

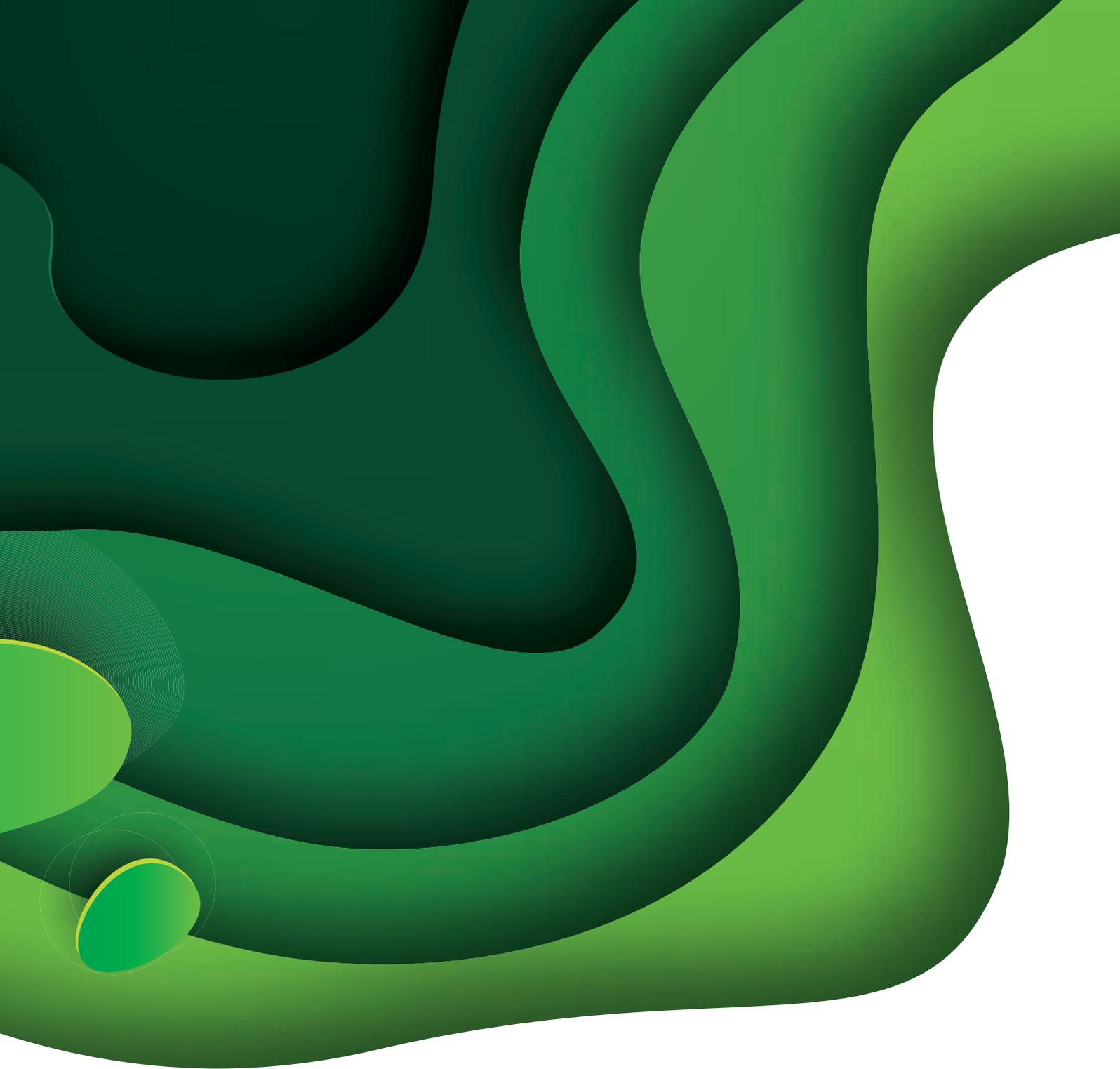


ANNUAL REPORT

2019/2020



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



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AGRI SA 2019/2020 ANNUAL REPORT

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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.

FOREWORD BY THE PRESIDENT

“

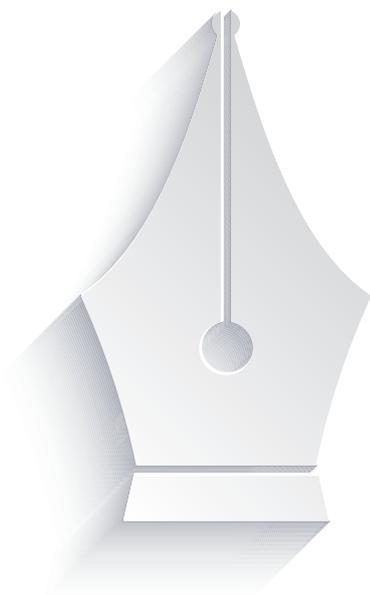
The secret of change is to focus all of your energy, not on fighting the old, but on building the new.

- Socrates

”



Pierre Vercueil





An everchanging political landscape

Change is inevitable. How one responds to it, makes all the difference.

The establishment of a democratic political dispensation in South Africa in 1994 introduced a new economic, political and social reality. Everyone had to adapt accordingly. Our National Constitution laid a solid foundation as it outlines values and ideals, rights and responsibilities and specific legal obligations that civil society, government and business must adhere to.

Agri SA and its members were also confronted and continue to be confronted with this new reality. On behalf of the agricultural sector it had to adapt accordingly to advance the political, economic, social and cultural welfare of its constituency. And as its mouth-piece, it must be at the forefront of promoting and protecting the interests of the commercial agricultural sector within an everchanging economic and political environment.

Agri SA is, however, not unique in this respect. Like many other international organised agricultural groupings, we have particular strengths, weaknesses, opportunities and threats. Albeit to varying degrees.

Agri SA's biggest strength, though, lies in the fact that it is prepared to confront the current political, social, economic and cultural realities head on. This is done by employing highly skilled and dedicated professionals committed to continuous and constructive engagement with government and other role players in the wider political and economic arena. We must be able to navigate the political and economic environment purposefully.

Confronting the current realities head-on, however, does not guarantee a favourable outcome, nevertheless it ensures that Agri SA remains ahead in terms of keeping the interest of farmers on the national agenda.

For Agri SA to be successful amidst all the turbulence, it continuously seeks to elevate its advocacy, analysis, research, communication, governance, mobilisation, management, but most of all its intelligence role to higher levels of robustness. Adapting to change is one

thing but managing change in a variety of conditions whilst economic variables and ideological assumptions are altered all the time, requires wisdom.

Turbulence of a different kind spread throughout the world earlier this year. The Covid-19 pandemic, which shut down the global and South African economy with devastating results.

Agriculture was fortunate as it was declared an essential service. However, supported by a significant grouping within the ANC and in cabinet, the uncompromising stance on the legal sale of tobacco products and alcohol beverages continuous to have a devastating impact on farmers producing tobacco and other raw products for the production of wine, beer, ciders and spirits.

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The Covid-19 pandemic and the accompanying restrictions have resulted in a changed economic and social environment. The devastating economic impact on South Africa is yet to be fully calculated. The economy is

expected to shrink by 7,2 per cent this year. Millions of jobs are at risk – and millions of households are experiencing increased hardship. South Africa's unemployment rate increased by 1,0 percentage point to 30,1% in Q1:2020 compared to Q4:2019.

Tax revenue projections are also down sharply. Personal income has declined because employers are not able to pay full salaries.

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Furthermore, South Africa's public finances are dangerously overextended. Without urgent action, a sovereign debt crisis will follow. Failure to contain ballooning debt and debt-service costs, and narrow the budget deficit, would damage the country's long-term economic prospects.

Agriculture, even though it could continue with production during the lockdown, will certainly not escape the economic and social havoc caused by the pandemic. The changed environment requires a change in strategy. However, only a deeper understanding of the complexities of the agricultural value chain and an appreciation of the role of Agri SA will help us to navigate the many constraints imposed on the economy and the agricultural sector successfully.

Agri SA is an agricultural organisation that serves the entire agricultural value chain. It involves policy and solution oriented services to the farmers who are largely responsible for primary production, agricultural entities that supply seed, fertiliser, machinery etc. as inputs, agricultural companies responsible for processing, storage, packaging and distribution and also agriculture suppliers and retailers who supply products to the consumer market.

It is a complex, yet dynamic and constantly changing value chain. As a services and network organisation,

Agri SA must not only keep abreast of these changes, but it must meet all the challenges experienced by each member, through specific economic, political and socio-economic interventions.

In addition, the South African agricultural sector not only provides food for the country, our neighbours and the international world, but it also lays the foundation for large-scale job creation and many other economic activities that benefit South Africa economically.

It is against this background that Agri SA has started formulating a new strategy since last year. Given the ever-changing and extremely challenging political and economic realities, the task of our board and our members was to establish an effective and resilient agricultural organisation that will remain relevant in the South African and international context for the next 100 years. The restructuring process that has followed aims to align the skills set with the constant evolving strategic and operational needs required by our corporate, operational and provincial affiliates.

The requirements have only one goal in mind: not to compromise the services provided, but to deliver the existing policy services as effectively and as sustainably as possible and to find solutions to the challenges that farmers face at a particular time. Agri SA can only do this with the right skills that can unlock the political and economic networks for the benefit of the farmers. We need personalities with an activist approach to defend the commercial agricultural industry against the political artillery so often directed by malicious politicians towards the sector.

In this regard, our judiciary has a critical and independent role to play in not allowing the rights of any South African citizen as outlined in the National Constitution to be undermined. The many court cases brought against those who fail to abide by constitutional provisions are evident of the political bankruptcy that has taken root in our country. In this regard the courts, prosecuting authority and civil society in general cannot rest on their laurels.

Of critical importance though, the rights enshrined in the Constitution are inseparable from our duties and responsibilities to others. Relying on the courts to

protect our rights, also places a responsibility on the shoulders of organised agriculture to live up to the following constitutional, political, social and economic principles, values and ideals:

- Uphold and promote human dignity, equality, human rights, freedom, non-racialism, non-sexism and always respect the rule of law;
- However, do not let any constitutional violation go unchallenged and hold those guilty of constitutional transgressions accountable;
- Establish and build constructive relationships with government, especially with cabinet members committed to participatory decision-making and partnerships;
- However, challenge political ideology with scientific evidence. Use political, natural, economic and technological sciences as a basis for making informed decisions to ensure sustainable future food production, economic growth and development;
- Establish the South African agricultural sector as a world player;
- However, identify new opportunities throughout the agricultural value chain and help emerging entrepreneurs and new farmers to unlock and exploit these opportunities in order to bring about a more inclusive industry;
- Mitigate the risks of a pandemic such as Covid-19 with innovative solutions; and
- However, the outbreak of Covid-19 has set off a global economic crisis of unprecedented magnitude, a change in strategy and a change in mindset is therefore required to build the new amidst extreme uncertain times.

According to Socrates *"The secret of change is to focus all of your energy, not on fighting the old, but on building the new."* Herein lies the opportunities to secure a better future not only for us, but for South Africa and all its people as well.

We will have to measure success differently. Let us look outward with humility. Let us look upward and know that God loves us. Hope matters, we are resilient and therefore let us not waste the opportunities we have to contribute to a better agriculture and South Africa.

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Pierre Vercueil
President



OVERVIEW BY THE EXECUTIVE DIRECTOR



The definition of insanity is doing the same thing over and over again and expecting different results.

- Albert Einstein



Omri van Zyl





General overview

The world is upside down – Covid-19 is shredding the economy; the balance of power is shifting like pieces on a chess board; people feel uncertain and are dying – the black swan of this century is with us.

Agriculture has more or less survived; however, the alcohol, game and tobacco industries are experiencing severe hardship, while the rest of the community are suffering due to the direct impact of Covid on the country, a struggling government, poor decision-making, corruption, as well as all the other problems that we know of. We are working on a National Agriculture Master Plan – South Africa is in deep trouble.

Many people – not all – are still using the old terms of reference. Things will not go back to the way they were – we now have a new normal: one that will grab you by the collar; one that is void of all empathy.

“ Many people – not all – are still using the old terms of reference. Things will not go back to the way they were – we now have a new normal: one that will grab you by the collar; one that is void of all empathy.

Another thing I know is, that in times of crisis, we will be unable to meet the challenges unless we work together and support one another and, more importantly, trust one-another. We have no other choice. The same principle applies to agriculture – if there has ever been a time for strong leadership and cooperation, it is now!

It has been a difficult year and, with our finances under serious pressure, we have been forced to cut costs. I expect that the situation will become worse. We have achieved a great deal for the industry and are grateful for the dedication and cooperation received in this regard. All our members joined us in this effort and we

managed to pull through. We have also developed a new strategy, which focuses on policy and solutions for the sector. In a failing state, it will be critically important to ensure that we do more to impact the priorities of the sector.

Our biggest risks include economic deterioration, the liquidity of the Land Bank, prohibition on the transfer of water rights, expropriation without compensation, and crime, to mention a few. We will have to address these risks both strategically and tactically in order to manage and mitigate them.

Finally, we will have to look at self-regulation to overcome the challenges we face at present. This includes traceability and the registration of intellectual capital assets, to mention a few. We will have to think differently and innovatively about the future of our industry.

A difficult year for the economy and agriculture

Since 26 March 2020, South Africa has been in general lockdown due to the Covid-19 pandemic, causing the economic outlook for South Africa to deteriorate dramatically. Before the lockdown, the South African economy already battled with high unemployment, policy uncertainty, corruption, rising government debt, low demand for South African products internationally, a looming credit downgrade, a weakening of the rand against major international currencies, poor service delivery and a host of other factors.

The South African agriculture sector also faced several challenges that had a negative impact on farming income and other economic variables in 2019. Some of the biggest challenges for the past year have been animal health, labour issues, and the changing climate. The impact of animal diseases and labour issues pose a significant threat to sustainable export growth in the agricultural sector.

The drought that started in the second half of 2018, along with earlier extended and persistent (7 year) droughts in some regions, led to a double-digit decline in crop harvests because of poor planting of summer and horticultural crops.

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Lower income and higher expenditure

The total gross farm income increased by 9% per year over the past 15 years – showing how important the agricultural sector is – to R281,2 billion in 2019. The gross income derived from field crop production decreased by 1,5% to R57,4 billion in the year ended 31 December 2019. In the case of horticultural products, gross income was approximately R2,2 billion or 2,5% lower than in the previous year while the terms of trade strengthened from 1,02 to 1,05 in 2019 due to higher producer prices. The income earned from animal production contracted by approximately 1% and amounted to R138,6 billion.

Given the decline of R14,8 billion in total farm profit in 2019, real farming profit (at constant 2010 prices) dropped almost 18% during this period. Net farm profit is calculated after the deduction of cost of production inputs. Overhead costs must also be deducted, and this includes aspects such as depreciation and costs for own construction and services.

This had a negative influence on investment in tractors, machinery and implements, with gross investment in these items declining by 20,3% in 2019 compared to the previous year.

Total expenditure on intermediate goods and services, amounted to approximately R159,5 billion in 2019. This was 6% more than the corresponding figure of 2018. Labour costs still represent one of the largest single cost-items and amounted to R20,1 billion in 2019.

The sector continues to face rising input costs and increased electricity and fuel prices will add additional pressure on an already constrained operating environment. These factors will undoubtedly echo through the agricultural value chain.

Deteriorating financial position

Farm debt has continued to rise to around R187,5 billion in 2019. The total farm debt has increased by approximately 11% per year from 2010. A lot of this debt has accumulated due to drought and other constraints caused massive financial stress for farmers.

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International front

On the international front South Africa remained a net exporter of agricultural products. The balance of trade in agriculture averaged R18,0 billion over the past 10 years (from 2010 until 2019), reaching an all-time high of R34,8 billion in 2018 and a record low of R2,1 billion in 2012. The Netherlands was South Africa's top export destination for agricultural products, followed by the United Kingdom, China, Mozambique, China, the USA and Malaysia with R4,2 billion in exports.

The total value of agricultural imports increased by 5,3% to R79,2 billion in 2019. Rice, meat and edible offal of poultry, wheat, alcohol products, palm oil and

food preparations accounted for the highest imports in terms of value.

Covid-19 impact on agriculture

With South Africa in a national lockdown, farmers can continue to produce food and ensure food security. Farming operations are undoubtedly complicated by the lockdown regulations. However, it is important to focus on managing your operations and supporting your staff throughout this period. At the same time, we should not lose sight of potential new opportunities, rather plan to position your farming business for growth when economic activity picks up.

Covid-19's negative impact, in terms of human life and economic costs, cannot be negated. However, by changing our perspective, we can use this adversity to be stronger and better positioned for the future.

MARKETING AND COMMUNICATION

Agri SA liaises regularly with its members and stakeholders to ensure that our message and information are conveyed correctly and as fully and effectively as possible. In accordance with the Fourth Industrial Revolution and given the rapidly changing communication environment, with special reference to digital and social media, our communication and image-building function was aligned directly with the organisation's executive management.

Communication strategy

Agri SA's communication strategy is aimed at various target audiences, including members, the public and the media. The packaging of messages for each target audience, without forfeiting the quality and relevance of the information, is extremely important.

Agri SA's financial position

Most important movements – Statement of financial position

	2020	2019	Movement	%
Capital and reserves	R 211 132 002	R 215 840 385	(R 4 708 363)	(2,1)
Non-current assets	R 46 207 561	R 45 977 903	R 229 658	0,5
Investments and loans	R 166 205 985	R 170 931 413	(R 4 725 428)	(2,8)
Current assets	R 6 628 776	R 9 439 294	(R 2 810 518)	30
Current liabilities	R 6 966 104	R 10 508 225	R3 542 121	(33)

Our capital resources have been diminished largely due to a decline in the value of our portfolio investments, with the result that we had to use our capital reserves to remain in operation. With regard to other income streams, we saw an improvement compared to previous years, with project income and new sponsorships increasing at a constant level.

Agri SA has positioned itself as a responsible voice and opinion-former by creating the original content of its daily communication concerning policy and other priority matters of interest to producers.

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Media channels are used strategically to liaise with the broader South African public. For this purpose, social media platforms seem to be particularly effective.

Marketing and funding strategy

The focus of Agri SA's marketing strategy is still to build relationships with existing partners and to identify new partners so that projects that benefit South African agriculture can be tackled. These projects are aimed at portraying farmers and organisations involved in the agricultural value chain in a favourable light. 'Ons Boere, Ons inspirasie' was such a programme where Agri SA joined forces with *Kyknet* and *Sarie*. The programme emphasises the impact that farmers have on their environment, as well as their diversity.

The programme features stories about caring, bringing hope and keeping the faith in times of loss, and celebrating joy. Each of the stories televised also appeared as an article in *Sarie*. Agri SA also used this opportunity to inform the general public about its drought relief fund, as well as the Agri Securitas Trust Fund, which assists many farmers with farm safety. The feedback received from farmers, readers and the public at large has been overwhelming and we hope this project will continue on an annual basis.

The 2019 congress, as well as the accompanying ladies' day programme, was a tremendous success. The

high-quality speakers as well as the generosity of our sponsors, contributed to the success of the event. The congress offers an opportunity for exhibitors and sponsors to enhance their footprint, while congress attendees were able to make use of the networking opportunity. The theme of the ladies' day, which coincided with the first day of the congress, was *#genoeg*. During these challenging times, this event was intended to pamper and inspire our women in agriculture.

It remains a priority for Agri SA to maintain good relationships with its members. During the report year, the organisation reached out by means of the 'Winter warmer' project, with members receiving an advance at the end of the year.

The Corporate Chamber enjoyed considerable attention and grew its membership to 57. Via members of the chamber, it was possible to collaborate on various events and projects. Value was added through the CEO networking initiative which was introduced. Through this initiative, topical and thematic discussions were held and a networking opportunity was created. The first event was held in the Cape and further opportunities are also being planned.

Other marketing actions during the year included the following:

- Agri SA's corporate clothing range;
- Fundraising for all Agri SA events, including the congress, commodity conference and ladies' day;
- Attendance of agriculture-related exhibitions and events;
- Support to the centres of excellence in terms of marketing items;
- Coordination of and support for events such as the ambassador function, water symposium and exhibitions;
- Processing of new membership requests; and
- Fundraising and awareness campaigns for pressing agricultural issues.

It remains important to offer value to Agri SA members at all times. For this reason, Agri SA's value offering is regularly assessed and the necessary adjustments made to provide members and prospective members with a valuable and comprehensive proposition.

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Media exposure

Through media monitoring, Agri SA can evaluate its ‘market share’ and make adjustments to strengthen its voice within the public debate. During the report year, Agri SA used a media monitoring service from May 2019 until January 2020, after which the contract with the service provider expired. Agri SA did not enter into a new contract for media monitoring services due to the cost-saving measures introduced.

Website and social media

Agri SA’s website is a platform where various Agri SA documents, including infograms, reports and presentations, can be found and used.

The social media platforms Facebook, Twitter, Instagram and YouTube are managed by the communication team with a view to growing the audience and interaction organically from month to month. Great success has been achieved in this regard. LinkedIn is the platform where all expectations were exceeded by means of targeted postings.

YouTube is a platform that was used actively during the report year to post videos. The content of the videos varied, with messages from, among others, the Agri SA’s president, executive director, as well as chairpersons and heads of the respective centres of excellence.

Platform	Number of Agri SA followers May 2020	Number of Agri SA followers May 2019
Facebook	34 510	26 541
Twitter	20 900	15 300
Instagram	4 404	3 524
LinkedIn	26 401	10 574

Agri incorporating Die Boer/The Farmer

Agri is Agri SA’s bi-monthly magazine, which provides information on policy, legislation and programmes of interest to farmers. It also offers advice, extension and news about topical issues to approximately 28 000 farmers who are members of Agri SA via its respective affiliates.

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The magazine is distributed directly and also published in electronic format on Agri SA’s website.

The January/February 2020 edition of Agri was the last print version distributed. Given the Covid-19 restrictions, the March/April edition of the magazine was published in digital format. The digital magazine will be coordinated and managed by GWK.

Agri’s circulation figures are audited on a semi-annual basis by the Audit Bureau of Circulations (ABC).

Parliamentary liaison

During the period under review, approximately 15 bills were tabled in parliament. Of these, one (the National Minimum Wage Act) is of direct interest to the agricultural sector. The fifth parliament was dissolved before the elections in May 2019. At that point, there were still 39 bills that had not been finalised. Of these, 30 were again tabled in the sixth parliament.

The most controversial issue debated in parliament during the period under review was the amendment of section 25 of the Constitution to make provision for the possibility of zero compensation in the event of expropriation. Agri SA's parliamentary representative attended the meetings and kept affiliates informed – also of arrangements with regard to public hearings in the provinces. Agri SA participated in two workshops of the ad hoc committees responsible for the amendment of section 25 of the Constitution. On both these occasions, Agri SA expressed strong objections to the amendment.

Agri SA's parliamentary representative also attended other committee meetings and forwarded parliamentary reports to the organisation on a regular basis. The reports dealt with matters such as strategic plans and annual reports of state departments and institutions, animal disease control, progress made with land reform processes, and the budgets of the department of agriculture, rural development and land reform, as well as progress with the establishment of Operation Phakisa, outcomes and the drought.

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. The year 2019 was the 16th time that Toyota SA sponsored this competition with a Toyota bakkie as main prize.

Agri SA is responsible for, among others, the coordination of the competition between Toyota SA and Agri SA's provincial affiliates. The value of the Young Farmer competition in identifying young role models in agriculture should not be underestimated. These role models can serve as an example to new entrants and, so doing, ensure the future dynamics of the sector.

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During the event in Kempton Park on 7 November 2019, Johan van der Schyff of Plettenberg Bay was named the winner. Johan is an egg producer and stock farmer who has been farming for 18 years on the farm JJ van der Schyff & Sons with angoras, merinos and stud animals and also owns sheep feedlots.

The competition has been held annually since 2004 and produced the following winners:

- 2004: Jan Grey, Agri Mpumalanga
- 2005: Johan Furstenburg, Agri Limpopo
- 2006: Pieter Nortje, 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 Scholtz, Agri Northern Cape
- 2014: Sakkie van Zyl, Agri North West
- 2015: Anthony Goble, Kwanalu
- 2016: Jacques Beukes, Agri Western Cape
- 2017: Jaco Strauss, Agri Northern Cape
- 2018: JP van den Berg, Agri North West
- 2019: Johan van der Schyff, Agri Western Cape

Other liaison activities

The communication and marketing team was responsible for the following events/actions during the course of the year:

- Coordination of information opportunities and visits by international and local guests;
- Agri SA's annual congress, the Commodity Chamber and Corporate Chamber conference, various media information sessions, as well as Nampo Harvest Day;
- Agri SA's corporate clothing range;
- Coordination of Agri SA's annual report;
- Compilation and distribution of Agri SA's monthly newsletters; and
- Attendance of agriculture-related exhibitions and events.

NEW CORPORATE MEMBERS

The part of our strategy that supports value chain integration, as well as the addition of new corporate members, was extremely successful. Agri SA's corporate membership base currently stands at 57 members.

ACCOUNTING POLICY

During May 2019, the accounting policy for realised and unrealised gains or losses were revised to comply with IFRS 9, Financial Instruments. Realised and unrealised gains or losses are disclosed in the other comprehensive income as set in the International Financial Accounting Standards. Agri SA adopted IFRS 16 since inception date 1 January 2019 and according to the standard a lessee recognises a lease asset - right of use of an asset and a lease obligation for all leases. Lessors continue to distinguish between operating and finance leases. A Lessor recognises assets held under a finance lease as a receivable to an amount equal of the net investment upon the lease commencement date.

Agri SA comply with the international Financial Reporting Standards and in addition all assets will be valued according to their fair value at year-end. The building will be revalued every four years and the next property revaluation will take place in 2022. Depreciation will be calculated over each assets expected lifespan and all residual values will be reviewed annually.

RESPONSIBILITIES

In terms of Agri SA's constitution, the board is responsible for maintaining accounting records, as well as for the content and integrity of the financial statements and related financial information.

Although the board is primarily responsible for the financial statements, they are assisted by Agri SA's external auditors. The latter must express an independent opinion on the financial statements and report thereon. Approval of the organisation's financial statements rests with the board. Financial management is exercised in accordance with an appendix to Agri SA's constitution under the heading *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 board on 18 July 2019. In terms of Agri SA's constitution, the abridged financial statements are presented to the congress.

ACKNOWLEDGEMENT

Agri SA's growth and value-chain approach has helped the entire sector, with the organisation growing its membership to 93 organisations. This growth is thanks to our staff and excellent quality of people we employ.

I wish to thank all role players involved for their selfless work. To my President and Vice presidents – thank you for your support and confidence in me.

Lastly, I want to leave you with this quote to reflect on:

“ *Never let the future disturb you. You will meet it, if you have to, with the same weapons of reason which today arm you against the present - Marcus Aurelius*



Omri van Zyl
Executive director



REPORT ON

AGRI SA ENTITIES



Christo van der Rheede





AGRI SA ENTERPRISES

The Agri SA General Council in 2015 resolved that Agri SA must establish a private company. It delegated the authority to the Management Committee to give effect to it. Agri SA Enterprises (Pty) Ltd (2016/108808/07) was then established as a private company. The company provides expert services to the entire agricultural value chain and related enterprises by making use of subject matter experts, through the Project Management Office (PMO), with considerable knowledge and experience in their respective fields. These services may include, but are not limited to the following:

- Expert consultancy on agricultural project scoping, preparation, development and deal making;
- Advisory services that could include feasibility studies, strategic advice, market analysis, research, development, to name a few; and
- Compliance with the relevant legislation applicable to agriculture.

Agri Enterprises and Motsepe Foundation Partnership

- Agri SA Enterprises partnered with the Motsepe Foundation in 2018 to identify opportunities that might be suitable for commercial production;
- This is agricultural land in former homelands under the custodianship of traditional kings and queens;
- Agri SA Enterprises and the Foundation kicked off phase one of the project on 8 November 2018;
- During phase one 200 opportunities were identified;
- 6 projects have been shortlisted as Joint Agricultural Opportunities (JAO's); and
- Based on this, Agri SA Enterprises and the Motsepe Foundation have now agreed that the PMO will proceed with phase two of the project. This entails:
 - Alignment of projects with traditional leaders and engagement with all potential project partners;
 - Collect project financials and performance data;
 - Subjecting all projects to extensive due diligence scrutiny;

- Developing term sheets for the projects;
- Developing project plan per project;
- Engagement with co-funding parties; and
- Develop financing memorandums for the attraction of more funders per project.

PROFESSIONAL FARMERS INSTITUTE

Agri SA registered the Professional Farmers Institute (PFI), a non-profit company in terms of section 223 of the Companies Act, 2008 (Act 71 of 2008). The PFI is a non-profit company without members and must apply all its assets and income to advance the objectives as stated in its Memorandum of Incorporation. At least 75% of all beneficiaries will be black persons as described in the Amended Codes of Good Practice.

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The objectives of the PFI reads as follows:

- Functions as a co-ordinating entity to unite and coordinate training activities in agriculture;
- Establish a new cohort of professional farmers to advance transformation;
- Apply for funding for training of prospective farmers and farmworkers;
- Co-ordinate training projects and promote a consolidated approach towards training amongst Agri SA affiliates;
- Showcase best practices and compile an annual Agri Transformation Report;

- Promote rural community development through high quality and practical agri-training; and
- Training providers will be utilised nationally to deliver training and development.

The PFI has launched the following training programmes:

Agricultural Leadership Development Programme in collaboration with AgriSETA

- The Agricultural Leadership Development Programme provides participants with an exclusive training opportunity to develop your managerial, analytical and creative decision-making competencies in the agricultural sector by honing team building, negotiation, presentation, communication and leadership skills at a strategic management level.
- The programme specifically focuses on strategic thinking and leadership development in a rapidly changing and competitive agri-business environment. During the programme, the participant will not only gain a better understanding of current agricultural issues and challenges farmers face, but also how they impact on establishing a stronger and more sustainable agricultural sector in South Africa and further beyond our borders; and

“ The programme specifically focuses on strategic thinking and leadership development in a rapidly changing and competitive agri-business environment.

- The programme follows a modular delivery model and attendance of all sessions is compulsory. Two contact sessions over a three-month period were scheduled. The first contact session was 2-6 March 2020. Due to the lockdown the second session could not be presented on 4-8 May. It was, however, presented online through the ClickUP system of Enterprises UP from 21 July to 19 August 2020.



The purpose of this programme is to:

- Develop leadership, strategic and management skills in and for agriculture and agribusiness;
- Create effective leaders;
- Develop your ability to optimise diversity and group dynamics;
- Identify opportunities that can be pursued, and challenges overcome;
- Provide guidance for the development of common understandings of the unique challenges and dynamics of agriculture in Southern African and African context;
- Facilitate the crafting of a common vision with which opportunities can be pursued and challenges overcome;
- Focus on both local and international agricultural issues;
- Assess markets and be aware of competition;
- Allow you to be able to compete globally;
- Allow you to connect with customers and conduct successful negotiations; and
- Improve human resource management skills.

Lotus Gardens Community Centre Plant Production Training Report

This programme was sponsored by the SAGE Foundation. The training started at the Lotus Gardens Community Centre on 22 October 2019. 15 Unemployed disadvantaged black people were trained in plant production.

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The training was practically oriented, and they had the opportunity to implement what they have learned through their theoretical training.

All attendees completed the training successfully and received certifications of attendance. They are very keen to further their skills and make a huge success of their gardens.

On behalf of Agri SA and Lotus Gardens Community Centre we want to thank the SAGE Foundation for this wonderful initiative.



DISASTER RELIEF CENTRE

The objectives of the Agri SA Disaster Relief Centre are as follows:

- To establish a fund and to use the income and/or capital for relief in drought or nature disaster areas of the agricultural sector in the Republic of South Africa;
- To launch campaigns for drought relief or for the provision of food relief to hunger-stricken communities, or other relief programmes;
- To issue Article 18 Section Certificates; and
- Article 18A allows a taxpayer, who has made a bona fide donation to a PBO or certain other institutions, to claim a tax deduction.

Drought aid

Total donations for drought aid received since 2016 until 2020 amounts to R24 437 979.

North West	R	3 739 474,00
Free State	R	3 439 474,00
Limpopo	R	714 934,63
KwaZulu-Natal	R	148 185,44
Western Cape	R	4 280 000,00
Gauteng	R	372 975,00
Mpumalanga	R	31 380,00
Northern Cape	R	6 198 421,00
Eastern Cape	R	2 379 474,00
Hortgro	R	200 000,00
Additional trucking, bailing, milling and feed for emerging farmers	R	1 573 853,00

The gripping drought, which is being experienced by many farmers and farmworkers during the past five years, has brought severe economic strains on the agricultural sector. The drought holds adverse implications on the socio-economic conditions of those residing in affected areas, particularly the poor.

These implications include rising food prices – resulting from induced supply constraints for households earn-

ing below the minimum wage and those already living in poverty; insecure income has become a reality or an impending possibility. While drought conditions are still severe in some areas, the Covid-19 pandemic is placing further pressure on our economy. The pandemic has affected food security in poverty-stricken communities severely.

Agri SA has requested the department of cooperative governance and traditional affairs to extend the drought declaration from 4 June 2020 with a further month as permitted by the Disaster Management Act. Agri SA has also called on the government to provide financial assistance to farmers who are affected by the drought in the form of stock feed, water infrastructure, drills, equipment, upgrading of boreholes and other interventions that could help to soften the burden of those who are suffering.

During the past few years, however, government has made no real effort to alleviate the long-term impact that the lingering drought has had on commercial agriculture in certain areas. Agri SA's repeated requests to the government to assist the commercial agricultural sector with a financial package have fallen on deaf ears.

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This lack of support has had an extremely negative impact on the sustainability of the Land Bank as well as other financial institutions that assist farmers in these areas. Agri SA therefore demands that the government provide comprehensive reasons – based on reliable research – why the drought is no longer deemed a national disaster. In addition, the organisation would like to know what the government is going to do to assist commercial agriculture in areas where farmers have suffered severe drought conditions over the years.

It is of grave concern that the head of the National Disaster Management Centre ignored the fact that large parts of the Western, Eastern and Northern Cape continue to suffer from the effects of the longest drought in 100 years.

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Food aid

Total donations for food aid received since April 2020 to July 2020 amounts to R2 007 100.

It is with great expectation that Agri SA calls upon the government and the private sector to contribute to the R1 billion food drive initiative in a collective effort to feed food insecure communities throughout South Africa.

Covid-19 had struck its grip and many households were left food insecure, hopeless and the need for human survival has never been greater. The pandemic struck at a time of immense challenges in our country when food security and other systems were already under strain. Natural disasters, climate change, unemployment, recession, conflict on labour relations and land expropriation without compensation, and a low thriving economy – just to name a few – preceded Covid-19 on larger scale in South Africa.

President Cyril Ramaphosa declared the outbreak of Covid-19 a national state of disaster in terms of the Disaster Management Act on 15 March 2020. He said South Africa had the “knowledge, means and resources to defeat the virus.” However, the strict enforced lockdown regulations have caused a lot of destruction in many households, which have left millions of people food insecure.

Donation	Province Distribution	Amount
R1 million Yara: Phase 1	Western Cape	R 100 000
	Northern Cape	R 100 000
	Gauteng	R 110 000
	Limpopo	R 100 000
	Eastern Cape	R 100 000
Phase 2	Free State	R 100 000
	Limpopo	R 100 000
	Mpumalanga	R 100 000
	North West	R 100 000

According to Stats SA, “since the start of the national lockdown, the proportion of respondents who reported experiencing hunger increased from 4,3% to 7,0%.” This is based on a survey conducted on the impact of Covid-19 pandemic on employment and income in South Africa on 20 May 2020. Northern Cape, North West and Mpumalanga had the highest percentages of households that had severely inadequate access to nutritional food at 12,9%, 12,5% and 11,4% respectively.

The Eastern Cape is one of the most food insecure province in the country since nearly 70% of households spend less than R1 000, whilst only 7,6% or slightly more spend R3 500 on food per month in households of the more affluent provinces such as Gauteng.

In South Africa there are still 13 738 824 persons (24,9% of the population) with inadequate access to food. We need to tackle all the food security and nutrition dimension of this crisis; Agri SA challenges farmers, individuals and companies within their means to contribute to the R1 billion food drive in a collective effort to eradicate poverty and ensure food security in many households in South Africa.

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There are many ways to donate to the R1 billion food drive initiative and at this point we welcome any amount or food parcel donated as you may give in your capacity. There are many benefits of helping the less fortunate during this time and, though we give back to the less fortunate, it is essential to recognise that those most vulnerable to food and nutrition crisis in the context of Covid-19 are those who were already exposed to critical food and dietary deprivations before the crisis.

With this R1 billion food drive initiative, we hope to feed the hungry and to bring back the dignity of those who lost it through this economic recession. Thus, by bringing knowledge and awareness of this pandemic through our innovative ways and actions in order to combat rising famine.

The short-term impact of Covid-19 is immediately and effortlessly felt by all, due to the widespread lockdown regulations and other imposing economic reasons. This national emergency demands cooperation, collaboration and common action. The pandemic is already set to have long-lasting profound economic, social, political, and cultural impacts. So, let us help where we can when we can through this R1 billion food drive initiative.



Christo van der Rheede
Deputy executive director

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Deputy chair



Nic Bronkhorst
Additional member

CONGRESS REPORT 2019

TIMES OF CONGRESS SESSIONS

Thursday, 10 October 2019 from 07:30 to 17:00

Friday, 11 October 2019 from 08:30 to 12:30

THEME

“The development of the South African agricultural environment in the era of the Fourth Industrial Revolution”

PLACE

Maslow Time Square, 209 Aramist Road, Pretoria

REGISTRATION

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

Changes in the composition of delegations were communicated in writing before and during registration.

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

The congress was attended by
108 delegates and 138 guests.



CONGRESS AGENDA

DAY 1 OPENING SESSION

Ds Janine Truter opened the proceedings on day 1 with a text from Scripture and prayer.

The congress then sang the National Anthem.

Constitution of the congress

Executive director Omri van Zyl dealt with the constitution of the congress. He confirmed that a quorum was present and that all constitutional requirements had been met for the congress to commence.

He announced the following points of order:

- The sequence of discussions as determined by the chair;
- Non-delegates could provide inputs with the permission of the chair;
- Participants not listed in the programme were limited to a speaking opportunity of five minutes. Participants were requested to use the microphone that was available on the floor to make their inputs;
- Speakers were asked to submit copies of their speeches, written as well as electronic, at the administration office, preferably before or directly after delivery thereof;
- For media and reporting purposes, inputs had to be handed in at the administration office or to Marnu de Wet to be captured on the computer system; and
- The election process was managed by Agri SA's auditors, Henry Windell of The Ashton CA (SA) Group, assisted by Willie Jacobs.

Word of welcome

The deputy president, Phenias Gumede, welcomed the attendees and referred to the apologies received. He extended a word of welcome to delegates, other representatives of affiliates, speakers, the delegates of various state departments, representatives of portfolio committees, statutory bodies and embassies, delegates

of other agricultural organisations, former presidents of Agri SA and guests.

He also welcomed other delegates and representatives of affiliates; Minister Thoko Didiza and the director-general of the department of agriculture, land reform and rural development, Mr Mike Mlengana, Rajan Gajaria, executive vice president: Business platforms of Corteva Agriscience, Kallie Schoeman of Schoeman Boerdery, Gary McKay, head of commercial operations: Fidelity ADT Commercial, Hano Jacobs, chief operational officer: Payteq, Stephan Nel, marketing manager: John Deere (Pty) Ltd Sub-Sahara Africa, Morné Mostert, director: Institute for Future Research, University of Stellenbosch, and Minister Lindiwe Sisulu, minister of human settlements, water and sanitation, who was in attendance on the second day of the congress. A special word of welcome was extended to former Agri SA president Japie Grobler.

A special word of welcome was also extended to the new corporate members and commodity organisations attending the congress for the first time as members of Agri SA, as well as Toyota/Agri SA Young Farmer finalists and senior delegates and representatives of the International Labour Organisation (ILO).

Media members were also welcomed and thanked for attending and reporting on the congress.

A word of welcome was extended to representatives of political parties, members of portfolio committees, representatives of the minister of agriculture, land reform and rural development, other state departments and statutory bodies, including the Land Bank, visiting agricultural organisations, representatives of embassies, organised business, representatives of consumer organisations and exhibitors.

Phenias Gumede offered apologies on behalf of former presidents, former chamber chairs, as well as Mdu Shabane, director-general of the department of agriculture, land reform and rural development, who were unable to attend. He also thanked the sponsors and referred to their logos in the congress programme as well as their messages. He requested congress attendees to take note of and visit the sponsors' exhibitions. He said it was important for agriculture to be associated with

companies such as those who were prepared to support the organisation.

The logos of the respective sponsors were displayed throughout the congress:

Platinum and informal function sponsor:

Santam Agriculture

Diamond sponsor:

Corteva

Gold sponsors:

Bayer, GWK and AgriSETA

Silver sponsors:

Absa AgriBusiness, Dräger, Pioneer, Engen, John Deere, Land Bank, MTN, Nedbank, Obaro, MacRobert Attorneys, Senwes, Standard Bank, Statistics South Africa, Total and Voermol Feeds

Bronze sponsors:

Nissan, NWK, Old Mutual & Old Mutual Insure, OVK, Syngenta, and The Ashton CA (SA) Group

Nickel sponsors:

Aagri, Pannar Seed, Sanlam, Vleissentraal and VKB

Phenias Gumede also thanked Agri SA's partners, namely CrisisOnCall, Nissan SA, Sanlam, Sonfin, Fidelity ADT and T&E FinOps, for the loyal support they provided to Agri SA and the Agri Securitas Trust Fund during the past year. He referred to their messages in the congress programme and urged congress attendees to visit their exhibitions to find out what they had to offer.

PRESIDENTIAL ADDRESS

Pierre Vercueil, as chair, introduced Dan Kriek who then delivered his presidential address.

Dan Kriek, the president of Agri SA, said his father had constantly reminded him that he (Dan) was privileged and therefore had a duty to care for less privileged people. South African farmers form part of the 5% most privileged people in South Africa in terms of income and therefore have a responsibility to help those who have less. His message was that farmers should become part of an inclusive agricultural community and guard against isolating themselves.

“ South African farmers form part of the 5% most privileged people in South Africa in terms of income and therefore have a responsibility to help those who have less. His message was that farmers should become part of an inclusive agricultural community and guard against isolating themselves.

While agriculture is experiencing many problems, such as policy uncertainty, uncertainty around land reform, and the security situation in rural areas, farmers should not tackle these problems in isolation but should become part of a bigger picture to address South Africa's economic problems.

According to Kriek, president Cyril Ramaphosa's land panel had done good work, although the alternative report that he and Nic Serfontein had compiled might indicate the contrary. There were many principles with which he and Serfontein agreed; however, they strongly opposed the unnecessary amendment of the Constitution. The protection of property rights was also non-negotiable.

He also referred to several heart-warming stories on the social media page I'm Staying and said he was not part of this forum as he had never considered leaving the country. What was clear from the messages, however, is that South Africans were ready to make South Africa a better place, said Kriek.

Pierre Vercueil noted and thanked the president for his speech, after which the president again assumed the chair.

Dr Patrice Motsepe

The president asked Dr Patrice Motsepe to convey his message to the congress.

Dr Motsepe, referring to the agreement between Agri SA and the Motsepe Foundation, thanked the president and all persons involved in Agri SA and its provincial affiliates for their guidance and the role they play in the respective projects. There were various challenges and everyone's cooperation was needed to make a success thereof.

He said hope is an important part of our lives but that many people had unfortunately lost all hope. For this reason, we need prayer to give people new hope. He called on commercial farmers to assist farmworkers and emerging farmers to create a good life for all.

GUEST SPEAKER

Minister Thoko Didiza, minister of agriculture, land reform and rural development

The minister of agriculture, land reform and rural development, Thoko Didiza, as opening speaker, mentioned that she was happy to be back and appreciated the warm welcome she had received from organised agriculture.

Didiza had also served as minister of agriculture between 1999 and 2006. "I am happy to see familiar as well as new faces, but where are the women? Are they looking after your farms while you attend congresses and conferences?"

Didiza said that she had, in her capacity as former minister of agriculture, enjoyed a good relationship with organised agriculture and hoped to resume this relationship. She emphasised that communication among role players was not negotiable. She also planned to resume regular communication between senior officials in her department and the chief executive officers of agricultural organisations.

The points on her agenda included rural safety and crime because "the death of one farmer has a negative effect on the community as a whole – it creates

fear". She does not believe the closure of the Agricultural Credit Board had been a good idea. The minister believes that new financing models should be considered to assist developing farmers, including loans and grants. The future of agriculture lies in inclusivity, with due regard to all races and genders.

ELECTION OF PRESIDENT

The congress was asked to submit nominations for the office of president.

THEME 1

THE FUTURE-ORIENTED FARMER

Jannie de Villiers served as facilitator for the session and afterwards provided a summary of the discussions.

Session 1:

Agricultural biotechnology and nanotechnology

Rajan Gajaria – executive vice president: Business platforms of Corteva Agriscience

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“ No continent will be as seriously affected by the impact of climate change as Africa. Given the limited options to adapt, exacerbated by widespread poverty, climate change poses a serious threat to economic growth and the survival of vulnerable population groups.

The world population is constantly growing, while urbanisation is rapidly escalating. Farmers are trying to tackle the worldwide challenge to produce enough food to a fast-growing population who are also demanding healthier food.

At the same time, food remains scarce in many parts of the world and yet there is sufficient food to feed everyone. Approximately one in nine people do not have enough food to lead a healthy life. In some areas this ratio could be as high as one in three. This means that in total 800 million people are chronically hungry.

Furthermore, food wastage is already a concern. At current levels, farmers will have to produce up to 70% more food by 2050 to feed the world's population. Despite the annual increase in crop production, farmers might not be able to produce enough to meet the world's growing demand for food.

The demand for increased productivity on farms will increase exponentially. Attempts to improve farm productivity, however, are being hampered by deteriorating environmental conditions.

Water for agricultural purposes is scarce in 28% of the world. Approximately 70% of the world's fresh water is used for food production. Moreover, 69% of agricultural land is being lost due to deforestation, poor farming practices, climate change and urban sprawl.

If the average global temperature were to increase by a mere 2°F (just below 1°C), maize yield will decline by 7,4%, wheat by 6% and rice by 3,2%.

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Corteva is committed to enriching the lives of those who produce as well as those who consume. “Through productive partnerships, we have already increased access to technologies and improved our agronomical practices to enrich the lives of small-scale farmers and to grow our business in emerging economies” he explained.

Corteva works closely with stakeholders and local partners to build capacity in African countries and is now identifying and implementing new technologies and smarter agronomical practices for sustainable and productive farming systems that can flourish in any climate.

“If we work together, we can ensure that our worldwide food systems produce sufficient food for all. Innovative farming practices and technology are absolutely essential to achieve this goal, and Corteva Agriscience is fully committed in this regard”.

Kallie Schoeman, Schoeman Boerdery
The role of strategy and technology in the business development

Kallie Schoeman said this was not a simple matter, referring to various sports where technology was already being used to assist referees with decision-making. The effect of change causes uncertainty. He emphasised that technology can never replace farmers, but the technology used by farmers could ensure progress.

Schoeman also referred to the previous three revolutions and the prosperity that they brought to the world. The fourth revolution is upon us – it holds both advantages and disadvantages; however, the advantages outweigh the disadvantages.

Risks must be identified and managed. He compared it to a person who must row in a shark-infested area. However, technology will not make a difference to land and land issues in South Africa, with specific reference to expropriation without compensation. New initiatives on land should be sought by speaking to the right people.

The South African economy should not be driven by politics or threatened but should be determined and regulated by market forces. There are various red lights flickering in the economy that need urgent attention.

DONATIONS TO THE AGRI SECURITAS TRUST FUND

Santam Agriculture, OFM, Obaro and Sanlam presented donations to the chair of the Agri Securitas Trust Fund, Japie Grobler.

Grobler thanked the donors for their contributions and said the Agri Securitas Trust Fund offered businesses the ideal platform to identify with the work that the Trust Fund does to protect farming communities and to make a contribution in support of their task.

OUTCOME OF THE PRESIDENTIAL ELECTION

Dan Kriek was elected as president for a further term.

ELECTION OF DEPUTY PRESIDENTS

The executive director asked that nominations be submitted during the lunch break for the office of first deputy president and then, after the first deputy president had been elected, nominations for the second deputy president.

LUNCH

Mr Kriek introduced Tony Esmeraldo of Corteva who, as Diamond sponsor, conveyed a message to congress, as well as an invitation to join Corteva for lunch.

GRACE

Gert Smith said grace, after which lunch was served in the Tatso restaurant.

After lunch, the president asked congress to view and listen to the following video: Our farmers, our inspiration. There are few things as inspirational as our country's farmers and everyone's unique story. Agri SA is involved because we want to shine that positive light on our farmers.

Session 2: Technology on the farm

Gary McKay, commercial executive: Fidelity ADT Commercial Security technology for farming in future

Gary McKay provided background information on Fidelity and some of its current board members. Agri SA and Fidelity had signed a Memorandum of Agreement in April 2019 according to which the two organisations undertook to cooperate. Progress has already been made in this regard and various quotations for security systems have been presented to farmer associations, while negotiations are underway in the Eastern Cape to allow Fidelity to take over the existing systems.

The extent of services offered by Fidelity are extensive and include the provision of guards, specialised services, tactical armed response, investigations and tactical aerial support. The company has 159 branches, 4 066 vehicles, 9 098 firearms, 55 000 operational workers and 5 000 administrative support staff.

The company works closely with the South African Police Service and operates a joint information command centre. Their footprint extends to other countries such as Mauritius, Ghana, Zambia and Cyprus, and includes the technology of all South African cellular companies such as Vodacom, MTN, Cell C and Telkom.

Fidelity also has integrated network systems and monitoring solutions that they can offer to farmers in South Africa,

Hano Jacobs, chief operating officer: Payteq Effective payment systems for agriculture

Hano Jacobs, in his presentation, said payment systems form the backbone of a country. This facilitates involvement in the national and international business community, as well as consumer involvement. The banking sector will in future become more competitive, with three new banks, namely Discovery, Tyme Bank and Bank Zero having been established recently. These banks focus on digital services. Moreover, the profitability of traditional branch bank services is under pressure and various banks have already closed branches.

The impact of digital banking services is impressive, with all investment and modernisation being focused on providing such services.

The end of cheques as means of payment is on the horizon as the business world has lost confidence in this method. The reconciliation period has become obsolete and bank costs cannot be justified. Cash as a means of payment poses various risks and contributes to in-transit robberies and also creates further opportunities for fraud. There are approximately 11 million people in South Africa who do not use banks or who use banking services to a very limited extent.

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The use of cell phones has caused mobile payments services to explode – We ChatPay, Alipay and digital wallets (e-Wallet) are examples of this.

Jacobs said he was optimistic that technology will help to address many challenges. Millions of people can be reached far more effectively, which makes the flow of money more efficient. He was of the opinion that more consumers and entrepreneurs could become involved in the buying and selling of agricultural products: “Technology makes the world smaller and we can reach consumers and assist them to become active participants,” he concluded.

Session 3: Agricultural mechanisation

Barrett Bar, strategic lead – embedded solutions: John Deere Intelligent Solutions Group (USA) The revolution of precision agriculture through artificial intelligence

The potential increase in Africa’s yield through the strategic use of data could position the continent’s farmers at the centre of the global economy in future. The strategic use of new data on Africa’s small-scale farmers and contractors offers the continent new hope for food security, as well as a new and more diversified export proposition “which supports foreign exchange earnings and creates skills-appropriate job opportunities, as well as broader supply-chain development opportunities across the agriculture-focused industry value chain,” said Antois van der Westhuizen, managing director of Sub-Sahara Africa, John Deere Financial.

New technologies that are readily available to Africa’s small-scale farmers mean that the continent has finally reached the point where its considerable – albeit still unexploited – agricultural opportunities could be made more relevant to capital, mechanisation and massive new global markets. Simple information about African farmers, the land on which they farm and their activities on such land has the potential of driving mechanisation of Africa’s agricultural sector. While all farmers need access to capital and equipment, Africa’s large-scale commercial farmers already maintain good relationships with financial institutions.

“Guidance in providing the right financial solution for the right farmers at the right price is only possible with the right data.” For the first time in history, technology is available to produce this data about Africa’s small-scale and subsistence farmers.

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John Deere has collaborated with ACDI/Voca, ADVANCE and USAID, as well as other input suppliers in Ghana, with regard to mechanisation and the supply of artificial fertiliser and seed to demo-farms for small-scale and subsistence farmers in the country.

According to Van der Westhuizen, the results were astonishing. In some instances, yield increased more than seven-fold, which confirmed what John Deere already knew, namely that if small-scale farmers could gain access to mechanisation, fertiliser and seed, as well as information regarding the correct use thereof, they can increase their yield.

While John Deere continues to conduct advanced studies on the optimum use of agricultural data, the new vision for Africa’s small-scale and subsistence farmers, as provided by new transaction technologies, becomes immediately clear.

Given far fewer impediments to access to agriculture, farming activities in Africa have a greater potential to broaden economic inclusivity compared to the foreign exchange intensive mines, which employ only a small

percentage of the population, observed Van der Westhuizen. Whereas agriculture, if properly and scientifically managed, is more sustainable, the sector has the potential to produce food indefinitely.

“This offers Africa’s mineral export-dependent economies the opportunity to diversify with more sustainable exports and with a much higher potential for beneficiation, industrialisation and economic inclusivity,” he said.

Morné Mostert, director: Institute for Future Research, University of Stellenbosch

The future world – Impact of the Fourth Industrial Revolution on the world

Morné Mostert said people who think about the future perform better than those who do not. A business should be scrutinised from the outside – you will not be the cause of any disruption.

With reference to the Fourth Industrial Revolution, he said various types of equipment can communicate with each other without anyone interfering. The line between the computer and the person is becoming more blurred. New questions can be asked about what a person is. He referred to the Club of Rome, which made certain predictions regarding the worldwide growth rate and whether there was a limit to the rate given existing natural resources.

He said senior managers of companies should always consider securing external strategic partners to assist with thought processes. The higher the rate of change to date in the changing world, the greater the probability that companies will survive in future.

He concluded with the following statement: “Those who know where they come from, also know that they have been there.”

**Session 4:
AgroHUB**

Christo van der Rheede, deputy executive director: Agri SA

Christo van der Rheede said: “Building an inclusive, sustainable, profitable and technological advanced com-

mercial agricultural sector in South Africa is a partnership effort”.

Agri SA is a professional organisation for farmers and is committed to the values and ideals of the National Constitution. Transformation of the South African economy, especially agriculture, is a national imperative. Agri SA, via its members, is constantly involved in promoting transformation through various development programmes. The transformation report is intended to showcase and promote Agri SA's contribution to transformation. For this purpose, we looked at best practices and new opportunities to ensure further growth.

Agri SA's national survey was aimed at determining the contributions spent on projects to support transformation and the number of farmers who are reached via Agri SA's membership base.

Since the 2018 report, R761 million has been spent on transformation, with 167 008 people benefitting from the development programmes, training courses, mentorship programmes, recapitalisation projects and entrepreneurship programmes.

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The following feedback was provided on the Motsepe Foundation project, which is implemented in collaboration with affiliates, as well as other projects and the activities of AgriSETA.

Congress viewed a video on the Agri Gauteng Ekspo which, at Agri SA's invitation, was attended by various traditional leaders and kings involved in the Motsepe Foundation project, as well as a video on Agri SA's interns.

The following resolutions were approved by the congress:

- The composition of an AgroHUB; and
- Current work done in respect of transformation, as well as the continuation and expansion thereof.

Digitalisation of the *Agri* magazine

Omri van Zyl, executive director: Agri SA
Neil de Klerk, chief executive: Group marketing and communication: GWK

Omri van Zyl provided a brief overview of the current situation regarding the *Agri* magazine, after which he asked Neil de Klerk of GWK to explain what was planned for the magazine in future.

Print media have been under pressure for the past few years and people are moving increasingly to digital media. The recommendation was that *Agri* should be published in digital form and distributed as such to members on Agri SA's database as from 1 May 2020. The particulars will be worked out between Agri SA and GWK.

“ Print media have been under pressure for the past few years and people are moving increasingly to digital media.

Resolution:

The recommendation to digitalise the *Agri* magazine was approved.

MESSAGES FROM VISITING AGRICULTURAL UNIONS

TAU SA – Louis Meintjies, president of TAU SA, conveyed a message to Agri SA on behalf of his organisation.

ASUF – Pitso Sekhoto, acting chair of ASUF, conveyed a message on behalf of the organisation and thanked the outgoing chair, Japie Grobler, for the role he had played in agriculture, and specifically ASUF.

NAFU – Motsepe Matlala, president of NAFU, conveyed greetings to Agri SA on behalf of the union.

Outcome of the election of deputy presidents

First deputy president

Pierre Vercueil – re-elected

Second deputy president

Phenias Gumede – re-elected

INFORMAL FUNCTION

Agri SA's informal function was held from 18:30 in the Diamond Room, Maslow Time Square, where Christo van der Rheede acted as programme director. Agri SA's deputy president, Pierre Vercueil, welcomed the attendees, while Santam Agriculture's executive, Lizé Lambrechts, delivered an appropriate message.

Ceremony to recognise members

During the evening function, Agri SA presented awards to various people and organisations in recognition of their contributions to agriculture.

Agri SA's board of directors annually presents awards in the form of an illuminated address during this function to pay tribute to those who had provided outstanding service to the agricultural sector as a whole and to Agri SA in particular. The gold lapel pin is presented to people who received an award from the board of directors. The General Affairs Chamber and Commodity Chamber also presented awards in recognition of outstanding service provided to the chambers.

- Dr Koos Coetzee received an award from the Commodity Chamber;
- Johan Bothma received an award from the General Affairs Chamber;
- Hoffie Joubert received an award from the General Affairs Chamber;
- Oubaas Malan received an award from the General Affairs Chamber.

Honorary awards were presented to Hendrik Ackermann, former chair of Agri SA's Centre of Excellence: Labour and Development, as well as to Dr Gerhard Backeberg, formerly from the Water Research Council, both of whom had apologised for their absence.

Recognition was also afforded to the following people:

- Kobus Breytenbach received an award from Agri SA's board of directors.
- Ronell and Jana van Wyk accepted an honorary award (posthumously) on behalf of the former president of Agri Northern Cape, the late Henk van Wyk, from Agri SA's board of directors.
- Dr Chris Wentzel, who was nominated to receive an award from Agri SA's board of directors, had apologised for his absence.

The following centenary certificates were presented:

- BKB
- *Landbouweekblad*
- Overberg Agri
- OVK
- Sanlam
- Santam
- VKB

The following 110th anniversary certificates were presented:

- NWK
- Senwes
- Suidwes Landbou

GRACE

Chris Krone said grace.

DAY 2

Alta Strauss opened the proceedings on day 2.

THEME 2 – POLICY DEVELOPMENT

Guest speaker

Minister Lindiwe Sisulu, minister of human settlements, water and sanitation

According to Lindiwe Sisulu, minister of human settlements, water and sanitation, officials could lose their jobs if they fail to respond to water crises within 24 hours. After she learned that the Mafube municipal area in the Free State had been without water for two weeks, she realised that the manner in which the government deals with crises should change.

“*After she learned that the Mafube municipal area in the Free State had been without water for two weeks, she realised that the manner in which the government deals with crises should change.*”

“As government, we recognise the importance of the agricultural sector in our economy and the role that Agri SA plays on an ongoing basis to ensure that food security matters and related challenges are highlighted regularly. During discussions with my advisors, ongoing liaison with organised agriculture was identified as essential.” Sisulu said she acknowledges the successes that Agri SA has achieved and the respect that South Africa enjoys as a successful agricultural country.

“The department is of the opinion that part of this discussion should focus on transforming access to and use of water for productive purposes. The main impediment is the lack of land ownership by our people and thus the lack of collateral to gain access to financial capital for development purposes. By way of the Water Allocation Reform (WAR) programme, the department has, among

others, set aside certain water for allocation to previously disadvantaged people; however, taking up of such water was slower than anticipated because of other related resource challenges which I highlighted earlier.”

For this reason, the department is in favour of partnership vehicles, such as joint ventures, to expedite the taking up of water and, so doing, promote transformation in water usage.

“Our focus within the department is to strengthen our regulatory instruments and to ensure that equality becomes central to our mandate. We therefore urge large-scale water users (such as many Agri SA members) to make use of our transformation initiatives proactively and voluntarily and to offer a helping hand. This will also ensure smooth transformation of resource allocation so that your members are not adversely affected when we implement the current and other proposed redistribution measures.”

She promised that her department would respond in writing to all questions posed during the congress and asked the organisation to invite her again to the next congress to provide feedback.

Water policy

Wayman Kritzinger, chair:

Agri SA Centre of Excellence: Natural Resources

In October 2019, Agri SA intended to reconsider its policy position in respect of water. The importance of a clear policy, fully mandated and supported by all Agri SA's affiliated members, cannot be overemphasised. While the organisation works constantly to maintain its longstanding open and constructive relationship with the government (especially the department of water and sanitation), it is important that there should be no ambiguity when it comes to the organisation's position around water, which is possibly the agricultural sector's most important natural resource.

Agri SA's focus areas in respect of water

Catchment Management Agencies (CMAs) and Local Water Resource Management Institutions (LWRMIs)

Agri SA is of the opinion that the establishment of CMAs and LWRMIs across the country is essential to ensure

proper integrated water resource management. We therefore support the government's renewed commitment to establishing the rest of the CMAs and its plan to centralise water management functions.

We are also of the opinion that it will make provision for certain essential functions at the appropriate level, including management of water pollution, deteriorating infrastructure, invoicing, as well as water licensing, which are addressed at local or catchment area level. Agri SA will continue to promote and ensure a rightful place for agricultural users in well-funded and fully functional CMAs and LWRMIs.

Verification and validation

Agri SA is of the opinion that the verification and validation (V&V) of existing legal water usage are essential for proper, informed decision-making and future policy development. We are concerned about the government's tardiness in completing the V&V process. Agri SA received a mandate from its members to ensure that:

- The V&V process is completed as soon as possible;
- The government provides us with regular feedback on the status of completion of the V&V process in the respective provinces and/or water management areas; and
- Where the government needs the commercial agricultural sector's help to complete the V&V process in any specific provinces, Agri SA will be of assistance in facilitating liaison with our members for that purpose.

Efficiency of water usage

South Africa is a country that experiences severe water stress. Despite this, the commercial agricultural sector contributes considerably to social stability in South Africa by offering physical, social and economic access to sufficient, safe and wholesome food that meets the population's nutritional requirements and preferences to sustain an active and healthy life (i.e. food security as defined by the United Nations' Committee for World Food Security), while at the same time being a significant source of foreign exchange earnings as well as important job creator.

Agri SA is a strong advocate for efficient water usage in the agricultural sector, including the use of appropriate measuring and other technology in order to confine water losses and wastage to a minimum.

Transferability of water use rights

Agri SA is of the opinion that the ability to transfer water use rights legally and appropriately is essential in promoting sustainable water management. Agri SA is currently involved in two lawsuits concerning the government's amended interpretation of section 25 of the National Water Act, 1998, which deals with this important issue.

Consultation on raw water costs

Agri SA's Centre of Excellence: Natural Resources was represented in the national consultations around the 2020/21 raw water use costs hosted by the department of water and sanitation on 28 August 2019 at the Birchwood Hotel in Boksburg. Agri SA had previously asked that the increase in water resource management costs for the irrigation sector be limited to 6,5%. The proposed costs were accepted for all areas except the Orange River proto-catchment management area, where an increase of 15,66% was proposed in terms of the National Water pricing strategy.

Agri SA's proposal that water resource infrastructure costs for the irrigation sector be limited to 16,5% (i.e. 10% plus PPI as in April 2019) was also accepted. The proposed increase represents a substantial achievement considering that the government had initially proposed increases of up to 50% in various areas. The proposed raw water use costs for 2020/21 will now be submitted to the minister of human settlements, water and sanitation for approval.

“ Agri SA's proposal that water resource infrastructure costs for the irrigation sector be limited to 16,5% (i.e. 10% plus PPI as in April 2019) was also accepted.

Deterioration of water quality

Agri SA is concerned about the general deterioration in the quality of water resources across the country. We are also concerned that poor water quality could give rise to further economic losses for the agricultural sector. Agri SA received a mandate from its affiliated members to ensure that:

- The current status of water quality across the country is monitored and reported on, including the regular release of the department of water and sanitation's Blue and Green Drop reports;
- The establishment and implementation of CMAs are expedited as these structures are key to the management of water quality. In areas where CMAs have not yet been established, the necessary powers must be delegated to the LWRMIs to perform their water management functions;
- The Waste Discharge Charge System (WDCS) is implemented, as set out in the pricing strategy in terms of section 56 of the National Water Act; and
- The government liaises with all other relevant organs of state with regard to the deterioration of wastewater treatment works. Green Drop reporting should be resumed to ensure that the treatment works are properly monitored.

Illegal water use

Agri SA confirmed unambiguously that illegal water usage posed a threat to the agricultural sector. The organisation is therefore committed to active support of and participation in any and all initiatives aimed at ensuring that its affiliated members comply with the provisions of the National Water Act and that illegal water usage is not tolerated.

Reform of water allocation

With regard to the transformation of the water sector, Agri SA is committed to decision-making at an appropriate pace, in line with legislation and based on evidence. We are of the opinion that efforts in this regard are being hampered by a lack of policy, poor coordination and the uncompleted V&V process.

Agri SA supports the progressive advancement of a fully inclusive and representative agricultural sector, which contributes to a prosperous and stable state and region. To this end, we assist with and promote the identification and rapid development of unused water resources for transformation purposes. Agri SA called on the government to continue with its work and to finalise the review of its water allocation policy/transformation charter in collaboration with Agri SA.

Relationship with the government

Agri SA's strategy in respect of water management is based on the full and proper implementation of our National Water Act, maintaining and strengthening its relationship with responsible citizens, as well as accountability and a relationship of mutual trust with the government.

Agri SA and its affiliated members called on all state enterprises tasked with control over South Africa's natural resources and the implementation and enforcement of South Africa's water and environmental legislation to carry out their prescribed duties without fear, favour or prejudice.

Land

Ernest Pringle, chair:

Agri SA Centre of Excellence: Land

During the 2018-congress, the existing policy on land reform was again tabled and a new mandate confirmed for Agri SA's position and policy on land. Agri SA remains opposed to expropriation without compensation and the amendment of section 25 of the Constitution. The organisation believes an amendment is unnecessary, unwise and likely to be economically disastrous.

The organisation is also committed to, among others, the following:

- Farmer development;
- The Constitution, as well as land reform executed within the rule of law, supported by administrative practices and in accordance with free market principles;
- The cost of land reform cannot be borne by individuals alone;
- Promoting best practice models;

- Expropriation should only be used as a last resort;
- Fair market value as point of departure for compensation; and
- Private property rights as the cornerstone of economic growth.

The latest development regarding land reform

- The amendment of the Constitution is underway and an ad hoc committee was appointed by parliament to propose appropriate wording;
- A new Expropriation Bill, which makes provision for zero compensation, was published for public commentary;
- Agri SA submitted written commentary on the Bill in which it expressed concern over the definition of expropriation and specifically section 12(3), which makes provision for zero compensation;
- Agri SA supports the Melmoth farmers in their battle for fair and equitable compensation;
- The Presidential Advisory Panel on Land Reform has made a comprehensive report available;
- Dan Kriek and Nic Serfontein submitted an alternative report; and
- Agri SA has studied both reports and provided written commentary thereon.

Policy on renewable energy

Dr Requier Wait, head:

Agri SA Centre of Excellence: Economy and Trade

Electricity's influence in the agricultural sector

Electricity is a key production input for agriculture. According to official statistics, the agricultural sector spent approximately R7,334 billion on electricity in 2018/19 (i.e. 5% of the sector's expenditure on intermediary goods and services during this period).

The agricultural sector plays a critical role to ensure that national food security requirements are met. More than 25% of the country's food is produced by irrigation-dependent and energy-intensive industries. Sharp increases in electricity costs brought pressure to bear on the liquidity of farming operations because electricity forms a significant part of their variable costs.

Farmers, as price takers, find it difficult to pass on this additional cost to consumers. For this reason, such

expenses have to be absorbed as an additional business cost, which in turn has a negative impact on farmers' operational margins and sustainability. South African agriculture receives relatively little government assistance compared to our global competitors. At present, a farmer's only option is to increase their efficiency and to make use of economies of scale and cost-saving technology, for example solar photovoltaic (PV) systems.

Background

South Africa's current model of a vertically integrated, monopolistic power supplier (Eskom) is increasingly in conflict with global trends. Eskom produces approximately 90% of the country's electricity, almost entirely through carbon-intensive coal-driven power plants. Eskom's financial and technical challenges pose a considerable risk to the South African economy and fiscal sustainability, while the trend of rising electricity tariffs is forcing the power utility into a downward spiral.

“ Eskom's financial and technical challenges pose a considerable risk to the South African economy and fiscal sustainability, while the trend of rising electricity tariffs is forcing the power utility into a downward spiral.

Reform of the electricity sector: National Treasury's economic policy paper

The National Treasury's recent economic policy paper contains various proposals for reforming the electricity sector. The proposal for an unlimited, lowest-cost Integrated Resource Plan (IRP), regulations that make provision for private-sector participation, restructuring and modernisation of Eskom's business (with due regard for international development), as well as open and non-discriminatory access to the transmission network, is a step in the right direction.

Finalisation of an updated lowest-cost IRP, which has not yet been approved by the cabinet, is essential for initial stabilisation of the energy sector. The IRP should also be regularly updated to reflect changes in economic conditions and technology, while future electricity tariffs should be managed in a transparent and predictable manner.

With Eskom's proposed restructuring, consideration should be given to a holistic review of the power supplier's capital model, operational structure and tariff regime, where demand is maximised, and costs limited to a minimum. Advanced technology and a decline in costs could serve as powerful motivation for a scenario where solar and wind energy, supported by flexible sources such as gas-driven power, becomes a viable option. In the longer term, energy-efficiency gains will probably reduce demand for energy. Such a scenario, together with sectoral reforms, will have to bear in mind the political dimension of South Africa's energy transition.

The reform process should involve potential reform champions of social partners, including business, labour and the community. The focus should be on building consensus around opposing opinions, for example addressing labour's concerns over alleged job losses related to a transition from coal to renewable energy sources.

Private sector participation

In addition to focusing on independent power producers (IPPs), broader private sector participation, e.g. small-scale SSEGs in the agricultural sector, should be included in the reform strategy:

- While the National Energy Regulator of South Africa's (Nersa) registration process for SSEGs is functioning well at present, with registrations taking approximately two to three months, the Eskom process could take between 12 and 18 months. This process remains the main obstacle that discourages farmers from investing in a solar energy system. Either Eskom or a potential Independent Systems Market Operator (ISMO) should appoint a designated team with a focused

mandate to expedite the process;

- Access to off-balance-statement financing in terms of a lease agreement, with a limited funding option, could serve as vital channel for investment by the agricultural sector; and
- To ensure that our members have access to the best technology, service providers and financing options, Agri SA works closely with role players in the industry to facilitate innovative energy and financing solutions for its members.

Electricity networks and municipalities

Investment in the maintenance and expansion of electricity network infrastructure is vital. Agri SA supports the plan to set network investment aside and have Nersa monitor it.

The role of municipalities who fail to perform their duties as electricity licence holders must be revisited, especially where service delivery, maintenance of infrastructure and sound financial management are lacking. Given the global trend of carbon reduction, digitalisation and decentralisation, municipalities should consider alternative sources of income by modernising their business models.

Considerations for the development of a flexible energy policy

Finalisation of the integrated resource plan

- Finalisation of an updated lowest-cost integrated resource plan (IRP) is essential. It should be regularly updated to reflect changes in economic conditions and technology.

Eskom's proposed restructuring

- With its proposed restructuring, Eskom should consider a holistic review of the energy sector and electricity supply industry;
- With regard to the reforms, the political dimension of South Africa's energy transition must also be taken into consideration. The reform process should involve potential reform champions of social partners, including business, labour and the community. The focus must be on building consensus around opposing opinions, for example addressing the labour sector's concerns

over alleged job losses related to the transition from coal to renewable energy sources; and

- Future electricity tariffs must be managed in a transparent and predictable manner, while such tariffs should also reflect costs.

Private sector participation

- Broader private sector participation, for example small-scale imbedded generators (SSEGs) in agriculture, should be incorporated into the reform strategy;
- Either Eskom or a potential Independent Systems Market Operator (ISMO) should appoint a designated team with a focused mandate to expedite the administrative processes that delay SSEG projects;
- Access to off-balance-statement financing in terms of a lease agreement, with limited funding, could serve as a vital channel for investment by the agricultural sector; and
- To ensure that our members have access to the best technology, service providers and financing options, Agri SA is working closely with role players in the industry to make innovative energy and financing solutions available to its members.

Electricity networks and municipalities

- Investment is essential to maintain and expand the electricity network infrastructure. This can be supported by setting aside investments that Nersa should monitor;
- In a broader sense, theft and vandalism are general factors that hamper network activities. A collective strategy is needed to protect networks and combat theft and vandalism;
- The role of municipalities who fail to perform their duties as electricity licence holders must be revisited, especially where service delivery, maintenance of infrastructure and sound financial management are lacking; and
- In light of the global trend in favour of carbon reduction, digitalisation and decentralisation, municipalities should consider alternative sources of income by modernising their business model.

Policy: Social unity compact

Niel Hamman, chair:

Agri SA Centre of Excellence: Labour and Development

With the advent of the fourth industrial revolution, it would be easy to believe that industrialisation will lead to mechanisation and fewer job opportunities. The truth, however, is far more complex. Although it is clear that certain types of manual labour will be replaced by machines once technology becomes cheaper and more accessible, general mechanisation will never be a workable option in a country with catastrophic unemployment figures such as ours.

The social instability that South Africans are experiencing at present relates to economic vulnerability and income inequality, and it will require a concerted effort by employers, workers and other role players to address these problems. Besides these factors, there are specific reasons why social partners should focus on the social aspects around a business.

“ The social instability that South Africans are experiencing at present relates to economic vulnerability and income inequality, and it will require a concerted effort by employers, workers and other role players to address these problems. Besides these factors, there are specific reasons why social partners should focus on the social aspects around a business.

There are five reasons why we should take note of social aspects when doing business.

Enduring peace is built on social justice

The International Labour Organisation was established on the principle that social justice forms the basis for enduring peace in terms of the Treaty of Versailles in 1919. The universal perception was – and still is – that social justice is the only way to facilitate peace. This paved the way for meaningful social dialogue between role players in the work environment, i.e. challenges are aired through discussion and are addressed by parties who attempt to find solutions as a team, while retaining their own identity as representatives of a particular grouping.

If workers and employees keep their eye on the end goal, namely a prosperous business benefitting both parties, it becomes easier to address the unavoidable problems that arise in the workplace. If this is an opposing relationship, however, it becomes difficult to find common ground and to reach consensus. The future of collective bargaining will be far more solution-driven and designed around mutual benefits.

South Africa's legislative system is based on social dialogue

In South Africa, legislation and policy that have an impact on labour, development or the economy, must be negotiated at Nedlac. Nedlac is a tripartite-plus structure, which means that representatives of business, government, organised labour and the community participate in consultations and negotiations to ensure that the final products tabled in parliament will withstand the test of closer scrutiny. This is by no means a simple process but it is extremely important that role players involved in policy formation be present from the outset to ensure the fairness of the legislative process.

Given this background, it is important to understand that social aspects and dialogue are not merely incidental. They are the lifeblood of our country's democracy and the only way in which to ensure fair decision-making.

Consumers are becoming more aware, which drives buying patterns

According to a 2018 Nielsen survey, consumers are becoming increasingly aware of their buying behaviour. The survey indicated that 81% of respondents – with no distinction regarding gender or generation – share a passion for corporate social responsibility. International trade union confederations such as IndustriALL respond to this mind-shift by moving towards organising value chains as a whole. In accordance with their Global Framework Agreements, the trade union confederation places the onus on retailers to ensure fair labour practices in their value chains.

In South Africa, producers are facing the same situation with the United Kingdom's Modern Slavery Act, which places the onus on retailers to combat modern slavery in their own value chains, including South African farms that export to such retailers.

The world has never been this small therefore it is essential that producers understand the importance thereof and are aware of the increasing scrutiny to which the corporate social aspects of farms and businesses will be subjected. It is also important to assume the lead in this regard.

Workers form part of the bigger community – business too

No farm or business should be separate from the community in which it operates. An advantage of having deep roots and involvement in a community is that the community benefits economically from your business, which is why your client base will increase. In South African context, community involvement can also strengthen the security around the business. It is important to remember that involvement in the local community is key to the success of your business.

Sustainable development makes business sense

According to the business commission, businesses that responded actively to climate-related issues experienced an 18% higher return on investment than businesses that failed to do so. It is also important to note that climate influences 13 of the 17 sustainable develop-

ment goals of the United Nations. Of critical importance is that sustainable development should be a central focus of the business instead of incidental corporate social responsibility projects. Interventions should be of a long-term nature.

Corporate social aspects and responsibility could be overwhelming. The business commission, however, found as follows: "This is a time, like no other in history, when business needs to show the courage to adopt strategies that create long-term value for their companies and for the societies they serve. This is the time to create a brighter future for all."

ELECTION OF AGRI SA'S BOARD OF DIRECTORS AND CHAMBER MANAGEMENT

The chambers elected three representatives from their own ranks to serve on Agri SA's board of directors.

Board members:

Dan Kriek	- <i>President</i>
Pierre Vercueil	- <i>Deputy president</i>
Phenias Gumede	- <i>Deputy president</i>
Cornie Swart	- <i>General Affairs Chamber</i>
Francois Wilken	- <i>General Affairs Chamber</i>
Douglas Stern	- <i>General Affairs Chamber</i>
Jaco Minnaar	- <i>Commodity Chamber</i>
Niël Joubert	- <i>Commodity Chamber</i>
Sipiwo (SK) Makinana	- <i>Commodity Chamber</i>
Dr Kathy Hurly	- <i>Non-executive director</i>
Dr Charlotte Nkuna	- <i>Non-executive director</i>

A chair, deputy chair and additional member were elected for each chamber:

General Affairs Chamber

Cornie Swart	- <i>Chair</i>
Francois Wilken	- <i>Deputy chair</i>
Douglas Stern	- <i>Additional member</i>

Commodity Chamber

Dr Pieter Prinsloo	- <i>Chair</i>
Jannie de Villiers	- <i>Deputy chair</i>
Niël Joubert	- <i>Additional member</i>

Corporate Chamber

Gerhard Diedericks	- <i>Chair</i>
Rossouw Cillie	- <i>Deputy chair</i>
Nic Bronkhorst	- <i>Additional member</i>

AGRI SA CARES

Contribution by the South African Bone-Marrow Register (SABMR)

Nadia Chalkley, recruitment officer

Every year, hundreds of South Africans suffering from blood-related diseases such as leukaemia, reach the point where their only chance at survival is a bone-marrow transplant. The SABMR was established in 1991, motivated by the fact that although bone-marrow transplants can save lives, this was only available to patients with a related donor in their family.

The SABMR searches locally as well as internationally for donors, therefore, cooperation with international registers and compliance with universal practice standards are essential.

SOUTH AFRICAN BONE-MARROW REGISTER OVERVIEW

- On 21 September 2019 we celebrated World Bone-Marrow Donor Day;
- 70% of patients will need an anonymous donor;
- The SABMR looks at local and international registers to find a donor for every patient;
- There is a one in 100 000 chance of finding a suitable unrelated donor for patients;
- The SABMR has already facilitated 500 stem cell transplants for South African patients;
- The SABMR lists approximately 73 000 registered donors;
- The SABMR, a registered non-profit organisation, relies largely on donations;
- Visit the SABMR website to view new stem cell donors – www.sabmr.co.za;
- The SABMR arranges and facilitates international transportation of stem cells from unrelated donors;
- 27% of donors on the SABMR are people of colour; and
- There are approximately 200 South African patients who require a suitable unrelated donor.

Contact the SABMR directly to register as a potential donor or visit our website to make a financial contribution:

021 447 8638 | www.sabmr.co.za
donor@sabmr.co.za | patients@sabmr.co.za

CEREMONY TO RECOGNISE MEMBERS

The representatives of Agri SA's Corporate Chamber and Commodity Chamber accepted membership certificates on behalf of their respective organisation on 11 October 2019.

Corporate Chamber

Enterprises University of Pretoria
Momentum Securities
Monsanto
SA Feedlot Association
Sesinter
Skills College
Villa Crop Protection
San Miguel Fruits South Africa (Pty) Ltd
Cokes Brothers
Dräger
Pertitium
Westfalia Fruit (Hans Merensky)
Sure Transact

Commodity organisations

Guava Growers' Association
SA Raisins

ANNUAL GENERAL MEETING

Programme director

Omri van Zyl, executive director: Agri SA

MOTIONS

The president proposed the following motion:

"The congress extends its condolences to the next of kin of leaders and members of Agri SA's affiliates who passed during the past year, with special reference to farmers, farmworkers and their family members who died as a result of violent crime."

Jannie de Villiers proposed a motion on the drought situation:

The General Affairs Chamber and the Commodity Chamber unanimously decided to propose the following. For some it is one year, for another two years and others even more. Our hearts break as we watch the videos and read messages from humans and animals that become discouraged. We salute you year in and year out and make plans again because you love SA, its people and agriculture.

We believe and we hope, pray, and plead with you for salvation. We also want to thank the thousands of people who send help, messages, feed, diesel money and prayers. As a sector, we all depend on our Creator together and we know He serves each of you and your people with you on the farm.

“ We believe and we hope, pray, and plead with you for salvation. We also want to thank the thousands of people who send help, messages, feed, diesel money and prayers. As a sector, we all depend on our Creator together and we know He serves each of you and your people with you on the farm. ”

PRESENTATION OF FINANCIAL STATEMENTS AND ANNUAL REPORT

Executive director, Omri van Zyl provided Allan Bishop, chair of Agri SA's Audit and Risk Committee, an opportunity to discuss the abridged financial statements with the congress. Congress took note thereof.

Agri SA's annual report was presented to congress and accepted with thanks.

CONGRESS RESOLUTIONS – 2019

Centre of Excellence: Natural Resources

Agri SA and its affiliates confirm their commitment to full and proper implementation of South Africa's National Water Act and the underlying values therein, and are therefore committed to actively supporting and participating in any and all initiatives aimed at the following:

- I. Agri SA and its affiliated members affirm their commitment to the full and proper implementation and enforcement of South Africa's National Water Act and the values that underpin it.**
- II. Agri SA and its affiliated members fully recognise and acknowledge that:**
 - i. Water is a scarce national resource, which occurs in many different forms which is part of a unitary, inter-dependent cycle;
 - ii. The ultimate aim of water resource management is to achieve the sustainable use of water for the benefit of all users;
 - iii. National Government has the overall responsibility for and authority over the nation's water resources and their use;
 - iv. All aspects of water resources need to be managed in an integrated manner which, where appropriate, requires the delegation of management functions to a regional or catchment level in order to enable meaningful participation by all water users; and
 - v. The protection of the quality of water resources and the proper maintenance of the infrastructure, which enables its use are vital to ensuring the sustainability of South Africa's agricultural sector.
- III. Agri SA and its affiliated members, therefore, commit to actively support and participate in any and all initiatives aimed at:**
 - i. Ensuring that water uses by Agri SA's affiliated members are lawful in accordance with the National Water Act and that the illegal use of water is not tolerated;
 - ii. Promoting water use efficiency, including through the use of appropriate metering and other technology, in order to minimise water losses and the wastage of water;

- iii. Preventing the pollution of water and the deterioration of the infrastructure which enables its use;
- iv. Enabling and assisting with the rapid finalisation of the verification and validation of existing lawful water use entitlements of the agricultural sector; progressively advancing a fully inclusive and representative agricultural sector which contributes to a prosperous and stable state and region;
- v. Promoting and assisting in the identification and rapid development of unutilised water resources for transformation purposes;
- vi. Assuming the rightful place of agricultural users in well-capacitated and fully functional catchment management agencies and local water management institutions; and
- vii. Fostering and strengthening a relationship of responsible citizenry, accountability and mutual trust with the government.

Centre of Excellence: Land

Agri SA remains opposed to expropriation without compensation and the amendment of section 25 of the Constitution. An amendment is unnecessary, unwise and will be economically disastrous. The organisation is also committed to, among others, the following:

- Farmer development;
- The Constitution, as well as land reform within the rule of law, supported by administrative practices and in accordance with free market principles;
- Fair market value as point of departure for compensation; and
- Private property rights as the cornerstone of economic growth.

Centre of Excellence: Economics and Trade

The Centre of Excellence focused on Eskom's restructuring, the need for equitable reform and acceleration of the process and product offerings for SSEGs. The resolutions adopted by Agri SA include the following:

- Agri SA will continue to focus on the sustainability of energy costs in agriculture in order to ensure the profitability and viability of the sector; and

- Agri SA must cooperate with role players in the industry and lend its support to the development of holistic solutions, including quality assurance, performance guarantees and off-balance-state-ment financing.

Centre of Excellence: Labour and Development

The congress approved the Social Unity Compact for implementing the 2014 congress resolution. This included, but is not limited to the following:

- Actively promoting a culture of respect for human rights;
- Active participation in relevant structures;
- Perusal and promotion thereof within other community groups, bearing in mind community-specific needs; and
- Agri SA will develop a platform to share and promote ideas and examples of successful land reform models, social upliftment initiatives and farmer-driven community projects among their members.

ACKNOWLEDGEMENTS

Dan Kriek congratulated office-bearers who had been 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 thanked the Agri SA staff who were involved in the congress arrangements, as well as the agricultural producers who played an indispensable role in various areas, also in the interest of South Africa.

He also thanked Agri SA's office-bearers and specifically the board of directors.

CLOSURE

Pieter Cloete closed the congress with prayer.



CENTRES OF EXCELLENCE

Labour and Development

Neil Hamman and Renier Snyman served as chair and deputy chair, respectively, with Johan Wege as additional member and Jahni de Villiers as head of the Centre of Excellence: Labour and Development.

The committee focuses on forging and maintaining good relationships with various role players involved in labour matters.



Neil Hamman







Covid-19 crisis

The Covid-19 pandemic that emerged in 2020 resulted in South Africa being subject to an unprecedented situation with a months-long lockdown and accompanying labour issues. Even before the lockdown was announced, the Agri SA's head of policy had been working on various documents and within 10 weeks produced 26 documents to assist employers in dealing with their workplaces. These include posters in nine official languages to inform workers and communities of good practice in combating the virus. This was the first time that Agri SA had to embark on such a project. The International Labour Organisation made specific reference to these posters, acknowledging Agri SA's efforts.

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The head of policy was promptly invited to be part of Business 4 South Africa's (B4SA) essential services working group, as well as the labour working group, which met approximately 50 times between mid-March and the end of April. The policy head represents organised agriculture at the National Economic, Development and Labour Council (Nedlac) within the working group tasked with the development of the health and safety directive for Covid-19.

Social cohesion guideline

A social cohesion guideline, which confirms primary agriculture's commitment to healthy and prosperous rural communities, was developed jointly by the land and labour Centres of Excellence. The guideline was presented to Agri SA's 2019 congress and was accepted by the delegates. The social cohesion guideline was promoted by Agri SA's structures among their respective members.

Sectoral determination 13 (farmworkers)

The national minimum wage for farmworkers was increased by 3,8% to R18,68 per hour as from 1 March 2020. This includes domestic workers on farms and security guards who are not employed by private security companies. The sectoral determination still applies insofar as farmworkers' conditions of employment are concerned, but farmworker wages are now regulated by the National Minimum Wage Act. Any future changes to the sectoral determination will take place via the National Minimum Wage Commission of which Agri SA's head: labour and development is a commissioner.

National minimum wage

The National Minimum Wage Act requires that the 90% dispensation for agriculture must be reviewed within 18 months after the legislation came into effect. This review process is based on research conducted by the University of Cape Town. It was clear that the Covid-19 crisis would have a significant impact on wage increases.

As mentioned earlier, Jahni de Villiers was appointed by the minister of labour as national minimum wage commissioner, who must advise the minister on all aspects relating to the national minimum wage. She plays a key role in dealing with the review of the national minimum wage for the agricultural sector.

Commission for Conciliation, Mediation and Arbitration

In 2018, Agri SA signed a three-year agreement with the Commission for Conciliation, Mediation and Arbitration



(CCMA). This working relationship includes various outreach initiatives in the agricultural sector, as well as the rollout of the CCMA's training-retrenchment scheme for farming operations experiencing financial pressure.

In November 2019, Jahni de Villiers was invited to be a guest speaker at the CCMA's annual seminar for trade union representatives and officials.

Jahni de Villiers was also appointed as a CCMA assessor for the agricultural industry.

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International Labour Organisation

At the end of 2019, Agri SA's Head: Labour and Development, Jahni de Villiers, was invited to be the keynote speaker during the International Labour Organisation's training week for women leaders. She was also invited as one of 10 employer representatives worldwide to participate in a special workshop on violence and harassment in the workplace held in Turin, Italy. The workshop was postponed because of the Covid-19 pandemic.

Provident fund for farmworkers

Provision for retirement is an important element of the relationship between employers and employees. Absa's Agricultural Sector Provident Fund once again received attention this year and the fund administration was successfully transferred to Sanlam. The provident fund is managed well and continues to focus on increasing its membership. Boeta du Toit and Jahni de Villiers served as trustees of this fund.

Policy level: Developmental work

The head of policy is a member of the National Economic, Development and Labour Council's (Nedlac) Development Chamber and during the past year also served

on the Comprehensive Social Security task team. The head of policy also participated in a task team investigating potential job creation opportunities that were to flow from upgrading railway lines. This work continues.

AgriSETA

Christo van der Rheede, Agri SA's deputy executive director, served as chair of the AgriSETA board for several years. In April 2020, he was succeeded by Ms Gaitsiwe Sepeng. Christo is a director representing employers on this board, while Neil Hamman is a board member.

National Economic, Development and Labour Council

The head of policy is a member of the Labour Market Chamber (LMC) within Nedlac. The chamber focuses mainly on labour and social matters and attempts to facilitate consensus between government, organised agriculture, organised labour and the business sector. The policy head was also selected to represent Busa during the so-called section 77-applications, where parties could apply for permission to conduct protected protests over social issues.

Women Changing South Africa

In 2019, Jahni de Villiers was named one of the Mail & Guardian's *Women Changing South Africa*, in the social service category.

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CENTRES OF EXCELLENCE

Economics and Trade

This Centre of Excellence currently functions under chairmanship of Nicol Jansen, with Cobus van Zyl as deputy chair and Jannie de Villiers and Dr Kathy Hurly as additional members. Dr Requier Wait, as head of the centre, is assisted by Martina Benadé.



Nicol Jansen







Scope of work

The centre's activities relate to economic matters that impact on the development, profitability, stability and sustainability of agriculture. Regarding economic matters, the centre provides inputs and/or commentary on economic policy, input costs, the diesel refund for agricultural purposes, tax matters, Covid-19, as well as agricultural legislation. The centre also oversees aspects relating to road infrastructure and telecommunication.

During the report year, by far the most time was spent on electricity matters as well as the Covid-19 pandemic, with mixed success. In 2020, Agri SA's Centre of Excellence: Economics and Trade intended to focus on renewable energy, the recovery of agriculture following the Covid-19 pandemic, as well as poor local government and roads.

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TAX MATTERS

Drafts of diesel refund rules

The South African Revenue Service (SARS) published the first drafts of the proposed new diesel refund rules, forms and notes to the Customs and Excise Act, 1964, for public comment in January 2020. The draft amendments are an outcome of 2019 consultation workshops and technical inputs received, as well as the diesel fuel tax refund system discussion paper of 2017. The drafts give a provisional outline for the review of the diesel refund administration, which will facilitate further stakeholder engagement during 2020, if the Covid-19 pandemic situation permits this.

The diesel refund system supports primary producers in the agriculture, forestry, fishing, and mining sectors by giving full or partial relief for the fuel levy and the road accident fund levy. These levies form part of the per litre price of diesel. Businesses involved in qualifying activities can apply to register for the system with SARS and then claim a refund, based on the use (not purchases) of diesel.

This centre, in collaboration with Grain SA, has for the past 4-5 years been working on the new system. In the past, SARS had also been approached on various occasions regarding logbooks, communication and other matters of concern to members.

The new diesel refund system proposes the creation/ registration of a diesel user profile, which will typically work like e-filing. These new rules were discussed in depth during the centre's March 2020 meeting, with meaningful inputs from its members, after which commentary was submitted on the new rules and forms. Workshops in this regard were to be held at the end of 2020 but given the lockdown because of Covid-19 pandemic, this was unlikely to materialise.

Diesel refunds

There seem to be a higher incidence of issues with the audit findings for diesel refunds. The centre is in contact with members who have asked for advice in this regard, including a tax practitioner. This is done in collaboration with Grain SA. We are also in discussions with SARS. The centre did a follow up survey, in collaboration with South African Institute for Tax Practitioners (SAIT), to serve as supporting evidence when engaging with SARS and the Tax Ombud. We have recently met with the Tax Ombud, they are investigating potential systemic issues with the diesel refund system – following on earlier submissions from the Centre of Excellence. This is an ongoing engagement. We are also monitoring the potential release of a draft policy document for the new system – we have already made substantial inputs in this regard.

One of the problems that members experienced with diesel refunds was, for example, the considerable delay in SARS's audit processes. There are also problems regarding SARS's settlement of claims. Not only are certain parts written back during the audit process, but in some instances also the full amount claimed. SARS is



reluctant to use the ADR (Alternative Dispute Resolution) process and allows too little time for this process.

Auditors at SARS argue over which logbooks are valid, as well as the description of activities, which becomes problematic. SARS also questions diesel usage for tractors as well as the number of consecutive days that planting can take place. SARS does not identify specific problems in their correspondence, but simply writes back the entire amount. There are also systemic problems where farmers are not allowed an opportunity to state their case. The centre helps members on an individual basis, where possible.

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Covid-19 lockdown: Taxation measures

As part of the fiscal package set out by President Cyril Ramaphosa on 23 March 2020, the minister of finance announced the following extraordinary measures on 29 March 2020, which came into effect on 1 April 2020: A tax subsidy was introduced for employers in terms of the ETI (Employment Tax Incentive) for the ensuing four

months in respect of those private-sector employees who earn less than R6 500, which will assist more than 4 million workers. SARS will expedite ETI refunds from twice per year to monthly so that employers whose tax affairs are in order can get access to cash as soon as possible.

Businesses with a turnover of R100 million or less whose tax is paid up, may withhold 35% of their employee tax over the ensuing four months, as well as a portion of their provisional corporate income tax payments, without fines or interest, for the next six months. This intervention is expected to assist 75 000 small and medium businesses.

The Centre of Excellence Economics and Trade has compiled a detailed manual to inform the sector of these extraordinary measures.

Property rates

The matter of property rates and problems experienced by members in this regard have compelled the centre to host a workshop to which experts within their own ranks were invited. During this workshop, updating of the existing property rates guide was discussed. The working committee also discussed how disputes with municipalities should be dealt with, information regarding impasses experienced during the dispute resolution process, as well as potential examples/case studies that could be used for a class action.

The wildlife industry, as well as agritourism, had an opportunity during the workshop to highlight the problems they experience and their expectations in this regard. The centre was in the process of updating the guide and will communicate with members of the workshop, after which it will be forwarded to members of Agri SA for further inputs.

ELECTRICITY ISSUES IN AGRICULTURE

Renewable energy in agriculture

Electricity is a key production input for agriculture. Small-scale solar photovoltaic (PV) installations present an opportunity for farmers to generate electricity, save costs and lower their carbon footprint. With a grid-tied



PV system, a farmer consumes electricity provided by the PV system as well as the energy utility, when their usage is more than what the PV system can supply.

Excess electricity generated by the solar installation feeds into the grid, which can be offset against the monthly electricity usage through a process of net metering. With net metering, the units of utility generated electricity consumed can be offset against the units of electricity generated by the solar installation. Such small-scale installations (less than 1 MW) are referred to as small-scale embedded generators (SSEGs).

Whilst becoming a SSEG presents an opportunity for farmers, the slow implementation of electricity regulations has created a bottleneck in connecting systems to the grid, to allow for the activation of net metering.

Throughout the evolution of the regulations, Agri SA's Centre of Excellence: Economics and Trade has actively collaborated with our corporate member, Sonfin, to engage with both the National Energy Regulator of South Africa (Nersa) and Eskom. Furthermore, we have consistently submitted relevant inputs for the public consultation process.

In conclusion, we have had success in mitigating regulatory constraints to renewable energy in agriculture. Specifically, the implementation of the Licensing Exemption and Registration Notice that makes renewable energy more accessible. A key element is the Nersa registration process, this has now been implemented and appears to be functioning well.

Eskom's 2018/19 regulatory clearing account application

Agri SA and its affiliates were actively involved in the current Nersa public hearings on Eskom's regulatory clearing account (RCA)-application to recover R27,323 billion of the 2018/19 financial year's income shortfall. Tariff increases alone are not the answer to Eskom's problems. Agri SA explained the agricultural sector's vulnerability to above-inflation input costs and incorporated the principles highlighted in the state-of-the-nation address into its presentations and arguments.

Also in our presentation, Agri SA acknowledged the pro-

cess in place for the RCA as a monitoring and tracking mechanism that compares certain uncontrollable costs and revenues assumed in the multi-year price determination (MYPD) (made by the National Energy Regulator of South Africa, Nersa) to actual costs and revenues incurred by Eskom.

Eskom's 2019 RCA-submission is driven substantially by certain cost variances and revenue variances. The revenue variance is due to the sales volume determined by Nersa in the decision not materialising. The revenue impact of load shedding was not included in the RCA-balance. The key cost variances were in coal, open cycle gas turbine (OCGT), fuel, depreciation, employee benefits and maintenance.

Agri SA recommend that Eskom's RCA-application not be approved, as the status quo of rising electricity tariffs is out of sync with the economic reality of a utility with a broken business model.

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Energy sector reforms are now more essential than ever before. Any potential RCA-tariff increase should only be applied to electricity tariffs and not on all tariff rates (fixed costs).

Nersa's decision on Eskom's regulatory clearing account application

Nersa announced its decision on Eskom's RCA-application for the 2018/19 financial year, approving the RCA-balance of R13,3 billion in Eskom's favour. Eskom had applied for R27,323 billion. Agri SA submitted written commentary to Nersa and made a presentation



during a public hearing in February 2020 in which we highlighted the importance of the agricultural sector in terms of food security, as well as the negative impact of rising electricity costs. Nersa's reasons for its decision and an implementation plan for the 2018/19 RCA-balance were still awaited. This RCA-balance will be recovered by means of further electricity tariff increases.

The agricultural sector plays a critical role to ensure that national food security requirements are met. In the context of Covid-19, it is even more important for the agricultural sector to produce sufficient, affordable food. Alternative solutions, as part of the reform of the energy sector, must make provision for greater private sector participation and competition in electricity generation to make it more affordable.

The Centre of Excellence: Economics and Trade is active on various fronts in support of the expansion and sustainability of the agricultural sector. Regarding electricity, we lobby for a limitation on electricity and fixed-cost increases, while we have already had considerable success in creating a more favourable dispensation for renewable energy in the agricultural sector.

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Pilot project to fund solar energy in agriculture

A financial institution had approached the centre with a proposal in terms of which they can provide finance for solar energy projects. They are looking for 20 projects that can be funded through off-balance-statement

financing. The centre was in the process of identifying interested farmers in every province to participate in the pilot project, but 20 projects have not yet been identified. This matter was again discussed at the centre's meetings during the report year. The centre will be kept its members abreast of progress in this regard.

Meeting with Eskom's top management

The Centre of Excellence had a meeting with the chief executive officer of Eskom, André de Ruyter, and his team on agriculture's potential to mitigate stage 1 load shedding. This is based on applications currently waiting with engineering, procurement and construction (EPC) suppliers.

Also explained in this meeting was that this centre has had success in mitigating regulatory constraints to renewable energy in agriculture – specifically, the implementation of the Licensing Exemption and Registration Notice that makes renewable energy more accessible. A key element is the Nersa registration process, this has now been implemented and appears to be functioning well. However, for grid-tied systems, Eskom lengthy timelines and the standardisation of processes and fees across provinces curtail this potential.

One of the outcomes of this meeting was for Agri SA to inform Eskom of the existing (application phase) renewable (solar) energy projects in agriculture that are delayed within the Eskom process. For this reason, Agri SA's Economics and Trade Centre of Excellence undertook a survey for participation by its provincial and commodity organisations in this regard. Eskom would compare the information with that of the organisation to identify differences and address problems.

The negative impact of load shedding on agriculture, especially irrigation agriculture, was also highlighted during this meeting. The agricultural sector plays a crucial role to ensure that national food security requirements are fulfilled, especially during the Covid-19 pandemic. Over 25% of the country's food is produced by irrigation-reliant and energy-intensive industries. Load shedding creates disruptions, additional costs and losses. Agri SA appreciate the fact that there are some special arrangements from Eskom in this regard.



The centre also raised its concern that the responsibility for low voltage (solar) connections will be moved from the grid access department to local customer executives. We are concerned because there is a shortage of these staff members and they do not yet have the necessary training or experience to manage this process.

Eskom is busy establishing a dedicated office/support function for the agricultural sector. The centre looks forward to further engagement with this office within Eskom. Agri SA also welcomed the appointment of a new sector manager for agriculture.

Electricity sector reform

Agri SA submitted commentary on the 2019 National Treasury economic policy paper, which makes several proposals around electricity sector reform. The proposals around an unconstrained, least-cost Integrated Resource Plan (IRP), regulations that allow private sector participation, the restructuring and modernisation of Eskom's business (considering international developments), as well as open and non-discriminatory access to the transmission network, are a move in the right direction. Finalisation of an updated least-cost IRP, still to be approved by cabinet, is crucial to the initial stabilisation of the energy sector.

Furthermore, the IRP should be updated regularly to reflect changes in economic conditions and technology, whilst future electricity tariffs should be managed in a transparent and predictable manner. Eskom's proposed restructuring should consider a holistic review of the energy sector and the electricity supply industry. This should be accompanied by a review of Eskom's capital model, operating structure and tariff regime where demand can be maximised and costs minimised. Advancements in technology and decreasing costs make a strong case for a scenario where solar and wind energy, supported by flexible sources such as gas-fired power, are a viable option. In the longer-term, energy efficiency gains are likely to drive down the overall demand for energy. Such a scenario, along with sector reforms, will have to consider the political dimension of South Africa's energy transition.

The reform process should involve potential reform champions from social partners, including business,

labour and community. The focus should be on consensus-building with contrarian views, for example, addressing labour's concerns around perceived job losses associated with a transition from coal to renewable energy sources. Agri SA is also involved in other Business Unity South Africa (Busa) initiatives in this regard and will inform members accordingly.

Private sector participation

In addition to the focus on independent power producers (IPPs), broader private sector participation, for example small-scale embedded generators (SSEGs) in agriculture, should be incorporated in the Eskom reform strategy:

- While the National Energy Regulator of South Africa (Nersa) registration process for SSEGs now seems to be functioning well, with registrations taking approximately two to three months, the Eskom process can take between 12 and 18 months. This process is still the main time constraint that hinders farmers from investing in a solar system. Either Eskom or a potential Independent Systems Market Operator (ISMO) should establish a dedicated team with a focused mandate to fast-track the process; and
- Access to "off-balance sheet" finance through a lease agreement, with limited recourse funding, can act as a crucial conduit for investment by the agricultural sector.

To ensure our members get access to the best technology, service providers and financing options, Agri SA is collaborating with industry role-players to bring innovative energy and financing solutions to its members.

Electricity networks and municipalities

Investments to maintain and expand electricity network infrastructure are crucial. Agri SA supports a move to ring-fence grid investments and have these monitored by Nersa. The role of municipalities that fail in their duties as electricity licence holder should be reconsidered, especially where service delivery, infrastructure maintenance and sound financial management are absent. Furthermore, considering the global trend of decarbonisation, digitisation and decentralisation,



municipalities should consider alternative sources of revenue by modernising their business model. Agri SA will continue to monitor this situation.

Agri SA and Nersa/Eskom meetings: Feedback

Agri SA raised concern that Eskom's approved electricity tariff increases, implemented according to the Eskom Retail Tariff and Structural Adjustment (ERTSA)-methodology (specifically Eskom's interpretation), have a negative impact on agriculture. Fixed cost tariffs are increased by the same percentage as electricity tariffs. However, Eskom's revenue application to Nersa and the approved percentage increase for electricity tariffs is based on projections of electricity sales. Accordingly, fixed cost tariffs should not be increased on the same basis/by the same percentage.

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Agri SA shared an example of an Eskom electricity bill, which illustrates how Eskom implements/applies Nersa's approved tariff increases, not only to electricity tariffs but also to the other costing items that are reflected under the “cost reflective” billing system. Nersa took note of Agri SA's inputs and indicated that they can only investigate a complaint of an Eskom customer.

For this reason, it was suggested that Nicol Jansen, chairperson of the Centre of Excellence: Economics and Trade, submit an email complaint to Nersa. If Nersa

finds that there is merit in the complaint, Nersa will automatically consider the potential impact on other electricity users and this will inform Nersa's decision on the way forward. Agri SA will be invited to take part in any meetings or discussions between Nersa and the complainant (Nicol Jansen).

Furthermore, Agri SA has also been actively engaged in discussions with Eskom on this subject. Most recently, we had a meeting with senior staff of the Finance and Economic Regulation division. Based on Eskom's interpretation of the ERTSA-methodology, Eskom views its implementation of approved tariff increases as correct. Accordingly, our actions are focused on Nersa and possible legal avenues. Feedback was given during the centre's meeting that was held on 10 March 2020.

Draft framework for an energy policy

A draft framework for an energy policy was presented to Agri SA's 2019 congress. The fact that Eskom will still be divided into three separate parts, as well as other similar policy documents, was taken into consideration when Agri SA compiled this guideline document.

The following suggestions are made in the draft framework:

- South Africa's IRP should focus on least-cost technologies, whilst also considering the associated impact on the environment. Furthermore, the IRP should be updated regularly to reflect changes in economic conditions and technology;
- Future electricity tariffs should be managed in a transparent and predictable manner; whilst ensuring that tariffs are cost reflective;
- Eskom's proposed restructuring should consider a holistic review of the energy sector and the electricity supply industry. This should be accompanied by a review of Eskom's capital model, operating structure and tariff regime where demand can be maximised, and costs minimised;
- Reforms must consider the political dimension of South Africa's energy transition. The reform process should involve potential reform champions from social partners, including business, labour and community. The focus should be on consensus-building with contrarian views, for example, addressing labour's concerns



around perceived job losses associated with a transition from coal to renewable energy sources;

- The focus on independent power producers (IPPs), broader private sector participation, for example small-scale embedded generators (SSEGs) in agriculture, should also be incorporated in the reform strategy. Such installations present an opportunity for farmers to generate electricity, improve their competitiveness and relieve strain on the national grid;
- Whilst the Nersa registration process for SSEGs (<1MW) now seems to be functioning well, with registrations taking approximately 2 to 3 months, the Eskom process can take between 12 and 18 months. This process is still the main time constraint that hinder farmers from investing in a solar system. Either Eskom or a potential Independent Systems Market Operator (ISMO) should establish a dedicated team with a focused mandate to fast-track the process;
- Investments to maintain and expand electricity network infrastructure are crucial. We support a move to ring-fence grid investments and have these monitored by Nersa;
- In a broader sense, theft and vandalism are common issues that curtail network industries. A collective strategy to combat and protect against theft and vandalism is crucial;
- The role of municipalities that fail in their duties as electricity licence holder should be reconsidered, especially where service delivery, infrastructure maintenance and sound financial management are absent;
- Considering the global trend of decarbonisation, digitisation and decentralisation, municipalities should consider alternative sources of revenue by modernising their business model;
- Collaboration with industry role-players should focus on the promotion of innovative energy and financing solutions for Agri SA's members;
- Lobbying for the diversification of Eskom's energy banking product offering. The product offering for energy banking should be enhanced and expanded to make complaint systems financially competitive; and
- In terms of cost reflective billing, there should be a focus on the challenges posed by rising fixed costs.

Roadmap for Eskom

A Special Paper for Eskom (Roadmap for Eskom) was released by Minister Pravin Gordhan on 29 October 2019. The centre provided its members with a good summary of the plan. The most important point in this plan is the appointment of effective management at Eskom. This is not a perfect plan but certainly a step in the right direction.

Integrated Resource Plan 2019

The cabinet approved the IRP2019, which was published for public consultation in August 2018. Agri SA, the public, experts, academics and others provided inputs that were incorporated in the IRP2019. Agri SA also provided input via Busa. The IRP2019 is a blueprint setting out a comprehensive plan for diverse power generation and expansions up to 2030. The correct version of the IRP2019 was published in the *Government Gazette* on Monday, 21 October 2019 and also distributed to members via Agri SA's *Policy Bulletin*. This document was also discussed at the centre meeting.

Potential court case against Eskom

In addition to engaging with Nersa, Agri SA covered the legal cost of engaging with a senior advocate, Advocate Loxton, to provide legal guidance on the tariff issue. From the meeting, it was clear that legal action would not necessarily provide the desired outcome. Such action would be accompanied by significant legal costs. To optimise the likely success, would require the use of expert witnesses and advisors. We are engaging with potential advisors, however, the Agri SA legal committee will need to approve any actions, whilst the Agri SA board of directors would have to consider the financial implications.

Load shedding and agriculture

During the report year, load shedding once again caught the South African economy unawares. Agri SA expressed its concern over the negative impact that load shedding could have on the primary agricultural sector, the food value chain and the economy as a whole.

Load shedding has a particularly negative impact on energy-intensive agricultural industries across the value



chain, from farm gate to the consumer's home. Maintaining the cold chain is critical to ensure quality and the shelf-life of food.

Load shedding can also have an adverse effect on GDP growth, as seen earlier this year. Given Eskom's RCA-tariff application (R27,323 billion), the burden imposed by load shedding becomes even more unacceptable.

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This and other matters were discussed during a meeting with the chief executive officer of Eskom.

INFRASTRUCTURE, LOGISTICS AND TRANSPORT

Telkom lines

Agri SA met with the service providers of Telkom, Openserve, to discuss problems that agriculture experiences with telephone lines. These discussions took place on an ongoing basis during the report year.

However, the problems were not resolved. The centre and provincial organisations were informed that where problems were encountered with Telkom lines, these would no longer be repaired. In such cases, users would receive a new device. Members were also informed that where cell phone reception was not possible in certain areas, satellite phones should be used. Members were provided with alternative service providers' contact details. The centre asked members to provide Agri SA with the correct information so that it could be used in discussions with Telkom.

Cell phone networks

The centre conducted a survey to gather details of specific problems that farmers experience. The results were used during ongoing liaison with mobile network companies. Feedback was also shared with the respective provinces. The meeting took note of problems that arise when there is no cell phone reception and that the safety of farmers and their workers was also affected. In instances where problems are experienced with poor reception, the relevant mobile numbers will be reported on a continuous basis. Inquiries will also be conducted into government's policy to broaden bandwidth, for example, internet connection. Members were asked to report such numbers to the Centre of Excellence: Economics and Trade.

Road infrastructure

Agri SA is planning to engage with Sanral to reach an amicable solution on a rural road camera network system. This system is used extensively by law enforcement agencies by way of sharing the information obtained by the camera system with these agencies, and has resulted in numerous successes in apprehending criminals.

In addition to this, we also wish to discuss the maintenance of fencing next to Sanral roads and the arrangement of 50:50 maintenance cooperation between Sanral and farmers, as well as the required specification of fencing next to Sanral roads. During this discussion it should also be pointed out to Sanral that the risks that the agricultural sector carries by being neighbours with Sanral are far greater than other "normal neighbours".

As soon as an appointment is confirmed, the various provincial organisations, as well as Busa, will be invited to attend the meeting to state their case. The centre will keep members informed.

Survey on problems with Transnet and ports

The Centre of Excellence: Economics and Trade has an opportunity to provide input for Busa's transport policy committee, regarding the problems and constraints our members are experiencing with Transnet and ports. These inputs will be used in national level engagements with Transnet and government. The summary of the outcomes of this survey will be shared with members.



Transportation during Covid-19

During the Covid-19 pandemic, agriculture experienced different constraints regarding the transportation of farm workers. Agri SA is part of the special task team appointed by the minister and director general of the department of agriculture, land reform and rural development (DALRRD) to address industry issues associated with Covid-19. Transport related constraints were channelled to the minister via this platform. We also raised these issues within the Busa transport task team. Busa escalated key concerns to national government and the presidency.

The issuing of permits for the transport of abnormal vehicles, for example combine harvesters, were one of these. Following our lobbying, the officials responsible for issuing these permits were deemed to provide an essential service and the permits could be issued. Similar success was achieved from the centre's engagement with Busa to help with the extension of the validity periods for learner's licences, driver's licences, motor vehicle licence disks, temporary permits, professional driving permits and road worthy certificates. During May 2020, the minister of transport extended the validity of this by a further grace period of 90 days. The centre communicated changes in regulations as soon as new allowances were made for the sector.

The Centre of Excellence also compiled a Covid-19 transport guide for the agricultural sector. It covered all the means of transport required by the industry and the measures of compliance each of these means of transport must adhere to. The purpose of this guide was to provide information and to guide members to comply with the regulations.

Along with the above, when transporting staff, all necessary precautions for good hygiene and disinfection control should be taken, for example on regular intervals provide adequate sanitisers or other hygiene dispenser for washing of hands and disinfection equipment for workers.

Municipalities

During the report year, rural areas in the province were closed off from the outside world due to protest actions.

Rural communities were unable to access schools and other businesses. Products could not be delivered to markets and roads were damaged. The main reason for this was service delivery protests, particularly regarding water. Kwanalu conducted a survey in this regard, which revealed that the protests were directly linked to property rates and lack of municipal service delivery.

The maladministration of municipalities and accompanying problems with service delivery posed a challenge to agriculture. To address these problems, the Centre of Excellence: Economics and Trade obtained the names of the municipalities in each province that had been placed under administration. The conditions at these municipalities and whether the fact that they were placed under administration held any benefits were determined. This information will be used during meetings with the minister of cooperative governance and traditional affairs to discuss the municipal crisis and the impact thereof on agriculture. The centre will keep its members informed of developments in this regard.

INTERACTION

Business Unity South Africa

Business Unity South Africa (Busa) was formed in October 2003 and began operating in January 2004. This created the first representative and unified organisation for business in South Africa. Today, through its extensive membership base, Busa represents the private sector being the largest federation of business organisations in terms of gross domestic product and employment contribution. Busa is a non-profit company representing cross-cutting organised business interests in South Africa. Busa consists of approximately 35 organisational members representing uni-sectoral, corporate representative organisations, chambers of commerce and industry and professional organisations. There are also 22 corporate members constituting a board of trustees. Busa's work is largely focused around influencing policy and legislative development for an enabling environment for inclusive growth and employment. Busa operates through two standing committees: Economic and Trade Policy and Social Policy. Subcommittees of the Economic and Trade Policy Committee include Environment, Energy, Tax, Trade, Transport and Logistics.



Centre of Excellence: Economics and Trade - involvement with Busa

Agri SA's Economics and Trade Centre of Excellence participates in the following Busa committees:

- Economic and Trade Policy Committee
- Trade, Transport and Logistics Sub-committee
- Energy Sub-committee

Busa provides a significant platform to enhance our own lobbying efforts, receives key intelligence, builds networks and gets access to key contacts within government. Busa helps to strengthen our work across the economic, logistics and energy space. Agri SA receives notices regarding legislation and policy development (national level) from Busa with an invitation to provide input/commentary – this is in addition to the commentary we submit directly. In cases where legislation or policy documents do not have a direct impact on agriculture, Agri SA generally supports the commentary prepared by Busa. This captures the issues that can be detrimental to the broader business environment and economy, helping Agri SA to focus on the issues that are pertinent to agriculture.

Via Busa, from time to time, the head of the centre serves on Nedlac task teams, depending on the specific legislation that is under review, for example, the Task Team on Public Transport, which considered the Draft Roads Policy for South Africa.

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Kwanalu congress

The head of the Centrum of Excellence, Dr Requier Wait, was invited to present a paper at the Kwanalu congress on the importance of an enabling environment being established for value chain development through policy, regulatory and institutional support by the public sector today and our future generation. An enabling environment must be established for value chain development through policy, regulatory and institutional support by the public sector. Greater involvement of the private sector in agriculture, to develop and improve the agricultural value chain through partnerships, will bring some reprieve to view that farmers are solely responsible for land reform.

Bain & Company

Bain & Company are working with a voluntary collection of business leaders in South Africa to develop the thinking around the longer-term issues preventing growth in South Africa and some of the potential solutions to this. This work has a clear conduit to the state and the potential to drive some of the decision making around how we stimulate a recovery coming out of the Covid-19 crisis.

Bain & Company contacted the centre based on the presentation by the head of the centre at Kwanalu's 2019-congress. They asked for the centre's assistance and input on their agriculture value chain research, of which they found the content of the presentation very useful. This centre had an extensive consultation with Bain & Company, we highlighted the key constraints and referred them to key documents such as the National Development Plan (NDP). They will keep Agri SA posted on their research.

Production/input working group

Agri SA is a member of Grain SA's production/input working group, which meets on a regular basis. An extensive agenda was covered during the report year, including problems relating to logistics of farm machinery that cannot be licensed, electricity, water, copper theft, the theft of farm produce, sectoral determinations and the introduction of a national minimum wage. These matters form part of the focus areas of Agri SA's centres of excellence.



Information tours: Limpopo and Mpumalanga

During two information tours led by representatives of Agri SA, which this centre formed part of, we highlighted the economic issues that could undermine food security. We shared a comprehensive overview of the centre's activities, as well as an overview of the trade landscape, capital investment, debt and employment, with farmers. These information tours added considerable value for farmers, who commended Agri SA for its incredible team of people and experts.

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Radio and television

During the year, discussions around solar power, as well as other relevant issues within the centre's focus areas, were conducted on various radio and television platforms, including *Groot FM*, *RSG*, *Pretoria FM*, *OFM*, *Groot Plaas TV* and *Landbouweekliks*. This centre also enjoyed tremendous coverage in respect of a wide variety of issues and kept farmers informed in this regard.

World Bank Group/Busa consultation on the WBG-SA Country Partnership Framework

The objective of this consultation session between Busa, of which Agri SA is a member, and the World Bank Group (WBG) was to capture the perspective of the private sector on South Africa's development challenges and reflect that feedback in the design of the WBG partnership with the government of South Africa. The meeting was also an opportunity to capture feedback from the private sector on the impact of the Covid-19 pandemic on South Africa. Finally, the meeting aimed to explore avenues of partnerships with the private sector in the implementation of the Country Partnership Framework (CPF).

National Spatial Development Framework

Agri SA welcomes the publication of the draft framework and fully agrees with the need for such a comprehensive national spatial framework. This is clearly a well-researched and very comprehensive document. Agri SA also welcomes the alignment of this framework with the aims of the National Development Plan.

This centre had the opportunity to give inputs on investment and infrastructure. Our comments were focused primarily on the rural space. Having said that, we do need to point out that it is clear from the research and also from this draft framework that the biggest need for land and housing is in the urban areas where rapid urbanisation is still happening. Most of the food required by the urban population will still have to be produced in the rural areas.

Meetings with commercial banks

Agri SA's chief executive director asked the centre to arrange meetings between Agri SA and the commercial banks, including the Land Bank. The commercial banks provided feedback on their outlook for the agricultural sector in the context of the Covid-19 pandemic. The meeting with Land Bank focused on their current constraints and their strategy to resolve these constraints.

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National Animal Health Forum

During the report year, Agri SA attended all meetings of the National Animal Health Forum (NAHF). The NAHF consists of animal production organisations and other relevant organisations in the animal health industry, as well as provincial organisations that are members of Agri SA. A comprehensive agenda was covered during the report year, including liaison with the department of agriculture, land reform and rural development (DALRRD) and communication with Onderstepoort Biological Products (OBP) on the status and updating of vaccine availability.

Over the past seven years, the NAHF did work across a wide spectrum towards the improvement of the animal health industry. Success stories include the compilation of the veterinarian strategy, livestock identification and traceability efforts, securing vendor declarations, marketing of animals in the foot-and-mouth zone, compulsory community service outreach initiatives and the reinstatement of South Africa's foot-and-mouth-free status. The national ban on livestock auctions because of the latest foot-and-mouth outbreak in Limpopo also posed a challenge.

GENERAL MATTERS

Census of Commercial Agriculture 2017

Agri SA welcomes the release of results for the latest (1 March 2017 to 28 February 2018) Census of Commercial Agriculture (CoCA). We realise that good decision-making on the spectrum of matters that affect agriculture should be based on accurate and reliable information. This includes aspects such as infrastructure, services, housing, finance and employment. CoCA 2017 is therefore very important for both farmers and the agricultural industry.

In the current context of Covid-19, this is even more so. The results of the 2017 agricultural census confirm the important role that this sector plays within the South African economy and our society. It provides a concise overview of trends in respect of agriculture's role as food and fibre provider and the structural changes that can be observed amid changes in the local policy environment as well as in the global market.

It is important to bear in mind that this census is incomplete in that it does not cover the entire agricultural spectrum. For example, it does not include information on former homelands, subsistence farming and beneficiaries of land reform. These results only cover commercial agriculture's core 40 122 farming units. For this reason, it remains difficult to conduct a full valuation of contributions and trends in respect of resources excluded from the census and which change hands in the transformation process.

Agri SA has familiarised itself with Statistics SA's confidential treatment of respondent's information and has given its full support by encouraging our affiliates and commercial farmers to submit their forms as fully and timeously as possible.

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Agri SA wishes to thank its members for their participation to ensure a usable result that can support good decision-making. This centre also wish to thank Stats SA for their hard work and dedication to make the census a success.



Some key information on commercial agriculture, 2017

Farms/Farming units				
Type of activity	Farms			
	Number		% Contribution	
	2007	2017	2007	2017
Cereals and other crops	13 760	8 559	34.3	21.3
Horticulture	3 801	4 643	9.5	11.6
Farming of animals	13 414	13 639	33.5	33.9
Mixed farming	9 104	12 458	22.7	31.1
Agricultural services/fertiliser production	0	823	0	2.1
South Africa	40 079	40 112	100.0	100.0
Employment in the commercial agriculture industry				
Type of activity	Employment			
	Number		% Contribution	
	2007	2017	2007	2017
Cereals and other crops	89 716	123 977	11.7	16.4
Horticulture	276 485	268 740	35.9	35.5
Farming of animals	135 427	162 116	17.6	21.4
Mixed farming	267 966	185 863	34.8	24.5
Agricultural services/fertiliser production	0	16 932	0	2.2
South Africa	769 594	757 628	100.0	100.0
Type of ownership				
Ownership type	Farms/Farming units		Paid employees	
	Number		Number	
	2007	2017	2007	2017
Individual/Sole proprietor	30 650	20 177	349 017	177 258
Close corporation	2 258	4 961	63 560	109 426
Public company	3	98	92	12 644
Co-operative society	51	121	2241	3 408
Partnership	1 179	1 464	39 378	26 153
Trust	3 493	1 823	107 700	46 250
Private company (PTY) LTD	2 178	7 054	203 004	344 202
Public corporation	29	4	2033	104
State owned enterprise	23	17	715	580
Other	215	4403	1854	37 603
Total	40 079	40 122	769 594	757 628

Source: Statistics SA



2019 Medium-term budget policy statement

The Centre of Excellence: Economics and Trade used the opportunity to comment on the 2019 medium-term budget policy statement (MTBPS). The balance between state income (tax revenue) and expenditure is central to the government's budget. The past decade was characterised by a trend of low economic growth and rising government debt, where sluggish growth strengthened government debt. In addition, the high level of government debt further hampered economic growth. The centre spelled out to the minister the key factors that needed to be considered in the MTBPS.

Given the important role that agriculture plays in the South African economy, we expect the MTBPS to make sufficient resources available to improve the agricultural industry's competitiveness and to support farmers, especially in drought-stricken areas, so that the sector can continue to produce high-quality food for the country and contribute to job creation and poverty alleviation as set out in chapter 6 of the National Development Plan (NDP).

Pre-2020 National budget vote

Prior to the budget speech, Agri SA had submitted recommendations to the minister of finance. These included a request that the minister should show his commitment to fiscal consolidation in the context of an environment burdened by poor economic growth, load shedding as well as a potential credit downgrade by Moody's. Averting a downgrade was most probably at the top of his agenda.

Further particulars regarding the implementation of strategies for economic revival, for example National Treasury's economic strategy and the plans referred to in the president's state-of-the-nation address, will be vital in supporting investor confidence.

Viable plans will have to be in place to balance the budget, while the importance of economic growth must also be considered. The budget should also address the risk of escalating government debt. Agri SA hoped that Minister Mboweni would address the following elements in his budget speech: drought relief, electricity,

land reform and assistance to emerging farmers, biosecurity and struggling municipalities.

Post-2020 National budget speech

The minister of finance, Tito Mboweni, made sensible choices to manage the government budget and support the economy. The budget highlights a renewed focus on the importance of boosting economic growth. The stance of limiting tax increases is welcomed and can help to support growth and strengthen taxpayer confidence. Plans to reign in the public sector wage bill is also in line with a strategy of fiscal consolidation.

Aspects of relevance to agriculture include R495,1 million to improve compliance with biosecurity and support exports. Further allocations include R500 million, reprioritised over the medium term, to finalise land claims and R500 million (provisional) for disaster management to respond to the impact of recent floods and the ongoing drought. Whilst the fiscus is under severe strain, we hoped to see more support towards agriculture. Spending on agriculture, rural development and land reform remains marginal. Agriculture needs support to implement the potential identified in the National Development Plan.

In its press release the centre has maintained that the agricultural sector is the key to unlocking economic growth in South Africa.

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Statistical overview

The statistical overview, with key information compiled by Agri SA and which summarises agriculture-based information, is completed twice a year and distributed to all members, farmer leaders and executive staff members. This centre realises that good decision-making is based on accurate and reliable information. The



purpose of these indicators is also to provide a broad overview of the financial position of the agricultural sector, mainly for the current year versus the previous year. Basic statistics were provided by the department of agriculture, land reform and rural development's directorate: statistics and economic analysis.

Cannabis products in the agricultural sector

Agri SA took note of the government's plan to legalise and regulate the commercial use of hemp products in order to create opportunities for small-scale farmers; to formulate policy on the use of cannabis products for medical purposes; and to expand this industry in line with worldwide trends as mentioned in the president's state-of-the-nation address. It is important that the government consider the total value chain when it formulates its policy for commercial cannabis and hemp production, especially since the focus is on small-scale farmers.

The centre also warned that any investment in such projects should result in job creation, given the country's unacceptably low unemployment figures. It is possible that job creation would be an outcome benefitting the secondary agricultural sector, where cannabis and hemp are processed and the products are produced and sold.

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This will, however, require proper planning in terms of infrastructure development and market access to ensure the viability of commercial cannabis and hemp production. Organised agriculture should not be excluded

from this planning process. It is also vital that commercial cannabis or hemp production does not interfere with food security. There is a risk that small-scale farmers could prefer to farm with cannabis or hemp given the possible cash incentive. This could impact negatively on commodities that are needed for food security – a potential unintended consequence that must be carefully managed.

Given the crime rate in rural areas, it is important to consider the costs of producing a cannabis or hemp crop when policy decisions are made. Measures to prevent cannabis production from giving rise to illegal use are extremely important. The Centre of Excellence: Economics and Trade will keep members abreast of the latest developments in this regard.

Downgrading of the Land Bank

The centre issued a press statement following concerns regarding the Land Bank's downgrade by Moody's.

Agri SA questioned the status of corporate governance at the Land Bank, which had led to the downgrading of this institution. The downgrade serves as proof of the unhealthy situation at the Land bank and represents a setback for growth and transformation in the agricultural sector. The Land Bank's long-term sustainability and ability to execute its mandate are now regarded as 'riskier', which makes access to financing more difficult and expensive for the bank.

Agriculture is cyclic by nature and many farmers do not earn a fixed or regular income. They earn most of their income during the short period when they sell their products (which could differ depending on the product). Access to credit at, among others, the Land Bank, is essential to meet their cash-flow requirements (for example, to pay for inputs and labour) during the year. Farmers typically service their debt after harvest time. Given climate change and accompanying drought conditions, however, many farmers are under tremendous pressure.

During the report year, Agri SA held in-depth discussions with commercial banks as well as the Land Bank in this regard. We are monitoring the situation and will act where necessary.



Land Bank's default

The centre issued a press statement following concerns regarding Land Bank's default. Land Bank has warned debt holders of R50 billion that it is in danger of defaulting. The repayments in question are for its revolving credit facility, Land Bank cited a current "liquidity shortfall" as the problem. This follows on the Moody's credit downgrade of the bank on the 21st of January, this already highlighted the bank as "riskier", making access to finance more challenging and expensive for the bank. Land Bank is a significant player in the agricultural sector, with a strong market share of 29% of South Africa's agricultural debt. The bank is an important line of credit for agribusinesses to finance the buy-in of harvests at silos and for production credit, which the bank channels to farmers via agribusinesses.

Agri SA urged the government to show the necessary leadership and vision to urgently support the agricultural sector to resolve the Land Bank's current default crisis. This can help to position the Land Bank and agriculture for growth, supporting broader economic recovery. A Land Bank failure could expose the country to a substantial systemic risk with dire consequences for commercial farmers, job creation and food security and should be avoided at all cost.

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Covid-19: SA Economy and South African Reserve Bank interest rate decision

The centre issued a press statement regarding Covid-19 and the South African Reserve Bank (SARB)'s repo rate decision.

During May 2020, the SARB lowered the interest rate for the fourth time this year, this time by half a percentage point, bring the total reduction for this year to 2,75 percentage points. Whilst inflation expectations are the key consideration, the broader economic environment along with the Covid-19 situation were also considered by the Monetary Policy Committee (MPC).

For agriculture, the impacts of the Covid-19 pandemic could vary and will be different for the various commodities produced in South Africa. Some export dependent commodities may face lower demand from markets affected by the virus, whilst others, for example poultry, could have stronger demand from export markets that have domestic shortages. On the supply side, the availability of chemicals and other agricultural inputs could be affected by supply disruptions, however, local suppliers are working on alternative supply options. South Africa is a net exporter of agricultural products and domestic food security is still robust.

This centre will monitor the situation and collaborate with government and industry to support collective actions that can position agriculture for growth.

Impact of the lockdown on production

Agri SA's members participated in a questionnaire on the impact of the lockdown on business and requirements for re-opening. The aim of this questionnaire was to indicate the impact of the lockdown on production (across industries), in collaboration with Trade and Industrial Policy Strategies (TIPS) and Business Unity South Africa (Busa). Agri SA's members were asked to complete the questionnaire and the key responses were summarised and published. The detailed results were used to identify ways to reduce the costs and maximise the benefits of restrictions on economic activity that result from efforts to fight the pandemic. There were 489 overall responses from our members.

Covid-19 research directory

This Centre of Excellence published, on a weekly basis, a research directory in Agri SA's Covid-19 bulletin. This directory provides a non-exhaustive listing of the various external research publications relating to implications of Covid-19 for the economy and agriculture.



Proposal for an economic revival event

The Centre of Excellence: Economics and Trade received a request from the executive director to make a proposal on how Agri SA could best serve Agri Eastern Cape's request on an economic revival event. An initial proposal was discussed at the centre's meeting held on 10 March 2020. This centre outlines the following proposal. The topic of economic revival could be considered for the second day of the Agri SA congress in October 2020. This would maximise exposure, impact and sponsorship opportunities. Rather than developing new plans, the National Treasury's strategy document, on which Agri SA provided input, could be considered as the basis for the discussions. The agriculture master plan should also be incorporated in the discussions.

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The focus will be on policy implementation, specifically for aspects that have an impact on agriculture, including the development of both emerging and commercial farmers. This entails support for emerging farmers to come into the “system” and support to sustain existing commercial farmers, i.e. “protecting what we have” whilst “adding” emerging farmers to the sector. Global role-players, for example the World Bank and the International Monetary Fund (IMF), should be invited to attend this session.

With the Covid-19 lockdown, there are some uncertainties regarding the format of Agri SA's 2020 congress. The proposal may have to stand over until the 2021 congress.

Economic strategy for South Africa

The centre provided inputs towards Mr Tito Mboweni's *Economic policy paper: Economic transformation, inclusive growth, and competitiveness: towards an economic strategy for South Africa*. Inputs had also been received from other centres of excellence, which were incorporated.

Agri SA welcomes the latest National Treasury economic policy paper in principle, as it addresses several policy challenges and structural issues, giving specific solutions that are otherwise absent in many policy proposals. We support the intention and approach to creating an enabling environment to support economic growth in South Africa.

ACKNOWLEDGEMENT

A special word of thanks is extended to members of farming communities, provincial affiliates, as well as commodity organisations, for contributing towards the success of the Centre of Excellence: Economics and Trade.



CENTRES OF EXCELLENCE

Land

Ernest Pringle served as chair of the Centre of Excellence: Land until November 2019 and Sandy La Marque as deputy chair. During the November 2019 meeting, Willem de Chavonnes Vrugt was elected as chair, Sandy La Marque as deputy chair, and SK Makinana and Tommy Ferreira as additional members. The Centre's executive was supported by Annelize Crosby.



Willem De Chavonnes Vrugt







During the report period, namely May 2019 to June 2020, this Centre of Excellence was involved in the following activities:

Land expropriation at nil Rand compensation

During the year under review, the activities of the Centre of Excellence were again overshadowed by the debate around expropriation and compensation. After the general elections in May 2019, an ad hoc committee was appointed by Parliament which had to come up with the proposed wording for amending section 25. In November 2019, a workshop was held in Parliament on the amendment of section 25, where Agri SA made a submission to the ad hoc committee in which it again clearly articulated and motivated its objections to the amendment of the Constitution. Agri SA also submitted a comprehensive written document on the proposed wording for amending section 25 of the Constitution. The organisation also assisted affiliates with the provincial hearings that took place countrywide from February to March 2020.

There has been ongoing media interest in the debate around the proposed amendment of the Constitution, with a large number of media releases, media conferences, radio and TV interviews in which Agri SA's president, senior staff, and the chair and the head of policy of the Centre participated.

A senior legal team was regularly consulted and included various consultations with advocates during the review period. Further written legal opinions have also been obtained.

Agri SA's president, Dan Kriek, was invited by president Cyril Ramaphosa to participate in the activities of an Advisory Panel on Land Reform. Annelize Crosby assisted Agri SA's president by scrutinising documents and formulating inputs towards this process. The Advisory Panel released a report in June 2019. Dan Kriek, together with a fellow panel member, Nick Serfontein, released an alternative report. Agri SA responded in the media to the recommendations made by the Advisory Panel.

LEGISLATION

Expropriation Bill

The Expropriation Bill was published in December 2018 for public commentary. The bill was then introduced in revised form at the National Economic, Development and Labour Council (Nedlac) in 2020, where representatives of business, labour, community and government had to negotiate on the revised sections and, more specifically, the amendment that made provision for the expropriation of certain categories of land at nil Rand compensation. This process was completed by mid-March 2020.

Business objected to the narrow definition of expropriation, as well as sub-sections 12(3) and (4), which make provision for expropriation at nil Rand compensation in certain circumstances. Agri SA was part of the business task team that conducted negotiations within Nedlac. The bill is expected to be tabled in Parliament again later this year.

POLICY DOCUMENTS

A number of new policy documents emanating from the recommendations made by the Presidential Advisory Panel were released in late 2019 and early 2020. These include a draft policy on the selection of beneficiaries and the allocation of land, a draft donation policy and the national framework on spatial development. Agri SA prepared and submitted written commentary on all three policy documents.

The organisation also participated in a Nedlac process on blended finance, where a value chain approach in respect of a combination of state contributions and loan finance was discussed. Joint ventures will also be able to qualify for such blended finance.

LITIGATION

Melmoth case

Agri SA provided further support to landowners of Melmoth in KwaZulu-Natal who were involved in a lawsuit in an attempt to secure just and equitable compensation for their farms. The valuers appointed by the state and



landowners, respectively, had already agreed in March 2018 that the just and equitable compensation to which landowners are entitled amounted to approximately R760 million. The valuer-general, however, valued the land at approximately R420 million. The minister was not prepared to offer more than the value determined by the valuer-general.

A day before the court case commenced, the minister and the Commission for the Restitution of Land Rights made an offer of R805 million in total to the landowners. The landowners were prepared to accept the offer. In terms of the relevant court rules, the dispute between the state and the landowners was therefore settled on the basis of the offer of the state as accepted by the landowners. A further outcome of this was that the state would be liable for the landowners' legal costs.

Until shortly before commencement of the court hearing, the state insisted that the amount in compensation determined by the valuer-general (which was based on the controversial regulations issued in terms of the provisions of the Property Valuation Act) was the only amount to which the landowners were entitled. The landowners were ready to call their experts to take on the state when the state relented and made the aforementioned offer to the landowners. The result was that the compensation received by the landowners was approximately double the amount previously determined by the valuer-general.

WORKING GROUPS

During the March 2020 Centre meeting, two working groups were created to investigate and make recommendations regarding two matters of interest to affiliates, namely financing for emerging farmers on state land and title deeds for farm workers and agri-villages, where landowners want to make land available to farm workers. The working groups have met on several occasions.

Good cooperation has been received from the Free Market Foundation regarding the transfer of titles. Annelize Crosby also met separately with the Free Market Foundation and their legal team. The working group that deals with financing of emerging farmers on state land held a zoom meeting with the chief executive offi-

cer of the Banking Association (Basa). Recommendations regarding both these matters will be made to the Centre of Excellence: Land.

INTERACTION WITH AFFILIATES AND EXTERNAL STAKEHOLDERS

During the year under review, interactions took place with various experts and role players. Mike Coleman, an expert in the field of land ownership, addressed the Centre on land ownership in communal areas. Advocate Sandile Ngobese of the Land Claims Commission spoke about new-order restitution claims.

Various congresses and conferences were addressed on the land reform issue, including congresses of Agri Eastern Cape, Agri Limpopo and Mpumalanga Agriculture. A tour was conducted through Mpumalanga in February 2020 where grassroots members were informed of the latest developments in all the policy areas that Agri SA oversees, including land reform.

The chair and deputy chair of the Centre of Excellence: Land, as well as the general manager of Mpumalanga Agriculture and head of the Centre of Excellence: Land, met with the Special Master for labour tenant claims and his team on 10 March 2020. The Special Master was appointed by the Constitutional Court to supervise the finalisation of labour tenant claims.

The Special Master made a presentation to Agri SA on their proposed *modus operandi*, with the Agri SA team providing input in this regard. It was agreed that the parties would remain in contact. The Special Master intends to implement a number of pilot projects to test their methodology for the speedy finalisation of these types of claims.

CENTRES OF EXCELLENCE

Natural Resources

Wayman Kritzinger served as chair of the Centre of Excellence: Natural Resources. He was assisted by Willem Symington as deputy chair and Cornie Swart as an additional member. Janse Rabie was the policy head.



Wayman Kritzinger







WATER AFFAIRS

Agri SA affirmed its position as the leading body concerning water policy development and management for the South African agricultural sector over the past 12 months.

Agri SA's water mandate

(* Adopted at Agri SA's Congress 2019)

- I. **Agri SA and its affiliated members affirm their commitment to the full and proper implementation and enforcement of South Africa's National Water Act and the values that underpin it.**
- II. **Agri SA and its affiliated members fully recognise and acknowledge that:**
 - i. Water is a scarce national resource, which occurs in many different forms which is part of a unitary, inter-dependent cycle;
 - ii. The ultimate aim of water resource management is to achieve the sustainable use of water for the benefit of all users;
 - iii. National Government has the overall responsibility for and authority over the nation's water resources and their use;
 - iv. All aspects of water resources need to be managed in an integrated manner which, where appropriate, requires the delegation of management functions to a regional or catchment level in order to enable meaningful participation by all water users; and
 - v. The protection of the quality of water resources and the proper maintenance of the infrastructure, which enables its use are vital to ensuring the sustainability of South Africa's agricultural sector.
- III. **Agri SA and its affiliated members, therefore, commit to actively support and participate in any and all initiatives aimed at:**
 - i. Ensuring that water uses by Agri SA's affiliated members are lawful in accordance with the National Water Act and that the illegal use of water is not tolerated;
 - ii. Promoting water use efficiency, including through the use of appropriate metering and other technology, in order to minimise water losses and the wastage of water;
 - iii. Preventing the pollution of water and the dete-

rioration of the infrastructure which enables its use;

- iv. Enabling and assisting with the rapid finalisation of the verification and validation of existing lawful water use entitlements of the agricultural sector; progressively advancing a fully inclusive and representative agricultural sector which contributes to a prosperous and stable state and region;
- v. Promoting and assisting in the identification and rapid development of unutilised water resources for transformation purposes;
- vi. Assuming the rightful place of agricultural users in well-capacitated and fully functional catchment management agencies and local water management institutions; and
- vii. Fostering and strengthening a relationship of responsible citizenry, accountability and mutual trust with the government.

Raw water tariff negotiations

Through active participation in the sector-specific and national raw water tariff charge consultations, Agri SA negotiated preferential raw water tariffs on behalf of its members. With respect to the water resource management charge, an increase of 6,5% was negotiated for all water management areas (apart from the Orange Management Area, where an increase of 15,66% was negotiated in accordance with the National Water Pricing Strategy). In terms of water resource infrastructure charges, the negotiated charges were capped at 16,5% (i.e. 10% plus PPI as of April 2019). Initial proposals in this regard included proposed increases of up to 50%.

Voluntary water fund

Agri SA manages a voluntary water fund (VWF) to which various irrigation boards and water user associations across the country contribute. The purpose of the fund is to address agricultural water issues that have a significant impact on irrigation agriculture, especially those of national interest.

During 2019 funds from the VWF was utilised to contribute to the legal fees in respect of two court cases pertaining to the permanent and temporary transfers of water use entitlements, a water quality testing and



action project regarding water quality along the Lower Orange River (*Gariepwatch*) as well as Agri SA's water symposium (details on this to follow in the report).

The fact that institutions continue to contribute to this voluntary fund during the current economic downturn underscores the importance of water.

Pro-active solutions to deteriorating water quality

The deterioration of water quality and its implications for agriculture is a growing concern to Agri SA. The pollution of water resources received a lot of media attention in 2019. To ensure the issue of pollution is addressed, Agri SA continuously calls upon the department of water and sanitation (DWS) to improve its monitoring, enforcement and reporting functions with respect to water quality throughout the country. Implementation of resource classification, resource quality objectives and Blue Drop and Green Drop systems are a few examples thereof.

Agri SA is actively involved in a project concerning the deteriorating quality of water in the Lower Orange River. Through participation in a broadly inclusive grouping known as *Gariepwatch*, water quality monitoring and testing is conducted along a large section of the river by an external accredited service provider and laboratory.

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All relevant stakeholders, including organised agriculture, the relevant national, provincial and local author-

ities and role players (including the department of health and the South African Local Government Association) are included in this initiative, which is intended to provide evidence-based solutions to a very significant problem. While the ambit of the *Gariepwatch* initiative is currently limited to the Lower Orange River, success in this project indicates a truly viable model through which deteriorating water quality may be addressed throughout South Africa.

Agri SA water symposium 2019

In August 2019 Agri SA hosted a highly successful water symposium in the Western Cape. The theme of the symposium was *“Agriculture’s Water Challenges: Drilling for Solutions”*. In attendance were representatives from government, academia and water management institutions with extensive expertise and experience in governance, management, risk and water use for the agricultural sector.

Speakers included Dr Ivan Meyer (minister of agriculture in the Western Cape), Mr Jürgen Kögl (convenor of the special advisory panel to the minister of human settlements, water and sanitation), Prof Mike Muller (visiting adjunct professor, Wits University), Prof Andries Jordaan (University of the Free State), Mr Anil Singh (deputy director-general, department of water and sanitation), Ms Mary-Jean Gabriel (director, department of agriculture, land reform and rural development) and Mr Nic Knoetze (CEO, South African Association of Water Users’ Associations).

The symposium created a forum for Agri SA and the government to declare and discuss their respective positions and challenges concerning water for agricultural purposes. The event allowed for robust discussions concerning water for the sector and contributed toward stronger relationships with key stakeholders.

One of the key outcomes of the symposium was obtaining a firm commitment from the department of water and sanitation on holding quarterly bi-lateral meetings with Agri SA to discuss the position of water for the agricultural sector and to foster improved relationships between government and our organisation.



Strengthened relationship with government

The DWS, as the regulator and custodian of water resources, is a vital role player in the water sector. Over the past year, Agri SA worked tirelessly to strengthen its relationship with the department and to affirm its position as a capable and reliable partner to the government in this regard. During the course of 2019, we saw this relationship grow and collaboration increase. Clear indicators hereof include the department's participation in Agri SA's water symposium, minister Lindiwe Sisulu's attendance during Agri SA's 2019 congress and her message to our affiliated members during that (and other events), as well as her commitment towards regular engagements with Agri SA.

Good cooperation does not necessarily imply we always agreed with one another, but where we differed with the government on certain issues over the past year, such differences were conveyed and discussed through good mutual communication and regular engagements. This approach has paved the way for Agri SA to protect agricultural interests and promote the agricultural perspective.

National Water and Sanitation Masterplan

On 28 November 2019, the department of water and sanitation launched its National Water and Sanitation Masterplan (NWSMP). The NWSMP is a vital policy instrument outlining the department's vision regarding water governance and management up to 2030 and beyond. Agri SA was actively involved in the development of this plan.

While there are definite positive aspects such as insights into what is planned over the next decades, with specific dates attached thereto, there are also elements of uncertainty, including proposed new institutional developments. Importantly, however, through the NWSMP we have a clear indication of the government's direction and plans when it comes to water resource and infrastructure management in South Africa, which we can engage with the DWS upon going forward.

Transferability of water use entitlements

In 2017 the DWS adopted a revised policy position and instruction asserting that the National Water Act (NWA) cannot be interpreted as to allow for the private trading in water use entitlements. Agri SA consistently maintained that the provisions of section 25 of the NWA require the active participation of the minister of water and sanitation where water use entitlements are transferred. The purported notion of private bi-lateral transactions was not the matter at stake. At the heart of the matter lies the efficient use of water through the surrender of existing entitlements to facilitate more appropriate water uses through licensing (i.e. the active participation of the DWS being implicit).

Agri SA provided financial support in two matters, respectively involving:

- i. temporary transfers of water use entitlements (*Wittewater Boerderye*) in the Western Cape High Court; and
- ii. permanent transfers of water use entitlements (*Doornkraal Besigheidstrust*) in the North Gauteng High Court.

[Final judgments for both these matters are expected in 2020].

ENVIRONMENTAL AFFAIRS

Shale-gas development

Agri SA's Natural Resources Centre of Excellence remains at the forefront of opposing the proposed establishment of a shale-gas industry in South Africa. Agri SA maintains that, in the absence of information as to the availability of water and details as to how contaminated soil and water will be treated and disposed of, it cannot endorse or support the proposed creation of a shale-gas industry in South Africa.

Agri SA lodged a review application in the Pretoria High Court against the decision by the acting minister of environmental affairs to dismiss its appeal against the granting of environmental authorisation to Rhino Oil & Gas for exploration activities proposed to take place in North West, Free State, KwaZulu-Natal and the Eastern Cape provinces.



At the same time, the earlier victory in the Eastern Cape High Court by Agri SA's provincial affiliate in that province (Agri Eastern Cape), confirming the invalidity of technical regulations published by the department of mineral resources concerning hydraulic-fracturing, was upheld in the Supreme Court of Appeal. The effect hereof is that no physical drilling for shale gas or use of hydraulic fracturing methods may be done until such time as appropriate technical regulations have been promulgated by the minister of environmental affairs, forestry and fisheries. Agri SA's application therefore became moot and was withdrawn.

Mining and agriculture

Agri SA and the Minerals Council of South Africa (MinCoSA) are parties to a memorandum of understanding (MoU) which, among other things, aims to provide a communication platform on issues of mutual concern. In terms of the MoU, Agri SA and MinCoSA appointed an external consultant to investigate and assess areas where agriculture and mining can co-exist and is in the process of preparing an overlay atlas. This is intended to be used by the department of mineral resources when deciding on whether to allow mining in certain high-value agricultural areas.

Agri SA is concerned about the proliferation of untoward mining activities at the expense of agricultural land. Alternative strategies, including the collection of data concerning new and existing mines, exerting pressure on shareholders of mining companies for mines to comply with their environmental obligations, have been proposed to our affiliates and are currently being implemented. Agri SA also intends assisting appropriate mining companies with their rehabilitation obligations, particularly to restore disturbed mining areas to productive agricultural land.

Biological control of alien and invasive species

Agri SA actively supported the Centre for Biological Control and Rhodes University in programmes to introduce biological control measures to manage alien and invasive species. Indications are that this initiative has the potential to dramatically improve the grazing potential and use of rangeland in South Africa.

LandCare and conservation agriculture

Agri SA participated extensively with the department of agriculture, land reform and rural development on initiatives to combat land degradation. This includes the formulation of a comprehensive strategy to combat bankrupt bush infestation throughout South Africa as well as assisting government in its formulation of a conservation agriculture policy.

Square Kilometre Array

Agri SA is party to a memorandum of understanding (MoU) with the Square Kilometre Array (SKA) management authority. Agri SA continues to assist its affiliated members in negotiations and the resolution of issues of concern arising from the SKA's activities in the Northern Cape.

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CENTRES OF EXCELLENCE

Rural Safety

Tommie Esterhuysen serves as chair of the Centre of Excellence and is supported by Joe Scholtz as deputy chair and Uys van der Westhuijzen as executive committee member. Kobus Visser serves as policy head.



Tommie Esterhuysen







The serious security threat, which includes farm attacks and murders, as well as general criminality experienced by the farming community, has made it imperative for Agri SA and its provincial organisations to attend to this matter with dedication and on an ongoing basis.

The announcement of lockdown measures to limit the spread of Covid-19 brought further pressure to bear on the farming community in that they had to pay more attention to their safety during this time. It remains the government's responsibility to keep its citizens safe but, given the current security threat and the lockdown measures, the farming community plays a bigger role in terms of their own protection and that of the general community.

The Centre of Excellence's activities are therefore aimed at security aspects that have an impact on the farming community's personal safety and on criminality.

The Centre of Excellence facilitates Agri SA's efforts to influence policy, legislation and programmes relating to the safety and security of farming communities and the rural environment.

The activities of the Centre of Excellence are supported by the South African Police Service (SAPS), the South African National Defence Force (SANDF), Correctional Services, the National Prosecuting Authority (NPA) and the Institute for Security Studies (ISS), which regularly attend and provide input at centre meetings.

Discussions with the national commissioner of police

A meeting was requested with the national commissioner of police to discuss various aspects requiring the centre's attention and where clarification was sought. These matters include the availability of vehicles for rural safety coordinators; the establishment of rapid response units and specialist security units, including investigative capacity; the effective implementation of policy in terms of combating trespassing and land invasions. A response from the national commissioner in this regard is still awaited.

Rural Protection Strategy

The revised Rural Protection Strategy was announced by the minister of police on 11 October 2019 in Louis Trichardt. Most of the centre's inputs were incorporated in the strategy to promote rural safety. During the minister's announcement, a minute of silence was observed to commemorate farmers and farmworkers who were murdered during farm attacks. During Agri SA's congress, the minister of agriculture also acknowledged the negative impact that farm murders have on agriculture. It was clear to the centre that there had been a positive change in the government's attitude about the effect of farm murders on the farming community.

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The following focus points are emphasised in the new strategy:

- An emphasis on organised crime analysis and the possible involvement of these criminals in rural crime;
- Quarterly monitoring of the implementation of the strategy;
- Community involvement and cooperation of role players to combat crime by, among other things, making use of private supportive technology. In this regard, Agri SA has already made progress with the agreement concluded with Fidelity ADT;



- Legislation and systems that hamper crime fighting should receive attention; and
- The strategy prioritises the combating of farm attacks and stock theft, including the destruction of farm infrastructure, which Agri SA motivated with the help of information provided to the police during its 2018 crime survey.

Firearm legislation

The minister of police announced an amnesty period during which unlicensed firearms and ammunition can be handed in at the police without the owner being prosecuted. The amnesty also made provision for firearm owners who had neglected to relicense their firearms in time to hand in such firearms and then within 14 days apply for relicensing thereof. This announcement is also in line with a previous request that Agri SA had addressed to the minister. The Centre urged members to make use of this concession to get their firearms legally licensed.

It has come to the centre's attention that designated firearm officials had been redeployed at police stations to perform other functions and would therefore be unable to deal with renewal applications as per the amnesty announcement or in terms of existing legislation. The officials may, however, take receipt of firearms and ammunition for destruction purposes.

The centre has approached the police for clarification regarding the procedures that must now be followed to make use of the concession during the amnesty period, as well for the renewal of firearm licences. In terms of the level 4 lockdown regulations, renewal of firearm licences and competency certificates would be regarded as an essential service. Firearm owners may therefore approach their police station for the renewal process.

Reservist policy framework

The Centre of Excellence remains of the opinion that a well-functioning reservist system, supported by appropriate training, is a prerequisite for the farming community's involvement in this regard. The revised Rural Protection Plan emphasises the important role that reservists will play to boost implementation of the stra-

tegy. No progress is being made with the effective implementation of the reservist policy, leading to frustration among members who wish to join as reservists. This is one of the important aspects to which the Centre of Excellence is attending and which will be discussed with the national commissioner to determine how the policy should be adapted to accommodate the farming community more effectively.

Farm watch

In the Rural Protection Strategy, farm watch members are recognised as an important part of rural safety to assist in crime prevention. Since the Covid-19 lockdown measures came into effect, rural crime has increased, stock theft, illegal slaughtering and product theft, especially green maize.

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The lockdown regulations do not make provision for the functioning of a farm watch unless they are registered with the Private Security Industry Regulatory Authority (PSiRA). The vast majority are not registered with PSiRA and can therefore not operate. The centre requested the minister of police and minister of cooperative governance and traditional affairs to accommodate farm watch members as essential service providers in the regulations. In its submission to the government in respect of the revised risk strategy, Agri SA once again highlighted the accommodation of these members. The matter has not been resolved to date and the centre continues to lobby the government in this regard.



Land invasions

Land invasions in various forms is a regular occurrence in some provinces. The reasons for most land invasions relate to ineffective service delivery to communities and failure by the police to apply national instructions consistently. The police do not execute court interdicts and there is a suspicion of collusion between the police, state prosecutors and the accused to delay the process and to discourage the complainant from continuing with the case.

It is clear that where effective organised agriculture structures are in place, with proper liaison with the local police, land invasion cases are dealt with swiftly and effectively. An important lesson was learned from previous land invasion incidents, namely that unused premises should be fenced in and locked. This will also be useful in a case of an urgent eviction order. More effective implementation of policy in this regard is being monitored by the centre and will also be raised with the national commissioner.

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Community in blue

The police's policy concerning the community in blue is aimed at creating a more formalised concept within which standards can be set for the functioning of patrolers as well as encouraging the community to participate in a structured manner in crime prevention. The patrolers will be managed by the local Community Policing Forum (CPF) as well as the police station. The centre is of the opinion that there is a global trend to move away from community involvement in relation to crime prevention and instead to focus on intelligence-driven

policing. It may take some time before this concept takes root in South Africa.

Legislation

The Centre of Excellence made submissions towards the review of the Second-Hand Goods Act as well as the Criminal Justice Amendment Act. These submissions dealt with broadening the application of the legislation and enabling the imposition of heavier penalties where a person is found guilty of contravening such legislation. The request for broadening the application of the legislation dealt largely with the escalation in farm infrastructure theft and destruction. The amendment of the Second-Hand Goods Act is currently under consideration by the cabinet, while the Centre of Excellence's recommendations regarding the amendment of the Criminal Justice Act are being considered by the minister of justice.

Gatherings Act

A ruling by the Constitutional Court on allowing municipal managers to grant permission for protest action confirmed that such permission is no longer necessary if 15 or fewer people participate in the protest and if the protest action is non-violent. This resulted in uncertainty on the part of some police officers regarding their conduct in dealing with protests.

In response to enquiries with the police in this regard, the Centre of Excellence was informed that the police had a standing procedure for dealing with protests. At this stage, however, the Centre of Excellence is aware of various instances where the procedure was not followed, or where the police took too long to apply the procedure in rural areas. This will be discussed with the national commissioner.

Fidelity ADT agreement

Agri SA has entered into an agreement with Fidelity ADT to provide a range of services and products to its members and the rural community to address the high levels of farm attacks and related crimes. During the report period, various introductory sessions were held to advise the farming community of the agreement.



The implementation of a camera system is a useful method to monitor an area and serves as a deterrent and assists in identifying criminal activities and providing the police with relevant information. Various provinces have informed the Centre of Excellence of successes that had been achieved with the implementation of camera systems and the contribution this makes towards the arrest of suspects. A lack of cooperation from Sanral regarding the installation of camera systems along the road reserve is experienced in some provinces. In this regard a letter was addressed to Sanral to address the matter and to request a meeting with a view to resolving the problem.

Cross-border crime

According to a survey conducted by the Centre of Excellence on the impact that cross-border crime has on the farming community living along the international border, it is clear that farming activities are seriously disrupted due to cross-border crime. The involvement of organised crime in stock theft, as well as trade in stolen livestock on South African territory, poses a serious problem for producers. The problems highlighted in the report included a lack of intelligence capability, ineffective border protection, as well as limited capacity of police stations in the border areas.

A request was addressed to the president for a meeting to discuss the cross-border crime problem, with a further request that he raise the matter with his counterparts in neighbouring countries; that the National Pound Act be promulgated as soon as possible; that the capacity of police stations along the border, as well as the stock theft units, be strengthened; and that the capability of the defence force on the border be expanded. It is the Centre of Excellence's opinion that should these requests be implemented, the cross-border crime situation will be handled better.

Transnet Forum

The infrastructure of Transnet, its pipeline from Durban to Gauteng, and Spoornet's rail network are in many instances located on farmers' property. Large quantities of diesel are stolen from the pipeline, and Spoornet's infrastructure is destroyed and sold for scrap.

Transnet provided the centre with confidential information regarding cable theft as well as the theft of diesel from their pipeline. The pipeline runs through the following provinces: KwaZulu-Natal, Free State, Mpumalanga, Gauteng and North West. There has recently been an increase in diesel theft. Transnet's actions resulted in various arrests and confiscation of property.

Concern has been raised regarding the safety of farmers on whose property the pipeline runs and possible collaboration and/or confrontation with criminal elements. Transnet wants to promote communication with farmers, and, for this purpose, a national forum was created where relevant information can be shared.

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International fundraising

The Centre of Excellence was informed that an international fundraising strategy had been developed by the executive committee, in collaboration with the Agri Securitas Fund, for the purpose of cultivating international awareness of the security challenges faced by the South African agricultural community and to raise funds to assist in implementing the Rural Protection Strategy. The process that was proposed included the following:

- An open discussion was held during February 2020 with representatives of 23 embassies and heads of missions, where extension was provided regarding the security challenges experienced in agriculture;
- A meeting was also held with the American embassy. Various discussions took place, but senior representatives of the embassy were not in favour of Agri SA making a trip to the United States. The embassy did, however, indicate that they would help to unlock funds to be used by the Agri Securitas Trust Fund to improve the safety of the farming community; and



- A submission could not be made to the World Farmers' Organisation in May 2020 because the conference was cancelled due to the worldwide Covid-19 lockdown measures.

The funds that have been raised will be administered by the Agri Securitas Trust Fund, which already has a proven track record and maintains good corporate governance.

Agreement with AfriForum

The agreement with AfriForum makes provision for the creation of communication channels, elimination of duplication and an undertaking not to establish rival structures where local security structures are already in place. During the year under review, the Centre discussed AfriForum's call for national patrols. Thereafter, AfriForum was asked to consider discussing arrangements for conducting such patrols at National Priority Committee meetings where all role players are present, to secure their cooperation.

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Farm access protocol

The Rural Protection Strategy, in its regulatory terms of reference, recognises the need for a protocol for access to farms. Agri SA's protocol is widely accepted as suitable for this purpose. During the report year, the centre confirmed the strict and consistent application of the farm access protocol and asked members to ensure that it is implemented.

National Non-Ferrous Crime Combating Committee

The centre commented on the committee's turnaround plan. Although a separate criminal code for reporting farm infrastructure theft or destruction is not possible, a separate category was created at the centre's request under each of the following crimes for purposes of reporting specific farm infrastructure theft/destruction:

- Theft;
- Malicious damage to property; and
- Possession of stolen goods.

Such categories will enable the police to access information on the MAS system regarding the type of infrastructure that is stolen or destroyed and to determine trends as well as flash points according to which crime-prevention actions can be conducted.

International border infrastructure

In a letter addressed to the minister of public works, the centre highlighted the seriousness of cross-border crime and the accompanying violence. The minister was requested to ratify the approved infrastructure projects along the border as soon as possible so that the work can be completed. This includes the road along South Africa's border with Swaziland and Mozambique, as well as the border road between South Africa and Lesotho. Another project brought to the minister's attention was the demarcation of the border between South Africa and Mozambique. The minister's response is awaited.

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Rural Safety Forum

Various meetings took place during the report year between the Centre of Excellence, TAU SA and the Stock Theft Prevention Forum to discuss the establishment of a Rural Safety Forum to promote cooperation with regard to rural crime and stock theft prevention. Agri SA's Board of Directors, on the recommendation of the General Affairs Chamber, approved closer cooperation and the establishment of such a forum.

An additional objective was to form a united front when speaking to government and other stakeholders about safety, and also for joint actions such as issuing media statements. This development was viewed as positive by members of Agri SA, as well as producers in general.

Acknowledgements

Members of the farming community, provincial affiliates, as well as safety representatives who contribute at various levels to ensure the safety of rural communities, deserve recognition and appreciation.

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A special word of thanks is extended to the South African National Defence Force, the South African Police Service (SAPS), the National Prosecuting Authority (NPA), Correctional Services and the Institute for Security Studies (ISS) for supporting the committee in its efforts to promote rural safety.

AGRI SECURITAS TRUST FUND

The Agri Securitas Trust Fund board functions under chairmanship of Japie Grobler, with Kobus Visser as functionary.



Japie Grobler

AGRI SECURITAS

TrustFund | Trustfonds | 6461/01

PROTECTING THE FARMING COMMUNITY
BESKERM DIE BOERDERYGEMEENSAP



Introduction

The Agri Securitas Trust Fund strives for a safer rural environment by supporting local security projects. Related projects are aimed at preventative measures and post-implementation maintenance.

The Trust Fund focuses on making financial assistance available to farming communities to improve their safety.

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

Inception of the Trust Fund

After the Rural Safety Summit held on 10 October 1998, the Trust Fund was established as an initiative of Agri SA.

The initiative was supported by former president Nelson Mandela and serves as ideal partner in the fight against rural crime. The Trust Fund has also over the years gained a reputation for helping to safeguard farming communities.

Trust deed

The trust deed makes provision for a board of trustees with no more than 12 members. As a rule, when appointing trustees, the current professional work status of candidates is taken into account.

During the report year, Marina Muller resigned as trustee and her resignation was accepted by the Master of the High Court. The current board of trustees consists of Japie Grobler (chair), Kiewiet Ferreira, Willie Fourie, John Williams, Tharina Rossel, Hans van der Merwe, Mosiuoa Lekota, Dan Kriek, Cobus van Zyl and Omri van Zyl.

Financial reporting

The Trust Fund received an unqualified report from its auditors.

The board is responsible for the content and integrity of the financial statements. The Audit Committee confirmed that the Trust Fund can continue operating as a going concern. The board, which is responsible for approval of the statements, expressed its appreciation for the work that the Audit Committee performs on behalf of the Trust Fund. The Audit Committee consists of Kiewiet Ferreira (chair), Hans van der Merwe and Johannes Möller.

PROJECTS FINANCED BY THE TRUST FUND

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

During the report year, the Trust Fund provided financial assistance for the following projects:

NATIONAL

Reformanda Counselling Services: Reformanda Counselling Services has for the past 13 years been actively involved in providing counselling services to farming communities countrywide. Individual counselling sessions are also provided after trauma workshops.

The Trust Fund has been repeatedly thanked for their financial support for this initiative to assist farming communities to process trauma. The success of the trauma workshops is because remote farming communities that are unable to access support services to address their emotional problems, are now able to make use of Reformanda's services.

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

“ **Agri SA's Centre of Excellence: Rural Safety focuses on a policy environment within which rural safety can be promoted. The Trust Fund makes a financial contribution towards the Centre's activities.** ”

Agri SA's transformation communication project: Agri SA has a responsibility to broaden its inputs in respect of transformation. This is essential, not only from a political, economic and social point of view, but also because Agri SA's affiliates – especially commodity organisations – have significant representation of black farmers in their membership bases. Agri SA provided the board of trustees with elucidation on the work done with the AgroHUB and the Motsepe project in identifying and establishing viable projects for emerging black farmers, as well as the success that has been achieved with farmer development and mentorship programmes of commodity organisations. This work has a direct bearing on the board of trustees' need to showcase the

work that commercial agriculture does in promoting rural safety.

The Trust Fund's contribution to transformation communication has enabled Agri SA, via the communication manager, to further publicise the good work that commercial agriculture does in respect of transformation. This would not have been possible without the financial support provided by Sanlam.

PROVINCIAL PROJECTS SUPPORTED

During the past year, the following projects were funded at the request of the provinces:

FREE STATE

In this province, the following projects received financial assistance:

**Reitz District Agricultural Association:
Installation of camera system**

The implementation of a camera system to improve observation at prior-identified points in order to combat stock theft and other crime.

**Tweeling Farmers' Association:
Installation of camera system**

A farm attack has already been prevented in the area, while theft of vehicles, telephone cables, farm infrastructure and scrap metal occur periodically. The camera system will contribute towards more effective implementation of the area's Rural Protection Plan.

**Skurwekop Farmers' Association:
Purchase of camera system**

The theft of livestock, equipment, electric cables and pivot joints constitutes the biggest problem in the area. Cannabis smuggling between KwaZulu-Natal and Gauteng also occurs via this area. The camera system will be used to monitor the area.

**Jagersfontein Farmers' Union:
Installation of camera system**

Stock theft is a major problem in the area. The camera system will strengthen the capability of the police to monitor suspicious movements in the area.

**Phillippolis Farmers' Association:
Installation of camera system**

Stock theft occurs regularly. Successes in preventing and curbing crime by means of the camera system serve as incentive for reporting such crimes.

**Free State Agriculture:
Lesotho camera project**

During the past five years, farmers in the province have suffered devastating drought, with accompanying loss in the form of stock theft, malicious damage to property, theft of tractors and farm implements, as well as farm produce. Free State Agriculture intends to install a camera network along the Lesotho border to combat cross-border crime.

**Eeram Agricultural Association:
Installation of camera system**

There is a safety risk because of the various routes in the area that criminals can use. The shortage of manpower and vehicles at the police station has compelled the community to participate actively in crime-prevention operations in the area. Crimes such as theft of farm inputs, farm produce and housebreaking are common.

**Parys District Farmers' Union:
Purchase of camera system**

Crimes such as farm attacks, stock theft and armed robbery are common. Various organised stock theft syndicates are active in the area and theft of farm infrastructure occurs regularly, while farmers are constantly being intimidated and threatened with death. With the camera system it will be possible to monitor vehicle movement and, so doing, improve the safety of the rural community.

**Marquard District Agricultural Union:
Installation of camera system**

The camera system will be installed at strategic places, with high crime areas being prioritised. Crimes such as stock theft, housebreaking, vehicle theft, murder and assault are common in the area.

NORTH WEST

In this province, the following projects received financial assistance:

**Agri Klippan:
Camera system**

Crimes in the area include the theft of livestock, vehicles, equipment and implements and farm produce. Alcohol and drug abuse contribute to the crime reported in the area. The cameras will be used to monitor the movement of unfamiliar vehicles, and such information will be used to follow up suspicious activities.

**Louwrengeluk Farmers' Association:
Camera system**

Thefts of livestock, game and equipment are the most common crimes in the area. By installing cameras, it will be possible to combat theft, and the available information will then be shared with the police to use in their investigations.

**Agri Vorstershoop:
Camera system**

Rhino poaching from Botswana, stock theft and theft of game occur regularly. Smuggling of cattle, game and predators from Botswana to South Africa is the order of the day. The purpose of the camera system is to identify unfamiliar vehicles timeously and to be of assistance to the police.

**Agri Kadebis:
Camera system**

Crimes such as stock theft and accompanying illegal pot slaughtering are common. The theft of solar panels as well as generators also occur regularly. The camera system will be used to monitor the movement of vehicles on a 24-hour basis.

**Jakkalskop Farmers' Association:
Camera system**

Stock theft is a serious problem, while rhino and game poaching are also common. Farm infrastructure and farm inputs are stolen, and house burglaries are the order of the day. Armed robbery has already occurred during a farm attack. With the camera system, an attempt will be made to monitor the area to provide the necessary assistance for action.

**Grootpan Saamwerk Farmers' Association:
Installation of camera system**

Stock theft is common, while burglaries at farm storerooms and the theft of batteries, power cables, diesel and tools are the order of the day. The camera system will contribute towards more effective functioning of the community's protection initiatives and monitoring of information.

**Agri Boereplaas:
Installation of camera system**

Farm attacks, livestock and vehicle theft, farm invasions, theft of infrastructure and equipment, game theft and trespassing occur regularly. Installation of a camera system at strategic points is seen as a suitable solution to obtain timely and accurate information to act effectively against criminals.

**Agri Marico Bushveld:
Installation of camera system**

Stock theft and theft of farm equipment, infrastructure and vehicles, as well as farm attacks and robberies, are experienced in this area as well as adjacent areas. Most of the crimes are committed using vehicles. The camera system will help to monitor movement.

**Success Farmers' Association:
Installation of camera system**

Crime in the area includes mainly cattle and small stock theft, game and rhino poaching, as well as smuggling. Farm attacks and murders are increasing. The camera system will be used to monitor vehicle movement, which information can then be used as evidence in court cases. The cameras also assist in monitoring the incidence of veldfires.

NORTHERN CAPE

In this province, the following projects received financial assistance:

**Kuruman East Agricultural Association:
Installation of camera system**

During the past five years, an increase in crime was reported, especially stock theft, theft of engines, water pumps and solar panels. Various burglaries occurred, as well as illegal hunting with dogs. The

camera system will be used to monitor the area and the information will be shared with the local police.

LIMPOPO

In his province, the following projects received financial assistance:

**Trichardsdal Farmers' association:
Camera system**

Theft of cables, cell phone tower batteries, fruit, vegetables, game, livestock and equipment, as well as rhino poaching, occurs in this area. The crimes are mostly committed at night and cameras will be used for monitoring purposes.

**Ellisras District Agricultural Union (TAU SA):
Camera system**

The most common crimes are stock theft, theft of farm equipment and infrastructure, as well as house burglaries. Various farm attacks have already occurred in the area. The camera system will be used to monitor vehicle movement.

**Springbok Flats Farmers' Association:
Installation of camera system**

Theft of transformers, cables and fuel is a huge problem. House and storeroom burglaries also occur. Cameras will be used to monitor movement when undesirable people enter the area.

WESTERN CAPE

In this province, the following projects received financial assistance:

**MacGregor and Robertson Agricultural Association:
Camera system**

Crimes that occur generally are ordinary robbery, drug smuggling, illegal alcohol sales, farm attacks, house burglaries and intimidation. The camera system will be used for electronic observation as first line of defence.

**Bonnievale Agricultural Association:
Camera and security equipment**

Cable theft by minors is increasingly common, fol-

lowed by smuggling, farm attacks, house burglaries, theft from farms and intimidation. Information obtained by means of the camera system will contribute to more effective visible policing, which is an important precautionary measure.

KWAZULU-NATAL

In this province, the following projects received financial assistance:

Mooi Mpfana Agricultural Association: Camera system

General theft, burglaries, stock theft, assault, armed robbery and murder are the crimes that occur in the area. By installing cameras, it will be possible to monitor vehicle movement in the area, which will also potentially serve as a deterrent.

Umshwathi Agricultural Association: Installation of camera system

The theft of farm produce, livestock, infrastructure, equipment and game occurs regularly, as well as violent crimes such as robberies and murder. The system will be used, among others, for observation to deter criminals and for crime prevention.

Prestige sports evening

During Agri SA's 2019 congress, OFM, Senwes and NWK presented the Trust Fund with a sponsorship as contribution towards the Trust Fund's activities in promoting rural safety.

Fundraising events

The following fundraising initiatives were launched during the past year:

- A successful golf day with Senwes and NWK as principal sponsors was held in October 2019 at the Pecanwood golf course. The event yielded a surplus of approximately R153 000.
- Monsanto pledged maize seed to the value of R1 million to the Trust Fund during Agri SA's 2019 congress. Negotiations are currently underway with Obaro to take over the seed.
- Santam Agriculture donated R300 000 to the Trust Fund during Agri SA's 2019 congress.

- Sanlam contributed R500 000 to the Trust Fund in support of the work that Agri SA does in respect of transformation and farmer development.

The Trust Fund's partners

Sanlam, Nissan SA, Vodacom and CrisisOnCall are partners of the Trust Fund which, on an ongoing basis, contribute financially to the fund. These strategic partnerships enable the Trust Fund to continue playing a proactive role in rural safety. The chair of the Trust Fund and fellow trustees greatly appreciate the empathy shown by and continued involvement of these companies, as well as other organisations already mentioned in the report.



PERSONNEL

Agri SA serves the entire agricultural value chain. This includes agricultural businesses supplying seed, fertiliser, machinery etc. as inputs; the farmers who are largely responsible for primary production; commodity organisations that produce specific products; agricultural companies responsible for processing, storage, packaging and distribution, as well as agricultural suppliers and retailers that supply products to the market and to consumers.

This is a complex, yet dynamic, ever-changing value chain and, as service and network organisation, Agri SA must not only stay abreast of changes but also address the challenges experienced by each member by means of specific economic, political and socio-economic interventions.

This is a sector that not only provides food to the nation, our neighbours and internationally, but also serves as basis for large-scale job creation and various economic activities, which are of great benefit to South Africa. It was against this background that Agri SA started last year to formulate a new strategy.

Given the ever-changing and extremely challenging political and economic realities, our board of directors and members instructed us to create an effective and flexible agricultural organisation which can, for the next 100 years, operate sustainably and remain relevant in both South African and international context. The restructuring process that was implemented aims to align the organisation with the strategic and operational demands by corporate, commodity and provincial affiliates.

These requirements are aimed at a single goal: not to compromise the services provided, but to render the existing policy services as effectively and sustainably as possible and also to find solutions to the challenges that farmers face at any point in time. We can only achieve this with the right skills, which will unlock political and economic networks to the benefit of farmers, and by launching an activist onslaught to ward off the political artillery targeting agriculture.

The many challenges faced by the agricultural sector every day require of Agri SA to become far more solution driven. There are many examples of interventions and interactions on the part of Agri SA to address the challenges experienced by the agricultural sector.

More important, however, is that Agri SA continues simultaneously, via its centres of excellence, to be involved in various contentious policy issues such as the insistence that section 25 be amended, the court judgement against the sale of water rights etc.

At the same time, the focus is on the public at large in an attempt to swing sentiments in favour of agriculture. In this regard, we are in fact competing with politicians – not in terms of party-political support but to seek support from all layers of the population. The general public (black, white and brown) must know where their food comes from; they must understand the critical role that farmers play in terms of food provision. And, if necessary, they should side with agriculture when it is targeted by the government for opportunistic political purposes.

Restructuring has afforded us an opportunity to identify the right skills and, so doing, achieve our strategic goals. Staff members who accepted voluntary severance packages are Jahni de Villiers, head of the Centre of Excellence: Labour; Dr Requier Wait and Martina Benade of the Centre of Excellence: Economics & Trade; Anneke Roux who provided secretarial services to the Centre of Excellence: Rural Safety; and Samson Mokgethwa, messenger at Agri SA. Willie Jacobs, Agri SA's head of finance, retired and was replaced by Etienne van der Vyfer.

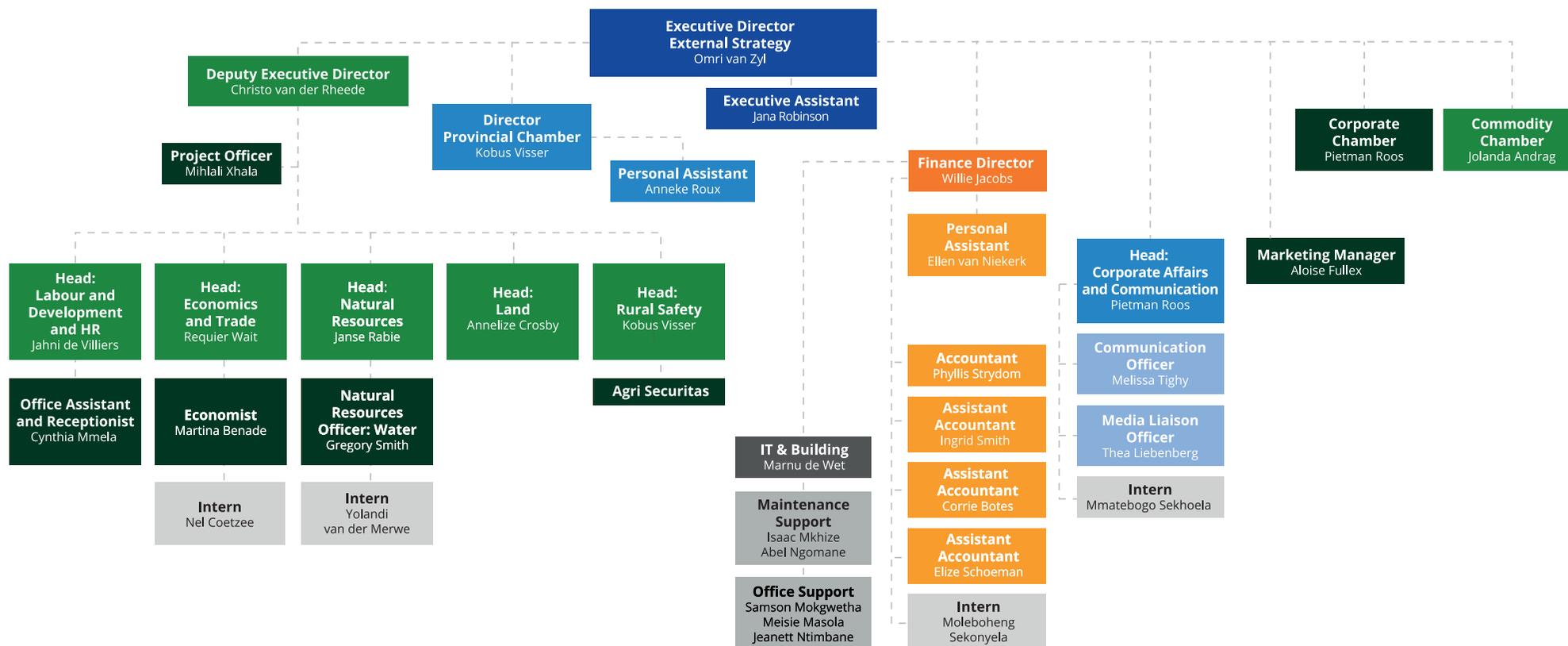
The following staff members accepted posts abroad: Pietman Roos, head of the Corporate Chamber, and Melissa Tighy, communication officer. She was replaced by Dianke Nel, who resigned after three months.

Andrea Campher was appointed as head of the Disaster Management Unit.

Thanks to the financial support provided by the Sasol Trust, Agri SA was again able to create four internships this year, namely Lebogang Sethusa in the Centre of Excellence: Labour; Leshoko Mokgobu in the Disaster Management Unit; Coetzee Nel, whose internship was extended in the Centre of Excellence: Economics and Trade; and Jeanré du Plessis in the Communication Department.



WE WISH TO EXTEND OUR APPRECIATION TO ALL STAFF MEMBERS FOR THEIR CONTRIBUTION TOWARDS THE ACTIVITIES OF AGRI SA.



SUPPORT FUNCTION

Jana Robinson

1. Dan Kriek
2. Phineas Gumede
3. Pierre Verquiel
4. Agri SA Board
5. Omri van Zyl

Cynthia Mmela

1. Reception
2. Jahni de Villiers
3. Requier Wait
4. Annelize Crosby
5. Flight arrangements

Anneke Roux

1. Kobus Visser
2. Janse Rabie
3. Annelize Crosby

STAFF COUNT

Permanent staff	29
Interns	4
Contractors	1

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 specially 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 Presidents

2018:	Mr J D (Johannes) Möller
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) Kotzé
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

2019:	Dr K (Koos) Coetzee Mr J S (Johan) Bothma Mr J H H (Hoffie) Joubert Mr S P (Oubaas) Malan Mr H F (Hendrik) Ackermann Dr G R (Gerhard) Backeberg Dr C J (Chris) Wentzel Mr J C (Kobus) Breytenbach Mr H (Henk) van Wyk - Posthumously
2018:	Mr C B (Carl) Opperman Mr H J (Henk) Vermeulen Judge A (Antonie) Gildenhuys Mr T (Thinus) Ferreira Mr B (Borrie) Erasmus Mr S J (Wiehahn) Victor Mr F (Francois) van der Merwe Dr T (Theo) de Jager Mr J D (Johannes) Möller
2017:	Mr G (Gideon) Anderson Mr C (Charl) Senekal Dr J H (Jan) Visser Mr J S (Johan) Pienaar Mr N M P (Nic) Opperman Ms H E (Elize) van der Westhuizen
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

2019:	Dr C J (Chris) Wentzel Mr J C (Kobus) Breytenbach Mr H (Henk) van Wyk - Posthumously
2018:	Dr T (Theo) de Jager Mr F (Francois) van der Merwe
2017:	Mr G (Gideon) Anderson Mr C (Charl) Senekal Dr J H (Jan) Visser Mr J S (Johan) Pienaar Mr N M P (Nic) Opperman Ms H E (Elize) van der Westhuizen
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:	Mr L (Louw) Steytler Mr J A (Kosie) Loubser Mr A P (André) Botha Mr R K (Robert) Barnsley
2012:	Mr J D (Johannes) Möller Mr I J (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

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

Chairman of Agri SA's Corporate Chamber

GENERAL AFFAIRS CHAMBER (62)

11	Free State Agriculture
11	Agri Western Cape
11	Agri Northern Cape
9	Agri Eastern Cape
7	Kwanalu
7	Agri North West
3	Mpumalanga Agriculture
2	Agri Limpopo
1	Agri Gauteng

CORPORATE CHAMBER (14)

2	ABInBev
2	BATSA
2	Nedbank
2	Woolworths
1	Erwat
1	GWK
1	Laeveld Agrochem
1	Obaro
1	Pro Agri
1	RSA Group

COMMODITY CHAMBER (56)

Agronomy

12	Grain South Africa
4	South African Cane Growers' Organisation
4	South African Sugar Association
2	Tobacco Institute of Southern Africa
1	Dry Bean Producers' Organisation
1	Cotton South Africa
1	Forestry South Africa Medium Grower's Group

Animal production

4	Milk Producers' Organisation
3	Red Meat Producers' Organisation
2	National Wool Growers' Association of South Africa
2	SA Pork Producers' Organisation
2	Wildlife Ranching SA
1	South African Mohair Growers' Association
1	South African Ostrich Business Chamber
1	Aquaculture SA

Horticulture

3	Vinpro
2	Macadamia South Africa
2	Southern African Fruit Industry
2	South African Table Grape Industry
1	Tomato Producers' Organisation
1	South African Garlic Growers' Association
1	South African Nursery Association
1	South African Subtropical Growers' Association
1	South African Banana Growers' Association
1	South African Rooibos Council

STRUCTURES IN WHICH AGRI SA IS REPRESENTED

Agri SA has representation in many official and private sector structures.

OFFICIAL STRUCTURES	REPRESENTATIVE(S)
AgriBEE Charter Council - BEE Advisory Council	Renier Snyman Christo van der Rheede
AgriSETA	Neil Hamman Christo van der Rheede
Department in the Presidency - Trade Advisory Council	Omri van Zyl
Department of agriculture, land reform and rural development (DALRRD) - National Agriculture Disaster Risk Management Committee (NADRMCO) - Forum for Chief Executive Officers in Agriculture (CEO Forum) - Agricultural Trade Forum (ATF) - National Agricultural Research Forum (NARF) - National Animal Health Forum - Natural Resources Inventories and Assessment Working Group	Andrea Campher Omri van Zyl Jolanda andrag Niël Joubert Dr Kathy Hurly Martina Benadé Janse Rabie Gregory Smith
Department of Water and Sanitation - Water Sector Leadership Group	Janse Rabie Gregory Smith
Human Resources Development Council (HRDC)	Christo van der Rheede
National Economic, Development and Labour Council (NEDLAC) - Labour Market Chamber - Development Chamber - Section 77 standing committee	Jahni de Villiers Jahni de Villiers Jahni de Villiers
National Minimum Wage Commission	Jahni de Villiers
National Non-Ferrous Metals Crime Combating Committee (NFMCCC)	Tommie Esterhuyse Kobus Visser
National Priority Committee on Rural Safety (JOINTS)	Kobus Visser
Water Research Commission (WRC)	Janse Rabie Gregory Smith

PRIVATE STRUCTURES	REPRESENTATIVE(S)
Agri-sector Unity Forum (ASUF)	Phenias Gumede Pierre Vercueil Omri van Zyl Pieter Prinsloo
Business Unity South Africa (BUSA) - Economic and Trade Policy Committee - Social Policy Committee and Subsector Education and Training Committee (SOCPOL) - SUBCET - Environmental Working Group - Trade, Transport and Logistics Subcommittee - Energy Subcommittee - CCMA panel of experts	Dr Requier Wait Jahni de Villiers Jahni de Villiers Janse Rabie Dr Requier Wait Dr Requier Wait Jahni de Villiers
Environmental Lawyers Association	Janse Rabie
Provident fund for the agricultural sector	Jahni de Villiers Boeta du Toit
National Stock Theft Forum	Sarel Pretorius
Sasol Trust	Omri van Zyl
Strategic Water Partners Network Forum (SWPN)	Janse Rabie Gregory Smith
South African National Committee for Irrigation and Drainage (SANCID)	Janse Rabie Gregory Smith
INTERNATIONAL STRUCTURES	REPRESENTATIVE(S)
Brics Business Council - Agribusiness Working Group	Jolanda Andrag Omri van Zyl
Southern African Confederation of Agricultural Unions (SACAU)	Phenias Gumede
World Farmers' Organisation (WFO) - Cooperatives Work Group	Omri van Zyl

Agri SA accounting policy is to prepare its annual Financial statements according to the International Financial Reporting Standards (IFRS).

Detail Income Statement - Results per major activities

Figures in Rand	Note(s)	2020	2019
1. Normal business activities - Agri SA Administration			
Revenue		13 181 782	12 634 785
Membership fees - Commodity Chamber		3 786 659	3 838 753
Membership fees - General Affairs Chamber		6 679 348	6 259 930
Membership fees - Corporate Chamber		2 715 775	2 536 102
Operating income		7 036 320	5 028 291
Agri Magazine - (nett)		(348 140)	(545 070)
Finance cost		(5 326)	-
Agri SA Congress		1 284 740	1 225 278
Agri SA Land, Commodity and Corporate Conference		-	222 268
Donations and sponsorship	page 119	1 891 814	1 997 474
Financial services rendered		462 825	409 516
Agri SA Enterprises - Salary recoveries		3 450 407	1 718 825
Agri SA Administration fee from Agri SA Enterprises		300 000	-
Total adjusted expenses		(32 733 036)	(30 786 469)
Expenses (from IFRS Surplus and Deficit)	page 119	(33 254 665)	(31 833 159)
Add : Investment related management fees		500 671	1 046 690
Add: IFRS 16 (Leases)		20 958	-
Surplus/(deficit) from normal business activities		(12 514 934)	(13 123 393)
2. Normal business activities - Agri SA Building			
		5 366 055	5 222 279
Revenue - External		3 980 300	3 748 787
Revenue - Internal		1 470 110	1 473 492
Less: IFRS 16 (Leases)		(84 355)	-
Less : adjusted expenses - (IFRS16 purposes)		(2 462 803)	(3 353 961)
Surplus / (deficit) from rental activities		2 903 252	1 868 318
3. Investment activities - Sanlam SMMI			
		5 061 982	11 693 854
Realised investment income		5 536 798	16 123 138
Unrealised investment income		(8 548 327)	(14 120 522)
Interest and dividends received		8 073 511	9 691 238
Less : Management fees		(500 671)	(1 046 690)
Surplus/(deficit) on Investment activities		4 561 311	10 647 164
Surplus/(deficit) from all activities before IFRS adjustments		(5 050 371)	(607 911)
IFRS 16 overall activities		63 397	-
Surplus/(deficit) of the year - (summation of all 3 business activities)		(4 986 974)	(607 911)

Statement of Surplus or Deficit and Other Comprehensive Income

Figures in Rand	2020	2019
Revenue	17 162 082	16 383 572
Other income	14 048 554	22 624 921
Fair Value adjustment om investment	-	-
Operating expenses	(35 717 468)	(35 187 119)
Operating surplus / (deficit)	<u>(4 506 832)</u>	<u>3 821 374</u>
Dividends / interest received	8 073 511	9 691 238
Finance cost	(5 326)	
Taxation	-	-
Surplus / (deficit) for the year	<u>3 561 353</u>	<u>13 512 612</u>
Other comprehensive Income:		
Available -for-sale financial assets adjustments	(8 548 327)	(14 120 522)
Total Comprehensive surplus / (deficit)	<u>(4 986 974)</u>	<u>(607 910)</u>

Prepare according to IFRS

Statement of Financial Position as at 30 April 2020

Figures in Rand	Note(s)	2020	2019
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	2	1 179 114	1 086 743
Investment Property	3	44 880 900	44 880 900
Intangible assets		10 260	10 260
Other financial assets	4	166 205 985	170 931 413
Operating lease assets		137 287	-
		<u>212 413 546</u>	<u>216 909 316</u>
Current Assets			
Inventories		2 800	8 400
Trade and other receivables	5	2 013 022	3 274 103
Cash & Cash equivalents		4 766 971	6 156 791
		<u>6 782 793</u>	<u>9 439 294</u>
TOTAL ASSETS		<u>219 196 339</u>	<u>226 348 610</u>
EQUITIES AND LIABILITIES			
Equity			
Reserves		11 381 005	33 771 264
Retained income		199 750 997	182 069 121
		<u>211 132 002</u>	<u>215 840 385</u>
Liabilities			
Non-Current Liabilities			
Loans from third parties		889 548	-
Operating lease liability		54 668	-
		<u>944 216</u>	<u>-</u>
Current Liabilities			
Trade and other payables	6	2 050 489	2 086 164
Provisions	7	2 021 483	1 485 116
Other liabilities	8	3 048 149	6 936 945
		<u>7 120 121</u>	<u>10 508 225</u>
TOTAL EQUITY & LIABILITIES		<u>219 196 339</u>	<u>226 348 610</u>

Prepare according to IFRS

Notes to the Statement of Financial Position

Figures in Rand	2020	2019
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2. Property, plant and equipment

	Carry value	Carry value
Furniture and fittings	680 277	674 973
Motor vehicles	64 078	64 078
Office equipment	66 712	65 604
IT equipment	200 520	111 291
Electronic equipment	167 527	170 797
	1 179 114	1 086 743

3. Investment property

Purchase price : 15 October 2009	31 000 000	31 000 000
Additions and adjustments to fair value	13 101 138	13 101 138
Capitalised expenditure	769 792	769 762
	44 870 930	44 870 900

4. Other financial assets

Sanlam Multi Manager International / SMMI	165 044 322	170 776 074
Agri Enterprises (Pty) Ltd.	100	-
SARB	10 500	10 500
Investec High income fund	1 036 890	-
Sanlam equity shares	114 173	147 339
	166 205 985	170 933 913

The SMMI withdrawals for the year were R10,000,000. (2019 - R7,500,000)

5. Trade and other receivables

Accrued income	747 620	1 228 335
Agri SA (NPC)	33 780	33 760
Agri SA Enterprises	-	7 925
SAPPO	-	2 694
NERPO	-	65
Taxation - VAT	177 136	30 932
Trade receivables	1 054 506	1 970 392
	2 013 042	3 274 103

Notes to the Statement of Financial Position

Figures in Rand	2020	2019
6. Trade and other payables		
Amounts received in advance	881 410	1 213 810
Auditros remuneration	147 560	126 000
Credit cards	1 505	73 092
Rental depsoits - Inkwazi	128 274	129 128
Salary control	215 844	201 076
Trade payables	640 591	38 359
VAT	35 308	34 696
	2 050 492	1 816 161
7. Provisions		
Leave pay benefits	2 021 483	1 485 116
8. Other liabilities		
Land and Environment Fund		
Opening balance	2 552 532	2 584 273
Income	586 463	1 573 057
Expenses	(1 718 930)	(1 604 798)
	1 420 065	2 552 532
Water Affairs		
Income	671 858	693 216
Expenses	(316 138)	(651 532)
Transfer to reserve	(355 720)	(41 684)
	-	-
Sundry Projects		
ALDP - University of Pretoria	(106 177)	-
Sage 2	190 539	-
Gold fay	4 842	-
	89 204	-
Motsepe Foundation		
Opening balance	4 165 952	-
Income	5 000 000	5 000 000,00
Expenses	-	(834 048)
Transfer to Agri Enterprises (Pty) Ltd.	(9 165 952)	-
	-	4 165 952
Drought Relief Fund		
Opening balance	218 461	125 295
Drought Relief Fund - Income	5 457 658	782 594
Drought Relief Fund - Expenses	(4 137 239)	(689 428)
Balance caried Forward	1 538 880	218 461
Total Other liabilities	3 048 149	6 936 945

Agri SA only act as the custodian towards these projects mentioned above.

Statement of Changes in Equity

Figures in Rand	Revaluation reserve	Fair value adjustment assets-available- for- sale reserve	Total reserves	Retained income	Total equity
Balance at 01 May 2018	13 101 138	20 628 442	33 729 580	182 677 033	216 406 613
Surplus/(Deficit) for the year	-	-	-	13 512 611	13 512 611
Other comprehensive income		(14 120 523)	(14 078 839)	-	(14 078 839)
Total comprehensive deficit for the year	-		(14 078 839)	13 512 611	(566 228)
Balance at 01 May 2019	13 101 138	6 507 919	19 650 741	196 189 644	215 840 385
Surplus/(Deficit) for the year	-			3 561 353	3 561 353
Other comprehensive income	-	(8 548 327)	(8 192 607)	-	(8 192 607)
Total comprehensive surplus / (deficit) for the year	-		(8 192 607)	3 561 353	(4 631 254)
Balance at 30 April 2020	13 101 138	(2 117 537)	(11 381 005)	199 750 997	211 132 002
Note(s)					

Statement of Cash Flows

Figures in Rand	2020	2019
Cash flows from operating activities		
Cash (used in) generated from operations	(2 706 547)	(10 346 838)
Investment income	8 073 511	9 703 361
Finance cost	(5 326)	-
Net cash from operating activities	5 361 638	(643 477)
Cash flows from investing activities		
Purchase of property, plant and equipment	(219 451)	(292 965)
Sale of property, plant and equipment	11 548	1 398
Purchase of investment property	-	(10 000)
Loan from Agri SA Enterprises (Pty) Ltd.	889 548	-
Movement in financial assets	4 725 428	(2 772 755)
Movement in investment reserves	(8 269 736)	-
Net cash from investing activities	(2 862 663)	(3 074 322)
Cash flows from financing activities		
Repayment of other financial liabilities	-	135 715
Movement in other liabilities	(3 888 796)	-
Net cash from financing activities	(3 888 796)	135 715
Total cash movement for the year	(1 389 820)	467 892
Cash at the beginning of the year	6 156 791	5 688 899
Total cash at end of the year	4 766 971	6 156 791
<u>Cash and cash equivalents consist of:</u>		
Cash on hand	5 500	5 500
Bank balances	1 143 357	2 401 743
Short-term deposits	99 836	857 955
Disaster Fund	1 539 880	219 211
Land and Environmental Fund - Nedbank	1 909 021	2 671 382
Land and Environmental Fund - Current	69 377	1 000
	4 766 971	6 156 791
Prepare according to IFRS		

Additional info - Detail breakdown of expenses and donations and sponsorship

Figures in Rand	2020	2019
Donations and sponsorship	1 891 814	1 997 474
Vodacom Ltd	824 530	894 541
Toyota SA - Young Farmer of the Year	817 046	778 139
T & E Finops (Pty) Ltd	49 538	42 927
Nissan SA	200 700	241 650
Electronic Newsletter	-	40 217
Operating expenses	33 254 665	31 833 159
Affiliation and membership fees	696 934	578 311
Agri SA - Congress	982 564	975 185
Agri SA Land, Commodity and Corporate Conference	100 283	239 537
Auditors remuneration	176 008	156 800
Bad debts	30 047	121 577
Bank charges	121 063	77 759
Corporate design and layout	120 000	145 500
Depreciation	106 000	80 478
Depreciation on right-of-use-asset	16 715	-
Directors' remuneration	1 500 576	1 470 238
Electricity	242 510	223 092
Electronic Newsletter - Agri SA	-	25 000
Employee costs	21 604 078	19 560 691
Insurance and security	141 454	136 531
Legal fees	156 814	109 539
loss on disposal of assets	1 299	1 398
Management fee - SIM investment	500 671	1 046 690
Meeting and entertainment expenses	331 926	522 283
Office and equipment rent	1 402 432	1 375 422
Other office bearers remuneration	331 800	322 250
Printing and stationary	211 269	195 948
Prior year VAT adjustment	-	165 204
Professional and consulting fees	985 032	708 598
Promotions	315 874	198 608
Publications	23 883	32 506
Repairs and maintenance	61 392	77 964
Secretarial fees	2 804	1 530
Covid 19 costs	1 690	-
Software and licences	181 016	156 174
Stellenbosch offices	9 823	11 727
Telephone, fax and postage	581 447	497 117
Toyota SA - Young Farmer of the Year	605 521	576 360
Training and recruitment	56 223	3 813
Translation fees	40 443	23 872
Travel related expenses	1 615 074	1 927 629
Website	-	87 828



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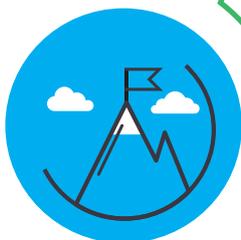


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Our Vision

Enabling a skilled and prosperous agricultural sector



MISSION

To increase access to relevant skills that is impact driven through strategic partnerships and credible research leading to inclusive economic growth



VALUES

Transparent | See through us
Responsible | I own it
Unity | In diversity
Service delivery | We are here to serve
Team work | Together we do more

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