right person is established on the right farm."

She also urged commercial farmers to be good neighbours. "Help us to develop our people and to maintain their dignity. You are successful because you received good training. Share it with us."

### **The easy and the difficult land reform issues**

"An empowering regulatory framework to make transformation possible and a supportive bureaucracy are probably the easiest prerequisites to meet for successful land reform as required by the Constitution", said Henk Smith. "A more difficult one is the involvement of roleplayers at local level. Without this commitment, we will be unable to achieve the necessary change."

"For more than 200 years, the majority of South Africans did not have the privilege to secure land rights. We may not forget the transformation ideals. Our white forefathers received their title deeds for free. Therefore, it may be



*"Help those farmers who have already made an effort to help themselves and ensure that the right person is established on the right farm."*

necessary to grant a 20% discount on restitution transactions. If transformation ideals are important for our country, a further 20% should possibly be allowed," said Smith.

According to Smith, it is time to start negotiating around the right issues. "The objective must be to ensure fairness and reasonability," he said.

**Minister’s message and signing of a memorandum of understanding with the department of home affairs**

Jackson McKay, deputy director-general of the department of home affairs, delivered a message on behalf of Mr Malusi Gigaba, minister of the department.

In October 2014 Agri SA and the department of home affairs signed a memorandum of understanding (MoU) in terms of which they undertook to work together to ensure that essential services are provided to workers and their families who live on farms. The relationship is mainly focused on assistance provided by Agri SA and the broader agricultural community with the registration of births.

Assistance was provided with various projects of the department of home affairs, including the documentation of workers from Zimbabwe and Lesotho. The department has acknowledged the assistance that Agri SA provided with projects such as the registration of births.

The department also informed farmers about the Lesotho Special Permit (LSP) and requirements in this regard. This resulted in the signing of an MoU during Agri SA’s 2016 congress in respect of all services.

**Results of the community survey – Dr Pali Lehohla, statistician-general, Statistics South Africa**

Dr Pali Lehohla said agricultural statistics were key to determining how the agriculture performed. It is used for food security, the green economy and environmental studies. During the census, it was determined that approximately 14% of all households in South Africa were represented by the agricultural sector. The number of agricultural households, however, had declined by 19,1% since 2011.

“The new police management admitted that rural safety was a priority, but the farming community must also acknowledge that rising crime levels and public violence compete for the police’s attention and resources.”

Lehohla referred to the impact of the drought on the sector and also presented an analysis of specific commodity activities conducted by agricultural households.

**Message Santam Agriculture**

Lize Lampbrecht, chief executive officer of Santam Agriculture, delivered a brief message, confirming their support to the Agri Securitas Trust Fund. A cheque to the value of R250 000 was presented to the chair of the trust fund, Japie Grobler. Santam Agriculture was thanked for this contribution in the interest of farm safety.

**Message Land Bank**

Willie Jacobs of the Land Bank said the bank’s business was changing and that they had to adapt. He



emphasised the impact of the drought and said agricultural debt was increasing, while debt repayment was declining. However, financing options were available for which farmers could apply.

### Lunch

Lunch was served in the Salonica Room.

## THEME 2: RURAL SAFETY

Discussions focused on policy, procedure and cooperation, which will contribute to a safer rural environment.

**Programme director:** Dr Johan Burger, senior researcher, Institute for Security Studies (ISS)

**Rapporteur:** Kobus Breytenbach, chair, Agri SA, Rural Safety Policy Committee

### Panel members:

- Willie Clack, chair, RPO Stock Theft Prevention Committee
- Rudolph Zinn, professor in policing, Unisa
- Uys van der Westhuijzen, chair, Agri Western Cape, Rural Safety Policy Committee.

### Priority status

Dr Johan Burger said the farming community was being targeted disproportionately for attacks and murder and that their security therefore warrants priority status. "The new police management admitted that rural safety was a priority, but the farming community must also acknowledge that rising crime levels and public violence compete for the police's attention and resources. All people on farms are victims or potential victims of attacks, irrespective of race or gender; therefore, it is important to address the perception that only white people are victims."

"The scope of the new rural protection strategy is broader and more general than its predecessor, therefore the agricultural community must function in a more integrated manner within this strategy in order to improve their own safety and security," according to Burger.

### Back-to-basics

Farmers have a crucial role to play in rural protection. The South African

Police Service (SAPS) has a progressive rural strategy, but farmers have a vital role to play in this regard. "We have prioritised rural crime, but you also have to do your part. Crime is everyone's business and we must combat it." This was the acting police commissioner lieutenant-general Khomotso Phahlane's message.

General Phahlane said if farmers do not report crime, they do themselves an injustice. "Resources are made available according to crime statistics, and if crimes such as stock theft are not reported, we will have no clear indication of the level of crime."

He discussed the SAPS's new 'back-to-basics' approach to policing. "It focuses on every member of the SAPS with reference to the regulatory framework, that is to maintain the basic principles of policing."

### Incidents that are not reported

Willie Clack was of the opinion that, although stock theft contributes to most economic losses in rural communities, approximately 70% of stock theft incidents are reported by an employee and not the owner.

Clack said there was an increasing trend not to report stock theft. In 2011 36,3% of stock theft cases were not reported to the police. In 2015 this figure increased to 67,7%. Reasons why farmers do not report stock theft incidents include a lack of confidence in the police (31,8%); owners who believe stock theft is not



important enough (30,2%); and cases where the SAPS was not available (8,8%). Clack said an international seminar on rural crime in South Africa, to be hosted in collaboration with Unisa, was planned for the future.

**Realistic expectations**

Professor Rudolph Zinn mentioned that the contributions that can be expected from all roleplayers, including the SAPS, should be realistic. Farmers must become involved in the community police forum (CPF) and other community initiatives.

“Make sure that everything is done according to the law. Avoid a frustrated vigilante reaction,” he said. “The focus must be on long-term crime prevention. We must address the reasons why people become involved in crime.”

He emphasised the importance of effective cooperation among roleplayers. “The police must be guided by progressive thinking. There is a misperception that SAPS alone are supposed to combat crime. International research stresses the importance of applying policing as a broad concept. Policing includes the efforts of the police – but also those of other roleplayers such as government, private security companies and communities. Policing can only work if the police also understand this

concept and if they work together actively with other roleplayers by, for example, sharing information.”

**Complex issue**

Uys van der Westhuyzen said rural safety was a complex issue and was “everyone’s problem”. He quoted a Gabonese government official: “The rural exodus is a major problem across Africa. The youth thinks they will be happier in towns where they have electricity, running water and bright lights, but when they get there they can’t find work.” They then become frustrated and turn to crime, such as theft.”

The answer is not to leave school, but rather to educate people so that they realise the value of town life, and to make rural life more attractive. The solution lies in the words of former president Thabo Mbeki in his 2003 state of the nation address: “Measures will have to be taken to ensure that the structures that are supposed to support security agencies, such as the South African National Defence Force (SANDF) commandos and police reservists, are properly regulated to do what they were appointed to do. In order to ensure the safety of rural areas, including that of farmers, the government will in the near future start phasing out the SANDF commandos and at the same time introduce a new system where the composition and ethos meet the

needs all rural communities.” General Solly Shoke, chief of the SAND, concluded by stressing that the agricultural sector is fundamental to the development of South Africa. “Therefore, the government must support this sector.”

**THEME 3: INVESTMENT IN AGRICULTURE**

Discussions focused on financing issues within the sector and commercial models.

**Programme director:**

André Schreuder, managing director, Villa Crop Protection

**Rapporteur:** Harry Prinsloo, chair: Agri SA, Commercial Policy Committee

**Panel members:**

- Jean Craven, director and joint chief investment officer, Barak Fund Management
- Jaco Minnaar, chair, Grain SA
- Willie Jacobs, executive manager, Corporate Banking, Land Bank

**Agriculture as an investment opportunity**

Although investment in agriculture is declining, there are still enough reasons to invest in this sector, Schreuder said. “According to calculations, Africa south of the Sahara, has the same production potential as Brazil. The question is how we make use of this opportunity.”

Reasons why farmers do not report stock theft incidents include a lack of confidence in the police (31,8%); owners who believe stock theft is not important enough (30,2%); and cases where the SAPS was not available (8,8%).

*General Solly Shoke, chief of the SANDF, concluded by stressing that the agricultural sector is fundamental to the development of South Africa. "Therefore, the government must support this sector."*

He pointed out that investment, innovation and technology will become extremely important to unlock this potential. "If we don't do it, someone else will grab the opportunity."

Schreuder said that by 2050, 70% more food will have to be produced to feed a world population of 9 billion. "In South Africa, we also have to think of food security. If you want to start a revolution, you must have poor people without food." Schreuder said the agricultural sector will have to work more proactively to secure investments for the sector, "instead of waiting for investors to knock on our door". He added that it was not necessary to reinvent the wheel.

### **Debt burden is too heavy**

Jaco Minnaar said farmers' debt burden, as well as their ability to repay their debt, was a big problem. "Farmer debt is growing at a higher rate than gross production value of agriculture. Input costs are increasing faster than producer prices. This cost squeeze forces farmers to take on more debt to be able to continue farming. Farmers generally still have enough security to borrow money, but their ability to repay has declined. Farming does not generate enough cash to repay debt."

He suggested that alternative financing models be considered, such as longer repayment terms.

"New investment in agriculture is essential for food security. The state should play a bigger role to assist farmers, such as protection against subsidies paid in other countries.

Developing farmers also receive very little help from the state. They cannot expand in order to move on from their small-farmer status. They have to mechanise to do so, but do not have the money for this."

According to Minnaar, farmers think they can only invest by buying more land. They forget that they can also invest in shares in the rest of the value chain. "There are many opportunities. We just have to think bigger."

### **Transformation is important**

Jean Craven said Barak, which invests mainly in 22 countries in Europe and America, continues to invest in South Africa's agricultural sector. They focus particularly on export-driven agribusinesses. "South Africa is still our preferred destination because of the country's good infrastructure and banking system."

He said there was pressure on state departments to facilitate transformation. "Plenty of money is available for transformation at institutions such as the Land Bank and the Industrial Development Corporation. Make use of these opportunities while the money is still available. Recognise the opportunities and ensure that the projects are not

merely for show. Get skills transfer going on your farm. This does not mean you should hand over the keys to your farm. There are many farmers who have been successful in this regard."

### **Farmers' hearts possibly no longer in agriculture**

Willie Jacobs said he was concerned about farmers abandoning agriculture and those who no longer want to invest in the sector. He said he realised that farmers are uncertain whether their investment in agriculture has any future value. "But where else will you invest your money? We must find ways to restore business confidence in agriculture. There are many successful black empowerment projects. We must start documenting and marketing these success stories."

He said there were certain basic principles around credit provision, such as risk and ability to repay, which banks take into consideration. "The drought may have offered the opportunity to look critically at your farming operation and to consolidate to strengthen your ability to repay loans. Farmers must also plan better for cash-flow purposes. The Land Bank wants to become part of your farming operation, but cannot do it without you. In future, however, we will have to involve technology. It is time that farmers and financiers move closer together."

### **Messages from visiting agricultural unions**

- Ryno van der Merwe conveyed a message on behalf of the Namibian Agricultural Union.
- Bennie van Zyl, general manager of the TAU SA, delivered greetings to Agri SA on behalf of this union.
- Japie Grobler, chair of Asuf, extended greetings to Agri SA on behalf of the organisation.

### **DAY 2**

Preline Swart opened the session with scripture and prayer.

### **Procedural arrangements**

Agri SA's executive director, Omri van Zyl, explained the congress arrangements for the day.

### **Election of Agri SA's office bearers**

President - Johannes Möller

Deputy presidents - Dan Kriek and Phenias Gumede

Chair of Agri SA's General Affairs Chamber - Henk van Wyk

Vice chair - Cornie Swart

Additional member - Pierre Vercueil

Chair of Agri SA's Commodity Chamber - Harry Prinsloo

Vice chair - Dr Pieter Prinsloo

Additional member - Niël Joubert

### **THEME 4: COMPETING DEMANDS FOR AGRICULTURAL LAND**

The congress analysed the existing legislation, especially legislation available to the department of agriculture, forestry and fisheries

(Daff) and aimed at the development and protection of agricultural land.

**Programme director:** Hein Lindemann, scientific manager: natural resources, Directorate Land Use and Soil Management, Daff

**Rapporteur:** Wayman Kritzinger, chair, Agri SA Natural Resource Policy Committee

### **Panel members**

- Gerhard Verdoorn, director, Griffon Poison Information Centre (panel facilitator)
- Koos Pretorius, chair, Federation for a Sustainable Environment
- Victor Munnik, research associate, Wits
- Ellen Davies, researcher, World Wide Fund for Nature (WWF)
- Derek Light, attorney, Derek Light Attorneys
- Gerhard van der Burgh, resource and production analysis, BFAP

### **Agriculture must raise its voice regarding environmental affairs**

South Africa probably does not need new legislation to protect resources such as land. Existing legislation is sufficient, but is simply not applied. The agricultural sector will also have to raise its voice to a greater extent so that policy-makers realise the value of the sector in terms of food security.

This was the conclusion reached by the panel that looked at the competing demands on agricultural land.

### **Sustainable limit already exceeded**

Hein Lindemann said the newly proposed legislation was not intended to be prescriptive; it is about sustainable use of resources. "It is about how serious we are about what we need to produce, for example water and land. Over the past few years there had been many interventions, but we have already exceeded the sustainable limit. If environmental systems were to collapse, it would have a drastic impact on the environment."

He pointed out that agriculture was already getting the worst end of the stick in terms of competing demands on natural resources, and that the sector had to find ways to communicate its strategic interest better and more clearly. "We should possibly communicate on a more emotional level, as in the case of champions against the eradication of rhinos."

### **Conflicting interests**

Ellen Davies referred to the conflicting demands on natural resources by sectors such as agriculture and mining and said these interests should not be viewed in isolation. "The National Development Plan sets a clear vision for South Africa's economic sectors such as agriculture and mining, and conflicting interests should be resolved within this framework.

Agriculture's potential for job creation and its contribution to

A study conducted by BFAP found that **550 000 ha** that was suitable for cash crop production, had already been lost to mining or was in the process of being forfeited.

food security should be deemed important. Agriculture must find ways to communicate about itself with policy-formers and decision-makers in terms of this plan so that informed decisions can be made about agriculture," said Davis.

### **Veto right**

Dr Koos Pretorius pointed out that municipalities had the power to veto decisions around the rezoning of land. Such land may then only be rezoned with the consent of the minister of agriculture, fisheries and forestry. He said he knew of three instances during the past year where the minister had rejected such applications. "If high-potential agricultural land is at stake, the minister may simply veto it. The question is: how will we motivate the department of agriculture to exercise this veto right consistently?"

He also pointed out that South Africa, like the rest of the world, will increasingly move away from coal for energy-generation purposes. "South Africa only needs to extract a certain amount of coal. We must therefore ensure that such extraction will take place at the right places." He also suggested that when municipalities approve rezoning in bad faith, they should be held personally liable for the cost.

### **Shale-gas**

Derek Light said agriculture must

take the hand that the new director-general of the department of agriculture, forestry and fisheries had offered agriculture during the previous session. "This is an opportunity. It doesn't work the same way in other state departments. The environmental legislation is good and provides protection for farmers. It is about having the political will to enforce it. You should find ways to ensure that your voices are heard."

Light discussed the environmental impact study on the extraction of shale-gas in the Karoo. "This is a shoddy piece of work. Many findings are based on obsolete data. The wrong people were involved."

### **Serious attention must be given to the impact of mining on agriculture**

Dr Victor Munnik said the agricultural sector must take the threat posed by coal extraction seriously. "The mining sectors are benefitting unfairly when decisions about land use are made. Rehabilitation of mined areas is a myth. It doesn't happen. There are few, if any, consequences for the negative impact that mines have on the environment."

He advised farmers to become involved in all available national and local forums when decisions are made in this regard. According to Munnik, catchment area management forums are important for agriculture and the sector's future.

### **Marginal land**

Gerhard van der Burgh of BFAP said high-potential and marginal land should be redefined, otherwise the agricultural sector will be further disadvantaged. "The Free State, which produces 40% of the country's maize, can be regarded as marginal land. We underestimate agriculture and the potential of our agricultural land. It is not possible to separate land from water."

A study conducted by BFAP found that 550 000 ha that was suitable for cash crop production, had already been lost to mining or was in the process of being forfeited. "We have enough information. We must now make out a case for the business value of the sector," he said.

### **Guest speaker**

**Dr Morné du Plessis, ceo, World Wide Fund for Nature (WWF)**

"The agricultural sector faces a big challenge in dealing with the conflicting demands on agricultural land," said Du Plessis. "To get it right, it is essential that the sector familiarise itself with the extent and content thereof."

"Agriculture must get its house in order and by means of business models show that the sector produces optimally. Prioritise and integrate planning and look for common solutions."

With regard to Africa, he pointed out that 25% of the world's population will be living on this continent by 2050. Africa's growth in terms of GDP is currently the highest in the world. In addition to this, infrastructure such as mines, electricity, water and roads, railways and harbours must be drastically expanded and improved.

"South Africa must unlock its natural resources – tourism currently contributes more than 10% to the GDP in South Africa and grows three times faster than the country's economy," he said.

Du Plessis also referred to aspects such as energy, planning, the use and conservation of water, the future sustainability of agriculture and optimal production of food per unit land.

### **Ceremony in recognition of members**

Agri SA's president, Johannes Möller, presented membership certificates to Agri SA's provincial and commodity organisations. Commodity organisations that were not represented, will receive their certificates on a later occasion.

### **Word of welcome to new member – Aquaculture SA**

Rodger Krone made a presentation on behalf of Aquaculture SA, which had joined Agri SA's Commodity Chamber as a member. He spoke of the industry and also showed a video in this regard.

### **Award to Agri advertisers**

Agri SA presented certificates in various categories to advertisers to recognise the contributions they make to the magazine.

## **THEME 5: ANNUAL GENERAL MEETING**

### **Motions**

The following motions were presented to and accepted by the congress:

### **Motion of condolence**

The president put forward the following motion of condolence:

"The congress expresses its condolences to the next of kin of leaders of Agri SA's affiliates who passed away during the past year."

He also made special reference to farmers, farm workers and their family members who died in the past year as

a result of violent crime.

The Management Committee put forward the following motion:

"Various organisations and individuals have contributed to Agri SA's drought relief fund. The relief provided in various areas, specifically also in respect of feed provision, is deeply appreciated. The extent of the drought is such, however, that various farmers will be unable to continue production without comprehensive financial assistance. Congress therefore requests the state to assist effectively in the form of a guarantee scheme and subsidisation of interest rates – aimed at unsettled production debt and further loans to enable farmers to continue with production. The current drought continues to assume disaster proportions. A legal framework for this



The drought had proved that the Agri SA brand is very strong and that the organisation has considerable bargaining power, said Van Zyl.

purpose is available to the state. It is, after all, also in the national interest, of which rural stability and food security are an integral part.”

### **Financial statements**

Congress took note of the financial statements for the 2015/2016-financial year.

Dr Jan Visser, chair of the Audit and Risk Committee, was concerned about excessive reliance on the proceeds of investments and said alternative sources of income should be found to finance Agri SA's operational activities.

### **Annual report**

Congress noted the 2015/2016 annual report with approval.

### **Agri SA's socio-economic strategy**

Agri SA's deputy executive director, Christo van der Rheede

Christo van der Rheede, who oversees Agri SA's social upliftment strategy, provided feedback on the year's activities in this regard, including the organisation's involvement in drought-related actions, a variety of labour-related matters and aspects that have a bearing on transformation. With regard to marketing projects, he referred to the Manna for Farmers concert, the Farm-to-Table project and the strategic partnerships with corporate organisations.

### **Agri SA's organisational strategy**

Omri van Zyl, executive director, Agri SA

### **Drought highlighted the strength of the brand**

The drought had proved that the Agri SA brand is very strong and that the organisation has considerable

bargaining power, said Van Zyl. He was of the opinion that the funds raised for drought relief (R16 million) and the assistance provided to approximately 15 000 farmers via Agri SA's structures could be regarded as a success story.

Van Zyl discussed Agri SA's organisational strategy and said the strategy contained more than one element. “We first want to position ourselves within South Africa, but also as the food basket of Africa. We also look at strategic partnerships with international organisations such as the World Farmers' Organisation and the World Bank.”

According to Van Zyl a strategic session was held with Agri SA's provincial organisations, commodity organisations and the General Affairs



*“The current drought continues to assume disaster proportions. A legal framework for this purpose is available to the state. It is, after all, also in the national interest, of which rural stability and food security are an integral part.”*

*It is ironic that Agri SA had at two previous congresses presented comprehensive proposals for land reform and the funding thereof, to which government did not respond.*

Chamber, where certain conclusions were reached. Two task teams were appointed, one for commodities and one for general affairs. Their task is to develop a framework for the organisation and the respective groupings. "Our structure will then have to be adapted for the strategy to give effect to it."

The political, economic and social circumstances within which Agri SA finds itself were, among others, analysed to lend context to the process. Attention was also given to how Agri SA compares with similar organisations abroad.

According to Van Zyl the organisation has also done excellent work around its communication strategy, especially in the field of social media. At present Agri SA receives approximately 75% of its coverage in the English media. In the past, this was the other way around.

### **Congress resolutions / Communiqué**

#### **Resolutions and outcomes of the 2016 congress, Johan Pienaar, deputy executive director, Agri SA**

The theme of Agri SA's congress this year was "The dynamics in agriculture".

#### **Why was this theme chosen?**

According to the search engine Google, it is described as follows: "Dynamics is the motion of bodies under the action of forces". With reference to agriculture, it could mean

that the sector should continue to be energetic and sustainable in the national interest, but also that there are various forces that impact on the sector. On balance, it seems as if this impact is mostly negative.

"During the congress, there was an overall observation that we should not merely have a 'business case' in place, but also an 'emotional case' to ensure that the broader community is well-informed and supported."

#### **Better marketing**

It has been repeatedly said that the sector should market better on various fronts, while information used for critical aspects such as land classification and environmental impact studies should meet the highest scientific standards. This is particularly important within the context of competing claims to agricultural land in the economy, especially demands to accommodate mining activities. If coalitions were to be entered into with other stakeholders to protect and promote the interests of the agricultural sector, this must be done. Some of the statements that was made included: "If we need to gather further knowledge we'll do so and if we need to do something to get our house in order, we'll do just that". Using an analogy of the Titanic, he warned that the biggest danger of an iceberg was what lurked beneath the water. When the congress programme was compiled, an attempt was made to deal with the most critical issues

confronting the sector. Naturally we had to prioritise, and therefore the following main themes were selected:

- Land reform;
- Rural safety;
- Investment in agriculture; and
- Competing demands for agricultural land.

#### **Land reform**

Various policy frameworks, including the National Development Plan, the government's so-called nine-point plan (the Agricultural Policy Action Plan) and the Phakisa process, are again under the spotlight. Reference was made, among others, to the importance of partnerships, the need for rules within which the land debate can be waged, and the need for effective planning at regional level. Controversial views were expressed regarding compensation and the interpretation of section 25 of the Constitution, which deals with expropriation.

It is noteworthy that Agri SA had at two previous congresses presented comprehensive proposals for land reform and the funding thereof, to which government did not respond. During the session, however, the government representative again called on Agri SA to cooperate.

#### **Rural safety**

The top structure of both the police and the defence structure attended the congress. These structures also called on agriculture to participate within

community context in actions aimed at safeguarding the rural areas.

Progress made at reservist level was reported and relevant criteria will apparently soon be available. Problems with sector policing were identified and Agri SA proposed an inclusive plan that will be developed further by the relevant policy committee within Agri SA. Farmers were urged to report incidents of crime because funds are allocated from the budgets of the respective departments based on these statistics. Reference was also made to stock theft incidents that are reported which eventually turn out not to have been theft.

### **Investment in agriculture**

Investment in agriculture, or lack thereof, gave rise to lively discussions. Reference was made to the fact that there was a ceiling to investment in the absence of vertical expansion. The fact that the debt load in the agricultural sector currently stands at approximately R144 billion shows that investment is still taking place and that the land market remains dynamic.

However, it remains vital that the collateral value be maintained. This requires, among other things, policy certainty and ownership of assets such as securing title deeds to land. Part of the message was that investment in land would also result in investment in a large section of the economy, given linkages with other sectors. Investment in the value chain is in fact the route that should be

followed, while actual investment in the primary sector lies in the use of technology and improved productivity.

### **Competing demands for agricultural land**

This discussion focused mainly on the legal protection of agricultural land in relation to other demands on such land, for example those of the mining sector. Much was made of the lack of synergy between the respective state departments when it comes to the use of natural resources.

The draft Preservation and Development of Agricultural Land Bill was discussed in depth and seems, even in its current form, to be a very important instrument for protecting all forms of land, and specifically high-potential agricultural land, in future. The possibility of an environmental fund at Agri SA aimed at research and legal support was also discussed. Agri SA's affiliates will in due course formulate a viewpoint in this regard.

During this session reference was also made to the comprehensive information that is needed when aspects such as the extraction of shale gas are considered. The policy committees of Agri SA are tasked with evaluating the information provided during the congress and making recommendations to the General Council.

### **Awards in the form of an illuminated address were presented to the following persons**

- Louw Steytler – Commodity Chamber

- Simon Streicher – Commodity Chamber
- Salam Abram – General Council

### **Donations to Agri Securitas Trust Fund**

During the informal function held on 13 October 2016, the following donations were made to the Agri Securitas Trust Fund:

- OFM, NWK, Afgri and Senwes – R456 000
- Sonfin – R158 000

### **Best speakers**

- Theme 1: Ernest Pringle
- Theme 2: Uys van der Westhuyzen
- Theme 3: Harry Prinsloo
- Theme 4: Hein Lindemann

### **Acknowledgements**

Johannes Möller congratulated the office bearers who were elected or re-elected in their respective capacities. He thanked the dignitaries, guests, speakers, sponsors, members of the media, participants and delegates for attending the congress.

He also thanked the staff of Agri SA who had been involved in congress arrangements. He then went on to thank agricultural producers for the indispensable role they play in various areas, also in the interest of South Africa.

### **Closure**

The congress was closed by Willem Basson with prayer.

The congress adjourned at 13:00.

The fact that the debt load in the agricultural sector currently stands at approximately **R144 billion** shows that investment is still taking place and that the land market remains dynamic.



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## POLICY COMMITTEE: Labour and Social matters



Neil Hamman and Dr Jan Visser act as chairperson and vice chair, respectively, with Hendrik Ackermann as additional member.



Neil Hamman

**I**n terms of the social strategy, the committee focuses on the following two areas in terms of policy and operational matters:

- Improved employer/employee relationships; and
- Improved knowledge and skills.

### **Policy level: Improved employer/employee relationships**

#### **Sectoral determination 13 for farmworkers**

On 1 March 2017, the minimum wage for the agricultural and forestry sectors increased by 8%, (comprising the CPI of 7%, plus one percentage point). The increase brought the daily wage to R138,52 based on a 9-hour work day and the monthly wage to R3 001,13.

#### **National minimum wage**

Since the last annual report,

processes within the National Economic, Development and Labour Council (Nedlac) to determine a national minimum wage had deadlocked. The deputy president, Cyril Ramaphosa, held bilateral discussions with social partners in an attempt to break the impasse. Since then, all negotiations took place with the deputy president as mediator. Following the bilateral meetings between the deputy president and Nedlac constituencies, it was agreed at the Committee of Principals meeting that a multi-disciplinary advisory panel of independent experts should be established to advise on certain matters with respect to the national minimum wage and for them to recommend the level at which the first national minimum wage should be set.

On 1 March 2017, the minimum wage for the agricultural and forestry sectors increased by **8%**, (comprising the CPI of **7%**, plus one percentage point). The increase brought the daily wage to **R138,52** based on a 9-hour work day and the monthly wage to **R3 001,13**.

Engagements between the Nedlac task team and the particular panel offered an opportunity to provide information on peculiarities within the agricultural sector, for example hours of work in both peak and off-peak seasons, which differ depending on the type of commodity. Payment for minimum hours during instances of bad weather; and in natura remuneration also received in-depth attention. The realities of the sector as a price taker were also discussed at length. In October 2016, the national minimum wage panel released a report. During February 2017, the deputy president made an announcement on the implementation of a national minimum wage. The agreement concluded between social partners, excluding Cosatu (no confirmation

was received that Cosatu had signed the agreement), was signed by leaders from government, organised business and the community. The agreement reached amounted to a national minimum wage of R20 per hour. It was agreed that once introduced, agricultural workers would be paid a minimum of 90% of the national minimum wage i.e. R18,00 per hour. It was also indicated that the minimum wage payable by the agricultural sector could be increased to 100% of the national minimum wage level within two years pending research by a national minimum wage commission.

**Stabilisation of the labour market**

In February 2017 the deputy president and social partners, excluding Cosatu, signed off on the

content of a draft code of good practice on collective bargaining, industrial action and picketing, a declaration on wage inequality and labour market stability and an accord on collective bargaining and industrial action. Explanatory memorandums will be developed to accompany the said documents.

**Green paper on international migration**

In June 2016, the minister of home affairs, Malusi Gigaba, published a green paper on international migration for public comment. The green paper was tabled at Nedlac for deliberation by social partners. Agri SA was part of the business constituency that dealt with this matter. Business supported the overarching principal objectives of the green paper, which sought to introduce a holistic approach to

Due to the drought situation in the sector, the CCMA and Agri SA considered a training lay-off scheme for farming operations in distress in collaboration with AgriSETA and the department responsible for the unemployment insurance fund.



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international migration that would assist the economy to grow in line with national priorities.

Subsequent to publication of the green paper, the minister hosted a conference on a possible white paper on international migration where roleplayers had the opportunity to provide input. The white paper has not yet been published for public comment.

### Implementation actions

#### Functional relationship between Agri SA and the Commission for conciliation, mediation and arbitration

Agri SA started a process to meet with the Director of the Commission for conciliation, mediation and arbitration (CCMA) on a quarterly basis in order to ensure that the labour relations environment within the agricultural sector is monitored especially with

respect to possible industrial action and related labour matters.

#### Training lay-off schemes

Due to the drought situation in the sector, the CCMA and Agri SA considered a training lay-off scheme for farming operations in distress in collaboration with AgriSETA and the department responsible for the unemployment insurance fund.

An early warning system was introduced at the CCMA and processes were introduced to ensure a speedy process for applicants.

#### Decent Work Country Programme under the auspices of the International Labour Organisation

The International Labour Organisation (ILO) was again involved in various actions with respect to the agricultural sector:

- **Study on labour conditions on farms**

- In 2015, the ILO released a report on a study on labour conditions on farms. The report elaborated on policy changes over previous years and the impact thereof on the agricultural sector for both employers and employees.
- The findings of the report were submitted to Nedlac's Decent Work Country Programme (DWCP) and a presentation was done by the researchers. It was agreed that an abridged version of the report will be compiled and submitted to the DWCP.

- **Project on collective bargaining and freedom of association**

- Discussions on the establishment of a social dialogue platform in



Mpumalanga took place by the agricultural forum, which operates under the auspices of the CCMA. Work in this regard is continuing.

**• Future of Work**

The 2019 ILO Conference will focus on the “Future of Work” theme. In preparation for the conference, member states compiled country reports on the particular topic. In South Africa, research was conducted in the following areas:

- Work and society;
- Decent jobs for all;
- The organisation of work and production; and
- The governance of work.

The content of the research was presented at a national dialogue session which took place early in

2017 to finalise inputs from social partners and other roleplayers. The South African input was submitted to the ILO for inclusion in the draft conference report.

**Provident fund for farmworkers**

Provision for retirement is an important element of the relationship between employers and workers. Absa’s Agricultural Sector Provident Fund again received attention during the year. The fund also incorporates salary earners in the agricultural sector. Actions were considered to broaden the membership of the fund.

**Memorandum of understanding with the department of home affairs**

At Agri SA’s congress, the department of home affairs renewed

and extended the relationship between the two institutions. The memorandum of understanding entered into contains collaboration in terms of immigration, visas, registration and other campaigns.

**Policy level: Developmental work**

**National skills development plan**

In response to the draft strategy on post-school education and training (PSET), the department of higher education tabled a national skills development plan (NSDP) at Nedlac for deliberation. A task team has been established and deliberations on the plan commenced in January. This is work in progress.

**Implementation level**

**AgriSETA**

Challenges with service delivery by

At Agri SA’s congress, the department of home affairs renewed and extended the relationship between the two institutions. The memorandum of understanding entered into contains collaboration in terms of immigration, visas, registration and other campaigns.



AgriSETA persist. In an effort to address these challenges, Agri SA's General Council decided to change Agri SA's representation on the AgriSETA board, nominating Neil Hamman and Christo van der Rheede for this purpose. These nominations were forwarded to the minister of higher education, who appointed the particular individuals.

#### **Agricultural Enterprise Management Training**

With funding from AgriSETA, Agri SA presented another agricultural enterprise management training session for candidates nominated by its affiliates. Sixteen candidates successfully completed the course.

#### **Social matters dealt with by Business Unity South Africa**

During the report year, the committee responsible for transformation and social matters (Socpol) within Business Unity South Africa (Busa) attended, amongst others, to the following:

- Monitoring of the implementation of amended labour laws;
- National minimum wage;
- Child labour;
- Appointment of business representatives on statutory councils and feedback on the activities of such councils;
- Decent Work Country programme (DWCP);
- Unemployment amongst the youth;
- Education and training;
- Social security and provision for retirement;
- Black economic empowerment; and
- Other transformation-related issues.

#### **National Economic, Development and Labour Council**

The activities of the Labour Market Chamber (LMC) focus mainly on labour and social issues. The LMC is a National Economic, Development and Labour Council (Nedlac)-forum which seeks to facilitate consensus between government, organised labour and the business sector in this regard. Busa represents the business sector in this forum.



*Challenges with service delivery by AgriSETA persist. In an effort to address these challenges, Agri SA's General Council decided to change Agri SA's representation on the AgriSETA board, nominating Neil Hamman and Christo van der Rheede for this purpose.*



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# POLICY COMMITTEE: Agricultural Development



Ernest Pringle served as chair and Livhu Ngwekhulu as manager of the committee, supported by Annelize Crosby and Yolisa Mfaise.



Ernest Pringle

**D**uring the period under review, namely May 2016 to June 2017, this policy committee was involved in the following activities:

**Protection of property rights**

Section 25 of the Constitution is known as the ‘property clause’. It makes provision for the protection of property rights and also offers a framework within which land reform should take place. Section 25 prohibits arbitrary deprivation of land and requires that fair and equitable compensation be paid in the event of expropriation. It makes provision for land reform by way of restitution, redistribution and tenure reform.

The relevant section is becoming increasingly under pressure. The Economic Freedom Fighters (EFF) are

trying to have section 25 repealed. Senior members of government are increasingly talking about expropriation without compensation – something for which the Constitution does not make provision. There is also talk of scrapping section 25 of the Constitution.

Agri SA considers these threats as extremely serious and has issued many related media statements, participated in radio and TV interviews and held discussions with partners and opinion-formers to emphasise the importance of protecting property rights.

Agri SA also became involved as ‘friend of the court’ in an appeal case where clarification was sought regarding the interpretation of ‘fair and equitable expropriation’ in terms of section 25.

*Senior members of government are increasingly talking about expropriation without compensation – something for which the Constitution does not make provision. There is also talk of scrapping section 25 of the Constitution.*

## Redistribution of land

The department of land development and land reform has appointed district land reform committees to play a leading role in identifying available land and beneficiaries for redistribution purposes.

Agri SA's affiliates are represented on these committees. However, various problems are being experienced with budgeting for and the management and functioning of these committees. The matter was discussed at various meetings of the policy committee and Agri SA has addressed many letters to the department to inform them of the problems. Agri SA has also formulated a legal opinion regarding the risk of liability faced by members serving on the relevant committees, which was distributed to the affiliates.

## Tenure reform

Agri SA took note of the Mwalase ruling on labour tenant claims and sent the relevant information to its affiliates.

During the parliamentary process, Agri SA also provided input towards the proposed amendments to the Extension of Security of Tenure Act. The portfolio committee on rural development and land reform approved the bill in April 2017, after which it was referred to the select committee on land reform and mineral resources within the national council of provinces.

## Restitution

During July 2016, the Constitutional Court declared the Restitution of Land Rights Amendment Bill, which reopened the restitution claims process, unconstitutional. The effect of this ruling was that the submission of further restitution claims was suspended until new legislation is tabled in parliament. At the time that the ruling was made, more than 161 000 new claims had already been lodged. Agri SA communicated the implications of this ruling to its members.

During April 2016, an African National Congress (ANC) parliamentarian gave notice of his intention to table a restitution amendment bill, which would keep the claims process open until 2021. Agri SA will monitor the proposed action and provide the necessary input.

During June 2016 Agri SA held a high-level meeting with the full Commission on the Restitution of Land Rights. All Agri SA's provincial affiliates were present at the meeting, where discussions focused on possible cooperation between Agri SA and the Commission. The Constitutional Court ruling on the restitution process, however, meant that the proposed cooperation could not yet be taken further.

## Expropriation Bill

In 2013 the government published a bill on which Agri SA commented.

Agri SA also formed part of the team which negotiated on the bill on behalf of business within the National Economic, Development and Labour Council (Nedlac). Written inputs were made, as well as an oral submission to the parliamentary committee dealing with the bill.

The bill was accepted by parliament in May 2016 after various improvements were effected. The president, however, referred the bill back to parliament because the National Council of Provinces had not consulted properly. The bill is currently again serving before the portfolio committee on public works. Agri SA is monitoring the process.

## The development of land reform scenarios

The Vumelana Advisory Fund was



Agri SA has identified a number of examples of land reform and black economic empowerment and created a website where the relevant projects are described. At the time of writing this report (May 2017), 33 different projects were already included in the database.

launched in 2015 in conjunction with REOS partners (a scenario-planning group) to develop four scenarios of how land reform could unfold between 2016 and 2030. A grouping of experts and roleplayers from government, the private sector and non-governmental organisations attended the three workshops and via webinars, email and teleconferences, developed these scenarios further. Agri SA was part of the team. The scenarios were released in March 2016. The scenarios were used during a strategic planning session hosted by the committee during July 2016. Submissions on the scenarios were also made at Agri SA's congress in October 2016. In 2017 Agri SA participated in two media events where the scenarios and the implications thereof were discussed.

**Valuation of land**

Agri SA invited the valuer-general to a policy committee meeting in November 2016 to clarify the role of his office and the application of the provisions of section 25(3) of the Constitution. Publication of the regulations in terms of the Property Valuation Act is awaited. The regulations will attempt to provide more clarity on the interpretation of section 25(3). Agri SA is monitoring the situation and will comment on the regulations once they become available. In November 2016 the chairman of the committee, Ernest Pringle, attended a workshop hosted by the valuer-general.

**Project concepts**

Agri SA has identified a number of examples of land reform and black

economic empowerment and created a website where the relevant projects are described. At the time of writing this report (May 2017), 33 different projects were already included in the database. The idea is that further examples should be added continuously.

**Land audit**

During the report year, various discussions were held with service providers that are developing databases to reflect the status of land ownership in South Africa. An agreement was concluded with a service provider in May 2017 to provide Agri SA with information regarding land ownership per province. This information will be updated on an annual basis.

**Regulation of agricultural land holdings**

In March 2017, the minister of rural development and land reform published a bill aimed at prohibiting foreign ownership of agricultural land and limiting the amount of agricultural land that any individual or legal entity may own. Agri SA is extremely concerned about the implications of this bill. The organisation has appointed senior counsel to express an opinion on the constitutionality of the proposed legislation and to assist in finalising Agri SA's commentary. Agri SA has also communicated widely regarding potential problems with the proposed legislation and has met with stakeholders to discuss the issue.



*Agri SA has identified a number of examples of land reform and black economic empowerment and created a website where the relevant projects are described.*

The latest results show that the contribution towards farmer development programs by the surveyed affiliates rose from a total of R46,6 million in 2011/2012 to a total of R141,7 million in 2015/2016. More than R445 million has been spent over the entire period.

## Financing

Various discussions were held with experts regarding the matter of development funding. Agri SA's financing plan, which was approved by its 2015 congress, was presented to the director-general of the department of rural development and land reform as well as other roleplayers. A working committee was appointed to work with external experts to develop the concept of development finance further.

## Operation Phakisa

This initiative of the presidency took the form of a five-week workshop, which focused on various issues, including land reform. Agri SA was represented in, among others, the working group that focused on land reform. The purpose of the exercise was to find ways to expedite the land reform process and make it more effective. A report was compiled and work sessions were held with roleplayers during April 2017 to deal with the proposed outcomes. Agri SA participated in these sessions.

## Farmer development questionnaire

In 2015/2016 a farmer development survey was again carried out. The questionnaire assists Agri SA to get

an idea of what distance has been covered in the transformation and/or farmer and community development arena by affiliates. The latest results show that the contribution towards farmer development programs by the surveyed affiliates rose from a total of R46,6 million in 2011/2012 to a total of R141,7 million in 2015/2016. More than R445 million has been spent over the entire period.

Of the total amount spent in 2015/2016, more than R91 million was attributed to farmer contribution, either directly through membership fees or through commodity levies. Another important aspect is the job creation part of the programs, with well over 200 jobs attributed to the implementation of the programs. According to the feedback over 40 000 emerging farmers have benefited from the various programs.

## Collaboration with the Black Business Council

The Black Business Council (BBC) approached Agri SA with a view to working together in assisting emerging farmers. The first project was targeted at assisting grain farmers in Mpumalanga, North West and Free State provinces. This was a collaborative effort amongst

Omnia, Unigrain, the Land Bank, Masisizane Fund, the BBC, Agri SA, relevant commodity organisations and Barloworld Agriculture.

A seminar on the African Growth and Opportunity Act (AGOA) and its implications was also held, during which Agri SA also made a presentation.

## Actionshop on funding, insurance and commodity related information

An actionshop was held at Leriba Lodge in September 2016, attended by various stakeholders as well as emerging farmers. The focus was on financing agricultural enterprises, insurance, as well as commodity focused information transfer. More than 70 farmers attended. The aim was to bring together various

Another important aspect is the job creation part of the programs, with well over 200 jobs attributed to the implementation of the programs. According to the feedback over 40 000 emerging farmers have benefited from the various programs.



roleplayers in the emerging farmer sector, to share information about their challenges and to consider solutions in collaboration with service providers.

### **AgriBEE**

The task of aligning the AgriBEE sector code of 2012 to the amended codes of good practice (CoGP) culminated in a draft amended AgriBEE sector code in December 2015. A major part of the 2016 was spent by the AgriBEE Council concluding the final gazette. The final gazette was submitted to the department of trade and industry (*dti*) in the last half of 2016, however, the *dti* is yet to gazette the final amended AgriBEE sector code.

Some work ran concurrently with the conclusion of the final code, most notably the development of

the reporting portal. The amended Black Economic Empowerment Act (BEE) requires all measured entities to report their BEE scorecard. The portal is currently complete and ready to go live, bar any major material changes that can be made to the final amended AgriBEE sector code.

### **Communal Property Association Amendment Bill**

Agri SA represented business at the Nedlac negotiations about the amendments to the Communal Property Associations (CPA) Amendment Bill. They were joined by representatives from labour, government and communities.

The bill seeks to rectify a number of teething problems in the administration of the CPAs after the

department of rural development and land reform (DRDLR) hands over land to the CPAs.

Agri SA's argument was based on strengthening the institutional governance of the CPA. The mandate was therefore to argue for the adoption of the Companies Act in most of the administration of the CPAs as they are business entities. By the end of the negotiations, which took some six months, some areas of disagreements were addressed. The bill is currently in parliament.

### **Acknowledgement**

The committee wants to thank the affiliates for their enthusiastic participation in the committee's activities.



*The committee's activities are supported by the police, defence force, correctional services, the National Prosecuting Authority (NPA) and the Institute for Security Studies (ISS), whose representatives regularly attend and provide input towards discussions at the meetings.*



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# POLICY COMMITTEE: Rural Safety



Kobus Breytenbach served as chair of the policy committee, supported by Boeta du Toit as vice chair and Uys van der Westhuyzen as executive committee member. Kobus Visser served as functionary.



Kobus Breytenbach

**T**he committee's activities are focused on safety aspects that have an impact on the farming

community's personal safety and on general criminality.

The committee helps Agri SA to influence policy, legislation and programmes relating to the safety and security of farming communities and the rural environment.

The committee's activities are supported by the police, defence force, correctional services, the National Prosecuting Authority (NPA) and the Institute for Security Studies (ISS), whose representatives regularly attend and provide input towards discussions at the meetings.

## POLICE MATTERS

The policy committee dealt with

various aspects of policing during the report period, including the following:

- **Arrest and detention of suspects**

Unlawful arrest was identified by the committee as a problem in the past. Guidelines issued by the police for dealing with B-category crimes and powers of arrest can contribute towards a reduction in this type of arrest.

- **Firearm legislation**

To ensure that the renewal process for firearm licences runs as smoothly as possible, everyone whose licences are about to expire must start the process at least 90 days before the expiry date. The validity of a competency certificate is linked to the longest-applying firearm licence. In the meantime, the minister of

police has announced in parliament that an amnesty period was being considered for deceased estate and illegal firearms. Enquiries were made to obtain clarification from the police regarding the duration of the amnesty period and/or whether licences that are not renewed on time were included in the amnesty. Clarification in this regard is still awaited.

- **White papers on Policing, Safety and Security respectively**

The General Council has confirmed that Dr Johan Burger of the Institute for Security Studies was mandated to introduce Agri SA's views into the process. Parliament approved the respective white papers. The secretariat of the police is responsible for publishing the white papers. A committee of the secretariat is currently developing a new Police Act in line with the relevant white paper.

- **Reservist policy framework**

Agri SA has welcomed the announcement by the acting national commissioner of Police that all nine provinces may proceed to recruit reservists for the 2016/2017-financial year in accordance with their respective needs. During Agri SA's meeting with the acting national commissioner certain amendments to the reservist instruction were submitted, which were accepted by the police. A well-functioning reservist system will add momentum

to the implementation of the Rural Protection Strategy.

Reservists will be used largely in support of crime prevention operations and to strengthen the capacity of the police during peak crime periods. Persons who wish to be considered as reservists will be subjected to stringent criteria and will be recruited from the community where they live and used for functional policing or specialised operational support.

- **Sector policing**

Sector policing serves as a vehicle for the police to promote community involvement in crime fighting and prevention. The study undertaken by the police to determine the impact of sector policing on crime fighting has been completed. The police are currently considering the findings and recommendations contained in the report. The committee has decided to wait for the report and recommendations before dealing further with the matter.

- **Regrouping of police clusters**

The process of regrouping police clusters is motivated by the need for improved service delivery. A contributing reason for the relevant study was to bring the cluster boundaries in line with municipal boundaries and also to reduce the number of clusters. However, the committee remains concerned that the allocation of resources is

inadequate to combat rural crime effectively.

The previous model included 176 clusters, while the revised proposal makes provision for 118. The police are currently considering the new cluster strategy. The purpose of this is to determine whether the police could meet their objectives. If a specific implementation problem is identified at a station or cluster, it would be dealt with as part of the process. Implementation problems may be reported to the committee, accompanied by motivations. These will then be raised with the police.

- **Land invasions**

The policy committee, and therefore also Agri SA, strongly objects to all utterances in favour of the invasion of agricultural land and statements that farmers had obtained their land unlawfully to justify a land invasion. The committee confirmed the following:

- Agri SA's information document on dealing with land invasions must be applied at local level;
- The police's guidelines for dealing with trespassing and land invasions must be applied consistently;
- The implementation guidelines of the Rural Safety Strategy regarding complaints of trespassing and land invasions must also be applied;
- The importance of applying Agri SA's protocol for farm access;

*Agri SA has welcomed the announcement by the acting National Commissioner of Police that all nine provinces may proceed to recruit reservists for the 2016/2017-financial year in accordance with their respective needs.*

The police confirmed that a shortage of vehicles could not be an excuse for poor service delivery. Provinces determine the specific category vehicles they require and the police purchase approximately 6 000 vehicles per year.

- Contingency planning must be done within provincial context;
- Farmer associations have to consult with their local police stations and develop an action plan on how land invasions would be dealt with;
- All information relating to trespassing and land invasions must be passed on to the police; and
- Record must be kept of all incidents during a land invasion so that it can be used as evidence during a court case.

During a committee meeting the police provided elucidation on the use of the Public Order Police Unit in cases of large-scale land invasion. According to the unit commander they are geared to intervene and deal with large-scale land invasions at the request of the local police station. A formal request was addressed to the police to investigate the action of police at the Mooinooi police station in dealing with trespassing complaints to determine why existing police policy was not followed. The inquiry has been completed and the complainants in the trespassing case were satisfied with the outcome.

- **Shortage of vehicles for use by the police**

The committee was informed that the vehicle replacement strategy reflects the ideal number of vehicles required, as well as shortages and

surpluses. Vehicles are replaced based on identified shortages, as indicated in the register. The police provided an overview of the maintenance and repair of vehicles and indicated that an intervention task team had been appointed to look into the lengthy time it took to repair and service police vehicles. The experience at local level is that unavailability of vehicles is used as an excuse for poor service delivery.

The police confirmed that a shortage of vehicles could not be an excuse for poor service delivery. Provinces determine the specific category vehicles they require and the police purchase approximately 6 000 vehicles per year. Surveys to determine vehicle shortages must be dealt with at provincial level, after which the information can be provided in writing to Agri SA for attention. Vehicle shortages are an aspect that the committee discusses continuously with the police; therefore, the announcement by the minister of police that more vehicles were being allocated to the police is welcomed.

- **Illegal hunting with dogs**

Hunting with dogs as an illegal sport is becoming more prevalent, apparently with large amounts at stake. Farmers experience this as a threat to livestock, game and protected animal species. In their submission to the committee, the

police said various laws were available in terms of which a person who participates in illegal hunting can be charged, including the Trespassing Act, the Stock Theft Act, the Game Theft Act and the Animal Protection Act.

Illegal hunting with dogs is a crime and amounts to malicious damage to property. The committee has compiled an information document containing guidelines on how to deal with illegal hunting with dogs, which will be distributed to affiliates.

In dealing with this matter, the committee highlighted the following:

- There is sufficient legislation to deal with illegal hunting with dogs;
- Communities must use the media to highlight the negative consequences of this type of hunting;
- Land owners must keep detailed records of incidents of hunting with dogs and safeguard all evidence and protect the crime scene;
- Land owners must become involved with the local police and community police forum (CPF), as well as in the development of a joint action plan on how such complaints should be dealt with by the police;
- The Animal Protection Society should be involved;
- People should not take the law

into their own hands by shooting the dogs – this could lead to legal action being taken against the land owner; and

- Liaison with the National Prosecuting Authority regarding the handling of court cases related to illegal hunting with dogs must take place at provincial level.

## RURAL SAFETY

### Rural Safety Strategy

The strategy is implemented at police stations countrywide. Since the implementation of the strategy, the following progress has been made:

- Provincial commissioners gave instructions that interventions should be arranged to ensure that all police stations responsible for the strategy implement it;
- A national intervention was

executed, with some police stations being visited to determine what progress had been made with the implementation of the strategy;

- Progress made in solving farm murders is monitored on a continuous basis;
- Inputs were made towards the Stock Theft Learning Programme as part of a crime prevention programme;
- The division technical management services was asked to adjust the crime administration system (CAS system) to make provision for a compulsory field for identifying farm and smallholding attacks so that more accurate statistics could be made available;
- The Crime Registrar was requested to conduct an analysis of case files for the period 2014/2015 to

2016/2017 to determine whether there had been a change in the *modus operandi* used during farm attacks;

- A national instruction on the functioning of priority committees is being considered. The police decided, however, to wait until after the rural safety summit before finalising the instruction;
- Poor attendance by key departments of priority committee meetings at provincial and local level was raised with the police with a request that it be referred to the National Priority Committee on Rural Safety (NAT Joints); and
- As part of the police’s new approach to the back-to-basics programme, three regional commissioners were appointed who are responsible for

Liaison with the National Prosecuting Authority regarding the handling of court cases related to illegal hunting with dogs must take place at provincial level.



*The Rural Safety Strategy states that a protocol for access to farms could be applied to promote rural safety. Agri SA's protocol is widely accepted as suitable for this purpose.*

implementing the programme and dealing with complaints regarding poor service delivery.

The committee is of the opinion that problems relating to the implementation of the Rural Safety Strategy should be dealt with at the appropriate level before they are referred in writing to the committee for attention.

**Agreement with AfriForum**

An agreement was reached with AfriForum which makes provision for the establishment of communication channels, the elimination of duplication and an undertaking not to create competing structures. The committee monitors the implementation of the agreement and has called on provincial organisations to use it to manage relations with AfriForum at local level.

**Farm access protocol**

The Rural Safety Strategy states that a protocol for access to farms could be applied to promote rural safety. Agri SA's protocol is widely accepted as suitable for this purpose. During the report year, amendments were made to the protocol, including a section on access to border farms by the defence force.

**CORRECTIONAL SERVICES**

The committee was provided with feedback on the minister of correctional services' request for the review of the release policy. The task team provided the minister with short- and long-term proposals. These proposals include the handling of sentenced criminals of foreign origin in local prisons. It requires that the law be amended so that foreigners who are released

before completing their sentences are first to be subjected to the correctional services' community correction system, setting a condition that if they were to enter the country illegally again, they would be guilty of a crime and would have to complete the rest of their sentence. The committee urged affected farmer members to participate in a parole board session when the release of a prisoner is considered and to provide reasons why such a prisoner should not be released.

**NATIONAL PROSECUTING AUTHORITY**

The farming community is frustrated over criminal cases that are repeatedly postponed in courts and drag on for years before being finalised. The National Prosecuting Authority (NPA) mentioned that it was difficult to introduce a concrete postponement rule. The decision to allow a postponement is largely at the discretion of the presiding officer. Reasons given for an application for postponement include the need for further investigation, failure by the accused to arrive at court, problems to produce witnesses and to allow the accused an opportunity to obtain legal representation. The accused often unnecessarily postpones cases to frustrate the prosecution and witnesses.

In cases where there is a feeling that postponements are granted unnecessarily, the senior magistrate of the specific magistrate's office can be



approached to address the problem. The local representative of the NPA (usually the senior prosecutor and/or the chief prosecutor) can also be approached for assistance in this regard.

Any complaints relating to magistrates can be referred to the senior magistrate of the relevant court or to the Magistrates' Commission.

Recent legislation (the Criminal Justice Amendment Act) proposes heavier sentences for damage to essential infrastructure such as copper cable theft at Eskom, Telkom and Transnet. The definition of 'essential infrastructure' includes private infrastructure. The committee has asked Agri SA's legal section to scrutinise the relevant legislation and definition to determine whether agricultural infrastructure is also included.

### **Border Agency Management Bill**

This matter is reported on in detail in the Commercial Policy Committee's report.

### **STOCK THEFT**

#### **Stock theft unit's activities**

The committee was informed that stock theft occurs mostly in two provinces, namely the Eastern Cape and KwaZulu-Natal. The police stations with the highest incidence of reported stock theft are located in these provinces, with a single station in Mpumalanga

and the Free State respectively.

According to the National Stock Theft Unit there seems to have been an increase in the number of stock theft incidents reported, with a high number of stock losses. According to an analysis by the unit, most stock theft takes place from pastures where livestock are kept.

#### **Pound Act**

The department of agriculture, forestry and fisheries (Daff) is responsible for finalising the Pound Act. The committee has expressed its concern over the slow progress. This concern has already been conveyed to the director-general of the department. Progress in this regard is being monitored in conjunction with the stock theft prevention forum.

### **AGRI SA CONGRESS RESOLUTIONS: RURAL SAFETY**

The top command structure of both the police and the defence force attended the congress, where they called on agriculture to participate within community context in actions aimed at protecting rural areas.

Feedback was provided on progress made at reservist level and Agri SA proposed an inclusive security plan, which would be developed further by the committee within Agri SA.

Farmers were urged to report all incidents of crime as this information is used to determine the allocation of funds from the budgets of the respective departments.

The inclusive rural protection plan will receive further attention during an international rural safety conference

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With this limited presence, it is difficult to man the approximately **4 471 km** international border; therefore, the plan is to strengthen it to **22** companies.

hosted by Unisa in conjunction with Agri SA and the Red Meat Producers' Organisation later this year.

**DEFENCE FORCE MATTERS**

The defence force provided elucidation on progress made with Operation Corona. This includes the deployment of 15 companies with a total of 2 689 soldiers along the international border.

With this limited presence, it is difficult to man the approximately 4 471 km international border; therefore, the plan is to strengthen it to 22 companies. Good progress is being made in finalising and planning for the erection of international border fences and the building of roads along the border for use by the defence force. The following operational successes of the defence force for the period

April 2016 to March 2017 were shared with the committee:

- 13 711 undocumented persons were arrested;
- Illegal goods valued at R20 million were confiscated;
- 61 firearms were seized;
- 22 002 kg dagga valued at R53 million was destroyed;
- 1 706 head of livestock were recovered;
- 118 stolen vehicles were recovered; and
- 475 persons were arrested.

The defence force mentioned that a government agreement was in place with the Southern African Development Community (SADC), excluding Mozambique, in terms of which stolen vehicles found in these countries are reported to the local

police. After the case is finalised, the vehicles can be returned to their rightful owners.

**Acknowledgement**

Members of the farming community and provincial affiliates as well as security representatives who make a contribution at various levels to ensure the safety of rural communities deserve acknowledgement and appreciation.

A special word of thanks was extended to the South African National Defence Force (SANDF), the South African Police Service (SAPS), the National Prosecuting Authority (NPA), correctional services and the Institute for Security Studies for their support to the policy committee in its efforts to promote rural safety.



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Ons ontwikkel die Stuid-Afrikaanse Landbou-Industrie

## POLICY COMMITTEE: Commercial



This policy committee functions under the chairmanship of Harry Prinsloo, with Henk van Wyk as vice chair and Hamlet Hlomendlini as functionary.



Harry Prinsloo

**T**he most important aspect of the agricultural sector is whether the financial position had improved over time. Farmers are, after all, custodians of their land and must apply judgement and management in such a manner that the financial results will ensure survival on a sustainable basis. Farming takes place within a broader economic environment, with legislation, policy and government action having an inextricable influence on production and marketing. The Commercial Policy Committee's focus area has a bearing on the manner in which the cost of agricultural production and marketing can be reduced and market opportunities are unlocked,

as well as how general initiatives can be implemented to create a more competitive and profitable environment for the sector.

### **DISASTER MANAGEMENT AND ANIMAL HEALTH**

#### **Flood repair works on the Orange River system**

The incompleteness of flood repair works on the Orange River system in the Upington area following the floods of 2011/2012 remained of great concern to Agri SA. Fact of the matter is that repairs of protection walls were only partly done, a situation which created an even bigger hazard compared to the original state of disrepair.

Agri SA communicated this matter with the department of agriculture, forestry and fisheries (Daff) and the member of the executive council

(MEC) of agriculture, land reform and rural development in the Northern Cape on many occasions. During August 2016, Agri SA again explained the urgency of this situation after which an advance payment of R30 million was approved by the Northern Cape government allowing contractors to resume reparation activities. This amount also became depleted and necessary further repair was discontinued. Following further engagements with government, repairs have subsequently resumed with the required funds to be made available over two financial years.

### **Drought assistance**

Agri SA has on many occasions engaged with, amongst others, the department of agriculture, forestry and fisheries (Daff) and especially with the director-general of Daff on possible drought assistance to the farming community, following the drought situation in 2015/2016. Extensive calculations were presented, indicating a possible amount of approximately R500 million required for the protection of job opportunities and for granting limited interest subsidies on accumulated debt and new production credit. In the 2017 state of the nation address (Sona), president Zuma mentioned in relation to the drought that “an estimated amount of R2,5 billion was made available for the provision of livestock feed, water infrastructure, drilling, equipment,

Extensive calculations were presented, indicating a possible amount of approximately **R500 million** required for the protection of job opportunities and for granting limited interest subsidies on accumulated debt and new production credit.

refurbishment of boreholes, auction sales and other interventions.” Although Agri SA is aware of limited assistance made available to especially emerging farmers, more specifically with respect to the provision of fodder, the amount as was mentioned by the president seemed excessive, given the practical experience with respect to the recent drought relief. Agri SA officially questioned the magnitude thereof and demanded an explanation from government without success thus far. As it turned out, commercial farmers got very little drought support, except for a “soft” loan dispensation through Land Bank, for which R400 million was made available at favourable interest rates. Engagements with commercial banks also took place on various occasions and the commitments from the latter were generally indicative of willingness to support farmers through consolidation of debt and rescheduling of repayment commitments.

Agri SA met with the director-general of agriculture, forestry and fisheries on 15 March 2017, where the amount mentioned by president Zuma in his Sona was discussed. The director-general undertook to raise the allocation of drought relief with the National Treasury.

Anecdotal information seems to indicate that funds could have been misappropriated or been subjected

to fraudulent actions. Given the sporadic occurrence of disaster events confronting the agricultural sector it is deemed as of utmost importance that support in this regard be placed within an agreed framework and funds made available accordingly.

### **Partnership approach towards disaster management**

Given recent experience with disaster support, Agri SA deemed it necessary for the approach to disaster management to be evaluated. A document aimed at a partnership approach between government and the private sector was considered at a conference of commodity organisations that took place early in 2017. The possibility of a joint funding model and various sources of funding were also considered.

Finalisation of a disaster management framework is intended to take place during the Agri SA congress in October 2017. It is generally accepted that a multi-disciplinary approach to disaster (risk) management is required, e.g. the rising costs of drought relief in industrialised countries has led to a policy shift away from emergency subsidies towards more long-term self-reliance by rural communities. Modern thinking with respect to disaster management seems to focus on integration between risk assessment, reduction, mitigation and response and recovery also with respect to the agricultural sector. These matters

are to form part of the said disaster management framework.

### **Pest caterpillar in South Africa**

Presence of the fall armyworm (FAW) was positively identified from samples collected in the Limpopo and Gauteng provinces. Little is known on how this pest entered Southern Africa. It is native to South and Central America and occurs in the southern states of the United States of America.

Agri SA welcomed the timeous effort of the department of agriculture, forestry and fisheries (Daff), who met with roleplayers from various industries and research organisations in January 2017 to determine a plan of action. The interim control program was communicated to industry members on 27 January 2017.

Agri SA alerted farmers that the application of chemicals had to be carried out in consultation with chemical representatives. Agri SA thanked its affiliates and other roleplayers who monitored the situation on behalf of the industry.

### **National Animal Health Forum**

Agri SA, as a member of the National Animal Health Forum (NAHF), attended several meetings during the year. The NAHF, consisting of animal production organisations and other relevant organisations in the animal health industry, plays a very important role in the sector. A comprehensive agenda was dealt with during the report year, ranging from the liaising

with the department of agriculture, forestry and fisheries (Daff) to communication with Onderstepoort Biological Products (OBP) regarding the status of availability of vaccines.

After an industry initiative, fence-related border issues remained work in progress. The main concern is the maintenance of the fences between South Africa, Zimbabwe and Mozambique with a view to foot and mouth disease control. Compensation for disease control purposes was discussed during a workshop. The NAHF will in the next year be driving the "Buyer beware" policy regarding bovine brucellosis education.

### **TAX AND OTHER SOUTH AFRICAN REVENUE SERVICE MATTERS**

#### **Diesel refund system for agriculture**

Farmers are after the latest budget speech getting a refund of R2,83 per litre. The Customs and Excise Act contain prescripts as to how administration should be done regarding diesel refunds, what activities can qualify and what logbooks should be kept. Farmers did not always adhere to this rules as was revealed by audits having been done lately.

Agri SA are having regular engagements with the South African Revenue Service (SARS) at all levels on these problems. In 2015, the minister of finance announced in his budget speech that the system

will be revised and Agri SA recently received documentation, which was considered by this committee. The discussion document on the review of the diesel fuel tax refund system was circulated to our members for comments.

The new system intends to include contractors and also to have a special dispensation for small scale producers. Storage facilities and all diesel-powered equipment will have to be formally on record with SARS, whilst off-site transport and processing activities will be excluded. A standalone diesel refund administration is proposed separate from the value-added tax-system. Agri SA made a submission to SARS and the National Treasury on the particular proposals. The new system is envisaged to be finalised by the end of 2017, after public consultations, followed by an announcement of the details in the 2018 national budget.

#### **Sugar tax**

The minister of finance announced in the 2016 national budget a decision to introduce a tax on sugar-sweetened beverages (SSB) with effect from 1 April 2017 to help reduce excessive sugar intake. This announcement came against the backdrop of a growing global concern regarding obesity stemming from the overconsumption of sugar. The problem of obesity has apparently grown over the past 30 years in South Africa, resulting in

*The problem of obesity has apparently grown over the past 30 years in South Africa, resulting in the country being ranked the most obese country in sub-Saharan Africa.*

the country being ranked the most obese country in sub-Saharan Africa. While the introduction of tax on SSB might help reduce sugar intake, it will increase the tax burden on the beverage industry.

The policy paper is fairly silent on the upstream impacts of the tax on SSB. Agri SA deems it necessary that a study to assess the possible impact on the primary industry should be conducted. Part of such a study should include the dominance of retailers in the value chain, especially in relation to their ability to shift the tax burden to primary suppliers (i.e. sugar), thus violating the very purpose of the tax.

**INFRASTRUCTURE, LOGISTICS AND TRANSPORT**

**Tractor driver licences and slow moving agricultural machinery**

Agri SA previously made a presentation to a technical committee regarding proposed amendments to legislation pertaining to tractor driver licences and slow moving agricultural machinery. Following this presentation, a meeting with the department of transport (DoT) took place some years ago, but no feedback could be obtained until some feedback received recently. According to the DoT this matter was submitted to the Inter Provincial Policies and Procedures (IPPP) working group and the Traffic Legislation Technical Committee (TLTC) for their inputs and recommendations and was submitted to parliament.

These matters were also discussed at the Driver Technical Committee and recommendations were prepared for the other committees. However, the committees only had their first meeting on 27 and 28 March 2017. A report was being prepared by the DoT and once the legal section of the department finalised it, it would have been shared with Agri SA. The DoT informed Agri SA that Regulation 99 could be amended to authorise the operation of a tractor based on the category of the existing driving licence codes based on the gross vehicle weight (GVM) of the tractor. This proposal has not been finalised though.

**Roll-over protection structure**

Agri SA was approached by the Agricultural Machinery

Manufacturers' Association for assistance with a survey among farmers to determine the extent of tractor accidents. According to the association, the DoT intends to formulate regulations to offer additional protection to tractor drivers. To this end, the association developed a questionnaire which was distributed to farmers.

Agri SA is of the opinion that, should safety measures become compulsory, it should not have retroactive force but should form part of a new tractor's specifications. Agri SA will also comment on the legislation should it in fact be amended.

**TRADE AND INDUSTRY**

**Participation in trade policy structures**

Agri SA is a member of the

Part of such a study should include the dominance of retailers in the value chain, especially in relation to their ability to shift the tax burden to primary suppliers (i.e. sugar), thus violating the very purpose of the tax.



Agricultural Trade forum (ATF), an organisation established by the department of agriculture, forestry and fisheries (Daff). The ATF is fundamentally a tripartite organisation consisting of representatives from the private sector, labour and government. It deals mainly with trade related matters in relation to the agricultural sector.

Agri SA is also a member of Business Unity South Africa (Busa) and participates in the Technical Sectoral Liaison Committee (Teselico), which is a specialist sub-committee of the Trade and Industry Chamber (TIC) at the National Economic, Development and Labour Council (Nedlac). Teselico was formed primarily to discuss matters of international trade among the constituencies, i.e. business,



government, and labour. The aim is to ensure that the South African position at negotiating forums, both bilateral and multilateral, is informed through deliberation and support by constituencies. By participating in the particular negotiations, Agri SA is at the centre of influencing the direction of negotiations.

### **African Growth and Opportunity Act**

At the back of the withdrawal of the United States of America (USA) from the Trans-Pacific Partnership (TPP), questions have been raised over the future of the African Growth and Opportunity Act (Agoa), which was meant to expire in 2015, however, after intense and robust negotiations that took place in 2014, the Obama Administration decided to extend it to 2025.

Adding to the doubts about the future of Agoa, is the fact that, recently, president Donald Trump's transition team asked penetrating questions on the USA engagement on the African continent on several issues, which include trade deals. One of the questions posed by Trump's team particularly probed the use of Agoa, which gives some products made in Africa duty-free access to the USA.

Agri SA engaged with government on agriculture's position through the local structures as mentioned.

### **Southern African Development Community - European Union Economic Partnership Agreement framework**

The new Southern African Development Community (SADC) - European Union (EU) Economic Partnership Agreement (EPA), became effective in October 2016, replaced the existing bilateral Trade, Development and Cooperation Agreement (TDCA) between South Africa and the EU.

This agreement will maintain the external tariffs of, and harmonise the trading regime between the SADC as a whole and the EU. The EPA offers new opportunities for South African exporters and importers, while allowing for the correction of some of the trade imbalances that had occurred as a result of the TDCA, particularly in the agriculture sector, which gains improved market access into the EU for more than 30 products under the EPA. The EPA offered improved access on products already in place, through an increase in quotas or the complete elimination of quotas, and more flexibility on rules of origin, while addressing the shortfalls of the previous trade agreement.

The bilateral deal concluded between South Africa and the EU on the protection of geographical indications (GIs) will result in the protection of South African products like Karoo Lamb, Rooibos and Honey bush, as

*The bilateral deal concluded between South Africa and the EU on the protection of geographical indications (GIs) will result in the protection of South African products like Karoo Lamb, Rooibos and Honey bush, as well as 102 wine names from areas like Paarl and Stellenbosch.*

well as 102 wine names from areas like Paarl and Stellenbosch.

### **Brexit**

The proposed exit of Britain (UK) from the European Union (EU) grouping, commonly referred to as Brexit, elicited wide interest in the media and elsewhere. Agri SA's commentary was neutral, although mention was made of the instability that could occur in the exchange rate of the rand against the British pound. Agri SA, in its response to these developments, referred to certain benefits that could be derived from Brexit, especially if the UK were to move closer to the Brics-states (Brazil, Russia, India and South Africa) in terms of financial aid to the Brics Development Bank.

After Brexit, Agri SA's General Affairs Chamber discussed the matter. It was noted that agricultural exports to the UK amount to approximately R10 billion, with imports of between R5 and R7 billion a year. It is important therefore that the market for our agricultural exports to the UK be maintained – this is also something that should receive urgent attention over the next few years.

Trade agreements with the EU, where the UK was included, have since 1994 undergone various stage, ranging from better market access via a system of preferred market access (General System of Preferences) to

the so-called Trade Development and Cooperation Agreement (TDCA), which had offered improved market access to the EU for products such as cheese, fruit juices and others until the recent SADC/EU EPA, which will, for instance, offer improved market access for wine and canned fruit. Locally the focus will in future be on maintaining market access to the UK and the EU as if Brexit had never happened.

### **Infant industry protection provision**

Agri SA had the opportunity to comment on Southern African Customs Union's (SACU) guidelines for the implementation of the infant industry protection (IIP) provision. The SACU agreement, Article 26, deals with infant industry protection provision for Botswana, Lesotho, Namibia and Swaziland (BLNS). Currently, there is no annex or guidelines (procedures) to facilitate a fair implementation of this article. South Africa has been adversely affected by the arbitrary implementation of this provision by the BLNS in the past.

The SACU commission has finally directed the technical committee dealing with this to review and improve the draft guidelines for the implementation of IIP. In Agri SA's preliminary analysis, we have identified some areas for consideration. Firstly, that

South Africa should also be included in such a dispensation and the definition of local consumption to be better defined with a view to protecting the industries being regarded as infant in nature.

### **LEGISLATIVE MATTERS**

#### **Protection of Investments Act**

Agri SA was one of the central parties making up the business delegation to Nedlac when the (then) Promotion and Protection of Investment Bill (PPI) was under discussion. The PPI was, inter alia, enacted to replace South Africa's bilateral investment treaties (BIT) with other nations.

One particular aspect where Agri SA thought the PPI Act is lacking, is in the dispute resolution mechanism. The BITs made provision for an automatic right to international arbitration. This has been replaced with section 13 of the PPI Act. Section 13 makes provision for the department of trade and industry (*dti*) to appoint a mediator to mediate a dispute between the investor and any organ of state that may have breached an investment guarantee. Agri SA believes, that if it cannot be settled through mediation, it must either be resolved through our domestic courts or it can go to international arbitration if the South African government consents thereto.

#### **Border Management Authority Bill**

Agri SA formed part of the Border

*Agri SA therefore suggests that, instead of imposing further tax burden, government should concentrate on rehabilitating the public sector and raise the education level of its people and produce the skills that are currently in short supply.*

Management Authority (BMA) engagements in Nedlac and as such the commercial centre of excellence was requested to provide guidance as to whether the BMA proposals could hamper the facilitation of legitimate trade or in fact assist with it. In his budget speech the former minister of finance, Pravin Gordhan, said that it would be imprudent to fragment customs administration and customs collection. This in the light of SARS's ongoing customs modernisation programme, which is critical to both our revenue and trade policy imperatives. After the cabinet reshuffle, it is not certain how this matter will unfold.

### **Perishable Products Export Control Bill**

Agri SA had the opportunity to respond to the Perishable Products Export Control Bill. Agri SA is part of the business constituency in the Nedlac task team with the bill. Agri SA's view is that this bill seems to be an improvement on the existing act. A major concern is that, in the current act, the South African Agricultural Union (now Agri SA) was allowed to nominate a member on the Perishable Products Export Control Board. Now it will apparently no longer be the case. Agri SA is of the view that the apex be allowed to nominate a member, which will enhance transversal issues to be discussed and coordination to be achieved.

### **Wealth tax**

The minister of finance established the Davis Tax Committee (DTC) in 2013 to inquire into the role of the tax system in the promotion of inclusive economic growth, employment creation, development and fiscal sustainability. Agri SA had an opportunity to give inputs on the desirability and feasibility of the possible forms of wealth tax, i.e. a land tax, a national tax on the value of property and an annual wealth tax. Agri SA, as a federation of agricultural organisations and an organisation committed to the development of agriculture in South Africa, stated in its commentary that the new proposed wealth tax options are both undesirable and infeasible. It is not fair to the agricultural sector that a second land tax be introduced. Farmers are already paying municipal rates on their land. This is by definition a land tax and it has been in operation since July 2005. From a taxation focus it is therefore imperative that the regulatory environment should not impede the opportunities for agricultural development that still exist, taxation should be conducive towards employment creation and maintaining the current labour force to the fullest possible extent, new entrants into the agricultural sector should be supported to make a meaningful contribution to the

economy. If the three proposed wealth tax options are implemented, the sector will be impacted negatively and new entrants into the sector or simply put, emerging farmers, will be the ones that will be hit hard.

Agri SA therefore suggests that, instead of imposing further tax burden, government should concentrate on rehabilitating the public sector and raise the education level of its people and produce the skills that are currently in short supply. But, most importantly, the focus should be on curbing wastage and eliminating corruption that is currently draining fiscus.

Special dialogue sessions are arranged on an ongoing basis to consider a diversity of interests and opinions in which Agri SA will participate. Workshops were also planned for July 2017 and Agri SA encouraged its affiliates to participate in this.

### **GENERAL MATTERS**

#### **Phakisa**

The launch of Operation Phakisa on Friday, February 24th, 2017 by president Zuma and the ministers of agriculture, forestry and fisheries and rural development and land reform is the net result of wide consultation and extensive engagement over a period of six months between organised agriculture, government officials, agriculture experts, labour unions, non-governmental

organisations, state entities and various other stakeholders with vested interests in agriculture.

Seven working groups were established and came up with 27 initiatives aimed at growing and transforming the agricultural sector. These initiatives are based on partnerships with the private sector and will apparently help to realise the outcomes as outlined in the agricultural policy action plan (APAP) as well as chapter 6 of the National Development Plan.

The Commercial Policy Committee made a presentation at one of its annual meetings in March 2017 regarding relevant aspects that affect agriculture in this process. It was recommended by this committee that this document be used as basis for inputs which will be

followed by a workshop involving all committees of Agri SA.

**Interaction with Statistics South Africa**

As in the past, Agri SA encouraged its affiliates, as well as their members, to comply with and participate in surveys conducted by Statistics South Africa.

Reliable statistics are of value for various reasons. They determine, among others, agricultural policy development, and are therefore valuable to the industry. Statistics South Africa again assured that information is regarded highly confidential and will not be disclosed, except in aggregated form.

The following household-based surveys will be conducted throughout 2017:

- General Household Survey;
- Domestic Tourism Survey;
- Victims of Crime Survey;
- Quarterly Labour Force Survey; and
- Continuous Population Survey.

Agri SA will again be an important conduit between Statistics South Africa and the farmer.

**National Budget**

Despite very difficult circumstances, minister Pravin Gordhan delivered a budget that was indicative of his realisation that the current economic trajectory is unsustainable and that a new approach is required. In its commentary on the budget, Agri SA stated that not enough was said with respect to curbing the high levels of corruption, nor was the drain on the fiscus brought about by the state-owned companies addressed

Agri SA stated that not enough was said with respect to curbing the high levels of corruption, nor was the drain on the fiscus brought about by the state-owned companies addressed firmly enough.



Agri SA appreciated the R30 billion spending on agriculture, rural development and land reform over the medium term, provided it will serve the purpose of what it is intended for.

firmly enough. Taxing people in high income brackets might have been the right and soft option for now but it will not suffice as a medium-term option, given structural problems clearly present on both the income and expenditure side of government finances.

Agri SA appreciated the R30 billion spending on agriculture, rural development and land reform over the medium term, provided it will serve the purpose of what it is intended for. The focus of this spending should be on commercial agriculture, i.e. moving land reform beneficiaries towards commercial production and increasing productivity of existing commercial agriculture. Agri SA also mooted that it is critical that we find innovative technics to attract young people

to the sector. Land reform must prioritise willing and capable young farmers - most of the spending in agriculture must be directed towards this purpose.

Agri SA acknowledged the need to curb obesity in the country. However, we are of the view that a sugar tax could have an enormous impact on the cane growers in the country, leading to a reduction in production levels and job losses.

#### **State of the nation 2017**

Agri SA regularly makes submissions regarding the content of the South African state president's state of the nation address. Before the address, Agri SA asked for statesmanship to address the many economic and social problems in the country, and expressed its misgivings regarding the proposed content of "radical transformation".

President Zuma mentioned commendable land reform initiatives tackled by farmers in collaboration with farmworkers. He emphasised the importance of the National Development Plan and the Constitution, which are also the frameworks used by Agri SA to provide the government with workable land reform proposals. Of concern, however, are the uncertainties around the Expropriation Bill which was referred back to parliament; the proposed amendments to the Competition Act to make provision for concentration

of ownership; and even the proposed Property Practitioners Bill.

Agri SA will, as in the past, heed the president's request for cooperation with South African Police Service to ensure safer communities.

Agri SA also welcomed the president's comprehensive reference to trade agreements with, for example, the European Union, Mercosur states, China and some of the Brics members.

#### **Business Unity South Africa**

Business Unity South Africa (Busa) is a confederation of business organisations, including the business and commodity chambers, professional associations, corporate associations and unisectoral organisations. Busa represents South African businesses at macro-economic level and in high-level matters that could have an impact at national and international level.

Busa's function is to ensure that business plays a constructive role in the country's economic growth, development and transformation and to create an environment where businesses of all sizes and in all sectors, can flourish, expand and operate competitively.

As the most important representative of business in South Africa, Busa expresses the views of its members, including Agri SA, in a number of structures and bodies, statutory as well as non-statutory. Busa also represents business's interests within



the National Economic, Development and Labour Council (Nedlac). Busa’s activities extend across a variety of areas, including agricultural matters, trade and other aspects that have an impact on the business community in general and agriculture in particular.

**Perishable Products Export Control Board**

During the report year Agri SA received an invitation to nominate members for the Perishable Products Export Control Board. Agri SA nominated three persons, as is legally required. The minister of agriculture, forestry and fisheries has appointed the new board for the three year period effective 1 December 2016.

**National Agricultural Research Forum**

Since its establishment in 2002, the National Agricultural Research Forum (NARF), of which Agri SA is a member, has facilitated the development and implementation of the National Agricultural Research and Development Strategy. The 11th NARF plenary took place in March 2017 and, amongst other things, deliberated on research issues affecting agricultural sector such as drought, climate change and the recent pest outbreaks. The plenary was framed within the theme “Climate variability: impact on agricultural production, adaptation and mitigation”.

During this plenary session, the

director-general for agriculture, forestry and fisheries also launched the agriculture, forestry and fisheries (aquaculture) research apex body. Agri SA will keep its members informed of any further development in this regard.

**Young leaders master class**

Agri SA hosted a group of international journalists and the management committee of the International Federation of Agricultural Journalists (IFAJ) during March 2017. The young leaders master class is a selected group of young journalists that attended a boot camp in South Africa, including some farm visits, before the international IFAJ congress started at Kievitskroon outside Pretoria. Agri SA had the opportunity to explain the local agricultural economy to this group.

**Financial stability and economic growth**

Agri SA had the opportunity to attend the launch of the financial stability review of the South African Reserve Bank (SARB) during May 2017. It became clear that economic growth will remain at depressed levels in the near future whilst the downgrading of South Africa’s credit rating is likely to aggravate this situation.

**Meeting at the Embassy of Sweden**

Agri SA was invited to give a brief overview about its business focus,

highlight some of the challenges currently faced by the agricultural sector and to provide strategies needed to increase value-added in agricultural production in South Africa. Agri SA also gave an insight on the recent drought that happened in the country as well as its responses to the drought.

The purpose of these meetings is to discuss issues of importance to Agri SA and the agricultural sector and also to build relations with Sweden.

**Grocery retail sector market inquiry**

Agri SA made a submission to the Competition Commission regarding the grocery retail market inquiry. Agri SA noted and welcomed the intended investigation into the



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grocery retail market to determine the extent of restricted competition, if present, in this section of the grocery value chain. Agri SA obviously has a direct interest in food related matters that may arise in this regard.

The Competition Commission hosted workshops in the respective provinces to discuss the impact of the entry of national supermarket chains into townships, peri-urban areas, rural areas and the informal economy; the impact of long term exclusive lease agreements and the role of financiers on competition in the grocery retail sector; the impact of regulations and by-laws on competition in the grocery retail sector; and the impact of buyer groups and buyer power of purchasers of fast moving consumer goods on competition in the grocery

retail sector.

Agri SA and its affiliates cooperated to the fullest possible extent to provide relevant information and evidence during the public hearings.

#### **COMMODITIES CONFERENCE**

The Commodity Chamber of Agri SA hosted a conference with the theme "Achieve food security and promote sustainable agriculture" on 27 and 28 February 2017 in the Western Cape.

The conference paid in depth attention to the need to analyse the environment commodity organisations have to operate in, specifically with respect to the political situation, the economic variables, social, technology and the natural environment.

Day one the conference discussed the securing and expanding markets

for agricultural products as well as the competing demands on natural resources policy and practical considerations. The second day of the conference was dedicated to the coordinated development and specific financing, disaster management and food security as driver of public awareness of the agricultural sector. Aspects like value addition to agricultural products, expanding markets and the real value of trade agreements to the sector were discussed in depth. Thorough attention was also paid to competing demands on agricultural resources, agricultural financing and disaster management. The conference was concluded with a session that emphasized the role of the sector within the context of food security.



*The Commodity Chamber of Agri SA hosted a conference with the theme "Achieve food security and promote sustainable agriculture" on 27 and 28 February 2017 in the Western Cape.*

*Agri SA took note of alleged corruption among senior DWS officials in relation to the conclusion of contracts. More information is sought, which may necessitate an investigation by Agri SA as it could have an impact on the water tariff dispensation.*



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# POLICY COMMITTEE: Natural Resources



Wayman Kritzinger served as chair of the Natural Resources Policy Committee. He was assisted by Cornie Swart as vice chair and Willem Symington as additional member. Nic Opperman was the functionary until his retirement at the end of April 2017. Janse Rabie replaced Nic Opperman on 1 May 2017.



Wayman Kritzinger

## WATER AFFAIRS

### Water tariff dispensation

The department of water and sanitation's (DWS) approved water tariff dispensation for 2017/2018 was circulated to the affiliates. The percentage increase in the water resource infrastructure (WRI) tariff initially exceeded the agreed-upon maximum of 17% (7% PPI plus a further maximum of 10% points depending on the level of under-recovery of costs by the government water scheme).

Agri SA raised the matter with the DWS, after which the necessary adjustments were made.

Agri SA took note of alleged corruption among senior DWS officials in relation to the conclusion of

contracts. More information is sought, which may necessitate an investigation by Agri SA as it could have an impact on the water tariff dispensation.

### Review of the national water pricing strategy

Agri SA is involved in the review of the DWS's water pricing strategy.

The organisation welcomed in general the principle of a multi-year tariff determination which will offer irrigation farmers more certainty for long-term planning purposes.

Agri SA also welcomed the cost differentiation approach and limits on water use costs for certain sectors such as agriculture to support national food security. The modelling of the approach is important in determining the impact thereof on government water schemes (GWS).

## Review of the national water policy and legislation

Agri SA, in collaboration with the DWS, has made progress in reviewing the national water policy. The accompanying amendments to the legislation are expected in 2017. The proposed draft legislation to combine the Water Services Act and the National Water Act was also awaited.

## Illegal water use

The illegal use of water is a serious concern and causes conflict and inequality among irrigators. Those who comply with the rules find themselves in a relatively weaker position.

Agri SA is of the opinion that the verification and validation process of water use rights should be expedited and that the results should be made available for public scrutiny in the respective water catchment areas.

Comments in this regard must then be evaluated in order to compile a database which is as accurate as possible. Agri SA is of the opinion that local catchment management agencies (CMAs) will be able to curb illegal water use.

## Water quality

There is an increasing concern over the impact of deteriorated water quality on the agricultural sector. The pollution of water resources, both surface and subterranean, has increased to such an extent that agricultural production could suffer. Although pollution occurs on several

levels, municipalities are important roleplayers in this regard.

Agri SA has over time followed various approaches to address poor water quality. This includes seeking senior legal counsel on water users' legal position in relation of the DWS's liability.

Besides the DWS's blue and green drop reports, there are also certain status reports on water quality available from the DWS. According to these reports, it seems that the chlorine content of purified water is too high at some municipalities and does not prevent all harmful biological pollution. It also holds health risks for people and animals.

Agri SA is of the opinion that water quality should be monitored at provincial level. This issue should be raised in the inter-departmental

C-SAW structures, and also where the CMAs are already functional. The particular emergency numbers at the DWS and DEA (department of environmental affairs) must also be tested to determine the functionality thereof. Problems in this regard must be referred to Agri SA for follow-up. Agri SA is aware of the DWS's intention to develop an integrated national water quality policy and strategy and will comment thereon after it is published.

## Catchment management agencies

Feedback from affiliates on the status of proto-CMAs indicates that the processes are slow; working capital is limited; projects are halted or postponed, with the delegation of powers limited to this extent; and the target date for completion of CMAs, as envisaged by the DWS in 2017, is

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being questioned.

Considering the above and bearing in mind the practices at existing CMAs, the DWS was requested to clarify the following:

- Licensing powers delegated to the CMAs stand to be withdrawn again;
- Representation on CMA management bodies, given that agriculture is the biggest user of water;
- The cost impact of CMAs on agriculture, and possible duplicating cost structures of the DWS;
- How sub-CMAs will function; and
- The responsibility of CMAs in relation to water quality.



### **Water restrictions**

Agri SA is concerned about the DWS's inability to monitor and enforce the water restrictions published in the Government Gazette. It also seems as if prior consultation is not satisfactory, which could influence the accuracy of the calculations.

Agri SA indicated that effective water control will only be possible where water user associations and catchment management structures (WUAs and CMAs) with the necessary skills are in place.

### **Lifting of drought-related water restrictions**

The DWS has evaluated the status of dams in Limpopo, North West and the Free State and decided to lift the water restrictions. Agri SA was informed that the lifting of such water restrictions would take place soon by way of a notice in the Government Gazette. However, the DWS has dragged its feet in issuing such notice despite Agri SA's request for urgency in this regard.

There is concern over the interpretation of the DWS's operational rules for implementation and lifting of water restrictions. Adequate rainfall, such as experienced recently in the Vaal and Orange River systems, should result in the immediate lifting of water restrictions.

Problems with the interpretation of the operational rules relating to the introduction and lifting of water restrictions will be raised with the DWS.

### **Regulations requiring that the taking of water for irrigation purposes be measured, recorded and reported**

Agri SA has asked the DWS to clarify the application of these regulations. The DWS explained to Agri SA the technical aspects of the regulation. At present the regulations apply only in terms of the provisions of the National Water Act or if the DWS is approached for such an instruction, whether by their regional office or a CMA. The DWS will develop guidelines in this regard separately for water users, in consultation with the stakeholders. Agri SA will have an opportunity to contribute to such an implementation plan.

The DWS is apparently planning to use the regulations to compel known offenders to disclose water measurement figures and will, on the basis thereof, decide on possible prosecution.

### **Building of new dams and upgrading of existing dams**

Agri SA has asked the DWS to provide information on the department's planning with regard to the building of new dams and upgrading of existing ones.

The DWS provided the following information:

#### **Western Cape**

Work to raise the Clanwilliam Dam wall will start soon. The canals will also be replaced and upgraded. This will stabilise water provision and moderately improve the irrigation

*There are various large dams in the former Transkei area which were built with a view to agricultural development, but this was implemented only to a limited extent. Examples are the Xonxa, Lubisi and Ncora dams.*

potential for emerging farming operations. The Western Cape department of agriculture is actively involved in this project.

A project to pump surplus winter water from the Berg River to the Voëlvlei Dam to improve the supply of water from the dam will be starting soon. This water will serve largely to supplement household water for Cape Town and Saldanha.

No further dams are currently envisaged.

### Eastern Cape

The Mzimvubu River development entails the building of two dams. Although agriculture forms part of the motivation, there are question marks over the affordability of the water. The building of further dams, which is in fact being considered, does not focus

primarily on agriculture, except small-scale farmers in certain circumstances.

There are various large dams in the former Transkei area which were built with a view to agricultural development, but this was implemented only to a limited extent. Examples are the Xonxa, Lubisi and Ncora dams. Irrigation from the Doring River Dam at Indwe has also ceased. At present the dam only supplies water for household purposes.

### Central

In this system, which includes the Orange and Vaal River catchment areas, the second phase of the Lesotho Highland water project, namely the building of the Podihale Dam, should already have started, but this has been delayed.

### KwaZulu-Natal

Various large projects are under way or in the investigation phase, but only for urban water supply.

### Limpopo

Given the demands of other sectors and cities on available water, the possibility of further irrigation development in the province is extremely slim.

### Western Cape drought

Agri Western Cape has approached Agri SA for advice regarding the damming up of water in river courses where such water is still present. Specialist opinions were sought, which indicate that damming up water without the necessary water use licences or general authorisation would not be possible.

Although agriculture forms part of the motivation, there are question marks over the affordability of the water. The building of further dams, which is in fact being considered, does not focus primarily on agriculture, except small-scale farmers in certain circumstances.



**ENVIRONMENTAL AFFAIRS**

**Shale-gas development**

The department of mineral resources (DMR) has asked that Shell review the environmental management plans (EMPs) previously submitted.

With regard to this request, the following specialist studies were conducted in response to important questions raised during the 2011 EMP liaison with stakeholders in preparation for the environmental impact assessment (EIA) in the event that the exploration rights are granted:

- Ground water atlas volumes 1 and 2;
- Water supply phases 1 and 2;
- Waste water inventory; and
- Criteria for site selection.

Shell has appointed Golder to help

facilitate the information process.

Golder's presentation is available on Agri SA's website, including full details of the specialist studies referred to.

Summary:

- Shell's application for exploration rights was awaited;
- It is not possible for Shell at this stage to provide the full environmental impact study. This will be done systematically depending on progress made with exploration/drilling; and
- Exploration does not include fracking; and
- Depending on the potential economic extraction of shale gas, Shell will in principle be prepared to negotiate further with land owners on how the impact thereof on agriculture will be addressed.

**Strategic environmental impact study for shale-gas development**

The Council for Scientific and Industrial Research (CSIR), in partnership with the South African National Biodiversity Institute (SANBI) and the Council for Geosciences (CGS), was appointed by the department of environmental affairs (DEA) to conduct a strategic environmental assessment (SEA) for shale-gas development in South Africa.

The mission statement for a SEA is to formulate an integrated assessment and decision-making framework that will enable South Africa to create effective policy, legislation and sustainable conditions under which shale-gas development can take place. The point of departure for the study is that the South African government and various other decision-making institutions are bound, at high level, to shale-gas exploration and require the best possible information in this regard.

Agri SA and the International Erosion Control Association Southern Africa (IECA-SA) provided input on the agriculture chapter of the SEA, specifically relating to the possible impacts envisaged during the exploration as well as possible production phase.

The draft documentation will be made available for public commentary.

Agri SA's Natural Resources Committee chair, Wayman Kritzingler, serves on the Process Custodianship Group (PCG).



*Depending on the potential economic extraction of shale gas, Shell will in principle be prepared to negotiate further with land owners on how the impact thereof on agriculture will be addressed*

## Rights in relation to minerals development

An updated draft guideline document for mineral development, including notes by Agri SA's legal section on the requirements which a class action must meet, has been compiled and approved.

## Memorandum of understanding – Chamber of Mines

Agri SA and the Chamber of Mines had compiled draft terms of reference for implementing the memorandum of understanding, after which the Chamber sent these to the interest groups for consideration. Feedback from the Chamber of Mines is awaited.

## Protection and Development of Agricultural Land Act

The department of agriculture, forestry and fisheries (Daff) has informed Agri SA that the draft Protection and Development of Agricultural Land Bill (PDALB) will be reviewed. A consultant was appointed for this purpose. Agri SA, in its capacity as member of Business Unity South Africa (Busa) provided input towards the consultant's brief and made submissions to Nedlac regarding certain aspects of the bill. The consultant's report was expected to be available by June 2017.

The purpose of the proposed legislation is to retain high-potential agricultural land for agricultural use. Such land is currently being threatened by competing demands

such as those of the mining industry. Existing legislation does not offer an adequate legal base for agriculture in this regard.

The Chamber of Mines disagrees with agricultural stakeholders within Busa regarding the constitutionality of PDALB. The difference of opinion relates largely to the veto rights of the relevant ministers and the powers of the respective levels of government. The Chamber of Mines has sought a legal opinion in this regard. Such legal opinion will determine the process that must be followed because consensus within Busa is also required for negotiating within Nedlac.

Agri SA monitors the process and will, if necessary, seek legal opinions in own right.

## National Environmental Management: Biodiversity Act – Regulations for invading species

The DEA was asked to provide feedback on the application of the National Environmental Management: Biodiversity Act (NEM:BA)-regulations. Agri Eastern Cape undertook to monitor consistency regarding the issuing of directives in the case of transgressions.

Free State Agriculture is involved in a forum between Daff and the DEA which deals with the application of regulations for invading species. Provincial organisations can also consider raising the matter at the Coordinating Committees

on Agricultural Water (CAAWs), which consist of the different state departments in the nine provinces.

Agri SA's guideline document is available for affiliates' use.

## Contradictory statutory requirements: Environmental impact regulations to the National Environmental Management Act, read with the Conservation of Agricultural Resources Act

The Environmental Impact Assessment (EIA)-regulations place a regulatory and financial burden on farmers because a basic assessment is required for certain activities that form part of routine farm management. Certain listed activities, including preventing erosion, require EIAs, which holds cost implications for all farmers concerned.

The Environmental Impact Assessment (EIA)-regulations place a regulatory and financial burden on farmers because a basic assessment is required for certain activities that form part of routine farm management.

There is also a legal dilemma in that the National Environmental Management: Biodiversity Act (NEM:BA)EIA regulations and the Conservation of Agricultural Resources Act (CARA) place contradictory obligations on the land owner in respect of the eradication of bush invasion. These contradictions make it impossible for the farmer to comply with both sets of legislation. Agri SA has approached Daff for clarity around the interpretation of certain listed activities, subject to EIAs, in terms of the National Environmental Management Act (NEMA), but which are contrary to the CARA legislation. Agri SA currently participates in two sub-working groups under the auspices of Daff in an effort to address the matter.

### **Migrating pests – gnat control**

Agri SA has addressed representations to Daff to secure approval for a national control policy at ministerial level for gnats and quelea, similar to the locust control policy. Feedback received from Daff indicates that the department is in the process of reviewing all migrating pest control policies to align them with the Disaster Management Act. Stakeholders such as Agri SA will be involved in the process.

A research project is being conducted by the Water Research Commission (WRC) aimed at gnat control. The Red Meat Producers' Organisation (RPO) is involved in this.

Representations were addressed to Daff to include armyworms in the list of migrating pests.

### **Internal environmental fund**

Agri SA has tested the need for an environmental fund among affiliates to assist them in dealing with prospecting and mining applications. Limited feedback and mixed responses were received from affiliates. The Management Committee also considered the matter. The latter's decision is cited for information purposes:

"Affiliates should be asked to make provision in their respective legal funds for litigation that may arise out of exploration and mining activities or activities contemplated in this regard. To the extent that further research and surveys are required, Agri SA will request affiliates to make a financial contribution towards covering the applicable costs."

The committee will consider further guidelines in this regard.



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*The positive contribution that agriculture makes to the economy, as well as in terms of social upliftment, forms an integral part of the communication process. Liaison is aimed at promoting the view of farmers as providers of food and fibre.*



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## POLICY COMMITTEE: Communication and Image Building



Carl Opperman served as chair of the policy committee and was assisted by Sandy La Marque as vice chair and Annemi Rautenbach as executive committee member. Kobus Visser served as functionary.



Carl Opperman

**O**n the recommendation of the committee's executive committee, the General Council decided to phase out the committee. In future, communication-related activities will be dealt with by the Management Committee and General Council.

### **Communication strategy**

Networking relations remain important and are enhanced in various ways to the benefit of the parties concerned. The positive contribution that agriculture makes to the economy, as well as in terms of social upliftment, forms an integral part of the communication process. Liaison is aimed at promoting the view of farmers as providers of food and fibre.

Efforts are continuously made to improve Agri SA's communication. The General Council is satisfied with the performance of the magazine *Agri*, as well as the upgraded Agri SA website and social media portals (Facebook, Twitter, Instagram and LinkedIn) where Agri SA is represented. The closed e-communication portal (SharePoint) with affiliates appears to be effective, as is the newsletter.

These actions are supported by a strategy that is regularly reviewed in line with technological and other requirements. The strategy is adjusted to support Agri SA's new propose strategy and will in future focus on promoting the work of the respective policy committees. To implement the strategy successfully, Nedbank has come on board as strategic communication partner to offer assistance.

## Marketing and funding strategy

This strategy is aimed at establishing Agri SA as a credible source of agricultural information, promotion of Agri SA's trademark and identification of projects for funding in consultation with the policy committees. The strategy contains guidelines on Agri SA's approach to recruiting sponsors, general fundraising, as well as the use of funds.

The incorporation of corporate members who do business in the agricultural value chain forms part of the implementation of the strategy. During the past year, eight corporate members joined Agri SA as part of the Corporate Chamber.

The marketing manager is responsible for implementing and executing the strategy. In future close cooperation will take place with the Corporate Chamber to recruit new members.

## Participation in various projects, congresses and conferences

Agri SA is regularly approached to participate in various projects, including the production of films and documentary programmes, and to speak and/or exhibit at conferences or participate in theme-specific advertising campaigns. These invitations are considered from a cost-benefit perspective – also with a specific focus on strengthening the impact of the organisation.

## Parliamentary liaison

Forty-two bills were tabled in parliament during the period under review. Of these, nine were of direct interest to the agricultural sector. This includes the Extension of Tenure Security Amendment Bill, the Plant Breeders' Amendment Bill, the Plant Improvement Bill, the Expropriation Bill, the National Veld and Forest Fires Bill, the National Forestry Amendment Bill and the Alcoholic Products Amendment Bill.

The Expropriation Bill, which was initially approved by parliament, was again referred back by the president due to inadequate consultation. A Restitution Amendment Bill tabled by a private member of parliament attempts to keep the land claims process open until 2021. The tabling of the Regulation of Agricultural Land Holdings in parliament is still awaited. The bill has already been published by the department of rural development and land reform for commentary.

Agri SA's parliamentary representative attended the committee meetings and Agri SA was provided with parliamentary reports on a regular basis. These reports also dealt specifically with the strategic plans and annual reports of state departments and institutions, the roles of the respective institutions in managing the consequences of the drought, control over animal diseases, progress with the restitution process, the budgets of various

state departments, as well as the Constitutional Court ruling on the suspension of new land claims, planned amendments to the national water policy, the proposed sugar tax, the crisis in the poultry industry and climate change.

## Media exposure

Meltwater News monitors Agri SA's media exposure. An electronic report is received daily, with more comprehensive reporting on a quarterly basis. The agency Newsclip monitors Agri SA's activities on radio and television. Notices are received on an occasional basis and a summary of the coverage is received weekly in the form of a Redbook. The feedback enables Agri SA to determine how widely its messages are carried in the media.

Agri SA's activities on Facebook,

Agri SA also had an opportunity during the year to participate in the Senwes 'Nation in Conversation', where the challenges experienced by the agricultural sector also enjoyed wide media exposure.



*Agri SA's activities on Facebook, Instagram, Twitter and LinkedIn are regularly measured and included in a communication report. It seems that Agri SA's presence continues to grow in the social media since accessing these platforms in 2015.*

*The Toyota SA/Agri SA Young Farmer of the Year Competition is endorsed by Agri SA. In 2016 Toyota SA sponsored this competition for the 13th year with a Toyota bakkie as the main prize.*

Instagram, Twitter and LinkedIn are regularly measured and included in a communication report. It seems that Agri SA's presence continues to grow in the social media since accessing these platforms in 2015. These platforms are important for reposting news items in order to widen their reach.

As confirmed by independent research, Agri SA is clearly an authoritative commentator on a wide range of agriculture-related issues.

### **Agri, incorporating Die Boer/The Farmer**

Agri is Agri SA's bimonthly magazine. It provides information on policy, legislation and programmes that are of interest to farmers. It also offers advice, extension and news on topical events to approximately 28 500 farmers who, via the

respective affiliates, are members of Agri SA. The magazine is sent out directly and also distributed more widely to include opinion-formers and decision-makers. It is also available electronically on Agri SA's website.

Agri's circulation figures are audited biannually by the Audit Bureau of Circulations (ABC). The information serves as basis for advertisers to exercise choices regarding their preferred magazines for placing advertisements.

### **e-Agri newsletter**

e-Agri is Agri SA's electronic newsletter. It offers a spectrum of readers information on the latest status of topical agricultural issues. The e-newsletter contains news items in both Afrikaans and English and is also available online on Agri SA's website.

The format in which e-Agri is published is generally well received. It makes provision for abridged reports with a 'Read more' option for further information. The e-newsletter is published on various other websites and the content is used by various news media.

### **Webpage and social media**

Agri SA's website is a well-functioning, timely platform, featuring various Agri SA documents and industry news. The drought relief webpage developed during 2016 is fully integrated with Agri SA's webpage.

The social media platforms are growing monthly, with the Twitter platform being regarded as one of the top 5% in the agricultural environment, and LinkedIn as the second most popular.

The Commodity Chamber conference hosted by Agri SA during February received wide exposure on Agri SA's social media platforms, reaching approximately 80 000 people.

The closed portal, SharePoint, offers access only to registered member organisations to share selected information. Information and documents available on the portal are regularly supplemented to keep the portal as up to date as possible. Planning is currently being done to accommodate the portal as a members-only portal on Agri SA's website.

### **Toyota SA/Agri SA Young Farmer of the Year Competition**

The Toyota SA/Agri SA Young Farmer of the Year Competition is endorsed by Agri SA. In 2016 Toyota SA sponsored this competition for the 13th year with a Toyota bakkie as the main prize.

Agri SA is responsible, among others, for coordinating the competition between Toyota SA and Agri SA's provincial affiliates.

Agri SA regards the competition as of great value because it identifies young role models for prospective entrants, which is essential to ensure



the future dynamics of the sector.

During a gala event at Avianto in Muldersdrift in October 2016, Jacques Beukes, a table grape producer from De Doorns in the Hex River Valley, was named the winner.

The competition has been held annually since 2004, producing the following winners:

- 2004: Jan Grey, Agri Mpumalanga
- 2005: Johan Furstenburg, Agri Limpopo
- 2006: Pieter Nortje, Agri Eastern Cape
- 2007: Robert De Villiers-Graaff, Agri Western Cape
- 2008: JB van den Berg, Free State Agriculture
- 2009: Tony Da Costa, Agri Gauteng
- 2010: Jan Scheepers, Free State Agriculture
- 2011: Gog van der Colf,

Agri Northern Cape

- 2012: Richard Ablort-Morgan, Agri Eastern Cape
- 2013: Attie Stoltz, Agri Northern Cape
- 2014: Sakkie van Zyl, Agri North West
- 2015: Anthony Goble, Kwanalu
- 2016: Jacques Beukes, Agri Western Cape

**NAMPO Harvest Day**

As in the past, Agri SA manned an exhibition at the NAMPO Harvest Day event. This offered Agri SA's office bearers and functionaries to meet with individuals and so-doing exchange information on the organisation's activities on an informal basis.

Farmers, farmer leaders, academics and representatives of international agricultural shows visited Agri SA's

exhibition.

Agri SA also had an opportunity during the year to participate in the Senwes 'Nation in Conversation', where the challenges experienced by the agricultural sector also enjoyed wide media exposure.

**Journalistic competition**

The purpose of this competition is to recognise journalism that promotes the image of the farmer/agriculture. The emphasis is on commercial agriculture's contribution to farmer development, transformation and training in agriculture. The competition is an initiative of Agri Securitas Trust Fund and is presented by Agricultural Writers of SA.

The winner of the 2016 competition was Charl van Rooyen of Landbouweekblad with his article "Kleinjan maak boerderygeskiedenis".

As in the past, Agri SA manned an exhibition at the NAMPO Harvest Day event. This offered Agri SA's office bearers and functionaries to meet with individuals and so-doing exchange information on the organisation's activities on an informal basis.



### International liaison

Agri SA was involved in various international liaison opportunities, including the following:		
4 May 2016 Livingstone, Zambia	World Farmer's Organisation (WFO), general meeting	Johannes Möller Omri van Zyl
23 May 2016 Manzini, Swaziland	Southern African Confederation of Agricultural Unions (SACAU), annual general meeting	Christo van der Rheede
5 October 2016 Windhoek, Namibia	Namibian Agricultural Union, congress	Johannes Möller Omri van Zyl
27 October 2016 Harare, Zimbabwe	Commercial Farmers' Union of Zimbabwe, congress	Johannes Möller Willie Jacobs
24 November 2016 Gaborone, Botswana	Botswana Investment & Trade Centre (BITC), conference	Omri van Zyl
23 January 2017 Rome, Italy	World Farmers' Organisation (WFO), Board of Auditors' meeting	Omri van Zyl
4-7 April 2017 Swaziland, Ezulwini	Southern African Development Community (SADC), meeting of ministers of labour and job opportunities	Elize van der Westhuizen

### Other liaison activities

The Directorate Corporate Liaison was responsible for the following actions/events that took place during the course of the year:

- Coordination of information events and visits by international and local guests;
- Agri SA's annual congress and Commodity Chamber conference;
- Agri SA's corporate clothing range;
- Coordination of Agri SA's annual report; and
- Attendance of agriculture-related exhibitions and events.

*The Trust Fund's objective is to provide financial assistance to farming communities to improve their safety.*



We develop the South-African Agriculture-Industry | Ons ontwikkel die Suid-Afrikaanse Landbou Industrie

## PROJECTS: Agri Securitas Trust Fund



The Agri Securitas Trust Fund board is chaired by Japie Grobler, with Kobus Visser as functionary.



**T**he Agri Securitas Trust Fund strives for a safer rural environment by supporting local security projects.

The relevant projects are aimed at prevention as well as after-care.

The Trust Fund's objective is to provide financial assistance to farming communities to improve their safety.

An important aspect when considering whether to fund projects is the cooperation that exists between the local community and the South African Police Service (SAPS). All projects that are supported must comply with the legal framework and institutional modus operandi. Since the Trust Fund does not have executive capacity, it fulfils its mandate via other organisations such as, for example, farmer associations.

### **Establishment of the Trust Fund**

The Trust Fund was established by Agri SA following the Rural Safety Summit on 10 October 1998.

### **Trust deed**

The trust deed makes provision for a Board of Trustees, which may not consist of more than 12 members. As a general guideline for the appointment of trustees, the current professional status of candidates is taken into account.

During the report year, Chris du Toit resigned as trustee. Omri van Zyl and Tharina Rossel were appointed as replacements on the board and were authorised by the Master of the North Gauteng High Court in terms of section 6(1) of the Trust Property Control Act, 1998 to serve as trustees of the Trust Fund. Japie Grobler was re-elected unanimously as chairman

*For the past 10 years Reformanda Counselling Services has been actively involved in offering counselling to agricultural communities countrywide.*

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for a term of three years.

The board has considered various amendments to the trust deed, which will be scrutinised by Agri SA's legal section before incorporation into the existing deed.

**Financial reporting**

The Trust Fund received an unqualified audit report from its auditors.

The board is responsible for the content and integrity of the financial statements. The Audit Committee, chaired by Dr Chris Wentzel, was informed that the Trust Fund can continue operating as a going concern. The board is also responsible for approval of the financial statements and has expressed its appreciation to the Audit Committee.

**PROJECTS FUNDED BY THE TRUST FUND**

The Trust Fund has since its inception been involved in the financing of various projects, including camera systems, the provision of radio communication systems, the installation of booms and rural safety equipment, funding of research regarding the motives behind farm attacks, support to security desks operated by provincial organisations and trauma counselling.

During the report period, the Trust Fund supported the following projects financially:

**National**

**Reformanda Counselling Services**

For the past 10 years Reformanda Counselling Services has been actively involved in offering counselling

to agricultural communities countrywide. Individual counselling sessions also take place after workshops. This year counselling was also provided to farmworkers who had been seriously traumatised after farm attacks.

The Trust Fund has been repeatedly thanked for this financial assistance, while Agri SA was thanked for taking the initiative to assist the agricultural community to deal with trauma. The success of the trauma workshops can be attributed to the fact that agricultural communities that are not located within reach of such services can make use of Reformanda's services to address their emotional problems.

**Agri SA's Rural Safety Committee**

This committee's policy actions

The Trust Fund has been repeatedly thanked for this financial assistance, while Agri SA was thanked for taking the initiative to assist the agricultural community to deal with trauma.



are aimed at promoting the safety of those involved and improving the security position of farming communities. This ideal can only be realised if the circumstances, including the security environment, are conducive to creating a profitable and safe agricultural environment. Agri SA's Rural Safety Committee focuses on a policy environment within which rural safety can be promoted. The Trust Fund makes a financial contribution towards the activities of the committee.

**Agri SA's Transformation**

**Communication project** Agri SA has a responsibility to broaden its inputs with regard to transformation. This is not only essential from a political, economic and social point of view, but also necessary because Agri SA's affiliates, especially commodity

organisations, have a significant number of black farmers in their membership base. Such farmers can rightly insist on participation in structures at national level.

The board has once again considered its contribution to Agri SA to promote transformation-related communication and has recommended that Agri SA adopt a more focused approach to the project.

In practice Agri SA's Agricultural Development Committee is charged specifically with the transformation dimension. The Trust Fund also makes a financial contribution towards this initiative via the ongoing support that it receives from Sanlam.

**Provincial projects supported**

During the past year the following projects received funding at the

request of provinces:

**KWAZULU-NATAL**

In this province the following projects were assisted financially:

- **Utrecht Farmers' Association**  
Acquisition of night vision equipment: General criminality is high due to increasing unemployment. The biggest problem is stock theft. The area falls under three police stations with the highest incidence of stock theft in the country. The equipment will be used in combatting stock theft.
- **Umvoti Agricultural Association**  
Camera system: The community had to deal with various challenges recently, including crime and protest action. To address these challenges, a camera system for number plate recognition was installed in the area to monitor safety threats proactively.

**FREE STATE**

In this province the following projects received financial support:

- **Groenebloem Farmers' Association** Battery recharger: General criminality occurs in the area, especially stock theft, the theft of relaying equipment and agricultural inputs. Farm attacks also occur in the area and, because of the theft of solar panels, an application was made for funding to purchase a wind-charger to charge the relayer batteries.



- **Greenlands Farmers' Association** Safety equipment: The community has installed a security system, with members financing a large portion of the cost. To implement the system fully, safety equipment such as bullet-proof vests was made available.
- **Free State Agriculture Security Desk** A security desk was established to gather critical security information, determine crime trends, monitor the implementation of the Rural Protection Strategy and promote the personal safety of members.
- **Free State Agriculture Integrity approval database:** Free State Agriculture's security desk intends to launch a pilot project in the Free State to capture the information of all workers and residents on a centralised, computerised system. With this system information in respect of previous convictions and arrests of persons who apply for work available on the database.
- **Frankfort District Agricultural Union** Safety equipment: The geographical area is large, which makes it difficult to combat crime effectively. The main problem in the area is stock theft. A security plan is in operation. To implement the plan successfully, safety equipment such as bullet-proof vests and binoculars was made available.
- **Marquard District Agricultural Union** Equipment for the control room and installation of cameras:

The main crimes that occur in the area are stock theft, home burglaries, ordinary theft, vehicle theft, murder and assault. Cameras as well as relayers were placed along strategic access routes to contribute towards the safety of the area and more effective implementation of the Rural Protection Plan.

**EASTERN CAPE**

In this province the following project received financial support:

- **Buffelshoek Agricultural Association** Camera system: The main problem in the area is stock theft perpetrated by well-organised syndicates. Cameras will be positioned along strategic routes to serve as a deterrent.

**NORTH WEST**

In this province the following project

received financial support:

- **Hartbeesfontein Agricultural Association** Camera system: Crime occurs regularly in the area and the extent of stock theft is systematically increasing. The theft of fencing material, agricultural inputs and products, cables and scrap metal takes place regularly. Home and storeroom burglaries and theft from vehicles and tractors occurs sporadically. A camera system is implemented in the area to monitor access.

**AGRI NORTHERN CAPE**

In this province the following projects received financial assistance:

- **Agri Colesberg** Installation of relay: The N1 runs through a large section of the district and plays a role in the incidence of stock theft by stock thieves



*The focus of the competition is on journalistic work, especially with regard to commercial farmers' support for the development of emerging black farmers.*

coming in from other areas. Given the mountainous terrain, communication is a problem, with limited cell phone reception on many farms. To address the problem a relay tower was installed to improve communication.

- **Agri Kuruman** Camera system: An increase in unemployment due to retrenchment at mines in the area had a negative effect on the security situation. Stock theft, theft of engines, solar panels and home burglaries occur regularly. A camera network was installed to monitor movement in the area and to serve as a crime deterrent.
- **Hartsvaal Farmers' Association** Camera system: Crimes such as home and farm-shop burglaries, theft of farm infrastructure, as well as stock theft, are the order of the

day. Many of these criminals come in from adjacent areas. To make the area safer, the farmer association plans to install three cameras along the access routes to the area.

**Prestige sports evening**

OFM and the respective sponsors of the event (Afgri, Senwes and NWK) had decided not to continue hosting the Prestige Sport evening during the report year. The sponsors and OFM decided instead to pay their sponsorship directly to the Trust Fund. The presentation of the cheque coincided with Agri SA's informal function during its annual congress in October 2016.

**Agricultural journalist of the year**

The focus of the competition is on journalistic work, especially with regard to commercial farmers' support for the development of emerging black

farmers. The competition is hosted by Agricultural Writers SA and is supported by the Agri Securitas Trust Fund. Santam Agriculture, as in the past, sponsored the competition.

The competition was held for the seventh time, with Charl van Rooyen, a journalist of Landbouweekblad, named as the winner.

The competition has been held since 2010. The previous winners are as follows:

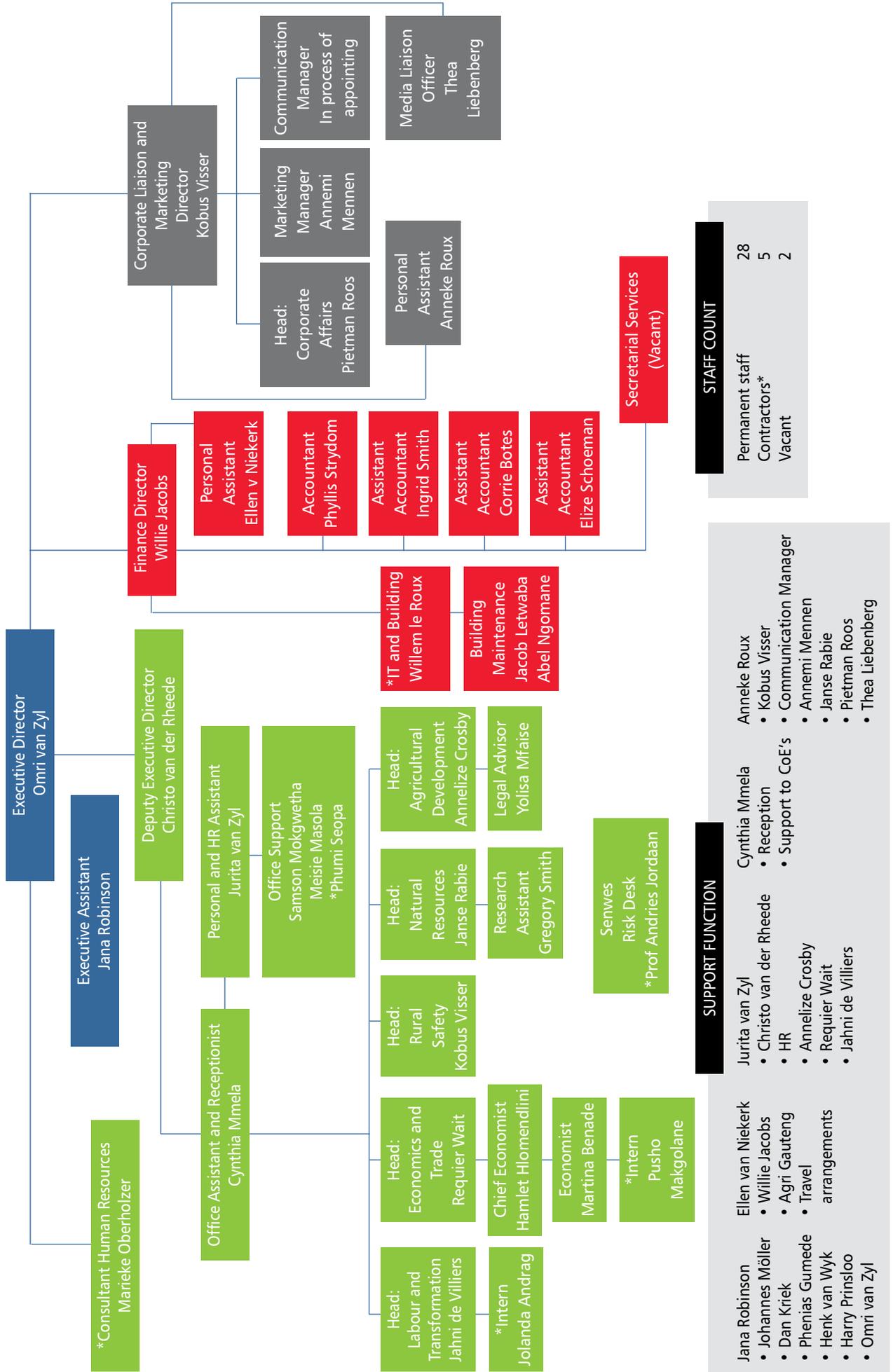
- 2010: Lisa Bohlmann (Dairy Mail)
- 2011: Lindie van Rooyen (Farmer's Weekly)
- 2012: Denene Erasmus (Farmer's Weekly)
- 2013: Martie Willemse (No-Line Productions)
- 2014: Denene Erasmus (Farmer's Weekly)
- 2015: Nan Smith (Farmer's Weekly)
- 2016: Charl van Rooyen (Landbouweekblad).

**The Trust Fund's partners**

Sanlam, Alisom, Nissan SA, Sonfin and CrisisOnCall are partners of the Trust Fund. They make financial contributions to the fund on an ongoing basis. These strategic partnerships enable the Trust Fund to continue playing a proactive role in rural safety. The chair of the Trust Fund and his fellow trustees have great appreciation for the empathy shown by these companies and their continued involvement in the security of the farming community.



# Organogram Agri SA



**STAFF COUNT**

Permanent staff	28
Contractors*	5
Vacant	2

**SUPPORT FUNCTION**

Jana Robinson	Ellen van Niekerk	Jurita van Zyl	Cynthia Mimela	Anneke Roux
• Johannes Möller	• Willie Jacobs	• Christo van der Rheede	• Reception	• Kobus Visser
• Dan Kriek	• Agri Gauteng	• HR	• Support to CoE's	• Communication Manager
• Phenias Gumede	• Travel arrangements	• Annelize Crosby	• Jahni de Villiers	• Annemi Mennen
• Henk van Wyk		• Requier Wait	• Janse Rabie	• Pietman Roos
• Harry Prinsloo		• Jahni de Villiers	• Thea Liebenberg	
• Omri van Zyl				

# Personnel

**T**he personnel complement currently amounts to 28 permanent workers. The following staff members accepted packages and left Agri SA: Johan Pienaar, Nic Opperman, Martha Lushaba and Elize van der Westhuyzen. Johan Pienaar, Nic Opperman and Martha Lushaba left Agri SA on 30 April 2017 and Elize van der Westhuizen on 31 May 2017. Amos Mabunda left Agri SA on 18 July 2017, and was replaced by Abel Ngomane. Livhu Ngwekhulu left Agri SA at the end of August 2017. Theo Boshoff left Agri SA by the end of February 2017. Yolisa Mfaise was

appointed as legal advisor in his place.

Janse Rabie was appointed head natural resources to replace Nic Opperman. Jahni de Villiers was appointed in the place of Elize van der Westhuizen. The position of head economics and trade is filled by Requier Wait. An appointment in the position of communications manager is in progress.

The following individuals who had previously served on a contract basis were appointed permanently: Annelize Crosby in the position of head agricultural development, Gregory Smith as research assistant and Jurita van Zyl as personal assistant to the deputy executive director.

Marieke Oberholzer was appointed on a contract basis as human resources consultant.

A new position head value chain development was created to attend to commodities as well as corporate members. Pietman Roos was appointed in this position.

Through the financial support of the Sasol Trust two internships were created, one each to labour and economics and trade.

Senwes is supporting Agri SAs Risk Desk for a period of two years.

## IN MEMORIAM

Agri SA remembers those members who passed away during the report year and extends its heart-felt condolences to their next of kin.

Agri SA wishes to mention those farmers, their families and farmworkers who died in the past year as a result of violent crime and extends its sincere condolences to their next of kin.



# Honorary Awards

## Honorary Presidents

2009: Mr L L (Lourie) Bosman  
 2005: Mr J E (Japie) Grobler  
 2001: Mr C J (Chris) du Toit  
 1996: Mr J J (Boet) Fourie  
 1991: Mr N J (Nico) Kotze  
 1989: Mr J A (Kobus) Jooste  
 1985: Mr J (Jaap) Wilkens  
 1973: Dr De la Harpe de Villiers  
 1956: Dr G J (Giepie) Rossouw

## Honorary Vice-Presidents

1980: Mr A J (Albert) Basson  
 1972: Mr J F (Jannie) van Wyk  
 1966: Mr J G (Kobus) Grobler

## Honorary awards in the form of an illuminated address

2016: Mr L (Louw) Steytler  
 Mr S F (Simon) Streicher  
 Mr S (Salam) Abram  
 2015: Mr C W P (Cor) Jansen van Vuuren  
 Mr H B (Hennie) Laas  
 Mr J H (Harry) Prinsloo  
 Prof M (Mohammad) Karaan  
 Mr J F (Hans) van der Merwe  
 2014: Mr P P J (Johan) van Rensburg  
 Mr C K (Neels) Ferreira  
 Ms L (Lillibeth) Moolman  
 Dr L (Leon) van Rooyen  
 Ms N (Ntombi) Msimang - Posthumously  
 2013: Mr L (Louw) Steytler  
 Mr J A (Kosie) Loubser  
 Mr A P (André) Botha  
 Mr R K (Robert) Barnsley

2012: Mr W J (Wessel) van der Merwe  
 Mr A (Andries) Beyers  
 Mr J A (Koos) Pienaar  
 2011: Mr C (Stoffel) Lombard  
 Mr C J (Cerneels) Pietersen  
 2009: Mr J E (Edward) Vorster  
 Mr A C (Christof) Cloete  
 2008: Mr H F (Koos) van Zyl  
 Mr P J (Philé) van Zyl  
 Mr J J (Koot) Claassen  
 Sanlam  
 Vodacom  
 2007: Mr P W (Pieter) Möller  
 Mr A (Willie) Auret - Posthumously  
 2006: Mr H J (Bully) Botma  
 Dr J G (John) Williams  
 Mr M W (Walter) Ntuli  
 Mr P C P (Pieter) Meyer  
 Mr A F (Riaan) van Wyk  
 Dr N (Neil) Theron - Posthumously  
 2005: Mr H J (Bully) Botma  
 Mr I J (Izak) van der Merwe  
 Mr W (Wilco) Beukes  
 Mr J L (Jan) van der Walt  
 Barloworld Motor  
 2004: Mr W A (Willie) Fourie  
 Mr J J (Kiewiet) Ferreira  
 Free State Agriculture (Centenary)  
 T&E FinOps  
 2003: Mr H (Bokkie) van der Merwe  
 Mr B P (Pieter) Erasmus  
 Mutual & Federal  
 Smartcom

Total SA  
 Land Bank  
 ABSA  
 Omnia  
 2002: Mr J E (Japie) Grobler  
 Mr C B (Bertie) van Zyl  
 Nissan SA  
 2001: Mr G J (Giel) van Zyl  
 1998: Mr C G (Charles) van Veijeren  
 Mr C J (Cerneels) Claassen  
 South African Dried Fruit Cooperative (SAD)  
 1997: Transvaal Agricultural Union (Centenary)  
 1996: Mr F J (Fanie) Hugo  
 Dr A I (Kraai) van Niekerk  
 1995: Mr P H (Piet) Swart  
 Mr G S (Gert) Bosch  
 1991: Mr A B (Andries) van der Merwe  
 Dr A S (Japie) Jacobs  
 Natal Agricultural Union (Centenary)  
 1990: Mr J E (Francis) Krone  
 1988: Mr J J M J (Jan) van Vuuren  
 Mr T D de K (Theunis) Pienaar  
 Dr A J (André) du Toit  
 1987: Mr H J S (Hendrik) Schoeman  
 1985: Mr D C (Donald) Sinclair  
 Mr F P R (Frans) van Wijk  
 Mr L C R (Louis) Bührman  
 Mr C J P (Chris) Cilliers

## Honorary awards in the form of a gold pin

2016: Mr L (Louw) Steytler  
 Mr S F (Simon) Streicher  
 Mr S (Salam) Abram

2015:	Prof M (Mohammad) Karaan Mr J F (Hans) van der Merwe
2014:	Mr P P J (Johan) van Rensburg Mr W (Wiehahn) Victor Dr L (Leon) van Rooyen Mr C J (Chris) du Toit Mr J J (Boet) Fourie
2013:	Mnr L (Louw) Steytler Mnr J A (Kosie) Loubser Mnr A P (André) Botha Mnr R K (Robert) Barnsley
2012:	Mr J D (Johannes) Möller Mr I (Izak) van der Merwe Mr C K (Neels) Ferreira Mr J E (Japie) Grobler Mr L L (Lourie) Bosman Mr W J (Wessel) van der Merwe Mr A (Andries) Beyers Mr J A (Koos) Pienaar

**COMPOSITION OF CONGRESS**

Within the structure of Agri SA, the highest authority is vested in the congress, which was composed as follows during the report year:

**OFFICE BEARERS**

President	
Deputy Presidents	
Chairman of Agri SA's General Affairs Chamber	
Chairman of Agri SA's Commodity Chamber	

**AGRI SA GENERAL AFFAIRS CHAMBER (67)**

Free State Agriculture	13
Agri Western Cape	12
Agri Northern Cape	11
Agri Eastern Cape	9
Kwanalu	8
Agri North West	7
Mpumalanga Agriculture	3
Agri Gauteng	2
Agri Limpopo	2

**AGRI SA COMMODITY CHAMBER (53)**

**Agronomy**

Grain South Africa	14
South African Cane Growers' Organisation	4
Tobacco Institute of Southern Africa	2

Dry Bean Producers' Organisation	1
Cotton South Africa	1
Forestry South Africa Medium Grower's Group	1

**Animal production**

Milk Producers' Organisation	5
Red Meat Producers' Organisation	3
National Wool Growers' Association of South Africa	2
SA Pork Producers' Organisation	2
Wildlife Ranching SA	2
South African Mohair Growers' Association	1
South African Ostrich Business Chamber	1

**Horticulture**

Southern African Fruit Industry	4
Vinpro	3
South African Table Grape Industry	2
Tomato Producers' Organisation	2
South African Garlic Growers' Association	1
South African Nursery Association	1
South African Subtropical Growers' Association	1



# Structures in which Agri SA is represented

Agri SA has representation in many official and private sector structures.

OFFICIAL STRUCTURES	Representative(s)/co-ordinator
AgriBEE Charter Council BEE Advisory Council	Johan Pienaar & Christo van der Rheede Christo van der Rheede
AgriSETA	Jack van Dyk Jacomien de Klerk Christo van der Rheede
Department of Labour <ul style="list-style-type: none"> <li>Child Labour Action Programme Implementation Committee (CLAPIC)</li> <li>Occupational Health and Safety Advisory Council (ACOHS)</li> <li>Towards Elimination of Child Labour (TECL)</li> </ul>	Elize van der Westhuizen & Jahni de Villiers Elize van der Westhuizen & Jahni de Villiers Elize van der Westhuizen & Jahni de Villiers
Department in the Presidency <ul style="list-style-type: none"> <li>Performance Monitoring and Evaluation – Work group on Rural Development (Outcome 7)</li> </ul>	Omri van Zyl
The Department of Agriculture, Forestry and Fisheries (Daff) <ul style="list-style-type: none"> <li>National Agriculture Disaster Risk Management Committee (NADRMCO)</li> <li>National Drought Task Team</li> <li>Fire Working Group</li> <li>Forum for Chief Executive Officers in Agriculture (CEO Forum)</li> <li>Agricultural Trade Forum (ATF)</li> <li>National Agricultural Research Forum (NARF)</li> <li>National Animal Health Forum</li> <li>National Agricultural Education and Training Forum</li> <li>Minister’s Service Delivery Forum</li> <li>Agricultural Phakisa</li> </ul>	Johan Pienaar & Hamlet Hlomendlini Johan Pienaar & Hamlet Hlomendlini Nic Opperman & Janse Rabie Omri van Zyl Hamlet Hlomendlini Niël Joubert Martina Benade Dr Fanie Terblanche Christo van der Rheede Christo van der Rheede
Deputy President’s Office <ul style="list-style-type: none"> <li>Vulnerable Workers’ Forum</li> </ul>	Elize van der Westhuizen & Jahni de Villiers
International Erosion Control Association South Africa (IECA-SA)	Nic Opperman & Janse Rabie
National Economic, Development and Labour Council (NEDLAC) <ul style="list-style-type: none"> <li>Labour Market Chamber</li> <li>Trade and Industry Chamber</li> </ul>	Elize van der Westhuizen & Jahni de Villiers Hamlet Hlomendlini
National Priority Committee on Rural Safety (JOINTS)	Kobus Visser
Department of Co-operative Governance and Traditional Affairs (CoGTA) <ul style="list-style-type: none"> <li>National Disaster Management Advisory Forum (NDMAF)</li> </ul>	Johan Pienaar & Hamlet Hlomendlini
Water Research Commission (WRC)	Nic Opperman & Janse Rabie

PRIVATE STRUCTURES	Representative(s)/co-ordinator
AfricaBio	Nic Opperman & Janse Rabie
Business Unity South Africa (Busa) <ul style="list-style-type: none"> <li>• Board – alternative director</li> <li>• Economic and Trade Policy</li> <li>• Social Policy Committee</li> <li>• Environmental Working Group</li> </ul>	Omri van Zyl Johan Pienaar & Hamlet Hlomendlini Elize van der Westhuizen & Jahni de Villiers Nic Opperman & Janse Rabie
Eskom <ul style="list-style-type: none"> <li>• Agricultural Technical Working Group</li> </ul>	Johan Pienaar & Hamlet Hlomendlini Nic Opperman & Janse Rabie
Provident fund for the agricultural sector	Elize van der Westhuizen & Jahni de Villiers Boeta du Toit
Agri-sector Unity Forum (Asuf)	Phenias Gumede Johan Pienaar (sekundes)
The South African Chamber of Commerce & Industry (SACCI) <ul style="list-style-type: none"> <li>• Copper Theft Working Group</li> </ul>	Kobus Visser
National Stock Theft Forum	Sarel Pretorius
South African National Committee for Irrigation and Drainage (SANCID)	Nic Opperman & Janse Rabie
South African National Committee on Large Dams (SANCOLD)	Nic Opperman & Janse Rabie
Strategic Water Partners Network Forum (SWPN)	Nic Opperman & Janse Rabie
INTERNATIONAL STRUCTURES	Representative(s)/co-ordinator
CAIRNS Group Farmer Leaders	Johannes Möller
South African branch of the International Chamber of Commerce & Industry	Omri van Zyl
Southern African Confederation of Agricultural Unions (SACAU)	Dr Theo de Jager
World Farmers' Organisation (WFO)	Johannes Möller

## ABRIDGED FINANCIAL STATEMENTS FOR THE YEAR 2016/2017

## Statement of financial position on 30 April 2017

Note		2016/2017	2015/2016	
Equity and Liabilities				
	CAPITAL AND RESERVES	1	220 679 247	235 008 209
			<b>220 679 247</b>	<b>235 008 209</b>
Employment of Capital				
	NON - CURRENT ASSETS	2	42 097 625	42 146 847
	INVESTMENTS AND LOANS	3	177 750 921	193 134 829
	NETT CURRENT ASSETS		830 701	(273 467)
	Current Assets	4	5 739 467	5 749 708
	Current Liabilities	5	(4 908 766)	(6 023 175)
			<b>220 679 247</b>	<b>235 008 209</b>

## Notes to the Financial Statements on 30 April 2017

	2016/2017	2015/2016
1 Capital and Reserves	<b>220 679 247</b>	<b>235 008 209</b>
- Reserves	25 833 660	35 115 249
- Retained income	194 845 587	199 892 960
2 Non - Current Assets	<b>42 097 625</b>	<b>42 146 847</b>
- Fixed Property	41 102 270	41 102 270
- Motor Vehicles	64 078	64 078
- Furniture and Accessories	515 277	513 437
- Office Equipment	63 270	65 238
- Computer Equipment	205 875	214 154
- Electronic Equipment	136 595	177 410
- Trademark	10 260	10 260
3 Investments and Loans	<b>177 750 921</b>	<b>193 134 829</b>
Investments in Shares	141 534	134 895
Investments in Old Mutual	361	1 390
Investments in Sanlam Multi Management Int	177 609 026	192 998 544
4 Current Assets	<b>5 739 467</b>	<b>5 749 708</b>
Trade and other receivables	4 199 174	3 810 593
Cash and Cash Equivalents	1 512 293	1 911 115
Inventories	28 000	28 000
5 Current Liabilities	<b>4 908 766</b>	<b>6 023 175</b>
Trade and other payables	3 602 001	3 452 178
Provisions	1 194 284	1 273 077
Other liabilities	112 481	1 297 920

**Agri SA Detail Income Statement for the year ended 30 April 2017**

	2016/2017	2015/2016
<b>AGRI SA ADMINISTRATION</b>		
Income	29 270 296	32 863 852
Less: Expenses	(35 363 124)	(29 877 972)
Operating surplus / (deficit)	(6 092 828)	2 985 880
<b>AGRI MAGAZINE</b>		
Income	4 731 971	6 432 158
Less: Expenses	(5 013 017)	(6 002 915)
Operating surplus / (deficit)	(281 046)	429 243
<b>RADIO</b>		
Income	-	-
Less: Expenses	-	(76 500)
Operating surplus / (deficit)	-	(76 500)
<b>INKWAZI BUILDING</b>		
Income	4 440 792	4 390 844
Less: Expenses	(3 790 703)	(3 391 997)
Operating surplus / (deficit)	650 089	998 847
Income Tax refund	676 413	-
Net surplus / (deficit)	1 326 502	998 847
<b>TOTAL SURPLUS / (DEFICIT)</b>	<b>(5 047 372)</b>	<b>4 337 470</b>

**Cash Flow Statement for the year ended on 30 April 2017**

	2016/2017	2015/2016
<b>Cash flows from operating activities</b>	<b>(5 316 006)</b>	<b>5 680 432</b>
Cash receipts from customers	31 060 955	36 810 593
Cash paid to suppliers and employees	(43 893 783)	(38 017 641)
Cash used in operations	(12 832 828)	(1 207 048)
Interest and dividends income	7 516 822	6 888 087
Finance costs	-	(607)
<b>Cash Flows from Investing activities</b>	<b>6 102 623</b>	<b>(5 758 541)</b>
Purchase of property, plant and equipment	(1 840)	(169 672)
Additions to investment property	-	(30 400)
Sale of property, plant and equipment	2 799	-
Movement of financial assets	6 101 664	(5 558 469)
<b>Cash flows from financing activities</b>		
Movement in other liabilities	(1 185 439)	750 191
Total cash movement for the year	(398 822)	672 082
Cash at the beginning of the year	1 911 115	1 239 033
<b>Total cash at the end of the year</b>	<b>1 512 293</b>	<b>1 911 115</b>



# AgriSETA – we're for skills development

At AgriSETA we are serious about **skills development** across the **agricultural sector**. Whether you're an adult looking for opportunities to **expand your skills base** or a **student** ready to pursue a career in farming, we have a programme that is sure to satisfy your **thirst for knowledge**:

- **Adult Education and Training (AET)** – the general conceptual foundation toward lifelong learning and development.
- **Bursaries** – a programme for learners who require tuition (full- or part-time) at a college, university of technology or a university in order to achieve a formal qualification, e.g. a certificate, diploma or degree.
- **Internships and workplace experience** – a programme for learners completing a qualification that requires the learner to have a certain amount of work experience in order to achieve the qualification and/or professional registration.
- **Learnerships and new venture creation** – a learnership is a vocational education and training programme, combining theory and practice and culminating in a qualification that is registered with SAQA.
- **Land reform and mentoring** – Functional Land Reform Projects (focused on restitution and redistribution) can access support in terms of mentorships, governance non-aligned skills programmes and learnerships.
- **Skills programmes** – occupational-based learning programmes, which focus on the actual skills required on the job. Skills programmes may be presented as stand-alone modules or packaged in such a way that they may, over time, lead to a full qualification.



Contact AgriSETA today to discover how we can broaden your professional horizons:



012 301 5600



info@agriseta.co.za



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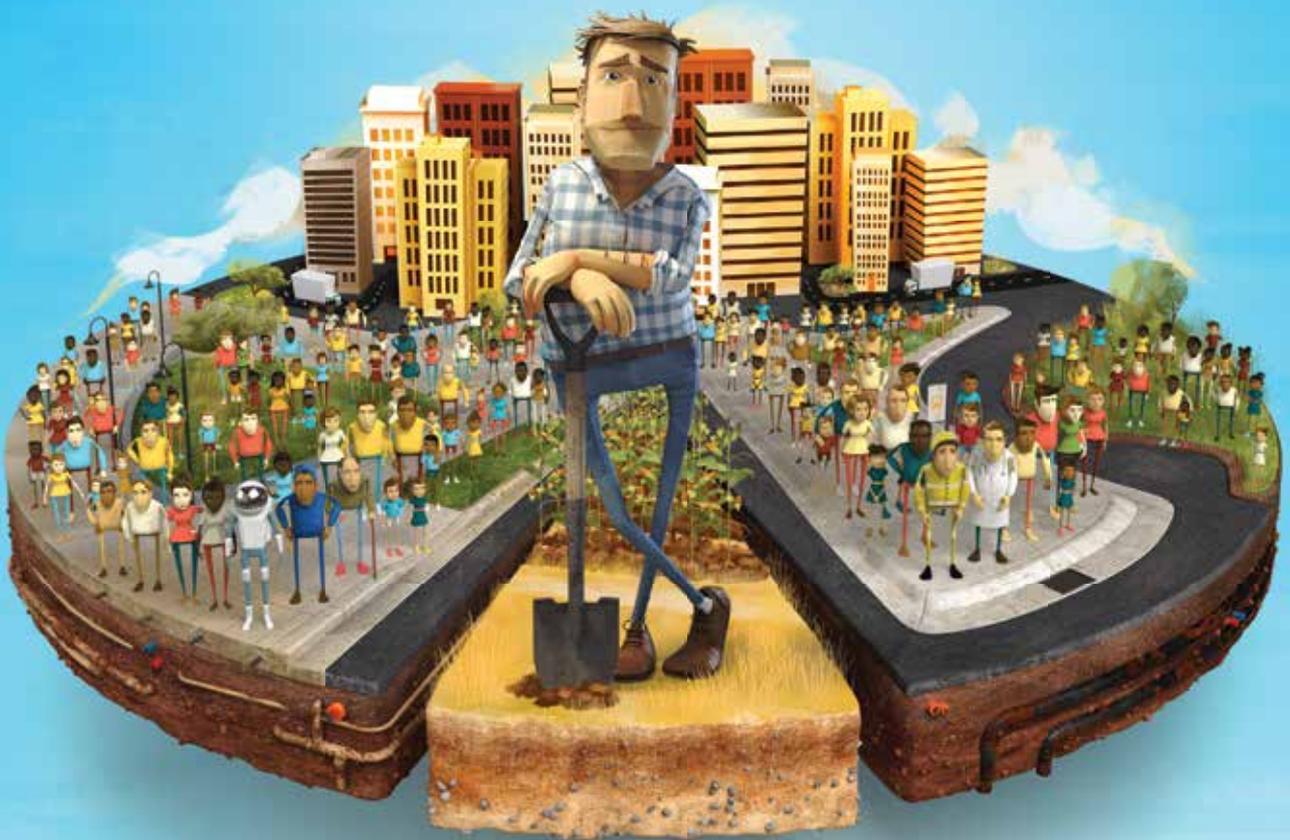
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**GWK**  
  
innovate agriculture

# A FARMER

knows that seasons change, but growth  
lies in **cultivating partnerships**



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Land Bank has been a proud partner to South African farmers since 1912. This is a rich heritage built on the principles of respect, trust and commitment to ensuring the country's food security. Through partnerships, we are working to do even more by enabling technical support and skills transfer from established farmers to emerging farmers, offering the necessary financial support for them to grow to commercial scale. *Why not partner with us today?*

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***Times may change but our passion for  
agriculture never will ...***

***... therefore it is such a privilege for Monsanto to  
be part of Agri SA Congress 2017.***



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