

ANNUAL REPORT

2017/2018



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



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AGRI SA 2017/2018 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



Dan Kriek

The pursuits and activities of an agricultural interest organisation such as Agri SA are by nature abundant and challenging. The societal reach and sphere of organisation's influence is multidimensional.

The agricultural sector finds itself in the midst of the most significant challenges of our developing democracy. Contemporary South Africa's developmental aims centre on the three most significant challenges our country faces: poverty, inequality and joblessness. The realisation of our constitutional ideals and the creation of an inclusive economy remain the ultimate goals towards which we are working.

The past year will be remembered as one in which several controversial matters in public and social discourse were brought to the fore. Persistent efforts towards effective drought assistance ended in an investigation into corruption and the possible

misappropriation of funds. Agri SA, in partnership with ADS and Landbouweekblad, in pursuit of a contribution towards the development of meaningful land reformation aims, published a land audit report.

The safety, or rather lack thereof, of rural inhabitants, was brought to the attention of the South African public on Black Monday. The implementation of a national minimum wage is now a reality and will undoubtedly present challenges in terms of profitability, productivity and job creation. The ANC's decision to support the principle of land expropriation without compensation and its subsequent decision to amend section 25 of the Constitution in pursuit of this, undoubtedly made for the most significant controversy this year. The negative impact of this decision on investor confidence continues to mount.

The Western parts of South Africa did not find relief from the drought crisis. The agricultural sector was forced to deal with unprecedented challenges. Irrigation farmers in the intensive agricultural industry in the Western and Eastern Cape were particularly vulnerable to the effects of the drought. Livestock producers continue to be faced with the realities of flock reduction and the expense related to substitution-based feeding processes. The realisation that we remain reliant on one another for drought assistance is simultaneously a source of concern and gratitude.

The virtually unthinkable prospect that Cape Town could have ended up with no water supply was, for most of the year, an alarming possibility. The subsequent rainfall in the Western Cape and the resultant rise in dam levels was a welcome relief following a

period of serious concern. The effective management of our water resources, with an emphasis on technical as well as legal-technical expertise, will be one of Agri SA's most significant challenges. Our Natural Resources Centre of Excellence has an influential and instrumental role to play in the development of long term water strategies.

The urgent pursuit of orderly and economically sustainable land reform models has entered a new era. Leading reports such as Kgalema Motlanthe's High Level Report, as well as Agri SA's Land Audit in partnership with ADS/Landbouweekblad, were generated. Both these documents, together with Agri SA's holistic land and financing plans, based on the National Development Plan, can be viewed as directional in the continuing land debate.

“The urgent pursuit of orderly and economically sustainable land reform models has entered a new era.”

Agri SA's Transformation Report was reflective of the dedication of our industry organisations and corporate members' dedication to sustainable transformation in the agricultural sector. The failure to address the obvious challenge of the void that exists in extending property rights to new and communal farmers, is a glaring deficiency in the contemporary land debate. The success of establishing new farmers in a sustainable manner is undoubtedly rooted in the establishment of a tailor-made financing

scheme supported by a developmental fund. The agricultural sector possesses an abundance of knowledge as well as the skills to integrate these elements into an agricultural development agency. The undeniable reality is that we do not need more plans, but rather better implementation mechanisms and partners.

It is inevitable that the private sector will need to assume more responsibility for land reform and transformation. In the search for meaningful solutions, we will have to convince the government and society that we understand and support the moral and constitutional need for sustainable land reform. Attempts to act as an implementation partner to the government of the day, need to be intensified. The creation of a trust-based relationship between us and the ANC government is a critical component for future success.

The agricultural sector plays a leading role in the economy. The economic growth figures achieved by the agricultural sector in the face of significant challenges, are impressive. The resilience of the sector, reflected in the way it bounced back following harrowing drought circumstances, is indicative of the quality of our farmers. South Africa's farmers are indeed a national asset. The large volumes of grain harvests did not lead to better cash flow positions for all our producers and we remain in a delicate economic recovery phase.

Section 25 of the Constitution is the cornerstone of food security in South Africa. The value of the land that facilitates production serves as security for the financing of production means, investment into technology and the creation of infrastructure. The decision of the ANC to amend section 25 of the

Constitution, has already resulted in far-reaching implications in terms of investor confidence. The current levels of uncertainty are simply too high to secure long-term investment into the agricultural sector. The current situation needs to be addressed urgently to realise the economic growth potential of the sector. Investment security and confidence for farmers is belied by constitutional protection and secure policies.

Agri SA has committed itself to the protection of the Constitution and the search for sustainable solutions.

“Agri SA has committed itself to the protection of the Constitution and the search for sustainable solutions.”

The continued growth of our organisation is a source of great gratitude for us. At present, Agri SA is 70 affiliate organisations strong. The growth of the commodity chamber and specifically the corporate chamber has exceeded all expectations. Our strategy of value chain integration is highly successful, and we hope to make a far greater impact on policy challenges in future.

The engine room of Agri SA remains our five Centres of Excellence. Policy-related work done by these centres is comprehensive, extensive and impressive. We are privileged to have the best expertise on every level of policy formulation. Our media presence is strengthened using a diverse assortment of communication channels. Agri SA, thanks to our

personnel, is a professional and modern organisation in service of the agricultural sector.

I wish to express my sincere thanks to all our members, partners, sponsors and friends for your consistent support of Agri SA.

My sincere thanks also to colleagues, as well as everyone in the broader agricultural family for your hard work and dedication to a flourishing, transformed and distinguished agricultural sector.

Eating is an agricultural act – Wendell Berry



Dan Kriek
President

OVERVIEW BY THE EXECUTIVE DIRECTOR



Omri van Zyl

“The ultimate measure of a man is not where he stands in moments of comfort and convenience, but where he stands at times of challenge and controversy.” – Martin Luther King jr.

The above quotation describes Agri SA’s challenging role in the South African society, and even more so in the land expropriation debate. There have been difficult times in the past and there are difficult times ahead of us, but we will stand firm.

According to the media and popular parlance, there was a spirit of optimism after Ramaphosa’s election – firstly as ANC president in December 2017 and then as state president early in 2018 following his predecessor’s inevitable resignation, with renewed hope for a new corruption-free South Africa.

The land debate, however, resumed soon afterwards. On 31 July 2018, in his capacity as ANC president, Ramaphosa expressed his support

for the amendment of section 25 of the Constitution. Markets reacted and uncertainty was the order of the day. It seemed as if that Ramaphosa had for the moment been silenced.

Agri SA had – well before the December 2017 ANC election conference – started preparing for the expropriation debate. It was, after all, an issue as old as our democracy. At its 2017 congress, Agri SA announced the creation of the Land and Environment Fund intended to finance, amongst others, a possible awareness campaign and litigation against expropriation. During 2018, Agri SA sensitised the media and its stakeholders to the dangers of expropriation without compensation but at the same time participated in good faith in discussions with the ANC and the government.

“Today Agri SA can proudly assert that two important goals have been achieved. The public and all roleplayers now understand the dangers of expropriation without compensation, and our ongoing discussions with decision-makers within the ANC and the government have resulted in a productive conversation around property rights.”

Today Agri SA can proudly assert that two important goals have been

achieved. The public and all roleplayers now understand the dangers of expropriation without compensation, and our ongoing discussions with decision-makers within the ANC and the government have resulted in a productive conversation around property rights.

One of the outcomes of these discussions was the assurance given that land grabs would not be tolerated. Agri SA’s relationship with the government has always been cordial, but strengthened ties over the past few months constitute a qualitative improvement. There remains a lot to be done, of course, and the interests of producers must be protected. It would be naïve to accept these reassurances without question, but at least Agri SA is talking to the decision-makers instead of shouting from the side lines.

Although the land debate is attracting much attention, there are also other fundamental challenges facing agriculture that Agri SA will have to address. Drought conditions in the Western, Eastern and Northern Cape lingered on in 2018. In 2018, various organisations, companies and farmers – you and me – jumped in and delivered critical feed supplies to the drought-stricken areas. I wish to thank everyone concerned.

Changes that were made to the Agri SA constitution at the 2017 congress were successfully implemented during the report year. These relate mainly to the dissolution of the general council, which was replaced with a board of directors. The board is representative of the different chambers within Agri SA.

MARKETS AND THE ECONOMY

The information below relates mainly to 2017, which means that it largely

reflects the initial impact of the drought since 2015. While droughts have a significant influence on agricultural output, the farming sector fared exceptionally well this year measured against official income statistics. Bearing in mind the impact of the drought, the sector's performance is indeed praiseworthy. Net farming income amounted to R101 billion, which is approximately 12% higher than in the previous period. This increase can be largely attributed to a sharp increase in income derived from animal production.

During 2017, the gross value of animal production (R137,9 billion) increased by more than 15% while agronomy products estimated on R62.9 billion – an increase of 6% since 2016. The nominal cost of intermediate goods and services increased by 6,5% in 2017, after increasing annually by an average of 9% over the past seven years. This shrinking increase can be attributed to the drought combined with reduced plantings of summer crops and horticultural produce.

The first half of 2017 was characterised by serious drought conditions in the Western, Eastern and Northern Cape, which had an impact in various spheres, for example a decline in vegetable and fruit yield. The limited or lack of available water for irrigation purposes as well as bird flu posed significant challenges. The financial implications of these setbacks will become clear in due course.

On the international front South Africa remained a net exporter of agricultural products. Backed by the depreciation of the rand against the most important currencies, the value of South African agricultural exports increased by 6% to approximately R103 billion in 2017. The

Agri SA's financial position

Important movements – Statement of financial position				
	2018	2017	Movement	%
Capital and reserves	R 216 406 613	R 220 679 247	(R 4 272 634)	(1.94%)
Non-current assets	R 45 787 392	R 42 097 625	R 3 689 767	8.76%
Investment	R 168 158 658	R 177 750 921	(R 9 592 263)	(5.40%)
Current assets	R 10 020 385	R 5 739 467	R 4 280 918	74.59%
Current liabilities	R 7 559 822	R 4 908 766	R 2 651 056	54.01%

sector showed a positive trade balance of approximately R27 billion in 2017, which is indicative of a larger number of products available for the export market. The main drivers of this growth in exports were the Netherlands, United Kingdom, Mozambique, China and Zimbabwe.

Our capital resources are depleted largely due to a considerable decline in the value of our portfolio investments, with the result that we had to use our capital reserves to keep the business going. We have also paid retirement packages to Agri SA staff who left the organisation. A combination of these factors caused the shortfall.

With regard to other income streams, we saw an improvement compared to previous years, with project income and additional sponsorships increasing at a constant level. The addition of our corporate members will assist in moving Agri SA into positive figures.

AGRI SA PROJECTS

During the past financial year, we were involved in a variety of projects aimed at strategically assisting farmers at grassroots level. These projects are mentioned below.

a) Land audit

The findings of the land audit were released on 1 November 2017. The Agri SA/ADS/Landbouweekblad land audit received wide media coverage in South Africa and abroad and provided information on the demographics of ownership in South Africa. In March 2018 the government also released its long-awaited audit, together with the criticism that followed. Agri SA's land audit served as a starting point to place the facts around land ownership in South Africa on the table.

“The findings of the land audit were released on 1 November 2017. The Agri SA/ADS/Landbouweekblad land audit received wide media coverage in South Africa and abroad.”

b) Smart Agri Risk Management Desk

In May 2018, our commitment to the Smart Agri Risk Management Desk (SARMD) in collaboration with Senwes was reaffirmed. The desk was established after the drought to ensure that we can address and mitigate the biggest risks facing our industry and the economy. Our approach to the risk desk is to work in a very practical manner to ensure that we design mechanisms that will make a difference to farmers in practice.

As part of the SARMD, Agri SA intends to launch a Smart Disaster Aid (SDA) strategy that will focus on risk management as well as on adapting to and mitigating agricultural risks in general.

Thanks to this desk, we managed to address expropriation without compensation timeously with a well-considered strategy.

c) Water Desk

The Agri SA Water Desk was launched on 2 May 2018. The desk will focus on water policy and legislative proposals. It will also provide inputs to the Water Research Commission and proactively address all risks in agriculture.

d) Drought fund wastage

Agri SA has lodged a complaint with the Auditor-General and the Public Protector regarding the fraud we had exposed in relation to the allocation of money intended for farmers during the drought of 2016/17. For Agri SA it is also important to be a responsible organisation with the highest regard for the rules of ethical and moral justice.

e) Shale-gas development

Agri SA is opposed to the proposed establishment of a shale-gas industry in South Africa. The Natural Resources Centre of Excellence is assuming the lead in this regard. We insisted that we do not have sufficient information at this stage as to whether or not such an industry could pollute our water resources. Agri SA will continue to oppose companies that wish to pursue shale-gas extraction.

f) Transformation hub

Agri SA's representatives will continue to play a role to ensure that public funding is used effectively to bring about transformation. The main objective is to maintain accurate and updated data on transformation and to implement projects that will truly empower women and the youth – viable projects that produce visible results.

We released our transformation report during our Commodity and Corporate Conference. The report sets out the transformation and development activities currently being undertaken by our affiliates. For the first time we also obtained a consolidated version of what the sector was doing. In a nutshell – we spend R331 million annually and are involved with 108 307 farmers.

“For the first time we also obtained a consolidated version of what the sector was doing. In a nutshell – we spend R331 million annually and are involved with 108 307 farmers.”

g) Operation Phakisa

Agri SA is one of 161 organisations that participated in the five-week Agri Phakisa workshop. Agri SA, together with the department of agriculture, forestry and fisheries and the department of rural development and land reform, is in the process of planning pilot projects at grassroots level. Central to the brief was food security for all South Africans and the creation of jobs as main outcomes.

h) Land summit in collaboration with Landbouweekblad

The land summit was a big success. Hundreds of roleplayers attended the event in Bela-Bela, Limpopo. Constructive discussions were conducted and there was a spirit of optimism in the air around transformation projects and the future.

MARKETING, COMMUNICATION AND IMAGE-BUILDING

The basis for Agri SA's liaison with its members and stakeholders was changed during 2018 to ensure that the image of the organisation is promoted as effectively as possible. As part of the rapidly changing world

of communication, especially with regard to digital and social media, the communication and image-building function works closely with the Agri SA executive to ensure that the message remains consistent.

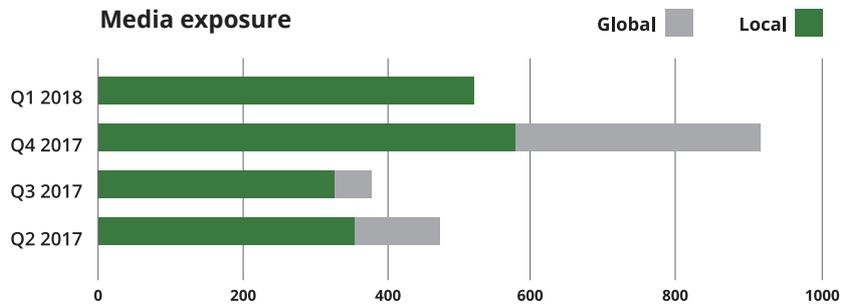
Agri SA's communication and image-building committee was dissolved in 2017. The Agri SA board now oversees marketing, communication and image-building and provides feedback in this regard directly to the executive director.

Communication strategy

Agri SA's overarching communication strategy is to grow our message outside the traditional audience but at the same time provide our membership base with high-quality and relevant information.

With regard to communication, it is extremely important to set the terms of the debate, otherwise we would be following instead of leading. For this reason, Agri SA is to an increasing extent focussing not only on being the responsible voice but also on airing its new and innovative views countrywide. Agri SA and its subsidiaries are continuously creating original content through their daily interaction around policy and other priority issues of interest to producers. Besides our press releases, which are normally picked up by the biggest media houses, Agri SA is increasingly using ad hoc research reports to proactively reflect the bigger picture of what we know.

We use every possible media channel to communicate with the broader South African public. For this purpose, Agri SA is increasingly using its social media channels to get the necessary information out promptly.



Source: Meltwater

“We use every possible media channel to communicate with the broader South African public. For this purpose, Agri SA is increasingly using its social media channels to get the necessary information out promptly”

Marketing and funding strategy

As a respected authority in agriculture known for its well-considered views, Agri SA is in the favourable position to be approached to an increasingly extent by organisations who wish to be associated with the work we do.

Agri SA's marketing strategy is to use existing network forums such as its congress, ad hoc discussions, magazine and digital media to give interested parties within the agricultural value chain an opportunity to raise their own profile and make a valuable gesture regarding their commitment to South African agriculture.

Media exposure

Meltwater monitors the exposure Agri SA receives in print, radio, TV and social media. The communication team compiles monitoring reports on a weekly basis. From these reports it is clear that Agri SA is regarded as an authoritative commentator on a wide range of agriculture-related matters.

Agri SA's exposure on Facebook, Instagram, Twitter and LinkedIn increased during the past year. Social media is a platform where Agri SA can communicate quickly with a large audience. This audience continues to grow.

Web page and social media

Agri SA's web page, a timely platform where various Agri SA documents and commodity news are shared, is functioning well.

During the report year, the web page was redesigned, with the communication team taking over the day-to-day management thereof. Agri SA's Facebook, Twitter and Instagram profiles are promoted on certain pages. A closed members' portal is also envisaged to provide registered member organisations with access to selected information.

Agri SA's social media platform activities were previously dealt with by an independent contractor. Since taking over direct control over these platforms, Agri SA has adjusted the content to enhance its message. Followers on the platforms have grown. The organisation now also exercises control over the timing of posts, which increases their reach.

The social media platforms Facebook, Twitter and Instagram are managed directly by the communication officer and are growing monthly in line with the strategy of the communication section.

Platform June 2018	Number of Agri SA followers
Facebook	22 177
Twitter	12 200
Instagram	3 178
LinkedIn	5 917

Agri in which Die Boer/The Farmer is incorporated

Agri, Agri SA's bi-monthly magazine, features information on policy, legislation and programmes of interest to farmers. It also offers advice, extension and news on topical matters to approximately 28 500 farmers who are members of Agri SA via the respective affiliates.

The magazine is distributed directly and also published in electronic book form on Agri SA's web page. Agri's circulation figures are audited by the Audit Bureau of Circulations (ABC) on a semi-annual basis.

Parliamentary liaison

Thirty bills were passed by parliament during the report period, of which 10 were of direct interest to the agricultural sector. These include the Restitution Amendment Bill, the Extension of Security of Tenure Amendment Bill, the Agricultural Product Standards Amendment Bill, the Minimum Wage Bill and the National Environmental Management Bill.

Agri SA's parliamentary representative attended committee meetings and regularly forwarded parliamentary reports to Agri SA. These reports related to matters such as the strategic plans and annual reports of state departments and institutions, control of animal diseases, progress made with the restitution process, the relative rights pilot projects, the budgets of the departments of agriculture, forestry and fisheries and the department of rural development and land reform, the drought in the Western Cape and the financial problems experienced by the department of water and sanitation.

“Agri SA’s parliamentary representative attended committee meetings and regularly forwarded parliamentary reports to Agri SA.”

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, with 2017 being the 14th year that Toyota SA sponsored this competition with a Toyota bakkie as the main prize.

Agri SA is responsible for, among others, the coordination of the competition between Toyota SA and the organisation's provincial affiliates. Agri SA sees the competition as being of great value because young role models are identified for prospective new entrants. This is essential to ensure the future dynamics of the sector.

During a gala event at Klein Kaap in Centurion in October 2017, Jaco Strauss, a crop farmer of the Vaalharts district in the Northern Cape, was named the winner.

The competition has, since its inception in 2004, produced the following winners:

- 2004: Jan Grey, Agri Mpumalanga
- 2005: Johan Furstenburg, Agri Limpopo
- 2006: Pieter Nortje, Agri Eastern Cape
- 2007: Robert De Villiers-Graaff, Agri Western Cape
- 2008: JB van den Berg, Free State Agriculture
- 2009: Tony Da Costa, Agri Gauteng
- 2010: Jan Scheepers, Free State Agriculture
- 2011: Gog van der Colf, Agri Northern Cape
- 2012: Richard Ablort-Morgan, Agri Eastern Cape
- 2013: Attie Stoltz, Agri Northern Cape
- 2014: Sakkie van Zyl, Agri North West
- 2015: Anthony Goble, Kwanalu

- 2016: Jacques Beukes, Agri Western Cape
- 2017: Jaco Strauss, Agri Northern Cape

Other liaison efforts

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

- Coordination of information sessions and visits by international and local guests;
- Agri SA's annual congress, Commodity and Corporate Chamber conference as well as Nampo Harvest Day;
- Agri SA's corporate clothing range;
- Coordination of Agri SA's annual report;
- Coordination of and distribution of Agri SA's monthly newsletter;
- Journalistic competition in co-operation with Agricultural Writers SA and the Agri Securitas Trust Fund; and
- Attendance of agriculture-oriented exhibitions and events.

New staff members

In 2018 Agri SA had to say farewell to staff members who had chosen new career opportunities, namely Annemi Mennen, Leanne George, Yolisa Mfaise and Hamlet Hlomendlini – we wish them everything of the best! The staff component currently consists of 30 permanent employees.

The best possible talent available in the market was appointed in the vacant positions. The following people were appointed:

- **Melissa Tighy**
Communication officer
BA Human Sciences
BPhil Journalism
Senior journalist

- **Aloise Fullex**
Marketing manager
BCom Business Sciences
BCom Honours in Marketing and Business Management

- **Mihlali Khala**
Intern (Corporate Affairs and Marketing)
BBA Social Dynamics
Hons Political Science

- **Nel Coetzee**
Intern (Economics and Trade)
BCom Agricultural Economics
Certificate in Digital Marketing

- **Moleboheng Sekonyela**
Intern (Labour and Development)
BTech in Human Resource Management

- **Yolandi van der Merwe**
Intern (Executive director)
BCom Agribusiness Management

Jacob Ledwaba retired at the end of 2017 and was succeeded by Isaac Mkhize. Phumi Seopa was appointed permanently as cleaner. Jolanda Andrag was appointed as socio development officer in the Transformation Hub after completing her internship. Gregory Smith was also appointed permanently as research assistant after completing his internship. It was decided to shift the human resource management function, together with the management of the Labour and Development Centre of Excellence, to Jahni de Villiers.

With the financial support of the Sasol Trust, Agri SA was able to create three internships, namely at Labour and Development, the office of the executive director and Economics and Trade, respectively.

NEW CORPORATE MEMBERS

The part of our strategy that supports value chain integration, as well as the addition of our new corporate members, was extremely successful. Agri SA's corporate membership base currently consists of 36 members. Agri SA has also added three commodities to the organisation.

ACCOUNTING POLICY

No changes were made to the accounting policy in relation to fixed assets and writing off thereof during the report year and the organisation has been complying with international standards since December 2016. This means that all assets must be valued in terms of fair value at year-end. The Inkwazi building was revalued by HMS on 5 July 2018, resulting in a fair-value adjustment of R 3 768 630. Depreciation is written off over the expected lifespan of assets and a residual value is linked to each asset, which must be reviewed annually.

RESPONSIBILITIES

In terms of Agri SA's constitution, the Board is responsible for keeping accounting records. This committee is also responsible 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 and report on the financial statements. Approval of the financial statements is vested in the Board. Financial management takes place in terms of an appendix to Agri SA's constitution under "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 2018. As provided for in the Agri SA constitution, the abridged financial statements were presented to congress.

ACKNOWLEDGEMENT

Our team, which consists of Agri SA staff, the Board and Centres of Excellence, excelled in their task of managing and planning for assistance. We thank them for their selfless efforts on behalf of the organisation.

I also wish to thank all our member organisations who assisted us during this period with advice, financial relief and information to protect and grow our members and client base. We have all contributed towards strengthening the Agri SA brand within South Africa and internationally and I believe our brand is now stronger than ever before.

CONDOLENCES WITH THE PASSING OF HENK VAN WYK

Lastly, I wish to pay tribute to Henk who passed away unexpectedly and whose death has affected us all deeply. Henk, with his sense of humour and ready smile, will be sorely missed. I will miss his persona. Henk, when we think of you, we smile – you were loved and we will miss you.



Omri van Zyl
Executive director
Agri SA





REFLECTION ON TRANSFORMATION INITIATIVES BY AGRI SA



Christo van der Rheeke

Agri SA has been on the forefront of various transformation and development related initiatives in the past year. The organisation also plays a leading role in the AgriSETA- and Agri Phakisa initiatives, the AgriBEE board and on various private and public sector driven platforms with a view to creating a globally competitive and inclusive agricultural sector.

A transformation report was also released during the past year listing the contributions made by the respective provincial, commodity and corporate organisations. An amount of R331 million was spent, with 108 307 emerging farmers benefiting in the form of financial assistance, training and skills development, monitoring, information transfer, recapitalisation and facilitation of market access.

Several projects launched by commercial farmers in collaboration

with emerging farmers, their employees and rural communities were also inspected. What a revelation!

In the Vaalharts region where farmers produce pecan nuts, the farm schools closed by the provincial department were converted into affordable private schools to ensure quality education for farm children in remote areas. In the Bonnievale area a high school was built for farm children in partnership with the Western Cape department of education, farmers in the district and the Jakes Gerwel Foundation.

During the Waitrose Foundation's annual general meeting, feedback was provided on the construction of nursery schools, sporting facilities, computer-assisted maths teaching for school children and many other empowerment projects on farms. Strong partnerships were forged between farmers and organisations such as Hlokomela, which offers HIV/ Aids education and healthcare, and Farr SA, which assists in combating alcohol abuse and foetal alcohol syndrome on farms and in rural communities.

Many farmers also enter into sustainable partnerships with their workers. On the farm Achtervlei in the Western Cape, the farm's jam factory produces quality products for some of the foremost retail groups thanks to an excellent recipe belonging to the ninety-year-old grandmother of one of the workers.

In the Eksteenskuil area near Keimoes, approximately 100 emerging farmers now produce export-quality raisins on about 520 ha in partnership with Dried Fruit Technical Services, the Jobs Fund, InnofruitSA and a large number of other agricultural roleplayers.

This community's annual income has increased by R26,4 million and their household income by R6,6 million – unobtrusive evidence of how win-win partnerships between farmers and other roleplayers promote the welfare of people and, in time, also create greater wealth.

At Agri SA we are privileged to attend many functions where our best commercial and emerging farmers are honoured annually. An ongoing theme is their contribution towards improving the living conditions of others. This also applies to the development projects rolled out annually on farms and in rural areas by various provincial, commodity and corporate entities.

While this transfer of skills and knowledge, financial assistance, market access and mentorship can be measured in terms of rands and cents and are reflected in income statements and BEE reports, we do not measure the contribution made towards the well-being of communities. This includes an improvement in living conditions, restoration of people's dignity and the development of their ability to meet their own needs.

“It is critically important to counter growing poverty, unemployment, divisiveness and deterioration in rural communities.”

It is critically important to counter growing poverty, unemployment, divisiveness and deterioration in rural communities. In the spirit of the win-win partnership launched in 1994, we don't have any other

options. This serves as the blueprint for diverse communities to enter into a partnership for mutual benefit.

The farmworker housing concept or 'Smart Village' initiative conceptualised by Agri SA during the Agri Phakisa process has also gained momentum during the past year. We hope the government will make the necessary funding available for the project. Many farmers are ready and willing to make land available for this purpose and to assume the lead in creating farming zones where agropreneurship can flourish and job opportunities as well as wealth can be created. Central to this is to promote the physical and spiritual well-being of local farming communities.

“I wish to thank all agricultural leaders and other roleplayers for their leadership and inputs aimed at helping to create a sustainable and inclusive future for the agricultural industry!”

I wish to thank all agricultural leaders and other roleplayers for their leadership and inputs aimed at helping to create a sustainable and inclusive future for the agricultural industry! Well-planned and commercially sustainable transformation initiatives represent an investment in the future. Let us tackle this task with even greater enthusiasm, setting the pace for the new year, because agriculture is more than merely a job – it is a calling!



Christo van der Rheede
Deputy executive director
Agri SA



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President



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Deputy President



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Henk van Wyk
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SK Makinana
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Charl Senekal
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Corporate Chamber



Nic Bronkhorst
Director
Corporate Chamber



Omri van Zyl
Executive Director



Dr Kathy Hurly
Non-executive
Independent Director



Dr Charlotte Nkuna
Non-executive
Independent Director

CHAMBER MANAGEMENT



GENERAL AFFAIRS CHAMBER

FROM LEFT TO RIGHT

Douglas Stern, *Additional member*

Cornie Swart, *Chairman*

Henk van Wyk, *Deputy Chair*

COMMODITY CHAMBER

FROM LEFT TO RIGHT

Dr Kathy Hurly, *Deputy Chair*

Dr Piet Prinsloo, *Chairman*

Niël Joubert, *Additional member*



CORPORATE CHAMBER



Gerhard Diedericks
Chairman



Charl Senekal
Deputy Chair



Nic Bronkhorst
Additional member



CONGRESS REPORT 2017

TIMES OF CONGRESS SESSIONS

Thursday, 12 October 2017
07:30 to 17:00

Friday, 13 October 2017
08:30 to 12:30

“Agri SA’s strategic partnerships are essential for a successful South Africa”

THEME

Agri SA’s strategic partnerships are essential for a successful South Africa

VENUE

Pelindaba Room, Misty Hills Country Hotel, Conference Centre & Spa, Drift Boulevard, Muldersdrift.

REGISTRATION

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

Changes in the composition of delegations had to be communicated in writing before or during registration.

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

For interactive participation in the congress, delegates received and signed for hand pieces during registration.

The congress was attended by 111 delegates and 172 guests.

CONGRESS AGENDA

DAY 1

OPENING SESSION

Scripture reading and prayer – Professor Stephan Joubert.
Congress sang the National Anthem.

Constituting the congress

Executive director of Agri SA, Omri van Zyl, dealt with the constitution of the congress. He confirmed that a quorum was present and that all constitutional obligations had been met to commence with the congress proceedings.

The following order arrangements were confirmed:

- The chairman determined the sequence of discussions;
- Persons who were not delegates could provide input with the chairman's permission;
- Participants in discussions were limited to a speaking opportunity of five minutes;
- Speakers were requested to submit their speeches in writing to the administration office, preferably before or directly after delivery;
- For media and reporting purposes, people were requested to submit their inputs to the administration office; and
- The election process was to be dealt with by Agri SA's auditors, The Ashton CA (SA) Group, and Willie Jacobs.

“The congress was attended by 111 delegates and 172 guests.”

Word of welcome

Deputy president Dan Kriek welcomed delegates, other representatives of affiliates, speakers, delegates of various state departments, representatives of portfolio committees, representatives of statutory bodies, representatives of embassies, delegates of other agricultural organisations, former presidents of Agri SA, guests and the media.

- He extended a special word of welcome to Rachel Jafta, chair: Media24, and guest speaker Mr Senzeni Zokwana, minister of agriculture, forestry and fisheries, Hein Wagner, who was to address the congress on day 2, former presidents Japie Grobler and Lourie Bosman, as well as other speakers as mentioned in the congress programme. He thanked the respective programme directors and panel members who were to participate in the different sub-theme sessions;
- A special word of welcome was extended to former judge Antonie Gildenhuys and Annette Steyn of the DA;
- A special word of welcome was also extended to corporate members who were attending the Agri SA congress for the first time;
- Apologies were offered for former presidents and former chamber chairs, as well as for Dr Theo de Jager, president of the World Farmers' Organisation (WFO), who was attending meetings in Rome; and
- He also thanked all sponsors and referred to their logos in the congress programme as well as their congress messages. He asked congress attendees to visit the sponsors' exhibits and said it was important for agriculture to associate with companies that

were prepared to support Agri SA.

The logos of the respective sponsors were displayed continuously.

Platinum and informal function sponsor:

Santam Agriculture.

Gold sponsors: AgriSETA, GWK, Land Bank and Monsanto.

Silver sponsors: ABSA AgriBusiness, Batsa, Nedbank, NWK, Obaro, Old Mutual Insure Agri, Pannar, Sanlam, Senwes, Standard Bank, Statistics SA, KAP Industrial Holdings, VKB and Voermol.

Bronze sponsors: Bayer, DuPont Pioneer, FNB, Omnia, OVK, Nissan, Nyeleti Consulting, Sonfin, Syngenta, The Ashton CA (SA) Group and Woolworths.

Dan Kriek thanked Agri SA's partners, namely CrisisOnCall, Nissan SA, Sanlam, AliSom, Sonfin and T&E FinOps for their loyal support to Agri SA and the Agri Securitas Trust Fund during the previous year. He also referred to their messages included in the congress programme and asked congress attendees to visit their exhibits to see what they had to offer.

GUEST SPEAKER

Rachel Jafta, Chair: Media24 - *Replace your fears with hope*

"We live in a VUCA world characterised by continuous change and uncertainty. VUCA is an acronym used to describe or reflect on the volatility, uncertainty, complexity and ambiguity of general conditions and situations. The lines between disciplines are becoming blurred and no one can be in the comfort zone they were 30 years ago. Nothing is clear-cut and there are different perspectives on the same proposal. People are looking for solutions to survive in this VUCA world."

According to Jafta, the VUCA phenomenon is largely due to rapidly changing technology. Technology is changing so rapidly that most governments lag behind. "Technology makes it possible for us to meet people's basic needs more promptly, for example their need for food. Many people now also have access to the mainstream economy. The digital era has also enabled us to provide education to many people who previously did not have these opportunities."

Jafta believes that an understanding of the benefits of technology is one way to address the VUCA world. Artificial intelligence, for example, will make a considerable difference to how people live and do business in future. She believes that thanks to technology, new emerging farmers will be able to make a major contribution to the national economy. She also believes that women are an undervalued resource who, if properly integrated into the economy, could make a considerable contribution.

"South African farmers are held in high esteem worldwide. Do what you do best, be a united force and tackle VUCA head on. Replace your fears with hope," she said.

PRESIDENTIAL ADDRESS

Johannes Möller, Agri SA - *Agri SA had to change and adapt*

Amidst all these challenges and rapidly changing context, Agri SA had to position for future growth and development. As the world changed, including South Africa, we have also changed, Johannes Möller said in his presidential address at the congress.

"Amidst all these challenges and rapidly changing context, Agri SA had to position for future growth and development."

"The strategic reasons for the changes at Agri SA include providing more streamlined services to our members and farmers and creating greater capacity to adjust to and survive in a rapidly changing environment and respond more effectively to changes in the policy environment. We will, however, continue with our core business of influencing policy as well as financial viability."

According to Möller, Agri SA has become more solution-driven in its approach to providing assistance to affiliates, members and farmers. "Our involvement in providing drought relief bears testimony to this. Strategic partnerships are now more important than ever before. We cannot tackle our

problems alone. We must continue to liaise with government as well as the private sector.”

Möller said as part of refining Agri SA’s strategy and transformation initiatives, the organisation’s staff component had been expanded with top appointments at the head of each of the five centres of excellence. “The repositioning of our brand is a key element for survival in a tumultuous local policy environment.”

After two years of intensive research and consultation with all stakeholders within the organisation, Agri SA’s brand was repositioned to promote its ongoing efforts to create an organisation for the farmer and owned by the farmer. “Our organisational

restructuring includes a smaller board. We had approximately 68 General Council members, which were reduced to 14 board members. The provincial, commodity and corporate chambers provide the board with guidance, while the centres of excellence will consider and execute instructions. The centres include Labour and Development, Economics and Trade, Rural Safety, Land and Natural Resources,” he said.

GUEST SPEAKER

Mathews Phosa - Ground rules for sound partnerships

Commercial agricultural producers in South Africa need partnerships – vertically to participate in the agro-industrial value chain, as well as horizontally with other producers to conclude market contracts and reduce input costs. These partnerships, however, must be fair as well as mutually beneficial and viable for all parties.

He highlighted the following qualities for sound partnerships:



Good governance: With any partnership arrangement in the agricultural sector or any other business sector, it is important to meet all relevant fiduciary and statutory requirements. Good governance also promotes transparency and ensures that a single partner does not make decisions that affect other partners' production, profitability or pricing.

Testing and verification of key information: Where parties are involved in negotiations to independently verify key facts and figures such as input costs and pricing, it is important to ensure that all information used to develop shareholding percentages is correct and that the partnership arrangement and financial responsibilities of all partners are viable. It may not degenerate into a situation where one or other party is dishonest and where such parties make incorrect assumptions.

Independent and neutral facilitator: Another good strategy to adopt when considering a partnership arrangement, especially with an entity, farmer or body with whom you are familiar, is to use the services of a commodity organisation or attorney, auditor or someone who both parties can accept as being honest and knowledgeable about the product or project to be developed.

Common ground, vision and mission: For parties who do not have extensive knowledge it is always a good idea to spend time to establish common ground. What are the likes and dislikes of the other party or group?

Flexibility and incremental independence: With regard to establishing a joint venture company or other form of partnership, Phosa suggested that the parties should be fairly flexible because no party has perfect insight at the outset. Such flexibility could relate to shareholding percentages, roles and responsibilities, as well as matters such as meetings and communication. In cases where an established commercial farmer and an emerging farmer enter into a partnership, the emerging farmer may need some time before assuming greater responsibility or even to acquire more shares in the venture as the business progresses and their capacity develops.

Fair value for the partners' role: An agreement must be reached on values attached to the different roles and resources that the parties bring to the partnership. Again, it is not a bad idea to approach an independent party to facilitate a decision on how the values that different parties bring to the partnership are to be assigned.

Transparency: As in any relationship, it is better to develop a partnership based on general openness and transparency, which would then also form the basis for mutual respect and cooperation.

APPROVAL OF THE AMENDED CONSTITUTION

The executive director briefly provided elucidation on the proposed amended document, after which the chair asked congress to approve the following:

- Approval of the amended constitution as made available to voting members.

The amended constitution was approved by congress.

After approval of the constitution, congress was requested to approve the following:

- An investigation into the tax, financial, personnel and third-party-contract implications of converting to a non-profit company and the best way to facilitate it;
- Registration of the non-profit company;
- Finalisation of the Memorandum of Association;
- Taking the necessary steps to get the company operational;
- Naming the founders of the company; and
- Establishment of an entity to drive litigation.

The proposed investigation was approved by congress.

ELECTION OF PRESIDENT

Congress was asked to provide nominations for the office of president.

AGRI TOURISM RESEARCH

Christel van Zyl, a student at North-West University who had conducted research on agri tourism, was requested to provide elucidation on her research.

THEME 1

PARTNERSHIPS ARE ESSENTIAL TO NEUTRALISE RISKS FOR FARMERS

This session focussed on the need for multi-stakeholder partnerships to identify and respond to serious risks faced by agriculture.

Smart disaster aid

Johannes Möller, president of Agri SA

Agri SA looked at these solutions

As part of Agri SA’s restructuring, the organisation sought solutions to make its service to farmers and members more streamlined. Another urgent matter was funding for emerging farmers and land reform. Agri SA, in collaboration with Barclays and the Land Bank, developed a funding model with various options.

These solutions included the following:

Agri Risk Management Desk

The Agri Risk desk, which falls under the Natural Resources Centre of Excellence, was launched during the year’s Nampo Harvest Day. The

initiative is funded by Senwes. Agri SA also participated in a fact-finding mission to the USA’s National Drought Mitigation Centre at the University of Nebraska, as well as the Northern Rockies Coordination Centre Incident Command Centre.

Smart disaster aid solution

As part of the Agri Risk desk, Agri SA aimed to launch a Smart Disaster Aid (SDA) strategy, which will focus on risk management as well as adaptation to and alleviation of risks in agriculture in general. This will be expanded in future to consider sector-specific risks. Key components of the SDA strategy include the establishment of a disaster fund, use of public-private partnerships (PPPs), as well as a multi-disaster agricultural insurance system and

infrastructure to support disaster relief campaigns.

Funding models

Another urgent matter was funding for emerging farmers and land reform. Agri SA, in collaboration with Barclays and the Land Bank, developed a funding model with various options. With adequate government subsidies these options will have a significant impact. The options include capital subsidies in the form of equities or structured loans. These funding models form an integral part of Agri SA’s holistic approach to land reform.



Transformation hub

Agri SA 's representatives will continue to play a role to ensure that public funding is used effectively to facilitate transformation. The main objective is to maintain accurate and up-to-date data on transformation and to implement projects that truly empower women – workable projects that produce visible results. These results must culminate in good news stories in the media.

Rural safety

The centre's activities are supported by the police, defence force, National Prosecuting Authority and the Institute for Security Studies with the support of government. Agri SA aimed to tackle land invasions, farm attacks and other security-related issues. It is of utmost importance that farmers know what their rights are and how to address

threats effectively within the legal framework.

Programme director: Francois Strydom, CEO: Senwes

Panel members: Prof. Andries Jordaan, Agri Risk desk
André Roux, special appointment in the Western Cape premier's office for drought coordination
Jaco Minnaar, chair: Grain SA (A farmer's perspective)

Discussion

Farmers need multi-stakeholder partnerships to identify and respond to serious risks in agriculture.

"We must know what the situation across the country is at any given moment. To this end the cooperation of farmers is essential as they have to

supply us continuously with the right information."

"Although we have to identify the risks, we also have to spot opportunities," said Francois Strydom. He blamed the uncertainty and lack of investment in the agricultural sector on government corruption and policy uncertainty. Instead of the government doing the right things and creating a climate for investment, it is left to community organisations to address the problems, said Strydom.

"We must address this dysfunctionality with the right partnerships, building our communities and producing young, honest leaders. I believe, however, that we should not break down but rather correct the things that are wrong," Strydom said.

Disaster relief

Prof. Andries Jordaan said Agri SA had established this desk to better understand the risk of disasters and to manage them more effectively. "We are looking at ways to reduce the risk and make disaster relief more buoyant. We want to improve our preparation for and response to risks as well as recovery and rebuilding afterwards."

Jordaan pointed out that disasters had to be viewed far more broadly than mere drought and floods. There are also veld fires, locusts, tornadoes, animal and plant diseases, etc. "We must persuade government that it is also in their interest to manage disaster relief better."

He emphasised that a proper database was essential if the Agri Risk desk is to succeed. "We must know what the situation is across the country at any point in time. To this end we need farmers' cooperation to provide us with



the right information on a continuous basis. We are considering developing an App to make this process easier for farmers.”

Better coordination

André Roux said an effective system should be in place before funds can be allocated to disaster victims. The government’s budget system results in disaster relief reaching the victims far too late. In the Western Cape they have learned that a lack of coordination is a big problem, especially at district level. The process should be more transparent.

It is also important to secure the cooperation of suppliers. Suppliers should preferably be paid within 30 days. Clear criteria should be available to determine who qualifies for disaster relief. “If a farmer, for example, fails to meet his grazing capacity, he or she should not qualify for disaster aid,” Roux said.

“The government’s budget system results in disaster relief reaching the victims far too late.”

A farmer’s perspective

Jaco Minnaar provided elucidation on a farmer’s perspective, with special reference to risks such as land reform, unpredictable weather patterns and the status of the economy. He said partnerships are needed to neutralise the risks and that farmers of today cannot farm without partnerships.

Grain SA, for example, had already forged partnerships with a research institute to learn more about certain

risks. “We also need turnaround strategies for certain commodities such as wheat and we have realised that it is important to involve all roleplayers because survival of the industry is in everyone’s interest. Partnerships happen when we talk to each other. There must also be growth and success for all partners if a partnership is to succeed,” Minnaar said.

Various delegates had an opportunity to express their opinions on the matter and to make recommendations to congress in this regard.

Mooketsi Ramasodi, Acting director-general at the department of agriculture, forestry and fisheries

Mooketsi Ramasodi, on behalf of the minister of agriculture, forestry and fisheries, Senzeni Zokwana, apologised that the minister was unable to attend the congress. In his speech he said partnerships between the private sector and government serve as a solution to many problems that are being experienced. He then referred to the activities in which the department was involved, namely the Agricultural Sector Plan, the National Development Plan, the Nine-Point Plan and Phakisa.

DONATIONS TO AGRI SECURITAS TRUST FUND

OFM, Afgri, NWK and Senwes made donations to the Agri Securitas Trust Fund. Dirk Kok of OFM and other representatives of partners presented a cheque to the chair of the trust fund, Japie Grobler.

Magda du Toit made a donation to the Trust Fund on behalf of Monsanto.

Bikers Against Farm Attacks had held a function to raise funds for the Trust

Fund, while Ben Stander, chair of the organising committee, made a donation.

Gerhard Diedericks made a donation to the Trust Fund on behalf of Santam Agriculture.

Willem van Zyl made a donation to the trust fund on behalf of Sanlam.

ELECTION OF DEPUTY PRESIDENTS

The executive director requested congress to submit its nominations for the office of first deputy president during the lunch break, and after the election of the first deputy president to provide nominations for the second deputy president.

Outcome of election of president

Dan Kriek was elected president of Agri SA.

LUNCH

Oubaas Malan said grace, after which lunch was served in the Boma and Summer House.

THEME 2

PARTNERSHIPS TO NEUTRALISE THE PREVAILING WATER CRISIS IN SOUTH AFRICA

This session focussed on the critical role that water plays in the future of agriculture and South Africa as a nation.

Programme director: Janse Rabie, head: Natural Resources - Agri SA

Panel members: Dr Antonie Gildenhuys, retired judge: Land Claims Court
Johan van der Berg, manager: Specialised crop insurance at Santam
Charl Senekal, Senekal Boerdery (A farmer's perspective)
Isa Thomson, chief engineer: Department of water and sanitation

Isa Thomson said water in South Africa is a limited resource. As the population grows, pressure on available water intensifies. There will simply no longer be any water available for agriculture. Although South Africa ranks among the 30 most arid countries in the world, it is a leader in terms of irrigation development and research.

“Isa Thomson said water in South Africa is a limited resource. As the population grows, pressure on available water intensifies. There will simply no longer be any water available for agriculture.”

Thomson participated in a session that highlighted the critical role that water will play in the future of agriculture. “We cannot simply make more water. Available water must therefore be stretched and used more efficiently,” she said. Although South Africa is one of the 30 most arid countries in the world, it is a leader in irrigation development and research.

Institutions such as the ARC and some state departments are conducting valuable research on how to use water more efficiently, but she blamed these institutions for failing to communicate the results more effectively to farmers. She also said farmers should take better care of the environment by, amongst other things, ensuring that less chemicals end up in rivers.

Cycles

The meteorologist Johan van der Berg said that, although it is extremely difficult to forecast the weather because of the many variables, there are nevertheless trends, but South Africans rarely plan according to them. There are, for example, definite cycles of drought and good rainfall years. He said prevailing climatic deviations in the Southern Hemisphere may not be as serious as generally accepted. The first half of the previous century, for example, saw more droughts than is currently the case.

He proposed that the storage capacity of South Africa's dams be increased. “Don't think that when a dam is full it will not become empty again. The only time we can do something about a drought is when there is no drought.”

Irrigation schemes

Charl Senekal said South African farmers receive very little water from government compared to other countries. He recommended that the government should create more irrigation schemes such as the Vaalharts scheme, which in the previous century played a major role to uplift poor Afrikaners. “Such schemes can today play a very important role in establishing developing farmers.” He also recommended that South African farmers make more use of drip irrigation as it uses less water and increases yield.

Enforce the law

Retired judge Antonie Gildenhuys, referring to the problem of illegal water extraction, said the culprits got off scot free because South Africa's sound Water Act was not enforced. “It takes far too long for offenders to appear in court when they are in fact caught. Prompt appearance in court and swift sentencing will serve as deterrent, not only for water-related offences but all crime in the country,” he said.

Gildenhuys suggested that the existing water tribunal be replaced with a water court that specialises in water affairs. He also opposed the centralisation of water affairs at a national state department. The objective of the Water Act is to get local communities involved. Farmers therefore have the right to become involved in water affairs, Gildenhuys said.

What can farmers do?

According to Gildenhuys, farmers can become involved in water management in various ways, for example by ensuring that catchment areas do not deteriorate, and water pollution is reduced. They must also ensure that the law is enforced. “You don't have to

go hat in hand to the government. The government must simply do its job and enforce the law.”

He also proposed that a group of farmers build a reservoir themselves and secure private funding for this purpose. They can then pay back the loan by charging levies on the use of water.

Gildenhuys said he was very concerned about the lack of transparency when it comes to issuing water licences. Ideally an independent statutory organisation should perform this task. Such an organisation should be independent of the government and political parties.

More can be done to curb wastage. South Africa has water canals of approximately 8 000 km. It is estimated that water loss from these canals could be as high as 30%. “If these canals were

to be upgraded, we could save a lot of water. This is something in which the private sector can also become involved. Farmers can do more to help emerging farmers to use water more efficiently,” he said.

Various delegates had an opportunity to express their opinions on the matter and to make recommendations to congress in this regard.

Kallie Roets of the First Rand Group presented a cheque to Agri SA’s Disaster Drought Relief Fund

**THEME 3
DEVELOPMENT AND
TRANSFORMATION IN AGRICULTURE
BY MEANS OF PARTNERSHIPS**

This session focussed on transformation prerogatives and social compacts as the key to labour relations and national political stability.

Programme director: Kobus Pienaar, manager: Woolworths: Good Business Journey

Panel members: Dr Madime Makoena, chair: AgriBEE Charter Council
André Cloete, New-era farmer
Leon de Beer, general manager: National Wool Growers’ Association



Transformation prerogatives and social compacts could be the key to labour relations and national political stability. This was the focus of a session where development and transformation in agriculture though partnerships were discussed.

“We do not work only for ourselves but for all the people in the country. We must look after our country's children. Be proactive and make a difference. This is not a mind-shift but rather a heart-shift. Take someone's hand and make a difference.”

Kobus Pienaar, session leader, said by way of introduction that transformation is a complex matter that leads to a great deal of tension in the agricultural industry. “President Jacob Zuma, for example, said reconciliation was not possible in South Africa without land reform.”

Spot the opportunity

Dr Madime Makoena said partnerships to facilitate transformation in agriculture are essential, but it is also important that these partnerships are well managed. “Partnerships with commercial farmers are important for developing farmers, because it enhances their economies of scale, facilitates market access and helps them to develop skills. Commercial farmers should not see BEE as a punishment but rather as an opportunity to help emerging farmers. We need their partnerships so that our farming operations can also make a meaningful contribution to the economy,” Makoena said.

Why are we still talking about this?

André Cloete said he was amazed that farmers continue to talk about transformation 20 years after the onset

of democracy in South Africa. “Will be still be talking about this in 10 years' time and still do nothing? We must tell government our success stories and how successful partnerships work. We must take government by the hand and ask them to become involved so that they can provide funding.”

Cloete said partnerships had helped him to become a successful farmer who can stand on his own feet. “We don't work only for ourselves, but for the country as a whole. We must care for the country's children. Be proactive and make a difference. This is not so much a mind-shift as a heart-shift. Take someone's hand and make a difference,” Cloete said.

Government must do its bit

Leon de Beer said development is actually the government's responsibility. “We need to follow a collective approach to development where all roleplayers are involved. This must include commodity organisations.” He referred to the NWGA's successful transformation projects, which could collapse if the government fails to provide the support it promised. “I believe the success of development communities depends on beneficiaries being empowered to help themselves, to improve their lives and to determine their own destiny.”

Various delegates had an opportunity to express their opinions on the matter and to make recommendations to congress in this regard.

AGRI SA LAND CAMPAIGN

Congress viewed a video on the land campaign.

MESSAGES FROM VISITING AGRICULTURAL UNIONS

TAU SA - Louis Meintjes conveyed a message to Agri SA on behalf of TAU SA.

Commercial Farmers' Union of Zimbabwe – Ben Gilpin conveyed a message to Agri SA on behalf of the CFU.

LAND BANK

Willie Jacobs conveyed a brief message to congress.

OUTCOME OF THE ELECTION OF DEPUTY PRESIDENTS

First deputy president:
Pierre Vercueil
Second deputy president:
Phenias Gumede

INFORMAL FUNCTION

Agri SA's informal function was held from 18:15 in the Carnivore restaurant, Misty Hills where Christo van der Rheede served as programme director. Agri SA's deputy president, Phenias Gumede, welcomed the guests while Santam Agriculture conveyed a message.

DAY 2

Tom Gouws opened the day with Scripture reading and prayer.

Hein Wagner - Motivational speaker

In his presentation Hein Wagner said despite enormous challenges, it is possible to achieve anything. Despite being blind, he tries to achieve all his dreams. People regard him as a blind man with excellent expectations. He

has already reached various milestones and can rightly ask: "My excuse is that I'm blind. What's yours?" He said he had built his entire life around three principles, namely appreciate what you have, believe in your abilities, and look at the world from a different perspective: "Change the way you look at things".

ELECTION OF AGRI SA'S CHAMBER EXECUTIVES AND BOARD MEMBERS

Commodity organisations (board members):

Jaco Minnaar
Niël Joubert
Sipiwo (SK) Makinana

Chamber executives

Dr Pieter Prinsloo - Chair
Dr Kathy Hurlly - Deputy Chair
Niël Joubert - Additional member

General Affairs Chamber (board members):

Cornie Swart
Henk van Wyk
Douglas Stern

Chamber executives

Cornie Swart - Chair
Henk van Wyk - Deputy Chair
Douglas Stern - Additional member

Corporate Chamber (board members):

Gerhard Diedericks
Charl Senekal
Nic Bronkhorst

Chamber executives

Gerhard Diedericks - Chair
Charl Senekal - Deputy Chair
Nic Bronkhorst - Additional member

CEREMONY TO ACKNOWLEDGE MEMBERS

The representatives of Agri SA's corporate chamber and two commodity chamber organisations received membership certificates on behalf of their respective organisations.

ANNUAL GENERAL MEETING

Organisational strategy – Johannes Möller

Johannes Möller, with the help of a diagram, presented Agri SA's organisational strategy to congress.

The congress approved the proposed strategy.

MOTION OF CONDOLENCE

The president put forward the following motion:

Congress extended its condolences to the next of kin of leaders and members of Agri SA's affiliates who had passed away during the year, with special reference to farmers, farm workers and their family members who were victims of violent crime. He asked congress attendees to stand and accept a motion of condolence.

The following motion of thanks was put to congress:

Agri SA thanks God Almighty for the good rains in the northern part of our country after the previous year's devastating drought. Our thoughts and prayers go to those in areas of the country that are against afflicted by serious drought conditions. Agri SA also wishes to thank everyone who over the past year in the time of need had helped to make the situation more bearable. This form of encouragement and assistance inspired farmers to continue producing food and fibre

under very trying circumstances for the country and its people.

The motion was accepted unanimously.

FINANCIAL STATEMENTS

Congress took note of the financial statements for the 2016/2017 financial year. Dr Jan Visser provided elucidation on Agri SA's financial position.

ANNUAL REPORT

The executive director presented Agri SA's annual report, which was accepted with thanks.

CONGRESS RESOLUTIONS

Christo van der Rheede presented the resolutions adopted by congress. The resolutions were inserted under the separate items to which they relate.

AWARDS

During the informal function, the following awards were presented in the form of an illuminated address:

- Gideon Anderson on behalf of the General Affairs Chamber
- Dr Jan Visser on behalf of the General Council
- Charl Senekal on behalf of the General Council
- Johan Pienaar on behalf of the General Council
- Nic Opperman on behalf of the General Council
- Elize van der Westhuizen on behalf of the General Council

Awards were presented to the best speakers:

- Theme 1 - Willem Symington
- Theme 2 - Andries Labuschagne
- Theme 3 - Ann Ligman

ACKNOWLEDGEMENTS

Johannes Möller congratulated the office bearers who had been elected or re-elected to their respective positions. He also thanked dignitaries, guests, speakers, 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 had played an indispensable role

in various areas, also in the interest of South Africa.

In closing, he thanked all the people with whom he had worked during his term as president of Agri SA, especially members of the management committee and Agri SA staff. He wished the new president, Dan Kriek, strength for the task ahead and offered him an opportunity to address the congress.

CLOSURE

Thinus Ferreira closed the meeting with prayer.





CENTRE OF EXCELLENCE

Labour and Development



Neil Hamman

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

The committee accepted a new strategy which placed emphasis on formulating viewpoints that will improve labour relations in the agricultural sector by being proactive.

Sectoral determination 13 (farm workers)

On 1 March 2018 the minimum wage for the agricultural and forestry industries increased by 5,7%. The hourly wage for the sector is currently R16,25, the daily wage R146,25 and the monthly wage R3 168,73.

National minimum wage

In February 2017 an agreement was signed at the National Economic, Development and Labour Council (Nedlac), which formally set the national minimum wage.

The agreement made provision for a national minimum wage of R20,00 per hour. Agricultural workers were to be paid a minimum of 90% of the national wage (R18,00 an hour), which would increase to 100% of the national minimum wage within two years after a national minimum wage commission had conducted research in this regard.

The rest of 2017 was spent on refining the bill during a Nedlac process, and in November 2017 the bill was published together with the Basic Conditions of Employment Act and the Labour Relations Act for public commentary.

In March and April 2018 various parliamentary hearings were held where Agri SA also had to make an oral presentation to explain the impact of the national minimum wage on the sector. The implementation date of 1 May 2018 was not met and no indication was given of when the national minimum wage would come into effect. Employers were encouraged to prepare themselves for this.

Relationship between Agri SA and the Commission for Conciliation, Mediation and Arbitration

Agri SA signed a three-year agreement with the Commission for Conciliation, Mediation and Arbitration (CCMA). The working relationship covers various outreach initiatives in the agricultural sector, as well as roll-out of the CCMA's training-retrenchment scheme for farming operations under financial pressure. Agri SA was asked to address the CCMA's top mediators on the prospects for wage negotiations this year.

“Agri SA was asked to address the CCMA's top mediators on the prospects for wage negotiations this year.”

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

A new programme is being negotiated. Agri SA is providing inputs in this regard via the relevant Business Unity South Africa (Busa) structures.

Jobs Summit

In 2018 Agri SA will participate in the Jobs Summit announced by the president. The respective committees are as follows:

- Small and micro enterprise support;
- Public sector programmes;
- Training and skills;
- Inclusive growth, income and transformation; and
- Economic sector interventions.

The policy head will participate in the Inclusive growth, income and transformation committee.

Provident fund for farm workers

Provision for retirement is an important element of the relationship between employers and employees. Absa’s Agricultural Sector Provident Fund again received attention during the year, and the administration of the fund was transferred to Santam. An increase in membership remains a priority.

Policy level: Development work

The policy head is a member of the National Economic, Development and Labour Council (Nedlac) Development Chamber and during the year served on the Comprehensive Social Security task team, which focusses on reform of the country’s retirement provision, health care and social grant systems to ensure that these benefit all citizens of the country. No white paper is currently being discussed but the task team’s work continues.

AgriSETA

A new era was introduced at AgriSETA with the election of Christo van der Rhee as chair of the board and the re-election of

Neil Hamman as board member. AgriSETA is in the process of appointing an executive general manager.

Agricultural business management training

Agri SA offers business management training in conjunction with the University of Stellenbosch. The course was to commence in 2018.

“Agri SA offers business management training in conjunction with the University of Stellenbosch. The course was to commence in 2018.”

Social issues are dealt with by Business Unity South Africa

During the report year, the committee responsible for transformation and social matters (Socpol) within Busa attended to the following:

- Monitoring of the implementation of amended labour legislation;
- National minimum wage;
- Child labour;
- Appointment of business representatives to statutory boards and feedback on the activities of such boards;
- Decent Work Country Programme (DWCP);
- Unemployment among the youth;
- Education and training;

- Social security and provision for retirement;
- Black economic empowerment; and
- Other transformation-related matters.

National Economic, Development and Labour Council

The policy head is a member of the Labour Market Chamber (LMC) at Nedlac. The chamber focusses mainly on labour and social matters. The LMC attempts to facilitate consensus between the government, organised agriculture, organised labour and the business sector.

Association for Overseas Partnerships and Technical Training ERHR2 training course

The policy head was selected to attend a two-week human resources and labour relations course presented by the Association for Overseas Partnerships and Technical Training (AOTS) in Tokyo, Japan in March 2018. Only 22 candidates from 17 countries were selected, with only two people from South Africa. The course is very valuable for refining knowledge in this area and the ripple effect of the added value will probably become apparent during the upcoming year.



CENTRE OF EXCELLENCE

Economics and Trade



Henk van Wyk

This Centre of Excellence functions under the chairmanship of Henk van Wyk, with Jannie de Villiers as deputy chair and Dr Requier Wait as head of the centre. He is assisted by Hamlet Hlomendlini and Martina Benadé.

Scope of work

The centre's activities focus on economic and trade matters that have an impact on the development, profitability, stability and sustainability of agriculture. Regarding economic affairs, the centre provides inputs and/or commentary on economic policy, the diesel refund for agricultural purposes, taxation, risk management, agricultural research, water and electricity tariffs as well as the review of agricultural legislation. The centre also oversees aspects

relating to road infrastructure, telecommunication, and technology development and transfer.

With regards to trade, attention is given to various policies, for example the trade and tariff policy, agricultural marketing policy and strategy, as well as sundry agreements, which include bilateral agreements, memorandums of understanding or partnerships agreement between countries or national organisations.

DISASTER MANAGEMENT AND ANIMAL HEALTH

Smart drought management plan

In an era characterised by the significant impact of climate change, a business-as-usual approach to disaster management will no longer suffice. A multi-disciplinary approach to disaster/risk management is required. Disaster management should focus on integration of risk assessment, reduction, mitigation and response, as well as recovery, especially when it comes to the agricultural sector.

Agri SA proposes the establishment of a smart drought management(SDM)-plan to proactively manage and mitigate the negative impact of disasters on South Africa's agricultural sector.

The SDM-plan incorporates four key components:

- Establishing a disaster fund to which government and the farming community contribute on a 50:50 basis. Incentivising private sector contributions through tax incentives could be considered. The management of such a fund is to be decided, based on the principles of transparency and accountability;
- Leveraging public-private partnerships;
- Promoting a multi-peril agricultural insurance system; and
- Establishing infrastructure to support disaster relief initiatives.

The successful implementation of the SDM-plan requires collaboration between government, the agricultural and private sectors as well as support from the general public.

“The successful implementation of the SDM-plan requires collaboration between government, the agricultural and private sectors as well as support from the general public.”

In collaboration with the National Agricultural Marketing Council (NAMC), the Bureau for Food and Agricultural Policy (BFAP), Agbiz and the African Farmers' Association of South Africa (Afasa), Agri SA provided inputs on the second report of the section 7-committee on drought. One of the inputs was Agri SA's smart drought management plan.

Drought assistance by government

In recent years, droughts have become a more prevalent challenge to agriculture in South Africa. Within this context, it is important to note agriculture's importance for food security, economic development and employment.

On a provincial level, organised agriculture regularly engages with the key stakeholders to consider relevant drought mitigation strategies and options. To support the provincial level mitigation strategies, Agri SA proposes a collaboration effort on a SA Inc dimension, to ensure we mitigate the potential damage to agriculture and rural economies. The purpose of such a collaboration effort is to act as a national level supplement to the mitigation strategies and actions within each province.

To this end, Agri SA will be collaborating with its members, agribusinesses, BFAP, commercial banks, the Land Bank, crop insurance providers, the national disaster management centre,

the departments of water and sanitation, agriculture, forestry and fisheries (Daff) and other relevant government departments.

Agri SA aims to perform a facilitating role to bring together all stakeholders and support a unified strategy to counter the challenges posed by persistent droughts. The outcome of this initiative was the second report of the NAMC's section 7 committee on drought.

“Agri SA aims to perform a facilitating role to bring together all stakeholders and support a unified strategy to counter the challenges posed by persistent droughts.”

Drought support mechanisms and the Land Bank

The purpose of this meeting with this bank was mainly to find out what drought support mechanisms are available from the bank to assist farmers in various provinces that are affected by drought. Secondly, given the concerns that were raised in the previous Centre of Excellence meeting with regard to a number of farmers nationwide, who are still having difficulties to recover from the previous drought, it was necessary to find out from the bank as to whether those farmers can still be assisted or not.

Since the drought is spread over large parts of South Africa, the

bank together with the Industrial Development Corporation (IDC) made R400 million available in 2016 to assist in drought relief. According to the bank, farmers were given the opportunity to apply for assistance until the end of June 2017. Given the situation in the Western Cape, farmers there have been allowed an opportunity to apply until the end of March 2018, for the remainder of the facility.

Furthermore, the Land Bank received R1 billion in funding for agriculture from the World Bank in 2017. On Agri SA's enquiry regarding the R1 billion funding for drought assistance from the World Bank, the Land Bank told Agri SA in no uncertain terms that this money is meant for financing specific projects involving black emerging farmers in an attempt to transform the sector and not for commercial or already established farmers.

National Animal Health Forum

Agri SA, as a member of the National Animal Health Forum (NAHF), attended several meetings during the year. The NAHF consists of animal production organisations and other relevant organisations in the animal health industry as well as provincial organisations, which are also members of Agri SA. A comprehensive agenda was dealt with during the report year, ranging from liaising with the department of agriculture, forestry and fisheries to communication with Onderstepoort Biological Products (OBP) regarding the status of and updates on the availability of vaccines.

The NAHF has in the last five years done extensive work for the betterment of the animal health industry. Success stories include the introduction of the veterinary strategy, livestock identification and traceability efforts, establishment of vendor declarations, the marketing of animals in the foot-and-mouth zone and compulsory community service outreach initiatives.

TAX AND OTHER SOUTH AFRICAN REVENUE SERVICE MATTERS

Review of the diesel refund system

Farmers are, after the last budget speech, getting a R3,22 per litre as diesel refund. In 2015, the minister of finance announced in his budget speech that the system will be revised. Agri SA made a submission to the South African Revenue Service (SARS) and the National Treasury on this proposed new system. In 2018, following a comprehensive review of the administration of the diesel refund system, National Treasury and SARS will engage with affected industries and other roleplayers as a next step in the reform process. A new diesel refund administration system should be announced in the budget of 2019. The diesel refund is extremely important for the viability of commercial farming, and Agri SA will do anything in its power to improve and secure this system for its members.

Diesel refund

Agri SA, during the report year, met with SARS regarding farmers' concerns over diesel refunds. SARS acknowledged their appreciation for the key role agriculture plays

in the economy. The key areas discussed during this meeting included delays of diesel refunds, logbooks and communication from SARS to farmers or the lack thereof.

On rumours that payments from SARS seem to be delayed on purpose and the employment of consultants that earn commission for delaying refunds, SARS responded that they do not purposefully delay any refunds. Rather submissions with insufficient or incomplete information can lead to delays as well as system errors. The payment of refunds is linked to other departments within SARS, for example value-added tax (VAT) and debtors. Tax payers need to know their net position in terms of diesel refunds and VAT, which will influence the processing of refunds.

SARS noted the concerns Agri SA raised and trust that going forward, the process will improve. SARS assured Agri SA that, should a case not be resolved after following the correct procedures, the matter can be taken further, and members can contact Agri SA with such concerns.

Diesel survey

After a number of complaints regarding delays in receiving diesel refunds from SARS, Agri SA with the collaboration of the South African Institute of Tax Professionals (SAIT), decided to run a survey to establish the details of the specific problems experienced by farmers and tax practitioners. The main purpose of this survey was to determine whether problems are limited to specific

provinces or whether it is a more general problem. In addition, the survey assessed the length of and main reasons for the delays and if and how they are being resolved. The results of the survey will be used in ongoing engagements with SARS to address diesel refund delays and related issues. It will also serve as a benchmark against which progress in resolving these matters can be measured in future.

Carbon Tax

Agriculture is central in supporting national food security, sustainable development and mitigation and adaptation to climate change. Together with forestry and other land use options, the sector is unique since greenhouse gas (GHG) mitigation is possible through removal of carbon from the atmosphere as well as reduction of GHG emissions through management of land and livestock. Justification and feasibility of a carbon tax and offset system are investigated against this background.

Agri SA did a report on the implications of a carbon tax and offset system for agriculture in South Africa. This report was presented to the department of environmental affairs, the department of agriculture, forestry and fisheries and the National Treasury.

“Agri SA did a report on the implications of a carbon tax and offset system for agriculture in South Africa.”

In this report it was agreed that:

- Agriculture's contribution to the CO₂ inventory is small and relatively insignificant;
- To accurately measure and monitor agriculture's CO₂ emissions will be extremely difficult because of inaccurate statistics and inappropriate or not developed measuring methodologies; and
- Whereas agriculture should limit its CO₂ emissions, it can achieve much more by following and implementing practices that would maximise sequestration of atmospheric CO₂ and ensure the minimum release of carbon and nitrogen stocks from the soil.

Agriculture, as noted in previous documents/draft bills of National Treasury, was exempted from taxing in the first phase of 2015/2020 but it is envisaged to be included in phases thereafter. Implementation of phase 1 took much longer than anticipated, thus phase 2 is not expected to be implemented before 2025. In addition, it is not expected that the difficulties of measurement in agriculture will be solved, and since the CO₂ emissions of agriculture is relatively small, it is not foreseen that agriculture will be taxed on account of direct emissions in the second phase or thereafter.

Benefits through the carbon offset schemes may accrue to agriculture as companies that exceed their CO₂ emission threshold can invest

in large agricultural and socio-economic projects. This should be a focus of agricultural commodities as such projects can assist with carbon sequestration and storage as well as establishing stable and sustainable socio-economies. Agri SA will keep its members informed on this matter.

Expropriation without compensation

The Economics and Trade Centre of Excellence made an input on the potential impact of expropriation of land without compensation, or expropriation at low levels of compensation, on the South African agricultural economy.

The importance of agriculture to South Africa's economy cannot be underestimated. Although the contribution of the sector to the country's gross domestic product (GDP) has been declining with the current contribution at less than 3%, agriculture still plays a critical role in the economy in terms of employment creation, foreign earnings, rural development and food security.

Land is a very important input for the farming sector and serves as collateral for farmers when they obtain loans. Land is one of the critical factors of production in the sector and its ownership is critical for the sustainability of the sector. Uncertainty around the ownership of land poses a big threat to the development of agricultural land and agriculture in the country.

To determine the performance of the sector, certain indicators are evaluated, i.e. the volume of agricultural output, capital assets and investment, farming debt, trade performance by the sector, prices received by farmers and farming income. Land expropriation without compensation or expropriation at low levels of compensation could result in the poor performance of these indicators, which will collapse the agricultural sector.

It is evident that the agricultural sector has a huge role to play in the economy of South Africa. Any instabilities in the sector will lead to distress in other sectors of the economy and will have a negative impact on economic growth, which is already struggling, growing at a rate of less than 1% annually. Land reform is important for economic transformation and inclusive growth, however, it must be done in a sustainable manner that can lead to economic growth. Agri SA, especially this Centre of Excellence, will comment and participate in any form to influence, for the common good, the direction of negotiations.

Land audit: A transactions approach

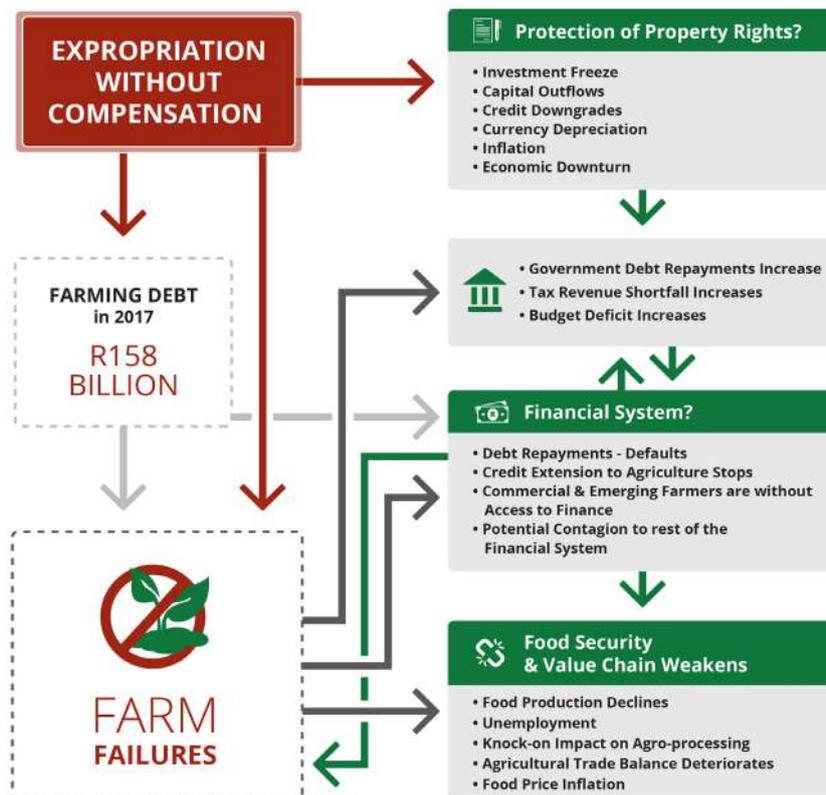
The question of land ownership is often raised as part of the policy debate on land reform and rural development. The ownership of agricultural land is at the core of this debate. Although statistics on the racial make-up of land ownership are incomplete and

limited, many argue that land reform has failed and that the 'land market' is the main reason for this failure. However, there is no clear evidence of such a market failure.

Unfortunately, in the absence of statistics, the policy debate has turned to ideas such as radical economic transformation, land ceilings and expropriation without compensation. These ideas are fuelled by the view that land reform and the land market have failed to deliver an acceptable level of land transfer to previously disadvantaged individuals and disadvantaged communities.

Within this context, Agri SA, as a representative organisation of commercial farmers in South Africa, regards the general availability of more complete and reliable data on land ownership as crucial to having a more informed public discourse. Agri SA entered into an agreement with Agricultural Development Solutions (ADS) to obtain access to the ADS/ Landbouweekblad transactional data which it has gathered. This data compiled by ADS, forms the basis of a report compiled by this Centre of Excellence. The aim of this report is to provide a more detailed indication of the racial make-up of land ownership in South Africa.

To ensure effective and sustainable policy formulation, the land policy of government should be based on a factual foundation. This land audit provides such a foundation. As part of this report, Agri SA will develop a new, partnerships-based, solutions strategy to help solve the problems faced by land policy makers.



INFRASTRUCTURE, LOGISTICS AND TRANSPORT

Draft Revised White Paper on National Transport Policy

The department of transport (DoT) has invited all the affected and interested parties to submit written comments on the Revised White Paper on National Transport Policy (RWPNTP) for 2017, which has been approved by cabinet for public comments. According to DoT, the RWPNTP is an overarching policy document, which informs the policy direction and objective of the department with regard to the development of the transport sector in line with our national development frameworks, the new growth path and National Development Plan 2030. The policy further informs the intervention of government in providing safe, reliable, accessible, efficient, and fully integrated transport operations and infrastructure to best meet the needs of freight and passenger customers.

Agri SA commends that the government of South Africa has recognised transport as one of its priority areas for socio-economic development. Consequently, Agri SA therefore supports the RWPNTP as it aims to provide equitable and reliable access for all in an economically and environmentally sustainable manner to advance inclusive growth and the competitiveness of the country. Agri SA also believes that a clear distinction needs to be drawn between urban and

rural road transport infrastructure development and the associated benefits for these differing contexts.

Having said that, while Agri SA commend government and the DoT for the road transport infrastructure plans highlighted in the RWPNTP, we are extremely concerned about the lack of clarity in terms of how such plans will be funded. As a leading agricultural organisation in South Africa, Agri SA would once again like to commend government and DoT for their intended plans to boost road and transport infrastructure in the country.

Telkom

Two problems that emerged during the report year in relation to telephone lines and where Agri SA, and specifically the Centre of Excellence for Economics and Trade, became involved, were the unintended disconnections and notices of disconnections of Telkom lines. Unintended disconnections in the Calvinia area were caused by a 'system command' on Telkom's computer system. Members of provincial organisations received notices that their Telkom lines would be disconnected. Telkom offered an alternative, but these systems did not allow for reception in all areas where a satellite phone was the only alternative. Members were concerned, however, about the cost implications.

Agri SA held meetings with the Telkom service provider – Openserve – in an effort to address this and other problems. A resolution in this regard was made that the centre should look at alternatives to landlines and keep members informed of developments in this regard.

Tractor driver's licences and slow-moving farm machinery

Agri SA had in the past submitted proposals to the department of transport regarding tractor drivers' licences and slow-moving farm machinery on public roads. Agri SA's proposals relating to the movement of heavy vehicles were not accepted by the department; however, the department informed Agri SA that regulation 99 would be amended. This regulation permits a driver to drive a tractor based on the category of the existing driver's licence codes, which in turn is based on the gross vehicle mass (GVM) of the vehicle in the case of a tractor. For example, the holder of a code B driver's licence is authorised to drive a tractor whose GVM does not exceed 3 500 kg.

After various requests were received from affiliates, this centre again submitted the request to the department for consideration. Following discussions that Agri SA held with representatives of the department of transport, the department requested further details regarding the matter.

Agri SA needs concrete information to bring the problems experienced

by members to the attention of the relevant state and semi-state institutions. To this end the centre compiled a short questionnaire on infrastructure problems in order to provide the department and other institutions with whom discussions were underway with more information.

Licensing fees/Justice Project South Africa

With reference to a notice regarding an increase in transaction costs published in the Government Gazette in October 2017, Agri SA approached Justice Project South Africa (JPSA) to discuss the increase in the relevant administrative fee from R42 to R70. JPSA is a non-governmental, non-profit organisation that focusses on improving road traffic legislation and the enforcement thereof. During the meeting, JPSA proposed that Agri SA address a letter to the department of transport to request a special dispensation regarding administrative fees for the agricultural sector. This matter was raised with the department. Once feedback has been received in this regard, affiliates will be informed accordingly.

Road Freight Strategy

Agri SA had invited the department of transport to make a presentation on the Road Freight Strategy to members. The vision of this strategy is to provide an effective regulatory and institutional framework in line with international best practice

and to use the right technology and effective management of a high standard to create a sustainable road freight sector that offers an effective service to all industries. Agri SA was also invited to participate in this occasion as part of the Transport Technical Committee of the department.

Eskom's revenue application for 2018/2019

In accordance with the energy regulator decision in July 2017, Eskom submitted an application to the National Energy Regulator of South Africa (Nersa) in August 2017 totalling 19,9%. Stakeholders and affected parties, including those in the agricultural value chain like Agri SA, were requested to submit comments in this regard.

Agri SA acknowledges that, given Eskom's dire position, serious improvements are necessary to ensure the continuity of the country's electricity supply. Agri SA does not believe, however, that such a substantial tariff hike should be the vehicle through which these improvements are to be achieved.

“Agri SA acknowledges that, given Eskom's dire position, serious improvements are necessary to ensure the continuity of the country's electricity supply.”

The current economic environment and the fragile state of the country's key sectors dictate that a more considered approach be adopted if tariff hikes requested by Eskom are to be approved.

Agri SA therefore recommend that Eskom make the following adjustments to their calculations:

- The depreciation write-down can be reduced in the following accounting period and adjusted upwards when the economy is performing better, whilst Eskom could achieve better results from increased electricity sales in a scenario of improved economic growth. This would reduce the amount needed for the coming financial year;
- Integrated demand management (IDM) was initiated to advise clients on reducing their electricity consumption and to finance energy efficiency practices. In the current environment of dampened electricity demand, the need for IDM has been reduced. This presents Eskom with a potential cost saving opportunity; and
- Independent power producers (IPPs) may produce more electricity than the required output to which Eskom is contractually committed. Energy produced in excess of the required output should not be purchased at the same high fixed tariff that is assigned to the contractually committed IPP output.

In December 2017 Nersa announced a 5,23% electricity increase against 19,9% proposed by Eskom.

Eskom's third multi-year price determination regulatory clearing account for year 2 (2014/2015), year 3 (2015/2016) and year 4 (2016/2017)

Nersa has received Eskom's third multi-year price determination (MYPD3) regulatory clearing account (RCA) year 2 (2014/2015), year 3 (2015/2016) and year 4 (2016/2017) applications totalling R66,6 billion. Stakeholders and affected parties, including those in the agricultural value chain like Agri SA, were requested to submit comments regarding the impact of the power utility's requested increases on the respective sectors.

“After wide consultation and considering the rumoured irregularities, corruption and inefficiencies within Eskom, Agri SA recommended that Eskom should rather focus on improving its corporate governance and management structures.”

After wide consultation and considering the rumoured irregularities, corruption and inefficiencies within Eskom, Agri SA recommended that Eskom should rather focus on improving its corporate governance and management structures. Furthermore, cost saving and efficiency improvements should be the focus, rather than burdening South African consumers with further (RCA) tariff increases. In the current environment, consumers are highly price sensitive. Increasing electricity tariffs will incentivise consumers to consume even less electricity or to switch away from Eskom to alternative options such as gas (LPG) and solar panels.

Agri SA recommend that any consideration of Eskom's RCA applications should only occur where Nersa conducts a full due diligence assessment of the validity of the figures used in Eskom's RCA application to ensure that only legitimate costs are recovered through the RCA process and ensuring that any elements arising from irregularities and corruption are excluded from the application.

Electricity Act license exemptions

The department of energy has paved the way to enable smaller scale renewable energy projects to generate power not only for own use, but also for the benefit of industries such as the farming sector. The large-scale roll out of solar installations have helped

to reduce the cost of solar technologies and improved cost-competitiveness in recent years.

In addition to the clear environmental benefits, the use of independent solar energy can contribute to cost savings for the user as well contribute to developing a domestic solar industry value chain. For these reasons, the use of solar power holds specific potential in the farming industry. Farmers can install their own photovoltaics (PV) infrastructure to reduce their carbon footprint, whilst also saving on electricity costs.

Until recently, most independent power generation projects were required to be registered with and hold a license from the National Energy Regulator of South Africa (Nersa). In a practical sense, the registration and licensing of all independent power generation projects, specifically smaller scale projects, place an undue administrative burden on the regulator, whilst imposing an administrative and financial burden on the project owner. Until now, this requirement has hindered farmers with PV installations from connecting to the grid.

The draft licensing and registration exemption notice, initially published on 2 December 2016 in terms of the Electricity Regulation Act (ERA), 2006 (the draft exemptions), propose an exemption from the licensing

requirement for specific activities, for example, embedded generation if the installed capacity does not exceed 1 megawatt (MW). In terms of the draft exemptions smaller scale projects (up to 1 MW) will be allowed to proceed unencumbered from the requirement for licensing. It is therefore not surprising that farmers, in anticipation of the draft exemptions entering effect, and upon taking a calculated risk, have begun investing in constructing solar photovoltaic (PV) units on their properties.

The good news is that on 10 November 2017, the department of energy published the licensing exemption and registration notice in the

Government Gazette (No 41237). Agri SA welcomes the publication of the exemption notice. The exemptions from the licensing requirements in terms of the ERA will assist farmers with existing PV installations to connect to the Eskom grid without having to apply for licensing. In addition, the exemptions will encourage further investment from farmers to diversify their energy supply through embedded generation.

Registration rules for embedded generators

Agri SA is working on our comments regarding these rules for registration. We have been and continue giving inputs through the Business Unity South Africa (Busa)

structure in this regard. Agri SA and specifically the Economic and Trade Centre of Excellence, had several meetings with Eskom and Nersa to engage with them on these issues.

The rules for registration are mainly targeted at embedded generators, smaller than 1 MW. The proposed registration rules do not apply to installations larger than 1 MW. The consultation paper on the rules for registration (currently of concern) follows on the licensing exception and registration notice (for plants smaller than 1 MW) that was released on 10 November 2017. Before the licensing exemption was in place, some farmers already



invested in renewable energy plants (for example, PV solar plants), in anticipation that the regulations will be finalised. Once the regulations have been finalised and a registration certificate is obtained, such an embedded generation plant can be connected to the electricity grid.

Once connected, under an agreement with the utility, the plant can feed electricity into the grid, which will be deductible from future usage. Once the exemption was in place (10 November 2017), the outstanding requirement that halted projects from being connected to the grid was that the specific rules to administer the registration of these projects was not yet in place. From the view of farmers that have invested in plants or who want to invest, the consultation paper on the rules for registration will help to take the process forward.

Currently, farmers cannot connect such systems to the grid until the rules for registration have been finalised. As soon as the registration rules have been finalised, it should allow farmers that follow the process to obtain a registration certificate. Once farmers have a registration certificate, they can be allowed to connect to the grid. Agri SA will lobby to ensure the rules for registration follow a sound economic and commercial approach.

TRADE AND INDUSTRY

Participation in trade policy structures

Agri SA is a member of the Agricultural Trade Forum (ATF), an organisation established by the department of agriculture, forestry and fisheries (Daff). The ATF is fundamentally a tripartite organisation consisting of representatives from the private sector, labour and government.

“The analysis and influence of trade in general and trade policy that directly or indirectly affect agriculture, form part of Agri SA’s core business.”

The analysis and influence of trade in general and trade policy that directly or indirectly affect agriculture, form part of Agri SA’s core business. As such, Agri SA, together with some of its commodity affiliates such as Grain SA, Red Meat Producers Organisation and the Milk Producers Organisation, is a prominent member of the ATF, which is a forum that both Daff and the department of trade and industry (dti) use as a platform to engage and inform the industry on and about South Africa’s trade agreements that affect the agricultural sector.

Some of those agreements include: Trade, Development and Cooperation Agreement (TDCA), EFTA-SACU Free Trade Agreement (FTA), Economic Partnership Agreement between the SADC/EPA States and the European Union and its member states, SACU-Southern Common Market (Mercosur) Preferential Trade Agreement (PTA), Africa Growth and Opportunity Act (Agoa), SACU-India PTA, SADC-EAC-COMESA Tripartite FTA. These trade relations are also discussed at the National Economic, Development and Labour Council (Nedlac) structure, where Agri SA as member of Busa, also sits.

Southern Africa Confederation of Agricultural Unions

Agricultural stakeholders from the SADC region discussed key issues pertaining to the sector at the annual general meeting (AGM) of the Southern Africa Confederation of Agricultural Unions (Sacau), of which Agri SA is a member. The 2018 AGM was held in Victoria Falls, Zimbabwe, on 16 May 2018.

Dr Sinare Y Sinare from the Agricultural Council of Tanzania was elected as the new chairman of the board and president of Sacau. He replaces Dr Theo de Jager who retired, having served as the president of the organisation for the past five years. Mrs Doreen Hlatshwayo from the Swaziland National Agricultural Union was elected vice president, a position that hitherto had been occupied by Dr Sinare. Mr Alfred Banda

of Farmers Union of Malawi was retained as an ordinary director, whilst Mr Phenias Gumede of Agri SA in South Africa joined the board as an ordinary director. Mr Berean Mukwende of the Zimbabwe Farmers Union stepped down from the board.

International trade needs analysis

Agri SA's Economics and Trade Centre of Excellence conducted an international trade needs analysis to determine how we can further support our members. The analysis assists this centre to get an idea of what the main international trade issues are that commodities dealt with. The commodities were also asked if there are any specific international trade issues for which Agri SA could be of assistance. If the need arise, commodities will approach Agri SA for assistance.

LEGISLATIVE MATTERS

Value-added tax

During 2018, the minister of finance published the terms of reference for the independent panel of experts to review the current list of zero-rated items in South Africa. The panel's mandate is to review the current list of value-added tax (VAT) zero-rated items and consider the most effective way to mitigate the impact of the increase in the VAT rate on poor and low-income households. As part of carrying out its mandate, the panel therefore invited interested stakeholders

to make written submissions for consideration. Agri SA, as an affected stakeholder in this regard and as mandated by its members, has taken a decision to forward a written submission in this regard.

Agri SA's members are fully exposed to tax related legislation and that pertaining to VAT. Given the possibility of expanding the current list of zero-rated items, Agri SA recommends that the panel consider expanding the current list of items, such as most forms of meats (including poultry, pork and red meat), all forms of bread (brown and white) and flour. Agri SA is of the view that these items form part of the staple foods for most households in South Africa. For this reason, expanding the list of zero-rated items can help lower income households who spend a larger proportion of their disposable income on food products.

Competition Amendment Bill

Agri SA did not submit a separate submission on the Competition Amendment Bill. Agri SA is a member of Business Unity South Africa (Busa), who submitted a submission on the behalf of business including Agri SA.

National Credit Amendment Bill

The National Credit Amendment Bill has been tabled at the National Economic, Development and Labour Council (Nedlac), of which Agri SA is a member, for engagement. The parliamentary portfolio committee has declined

the request and has offered to consider Nedlac social partners' inputs on the bill at a session in February 2018 in parliament. In order to support the Busa submission for this session, Agri SA requested its members to submit comments on the amendment bill.

GENERAL MATTERS

Medium-term budget 2017

Finance minister Malusi Gigaba's medium-term budget policy statement (MTBPS) used several agricultural related metaphors, such as sowing and reaping. This highlights an emphasis on encouraging economic inclusiveness where citizens actively work together to build a better future for South Africa.

Unfortunately, in the rest of his speech, agriculture received relatively little attention, besides mention of the potential economic link to the manufacturing sector. There was no mention of agriculture's contribution to economic growth nor the plight of farmers affected by ongoing droughts. Worryingly, the contingency reserve has been pared down to a meagre R16 billion over the next three years. It is unclear how this will impact on emergency assistance for crises such as the drought and the recent outbreak of avian flu.

Minister Gigaba mentions several measures to boost confidence and support growth. However, Agri SA is concerned that the

Regulation of Agricultural Land Holdings Bill is cited as one of these measures. Agri SA and other commercial lenders and industry stakeholders have been warning against this proposal for the past six years. The proposals from the bill include restrictions on foreign ownership of farmland as well as the imposition of land ceilings in farm ownership.

Agri SA recommends a focus on policies that boost investor and consumer confidence and promote economic growth. Agri SA is concerned by the lack of clear implementation actions in the speech.

2018 National budget

The 2018 national budget was tabled under very difficult economic circumstances. The minister of finance acknowledged that difficulty, but necessary trade-offs had to be made to formulate a budget that moderates spending, raises revenues whilst aiming to minimise the potential negative effect on growth.

From an agricultural perspective, Agri SA is particularly pleased that the minister took time to acknowledge agriculture's contribution to the country's economic growth. Unfortunately, once again agriculture received relatively little further attention in this budget as it did in the

medium-term budget policy statement (MTBPS) of October 2017. Agri SA, however, welcomed the strengthening of global market access for South African agricultural products, which will see an additional allocation of R40 million over the MTEF (medium-term expenditure framework) to upgrade infrastructure and equipment for analytical services laboratories.

Agri SA welcomes the budget's proposal for provisional funding to help mitigate the negative impact of drought conditions. The option of temporarily increasing the intake in the Working for Water Programme is being considered as a means of mitigating drought



related job losses in agriculture. However, there is not any broader consideration aimed at supporting agriculture. Agri SA hoped the positive commitments mentioned in the budget will be effectively implemented towards limiting the budget deficit and supporting economic growth.

“From an agricultural perspective, Agri SA is particularly pleased that the minister took time to acknowledge agriculture’s contribution to the country’s economic growth.”

Business Unity South Africa

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

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

As a member of Busa, Agri SA is expected to take part in Busa’s sub-committee engagements that are of relevance to its affiliates, such as: the economic policy (Econpol) committee (which deals with a whole range of economic policy) and the energy sub-committee (which looks at Eskom related issues and the overall analysis of South Africa’s electricity supply policy). There are also other relevant issues that get to be discussed at the Busa structure, which are relevant to Agri SA, such as the proposals on the Competition Amendment Bill, the National Credit Act, and issues related to land reform and/or expropriation without compensation.

Nominations Land Bank

An invitation to nominate candidates to serve on the board of directors of the Land Bank was published in the Government Gazette. Agri SA circulated this to all its affiliates for their inputs.

Statistical overview

The statistical overview, with key information compiled by Agri SA and in which agriculture-based information is summarised, was completed during the past year and distributed to all farmer leaders and executive staff. The purpose of these indicators was to obtain a broad overview of the financial position of the agricultural sector, mainly for 2017, in comparison with the previous year. Basic statistics were provided by the directorate statistics

and economic analysis of the department of agriculture, forestry and fisheries.

INTERACTION

National Treasury

Agri SA and the National Wool Growers’ Association (NWGA) met with the National Treasury to determine what was delaying the association’s application for the extension of the ram project and thus the accompanying funding thereof. This is a very successful project in which the NWGA annually distributes approximately 3 000 good wool-bearing rams as breeding material in the communal farming area of the Eastern Cape. The ram project is one of South Africa’s most successful transformation projects.

Economic Intelligence Unit: South African Reserve Bank

Network relations remain important and are enhanced in various ways to the benefit of the South African agriculture. The Centre of Excellence had the opportunity to meet with representatives of the economic intelligence unit of the South African Reserve Bank (SARB). This unit is responsible for the monitoring policy of the bank and looks at issues that draw attention on agriculture. Agri SA informed this unit on typical challenges in the agricultural environment and will keep them informed as new matters arise.

Stakeholder meeting: South African Reserve Bank/Agri SA

The South African Reserve Bank (SARB) engages with its stakeholders on a regular basis. As part of this process, the SARB invited Agri SA to interact with key stakeholders and enhance their understanding of dynamics within the sector of the South African economy. This centre was responsible to compile a presentation on the following:

- The evolution of the agriculture value chain over the past decade;
- How the industry views the quality and price of imports versus domestic agriculture;
- The industry views on drought and related indicators;
- The land debate; and
- The short to medium term outlook on investment in the agricultural sector and food price developments.

Statistics South Africa

Agri SA has in the past encouraged its affiliates as well as their members to comply with and participate in surveys conducted by Statistics South Africa (Stats SA). Reliable statistics is valuable for providing meaningful commentary on legislation and policy changes. Statistics South Africa's annual agricultural census gathers and provides statistics on the status of the agricultural sector. These statistics helps private and public institutions to plan and make informed decisions on agriculture-related matters. Agri SA will once

again serve as an important communication channel between Statistics South Africa and the producer.

South African Local Government Association

During the report year Agri SA also had the opportunity to engage with the South African Local Government Association (Salga) on trade and investment activities in municipalities. The purpose of this meeting is to discuss issues of importance to Agri SA and the agricultural sector and to build our relationship with Salga as a representative body for municipalities.

South African Insurance Association

Agri SA and the SA Insurance Association (Saia) had the opportunity to discuss the process of and progress with developing multi-peral insurance schemes for emerging farmers.

Bank of America/Merrill Lynch's Country Risk Team

This centre hosted a group of the Bank of America during March 2018. Agri SA had the opportunity to explain the local agricultural economy to this group and the challenges facing this sector.

American Embassy

Agri SA was invited to provide a brief overview of its business focus, to highlight some of the challenges experienced by the agricultural sector, and to propose strategies to add more value to agricultural production. Agri SA

also shared its insights on the recent drought in the country as well as its response in this regard.

The purpose of the meeting was to discuss issues of importance to Agri SA and the agricultural sector and to forge relations with the United States of America.

Service Delivery Forum Programme

During the report year, Agri SA made a presentation on the contribution and commitment of the agricultural sector towards achieving the minister's delivery agreement – a view from the farmers' association.

Portfolio committees

As part of its ongoing oversight mandate to ensure service provision to citizens of South Africa, the portfolio committee on water and sanitation engaged a broad number of stakeholders on the ongoing drought crisis in the Western Cape. Agri SA was invited to provide a briefing on the impact of the ongoing drought for the commercial farming sector in the Western Cape, as well as provide solutions and recommendations on developing short, medium and long-term strategies to address the future of the commercial sector in South Africa.

Production/Input working group

Agri SA is a member of the Grain SA production/input working group, which meets on a regular basis. A comprehensive agenda was dealt with during the

report year, including logistical problems with farm machinery that cannot be licensed, electricity, water, copper theft and the theft of inputs and products, sectoral determination and the introduction of the national minimum wage. These matters form part of the centre's work sphere.

PANEL DISCUSSIONS

Nation in Conversation: How the youth sees agriculture in South Africa?

The panel brought together representatives, which included two agricultural economists, two young farmers, a political and economic analyst and an academic in the field of agriculture.

During the discussion several stick points emerged, including:

- Not enough vocation training institutions are efficiently producing skills necessary for agriculture today - part of the reason being attributed to the disjoint between the sector and training institutions;
- There is a great need for platforms where youth aspiring to get into the industry may get information and guidelines on how to participate in the industry;
- Organised agriculture should get involved in the running of training institutions so that graduates obtain relevant qualifications and direct access to the industry. This is seen as

something that will potentially end the painful phenomenon of unemployable graduates; and

- Young people aspiring to venture into farming businesses must not wait for land - they should first find avenues to access training in the meantime so that they are better equipped for when the land becomes available. In this regard, it is the responsibility of those with passion for farming to approach farmers directly in different enterprises for internship opportunities that can give them experience on farming.

Nation in Conversation: French and South African views on irrigation technology and drought management

Nation in Conversation serves as a platform where agricultural issues are discussed by leaders from various industries. The Economic and Trade Centre of Excellence was part of the French and South African views on irrigation technology and drought management panel discussion.

The panel discussed the better use of South Africa's precious water resource as a necessity and the management of the most efficient use of scarce water resources using new technologies, such as performance of irrigation systems, waste water reuse in irrigation, optimisation of irrigation strategy, use of drones for a better water management system and drought-tolerant varieties.

South African Reserve Bank: Economic Roundtable Discussion for 2018

The second economic roundtable discussion for 2018 was the first South African Reserve Bank (SARB) roundtable discussion a representative from Agri SA has taken part in. Forming part of the team of economist experts on this platform is not voluntarily - it only comes by invitation from the SARB. The governor normally chairs these roundtable discussions. The theme for second economic roundtable discussion for 2018 was "The land reform debate in South Africa."

Agri SA's stance on the matter of debate that the property clause is not an impediment to land reform and that no changes need to be made to section 25 of the Constitution to achieve just and equitable land redistribution were reaffirmed by its representative on this platform.

Centre for Development and Enterprise: Accelerated land reform

The idea of accelerated land reform underpins the recent calls to change the Constitution. The Centre for Development and Enterprise (CDE) roundtable focusses on the potential of the agricultural sector to create growth and jobs in the context of demands for accelerated land reform. This roundtable looks at the opportunities that private sector led land reform initiatives could potentially create and debates the extent to which small-

scale farmers could realistically contribute to job creation and enhanced food security.

These issues are now more important than ever. In the interest of finding viable solutions, the CDE was hosting a roundtable on agricultural growth and job creation in the context of land reform, to which Agri SA was invited to participate during June 2018.

COMMODITY AND CORPORATE CONFERENCE 2018

During April 2018 Agri SA's Commodity and Corporate Chamber hosted a conference in Pretoria with the theme "Transformation and Trade".

"During April 2018 Agri SA's Commodity and Corporate Chamber hosted a conference in Pretoria with the theme "Transformation and Trade."

There are opportunities abound for South Africa, keeping in mind that a new breed of consumers with very specific demands will dictate the global food demand, one of the keynote speakers on agricultural trade said.

The conference paid in-depth attention to the different tastes of different generations as well as the movement in consumer preferences. Consumers are also steering away from processed food to prepared food, healthy snacks and food free from all sorts of "unhealthy" ingredients. Online buying and convenience stores are the biggest growers. South African farmers should be aware of the merging of health and food and that there is also a renewed interest in functional foods. Farmers should be part of implementing innovation "from farm to fork."

During a panel discussion the importance of a competitive edge

in agricultural trade could not be emphasised enough. Farmers have to deliver a superior product at an attractive price, which is readily available and of a high quality. Market intelligence must be constantly enhanced, while niche markets could offer a major opportunity for South African exporters. The conference was concluded with a session on technology and how it can be used to the farmer's benefit.





MONDAY 23 APRIL 2018 Transformation in Agriculture

10:00 – 12:00	Chamber Meetings (Commodity and Corporate)
12:00 – 13:00	Registration Diamond Room
13:00	Conference Starts – MC is Christo van der Rhee, <i>Agri SA Deputy Executive Director</i>
13:00 – 13:30	Introduction – Pieter Prinsloo, <i>Commodity Chamber Chair</i>
13:30 – 14:30	Keynote Speaker – Councillor Solly Msimanga, <i>H.E. the Executive Mayor of Tshwane</i>
14:30 – 15:15	Release of the 2017 Agri SA Transformation Report – Christo van der Rhee, <i>Agri SA Deputy Executive Director</i>
15:15 – 15:45	Tea Break
15:15 – 15:45	Media Briefing on Transformation Report Introduction: Omri van Zyl, <i>Agri SA Executive Director</i>
15:45 – 16:15	Financing Transformation - Gert Breet, <i>FNB Business Agriculture</i>
16:15 – 16:45	A Transformation Case Study – Tshilidzi 'Chilli' Matshidzula, <i>2016 Eastern Cape Winner of the Toyota SA / Agri SA Young Farmer of the Year Competition</i>
16:45 – 17:00	Closure – Dan Kriek, <i>Agri SA President</i>
18:00	Festival of the Product Evening Function, Semi-Formal

TUESDAY 24 APRIL 2018 Agricultural Trade

08:00 – 08:30	Introduction - Gerhard Diedericks, <i>Corporate Chamber Chair</i>
08:30 – 09:30	Keynote Speaker – Renee Marais, <i>Managing Director: Global Corporates at Rabobank</i>
09:30 – 10:00	Presentation on Trends in Agricultural Trade in South Africa – Ezra Steenkamp, <i>Manager: International Trade Research at DAFF</i>
10:00 – 10:30	Tea Break
10:30 – 11:30	Panel Discussion: Challenges, Opportunities and Policy in Agricultural Trade in South Africa – Renee Marais (<i>Rabobank</i>), Ezra Steenkamp (<i>DAFF</i>), Andre Erasmus (<i>Executive in Tax Department at ENSAfrica</i>), Lambert Botha (<i>Trade Law Consultant at HiltonLambert, Practitioners of Trade Law</i>), Derek Engelbrecht (<i>Partner and Consumer Products and Retail Sector Leader: Africa at Ernst & Young</i>) – Moderators: Dr Requier Wait, <i>Agri SA Head: Economics & Trade</i> and Hamlet Hlomendlini, <i>Agri SA Chief Economist</i>
11:30 – 12:00	Blockchain Technology and Traceability – Chris Klopper, <i>Syntagm Research</i>
12:00 – 12:15	Resolutions and Way Forward - Kathy Hurly, <i>Deputy Chair Commodity Chamber</i>
12:15 – 12:30	Closing Remarks – Dan Kriek, <i>Agri SA President</i>

SPONSORS





CENTRE OF EXCELLENCE

Land



Ernest Pringle

Ernest Pringle served as chair of the committee, Sandy La Marque as vice chair supported by Annelize Crosby and Yolisa Mfaise.

During the period under review, namely May 2017 to June 2018, this Centre of Excellence was involved in the following activities:

Land expropriation without compensation

In December 2017, the African National Congress (ANC) resolved at its annual policy conference to pursue expropriation of land without compensation. This should be pursued without destabilising the agricultural sector, without endangering food security in our country and without undermining economic growth and job creation.

In March 2018, the EFF brought a motion before parliament calling on parliament to appoint an ad hoc to amend the Constitution. The ANC voted in support of the EFF's motion but incorporated some amendments to the original motion. These included that the matter should be referred to the Constitutional Review Committee, rather than an ad hoc committee, that the impact on food security and the economy should be considered and deleted any mention of state custodianship of land.

Parliament then tasked the Constitutional Review Committee (CRC) to hold public consultations and receive submissions on whether it will be necessary to amend section 25 of the Constitution and report its findings to parliament by the end of August 2018. This date was later extended to 15 September 2018.

Agri SA issued a number of media statements on the matter and participated in many TV and radio interviews on this matter. Staff members of Agri SA also published articles on the issue with a focus on the impact expropriation without compensation will have on the economy, the agricultural sector and the legal implications of amending section 25 of the Constitution. The organisation has also contributed in forums and discussions on EWC¹.

“Agri SA put together a comprehensive written submission to the CRC opposing the amendment of section 25.”

At the March CoE meeting, Agri SA presented its strategy on expropriation without compensation (EWC) and invited Prof Elmien du Plessis to do an in-depth presentation on EWC.

Agri SA put together a comprehensive written submission to the CRC opposing the amendment of section 25. Agri SA consulted with senior counsel on the legal implications of the matter and also consulted many other experts and interacted with various stakeholders in the ruling party, opposition parties, international institutions and many other stakeholders. Agri SA has also requested an opportunity to address the CRC on its submission.

Much of the Land Centre of Excellence work for 2018 will undoubtedly be centred around the expropriation without compensation question to the land reform debate.

¹ These include the Land Reform Task Team, which includes Agbiz, Basa and Afasa. However, Afasa pulled out of the grouping. In April 2018, Agri SA made presentations at a Land Reform Conference hosted at the Gordon Institute Business School.

Land audit

The results of the land audit were made public on the 1st of November 2017. The Agri SA/ ADS/Landbouweekblad land audit report received wide media coverage in South Africa as well as overseas media. In March 2018 the government finally produced its own, long-awaited land audit.

“The state’s audit has drawn criticism from various quarters. The report contains numerous errors in its texts and tables and the audit does not support many of the claims that have been made.”

The state’s audit has drawn criticism from various quarters. The report contains numerous errors in its texts and tables and the audit does not support many of the claims that have been made. The Agri SA audit was criticised by Prof Ben Cousins and Prof Ruth Hall from the University of the Western Cape for grouping together government owned land and land bought by previously disadvantaged individuals. Agri SA engaged with the two professors and subsequently disaggregated the two types of ownership. Further work is being done on the Agri SA land audit to refine it.

LEGISLATION

Regulation of Agricultural Land Holdings Bill

In March 2017 the minister of rural development and land reform published a Bill aimed at prohibiting foreign ownership of agricultural land and limiting the amount of agricultural land that any individual or legal entity may own. Agri SA lodged a written submission expressing concern about the implications of this Bill, as well as a submission on the socio-economic impact assessment report; and participated in the National Economic, Development and Labour Council (Nedlac) process on the Bill. Half way through the Nedlac process, in January 2018, government decided to withdraw the Bill from the Nedlac process, to do a complete redraft of the Bill.

Communal Land Tenure Bill

In July 2017 the department of rural development and land reform published a Bill aimed at providing for the transfer of communal land, conversion into ownership of land rights, transfer of ownership, titling and registration of communal land. Agri SA made a submission on the Bill raising concerns on emphasising the need to unlock the potential for agricultural activity in communal areas.

Land valuation regulations

The Office of the Valuer General (OVG) published regulations that seek to provide clarity on the

interpretation of section 25(3) of the Constitution. Section 25(3) requires that just and equitable compensation be paid upon expropriation. This concept of just and equitable was incorporated into the Property Valuation Act, which stipulates that the state must pay the just and equitable value of property when such property is acquired by the state for land reform purposes. The draft regulations proposed that the current use value of the land be utilised together with the market value to arrive at a just and equitable value.

The OVG, at the request of Agri SA, held workshops across the provinces to explain the content of the regulations to Agri SA members. Agri SA submitted written comments on the regulations, cautioning that whilst it is critical to prevent corruption and inflated values on land, it is important to ensure that landowners are not unfairly prejudiced by requiring of them to fund what is in the public interest. The cost of land reform should therefore not be unfairly imposed on landowners whose land is required for land reform.

Restitution Amendment Bill

After the previous Restitution Amendment Bill, which re-opened the claims process in 2014, was declared unconstitutional in 2016 and the further lodgement of claims suspended, an ANC member of parliament drafted a private member’s Bill that was

tabled in parliament in 2017. This Bill proposes to once again re-open the land claims process. The portfolio committee on rural development and land reform has called for submissions on the Bill. Agri SA has lodged a submission cautioning against the unintended consequences of re-opening the claims process. Agri SA has also requested an opportunity to address the committee in the public hearings that will follow.

Extension of Security of Tenure Amendment Bill

An amendment Bill was tabled in Parliament in 2017. The Bill will create land rights management committees and a Land Rights Management Board will make mediation in eviction matters compulsory and amend certain definitions in the Act. It also contains a clause, which Agri SA has objected to, that will prevent the court from ordering an eviction in cases where occupiers had no legal representation. Agri SA made submissions to both the portfolio committee on rural development and land reform and the select committee on land and mineral resources.

LITIGATION

Msiza case

The case dealt with the calculation of just and equitable compensation to owner for land awarded to a labour tenant. Agri SA made submissions to the Supreme Court of Appeal as amicus curiae regarding the

proper consideration of market value in the assessment of just and equitable compensation as contemplated in section 25 of the Constitution.

In September 2017, the Supreme Court of Appeal granted an order in favour of the applicants to increase the amount of compensation ordered by the Land Claims Court (LCC) to landowners. The Supreme Court held that no arbitrary deductions from market value were allowed. The court found that there were no facts justifying the deduction of the amount of R300 000 (which is the arbitrary amount that LCC deducted from the market value for land reform purposes). The LCC arbitrarily decided on this amount with no rational foundation. The computation was accordingly unfounded and did not stand.

INTERACTION WITH EXTERNAL STAKEHOLDERS

Land restitution

The Restitution Commission invited Agri SA to participate in a workshop on sustainable restitution settlement models in East London during August 2017. Agri SA submitted a written input to the workshop. The office of the Chief Land Claims Commissioner was invited to the November 2017 Centre of Excellence meeting to discuss this matter further with the affiliates. Having an official from the Chief Land Claims Commissioner's office proved valuable for affiliates as they were

able to raise specific challenges they are faced with on the ground with regard to restitution matters in their provinces.

Access to graves on farms

In April 2018, Agri SA was invited to make submission to the Commission for the Promotion and Protection of the Rights of Cultural and Linguistic Commission (CRL Commission) public hearings on access to graves on farms. The hearings were a result of the Commission being inundated with complaints by communities who are often allegedly denied access to graves on farms where their relatives are buried. The Agri SA presentation included recommendations that were well received by the Commission.

Nelson Mandela Foundation project

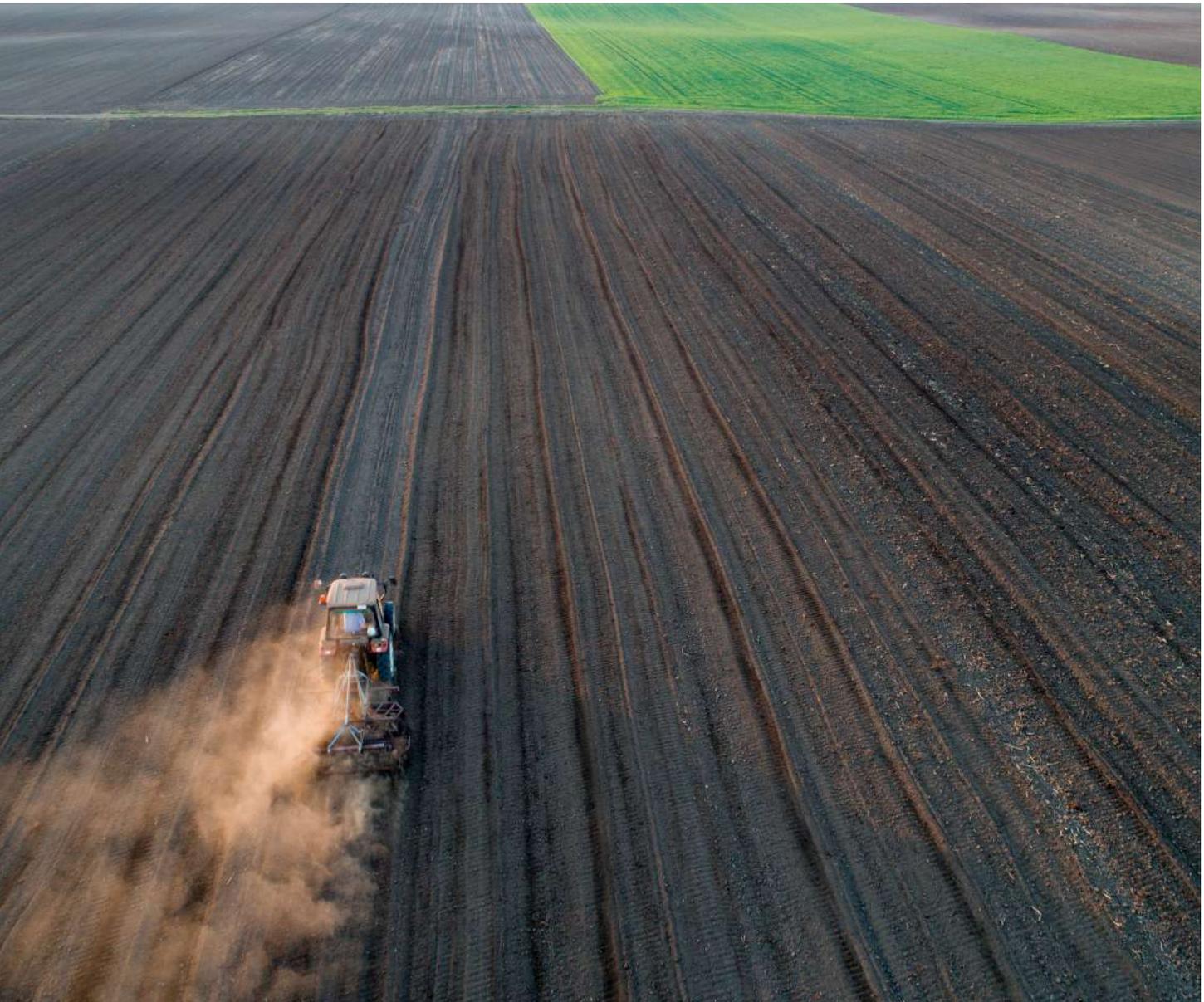
Realising that additional initiatives to those pursued by government are needed to eliminate the scourge of hunger in South Africa, Agri SA along with other founding partners to this initiative²; have a vision for stable, vibrant and inclusive rural communities who live in harmony and where poverty and hunger is eliminated. The partners further acknowledge that small scale community farming plays a vital role in advancing sustainable land reform and building sustainable rural livelihoods.

² Founding partners include Earthrise Trust, Agri SA, Afrigrow NPC and the Seriti Institute. The Nelson Mandela Foundation hosts the initiative under the stewardship of former president Kgalema Motlanthe. Together the partners form the JOTT.

Following a call for proposals from Agri SA to interested parties, nine proposals were submitted, from which four projects were selected. After the shortlisting process, the founding partners took a decision to conduct an on-site visit to the KwaZulu-Natal projects headed by

Kwanalu. The purpose of the visit was to get a better understanding of the three projects under the Kwanalu proposal and what interventions are necessary for them. The visits were conducted in July 2018.

The complete lack of budget both for operations of the task team and implementing the interventions identified, have been a huge problem.





CENTRE OF EXCELLENCE

Rural Safety



Kobus Breytenbach

Kobus Breytenbach served as chair of the Rural Safety Centre of Excellence, supported by Boeta du Toit as deputy chair and Uys van der Westhuijzen as executive committee member. Kobus Visser is the head of this centre.

The centre's activities are focussed on security aspects that have an impact on the personal safety of members of the farming community as well as on general criminality.

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

The centre's activities are supported by the police, defence

force, correctional services, the National Prosecuting Authority (NPA) and the Institute for Security Studies (ISS), which regularly attend centre meetings and provide inputs during discussions.

POLICE MATTERS

The centre dealt with various aspects relating to policing during the report year, including the following:

- **Discussion with the minister of police**

On 20 September 2017, an Agri SA delegation met with the minister of police to discuss shortcomings in the effective implementation of the Rural Protection Strategy, the deployment of vehicles and reservists, as well as the resource requirements of rural police stations. A task team was then appointed to translate the outcome of the discussion into an action plan.

With the appointment of the new national commissioner of police, it was decided that the Rural Protection Strategy should be reviewed and that the findings of the task team should be incorporated into the revised strategy.

- **Firearm legislation**

To ensure that the firearm renewal process proceeds as smoothly as possible, everyone whose licences expire should start with the process at least 90-days before the expiry date. The validity period of a competency certificate is linked

to the longest-applicable firearm licence. During the discussion with the minister of police he was requested to consider an amnesty period for those who fail to comply with the 90-day period within which licences have to be renewed. This request was not supported, because of the appeal case the police was involved in. During his budget debate, however, the minister confirmed an amnesty date aimed at removing illegal firearms from society.

- **White Papers on Policing and Safety & Security respectively**

Both white papers were accepted by the cabinet in April 2016. The civil secretariat of police are in the process of developing implementation plans for both white papers. The secretariat is also developing a Crime and Violence Prevention Strategy in line with the White Paper on Safety and Security. In terms of the White Paper on Policing, policy is being developed for community policing forums, the National Policing Board Framework, a discussion document on the establishment of a single police service and research on the demilitarisation and professionalisation of policing. Agri SA will respond to these policies after both have been developed and released for commentary.

- **Reservist policy framework**

A well-functioning reservist system, backed by appropriate training, is a prerequisite for the agricultural

community's involvement therein. In the revised Rural Protection Strategy emphasis is placed on the important role that reservists will play to give momentum to the implementation of the strategy. Farmer members have shown interest in participating in this, therefore problems relating to the implementation thereof should be addressed as soon as possible.

Persons who wish to be considered as reservists will be subjected to strict criteria and will be recruited from and deployed within the communities where they live, whether for functional policing or specialised operational support. Reservists form an important element of rural protection, therefore Agri SA will continue to liaise with the police at the highest level with regard to the effective development and implementation of the system to make it accessible to farmer members.

- **Sector policing**

Sector policing serves as vehicle for the police to promote community involvement in crime fighting and prevention. Research on the possible impact of sector policing on crime fighting has been completed but the national commissioner of police has not yet released the results. The commissioner was asked to release the research results and to provide Agri SA with a copy thereof.

- **Regrouping of police clusters**

The purpose of regrouping the police clusters was to determine whether the police had met the objective of policing, to identify specific implementation problems that occur at a station and whether it would be dealt with as part of the process. The police are currently monitoring and evaluating the cluster strategy implemented. The police were asked to provide feedback at the next meeting regarding progress made with implementation of the new strategy.

- **Land invasions**

The Black First, Land First (BFLF) and Economic Freedom Fighters (EFF) are the main organisations involved in actions that lead to land invasions. In many cases people are brought in from elsewhere to participate in illegal activities. The local communities are not in favour of land invasions. Both organisations manipulate parliament's decision to go ahead with expropriation without compensation at local level in order to initiate unlawful occupation of land.

Private persons are increasingly reporting incidents of land invasion which, in most cases, involves land belonging to mining companies of the state. The centre is of the opinion that land invasions are the result of irresponsible political and populist utterances and that it has a negative effect on agriculture. Trespassing on unoccupied or unused land usually leads to land

invasions, with a negative ripple effect on safety in the surrounding agricultural area.

“Private persons are increasingly reporting incidents of land invasion which, in most cases, involves land belonging to mining companies of the state.”

At Agri SA's request, the police in March 2017 issued guidelines and in July of the same year a National Instruction 7 of 2017 that provided police with guidance on how to deal effectively with trespassing and land invasions. It also provides guidelines for farmer members on how to raise such matters with the police.

- **Vehicle shortages**

The availability of vehicles at station level remains an ongoing issue of debate because experiences at local level differ from those at national level. Complaints are regularly received that vehicles are not available at station level because of the lengthy turnaround time for repairs and services.

When discussions are held at national level, the police confirm that sufficient serviceable vehicles are available, but there seems to be a communication gap in this regard between station level and head office. The centre welcomed the audit that the police

intended to conduct on resource requirements at station level as it could give a better indication of the availability of vehicles.

RURAL PROTECTION

Rural Safety Strategy

The Rural Safety Strategy has been in effect since July 2011. The time had come for the strategy to be reviewed and, in the process, Agri SA as well as the centre was approached for inputs. The strategy acknowledges that the government regards safety and security of rural communities as a priority. The seriousness of the ongoing acts of violence against the rural community, high levels of stock theft and destruction of infrastructure is also acknowledged in the strategy. An objective of the strategy is to create a safe rural environment and maintain food security.

The centre provided the police with written commentary regarding the strategy as well as the implementation plan that must support it. The new approach was lauded as an important step in the right direction for implementing the strategy more effectively. The police were requested to develop a sub-strategy in collaboration with Agri SA, which would be applicable to all farming areas and specifically address their unique security situation.

Agreement with AfriForum

An agreement was reached with AfriForum that makes provision

for the creation of communication channels, the elimination of duplication and an undertaking not to establish competing structures. The centre monitors the implementation of the agreement and provincial affiliates were asked to apply it to manage their relationship with AfriForum at local level.

Notwithstanding the agreement, various affiliates found that AfriForum continued to create competing structures at local level, although this is expressly prohibited in the strategy. Agri SA holds discussions with AfriForum from time to time to deal with these and other issues.

Protocol for farm access

The Rural Protection Strategy stipulates that a protocol for access to farms may be applied to promote rural safety. Agri SA's protocol in this regard is widely seen as suitable for this purpose. During the report year amendments were made to the protocol, which included a section on access to border farms by the defence force.

Crime forfeiture account

The centre discussed the Prevention of Organised Crime Act (Poc Act) and how it makes provision for a Crime Asset Recovery Account (Cara) managed by a committee consisting of the departments of justice, police and finance. The fund is at the disposal of law enforcement state departments, where application

can be made for funding for specific items.

To be considered for allocations from the fund, a comprehensive request must be submitted with details regarding the intended use thereof. The request is then submitted to the cabinet for consideration and the approved funds must be reserved for the purpose stated in the request. The cabinet must also be provided with feedback on the use thereof. Since the inception of the Cara fund, only three allocations from the fund have been approved. It appears, however, that departments are hesitant to apply because they could encounter problems if their own budgets are not fully utilised and they need to apply for additional funding.

Second-hand Goods and Criminal Justice Amendment Act, 2015

The police's legal department was asked to incorporate irrigation equipment as well as fencing material such as iron rods under schedule 1 of the Second-hand Goods Act. According to the police, they and the Civil Secretariat of Police were in the process of reviewing various aspects of the act, as well as schedule 1 thereof. During a joint discussion with the police, the department of justice and the NPA, Agri SA's request for information on the abovementioned items was favourably received. The revised legislation, when it becomes available, will be forwarded to Agri SA for further inputs.

The department of justice was also asked to include food production as a 'basic service to the public' and irrigation systems as 'essential infrastructure' in the respective definitions in the act. According to feedback received from the department of justice, Agri SA's request had been referred to the state advisors dealing with the matter. During the said discussion, there was understanding for Agri SA's request, but supplementary information was needed as motivation for the minister of justice's consideration of the request. In the process, provincial affiliates were approached to assist with the relevant information.

Community Safety Forums

The Community Safety Forums (CSFs) are responsible for facilitating a multi-sectoral government approach to the safety of the community. The CSF's approach is broader than that of the Community Policing Forum (CPF) in that it includes departments in the JCPS cluster.

The CPF is limited to the police stations' jurisdiction and focusses on policing and related matters, while the CSF follows a more inclusive approach and plays a broader role. The CSF's objective was to include all safety-related matters affecting the relevant community, which makes people feel safer on the streets and in their homes and workplace. The initial purpose of the CSF was to attend to all matters

which could not be addressed through traditional policing. The police were requested to include organised agriculture as part of civil society in the strategy.

Cost of crime

The Agri SA board made funds available for research into the cost of crime for agriculture. Research conducted in this regard by Statistics SA in 2002 can be used as basis to determine how the picture had changed up to 2017. Unisa's Bureau for Market Research was contracted to conduct research in this regard. Information was gathered electronically, and the questionnaires were distributed with the help of provincial affiliates. After completion of the study, Unisa will make a report on their findings available to Agri SA.

“The Agri SA board made funds available for research into the cost of crime for agriculture.”

CORRECTIONAL SERVICES

At the end of 2015, the minister appointed a task team to investigate and make recommendations regarding a new revised parole system. In January 2017, the task team presented the minister with recommendations which were discussed with the existing parole boards in April 2017. After certain amendments were made, the recommendations

were again submitted to the minister in June 2017. The minister then referred the matter to the National Council for Correctional Services (NCCS) for advice.

Any changes to the parole system will probably require amendments to legislation. Consultation in this regard will take place with all interest groups in accordance with prescribed procedures. The proposed legislation must also be published in the Government Gazette for public consultation.

The centre was informed that the contracts of current parole boards expire at the end of June 2018 and that these posts would be advertised. Expectations were that new parole board members would be appointed as from 1 July 2018.

NATIONAL PROSECUTING AUTHORITY

The National Prosecuting Authority (NPA) informed the centre that 87 state prosecutors had received training at the college during the past year to deal with stock theft cases. This produced good results in the courts. Training was also provided to five state prosecutors from Botswana.

With regard to in-service training, the NPA said there was no national instruction stipulating that the NPA must provide training. However, this would depend on cooperation within each province. The NPA was acknowledged for the training offered to state prosecutors

and the success this had already achieved in various provinces.

FARM ATTACKS

The Rural Protection Strategy, which relates to all violence against persons living on farms and smallholdings as well as persons visiting these premises, forms the basis for gathering farm attack statistics. This includes crimes such as murder, rape, robbery and causing bodily harm. Additional hereto it also includes all destruction of farm infrastructure and property with the intent to disrupt legitimate agricultural activities. Against this background, farm attack statistics include not only crimes against commercial farmers but also smallholding

owners involved in farming activities, emerging farmers, farm workers and their family members and visitors.

During the period 2001/2002 the highest incidence of farm attacks in history was recorded, namely 1 069. The highest incidence of murder (153) was recorded during the period 1997/1998.

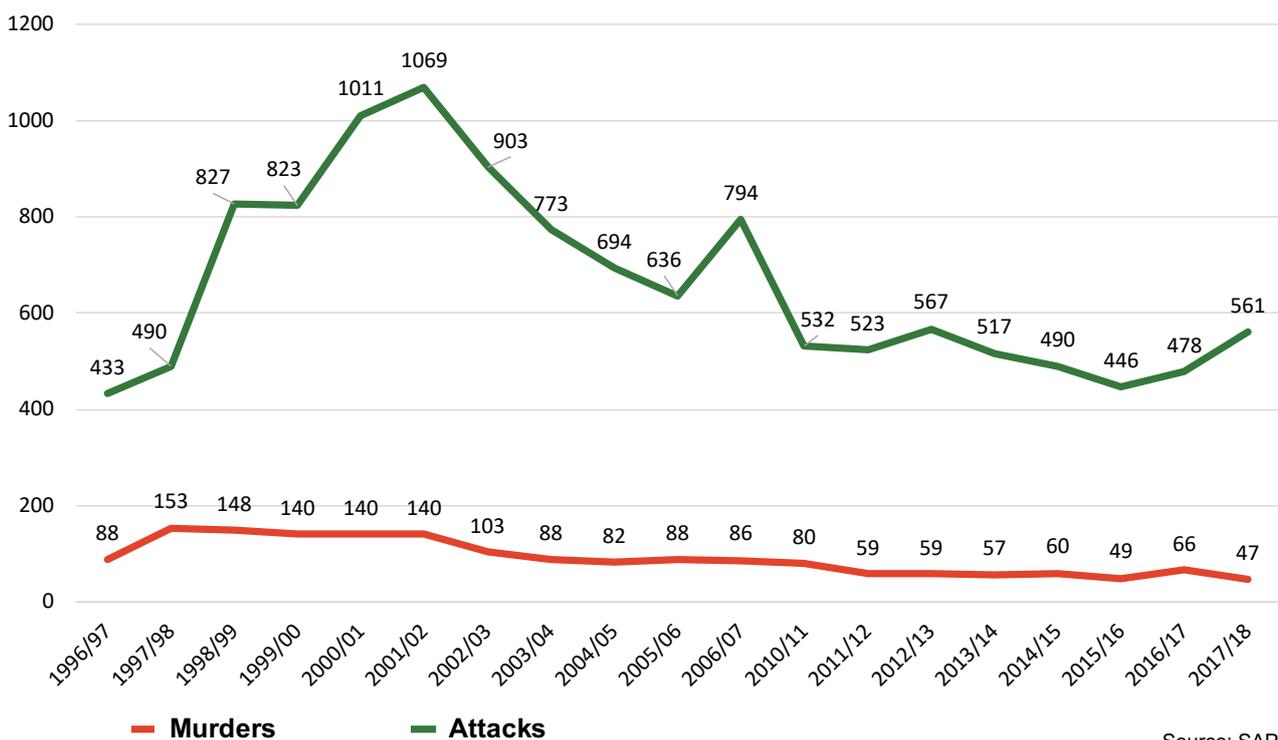
When the statistics for the past six years, as presented to parliament by the police, are viewed more closely, it appears that farm attacks and murders had declined on a year-to-year basis. Over the past 19 years since 1996/1997, 12 567 farm attacks and 1 730 murders occurred, with an average of 661 attacks and 91 murders per year.

The figures present a clear picture of the magnitude of farm attacks and the security threat the farming community faces on a daily basis.

“When the statistics for the past six years, as presented to parliament by the police, are viewed more closely, it appears that farm attacks and murders had declined on a year-to-year basis.”

Farm Attacks and Murders

National Comparison: 1996/1997 – 2017/2018



Source: SAPS

STOCK THEFT

• Stock Theft Unit's activities

According to the National Stock Theft Unit, most cattle were stolen in KwaZulu-Natal, the Free State and North West. Most sheep were stolen in the Eastern Cape, Free State and Northern Cape.

Five of the flashpoint police stations are in the Eastern Cape, three in KwaZulu-Natal and one each in Mpumalanga and the Free State.

The following information was shared with the centre:

- Appropriate sentences are imposed for stock theft offences in some provinces, while in others suspended sentences are handed down, which are not in line with the seriousness of the offence committed. This aspect is raised continually with the National Prosecuting Authority;
- With regard to rhino poaching, a decline was recorded in 2017. However, concerns were raised regarding increases in the Free State, Northern Cape, North West and especially in KwaZulu-Natal;
- In the Kruger National Park, game rangers have been successful in preventing rhino poaching;
- An increase in elephant and lion poaching was also recorded on 2017, with an escalation in lion poaching

occurring particularly in the Free State. Authorisation was given for a certain number of lions to be exported annually and at this stage lions are killed largely for muti purposes;

- In the past valid permit-holders sold rhino horns, only to open a case of poaching with the police afterwards. After action was taken in this regard, there was a drop in this type of practice; and
- Most stock theft cases constitute ordinary crime. No recent analysis is available to determine whether this takes place on an organised basis.

DEFENCE FORCE MATTERS

The South African national defence force provided the centre with information on their activities at the international border for the period 1 January 2017 to end February 2018.

The following successes were achieved:

- Fifteen sub-defence force units consisting of 2 754 soldiers were deployed at the international border and would be rotated from March to April 2018;
- 15 788 undocumented persons were arrested;
- Illegal goods valued at R23 million were confiscated;
- 29 weapons were recovered;
- 18 tons of dagga valued at R60 million were confiscated;

- In total 1 297 livestock were recovered;
- 164 vehicles were recovered;
- 263 wanted criminals were arrested;
- The defence force is also in the process of deploying mobile packages, including vehicles to the KwaZulu-Natal, Mpumalanga, Limpopo and Eastern Cape border;
- The department of public works is responsible for the infrastructure at the border to enable the defence force to effectively patrol the area. For this purpose, contractors were appointed to implement a system, which consists of fencing, observation posts, patrol routes and mobile deployments;
- The KwaZulu-Natal/Ndumo border will be prioritised because the area was being used to smuggle out stolen vehicles;
- With regard to external operations, the defence force, in conjunction with the Kenya defence force, is actively involved in operations to combat piracy in the Mozambique canal; and
- In the Democratic Republic of the Congo, the 1 143 members of the defence force are involved in Operation Mistral.

Security system

Negotiations are underway with Fidelity regarding a security system for the rural farming community. Discussions focus on the provision of the following services to the farming community:

- Armed response and technical support;
- Monitoring of alarm systems countrywide;
- Tactical intervention teams;
- Specialised services, including armed response, forensic investigations and management of protest marches;
- Tactical aerial support;
- Investigations, taking statements, compiling dockets and liaison with the police and specialist units to ensure that the culprits are arrested and prosecuted;
- Information processing;
- Making specialist investigators available to act on behalf of clients in private prosecutions; and
- Representation of the client in court to assist in opposing bail, the compilation of charge sheets and monitoring of progress made with cases on the court register.

The purpose of the protection system is to incorporate every farm into a home alarm system that can be monitored on an effective basis and from where assistance can be summoned. As soon as the system has been finalised, it will be launched

with the assistance of provincial affiliates.

INTERNATIONAL CRIME CONFERENCE

An international crime conference was held on 27 September 2017 where international speakers from the US, Australia and Kenya made presentations. The conference was arranged by Unisa in collaboration with Agri SA and the Red Meat Producers' Organisation.

Some of the most important aspects identified during the conference were as follows:

- Organised agriculture must continue to play an important role in policy formulation;
- The importance of crime intelligence in preventing farm violence;
- The need for unity within organised agriculture in dealing with the rural crime problem; and
- The establishment of a centre for research into rural crime.

According to the respective presentations it was clear that farmers worldwide are prone to crime. The difference in South Africa, however, was that the farming community also had to contend with farm attacks – something that farmers in the rest of the world do not experience.

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MEETING WITH INTERESTED PARTIES

On 2 November 2017 Agri SA was involved in a meeting of interested parties to discuss the recent spate of farm attacks and to consider possible solutions.

The decisions taken during the meeting included the following:

- The Agri-sector Unity Forum (Asuf) would be requested to appoint an inclusive sub-committee to play a coordinating role which should include representatives of rural inhabitants, service providers and other identified parties;

- The structure must be inclusive and purposefully to meet it;
- The message of the rural inhabitant must be conveyed provincially, nationally and internationally, emphasising the important role that agriculture plays in the economy and rural security and the contribution the sector makes to stability in the country;
- The meeting must be convened and facilitated on an urgent basis; and

- The Agri Securitas Trust Fund should receive the necessary financial support to continue with its activities.

Acknowledgement

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

A special word of thank was extended to the South African national defence force (SANDF), the South African police service (SAPS), the National Prosecuting Authority, Correctional Services and the Institute for Security Studies for their support to the centre in its efforts to promote rural safety.





CENTRE OF EXCELLENCE

Natural Resources



Wayman Kritzinger

Wayman Kritzinger served as chair of the Centre of Excellence. He was assisted by Willem Symington as deputy chair and Cornie Swart as additional member. Janse Rabie was the functionary.

WATER AFFAIRS

Raw water tariff dispensation

The department of water and sanitation's (DWS) approved water tariff dispensation for 2018/19 was circulated to the affiliates. The percentage increase in the water resource infrastructure (WRI) tariff initially exceeded the agreed-upon maximum of 17% (7% PPI plus a further maximum of 10% depending on the level of under-recovery of costs by the government water scheme).

Agri SA's Natural Resources Centre of Excellence raised the matter with the DWS, after which the necessary adjustments were made.

Review of the national water policy and legislation

Agri SA's Natural Resources Centre of Excellence has been at the forefront of reviewing national water policy. Significant policy and legislative amendments regarding water governance in South Africa include:

- **National Water Resource Strategy**

The requirement for a National Water Resource Strategy (NWRS) is stipulated in terms of the National Water Act, 1998 (Act No 36 of 1998) (the NWA). The NWRS is a strategic policy document dealing with the overall management of South Africa's water resources.

Agri SA's Natural Resources Centre of Excellence participated in the proposed update of the NWRS. There have been significant developments, which are expected to have a direct bearing on further interactions of the NWRS. An official draft of the NWRS is expected to be published during August/September 2018.

- **National Water and Sanitation Master Plan**

The National Water and Sanitation Master Plan (NW&SMP) follows from the NWRS and essentially entails the implementation plan of the NWRS.

Agri SA's Natural Resources Centre of Excellence submitted extensive comments on the NW&SMP to the department of water and sanitation (DWS), which comments were circulated to all our members for noting.

Finalisation of the NW&SMP is currently ongoing and further engagements thereon will take place during the latter half of 2018.

- **New Water and Sanitation Act**

The DWS intends publishing a draft National Water and Sanitation Bill for comment during mid-2018.

The draft Bill is intended to consolidate the current NWA and the Water Services Act, 1997 (Act No 108 of 1997), leaving a single Act dealing with both bulk water supply and municipal water and sanitation services in South Africa.

Agri SA's Natural Resources Centre of Excellence will be at the forefront of participating in developments surrounding the draft Bill (expected mid-2018).

- **Single Catchment Management Agency**

The DWS initiated public workshops on the creation of Single Catchment Management Agency (CMA) (in lieu of the present intended nine CMAs) towards the latter half of 2017. On 15 December 2017, DWS invited submissions of written comments on the Proposal and Draft Business Case for the Single CMA.

Agri SA's Natural Resources Centre of Excellence participated in the specialist workshops on the creation of a single CMA and submitted extensive written comments on the draft Business Case, copies of which were circulated to our members for noting. Agri SA's Natural Resources Centre of Excellence also participated as member of a panel of experts convened on behalf of the DWS by the Water Research Commission (WRC) on the implications of the creation of a single CMA.

The proposed creation of a single CMA has since indefinitely been placed on hold by the DWS.

- **Independent Economic Regulator**

In December 2017 the DWS published a draft Business Case for the creation of an Independent Economic Regulator for South Africa.

The draft Business Case proposes the creation of an entity separate from the DWS to deal with, amongst other things:

- Insufficient investment in maintenance, refurbishment and replacement of infrastructure;
- Poor management of services - interrupted supply, water quality, etc;
- High levels of unaccounted for water - theft, wastage, unbilled usage;
- Areas still unserved, particularly in sanitation;

- Weak tariff setting and billing;
- Value for money in use of Municipal Infrastructure Grant and Equitable Share; and
- High levels of debt: national and provincial government to local government water services (between local government to water boards; water boards to the DWS) and between the DWS and the raw water users.

Agri SA's Natural Resources Centre of Excellence submitted extensive written comments on the draft Business Case to the DWS, copies of which were circulated to our members for noting. Further developments on the proposed establishment of an Independent Economic Regulator will be closely monitored by Agri SA and we will keep our members and affiliated organisations duly updated and informed in this regard.

- **Transfer of water use entitlements**

Agri SA's Natural Resources Centre of Excellence was provided with an internal circular by the DWS on the interpretation of section 25 of the NWA. In terms of this circular, DWS is of the view that section 25 of the NWA cannot be interpreted to allow for the private trading in water use entitlements.

Agri SA's Natural Resources Centre of Excellence was provided with a copy of a legal opinion obtained by the South African Association of Water User Associations (SAAFWUA), calling into question the interpretation afforded to

section 25 of the NWA in terms of the circular and advising that the DWS be placed on terms to withdraw its circular or face High Court challenge.

Agri SA is intent on pursuing this matter in High Court proceedings (either independently or together with SAAFWUA).

- **Verification and validation process**

Agri SA's Natural Resources Centre of Excellence is of the view that the verification and validation of existing lawful water use entitlements is crucial with respect to any strategy or policy formulation within the water sector in South Africa.

The current verification and validation process by the DWS is at various stages of finalisation throughout South Africa.

Agri SA's Natural Resources Centre of Excellence is actively tracking and pressuring the DWS's progress in the finalisation of the verification and validation process. Once the DWS has finalised the close-out reports for the above areas/projects, it will start a process of engaging with Agri SA with the view of providing it with a proper update of the implementation of these projects.

Agri SA's Natural Resources Centre of Excellence will continue pressuring the DWS on this critical issue.

- **Water metering requirements**

On 23 February 2018, the DWS published Government notice 141 calling on irrigation boards and water users associations to install water measuring devices for water taken for irrigation purposes and to monitor compliance of the regulations requiring that the taking of water for irrigation be measured, recorded and reported.

In terms of Government notice 141, irrigation boards and water user associations that have water use authorisations to abstract water for irrigation purposes were required to install water measuring devices by 23 March 2018.

Agri SA has consistently maintained that the implementation date of Government notice 141 is too short. Agri SA's Natural Resources Centre of Excellence submitted objections to the DWS in this regard. Agri SA will continue informing its members regarding the requirement for water use metering and reporting in terms of existing government requirements.

Agri SA has called on its affiliated members to take note of the water metering requirements and to inform water users in the agricultural sector to implement such metering requirements as may be reasonably prescribed.

Illegal water use

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

Agri SA has consistently maintained its position (as adopted by its congress) that it cannot and will not approve, endorse or in any way support the unlawful use of water by its members.

To this end, Agri SA believes the verification and validation process of water use rights should be expedited and that the results should be made available for public scrutiny in the respective water catchment areas.

“To this end, Agri SA believes the verification and validation process of water use rights should be expedited and that the results should be made available for public scrutiny in the respective water catchment areas.”

Comments in this regard must then be evaluated in order to compile a database that is as accurate as possible.

Agri SA believes local CMAs will be able to curb illegal water use.

Deteriorating water quality

There is an increasing concern over the impact of deteriorating water quality on the agricultural sector. The pollution of water resources, both surface and subterranean, has increased to such an extent that agricultural production could suffer. Although pollution occurs on several levels, municipalities are key roleplayers in this regard.

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

Agri SA's Natural Resources Centre of Excellence believes water quality should be monitored at catchment area at provincial level. This issue should be raised in the inter-departmental C-SAW structures, and also where the CMAs are already functional. The emergency numbers at the DWS and department of environmental affairs (DEA) must also be tested to determine the functionality thereof. Problems in this regard must be referred to Agri SA's Natural Resources Centre of Excellence for follow-up.

Agri SA's Natural Resources Centre of Excellence is aware of the DWS's intention to develop an integrated national water quality policy and strategy and will comment thereon after it is published.

Water restrictions

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

Agri SA's Natural Resources Centre of Excellence indicated that effective water control will only be possible where water user associations (WUAs) and catchment management structures with the necessary skills are in place.

Concerns remain over the interpretation of the DWS's operational rules for implementation and lifting of water restrictions. Adequate rainfall should result in the immediate lifting of water restrictions.

Problems with the interpretation of the operational rules relating to the introduction and lifting of water restrictions have been raised by Agri SA's Natural Resources Centre of Excellence with the DWS.

Building of new dams and upgrading of existing dams

Agri SA's Natural Resources Centre of Excellence requested the DWS to provide information on the department's planning regarding the building of new dams and upgrading of existing ones.

The DWS provided the following information:

- **Western Cape**

Work to raise the Clanwilliam Dam wall is anticipated to start soon. The canals will also be replaced and upgraded. This will stabilise water provision and moderately improve the irrigation potential for emerging farming operations. The Western Cape department of agriculture is actively involved in this project.

“Work to raise the Clanwilliam Dam wall is anticipated to start soon. The canals will also be replaced and upgraded.”

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

No further dams are currently envisaged.

- **Eastern Cape**

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

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

- **Central**

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

- **KwaZulu-Natal**

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

- **Limpopo**

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

Illegal licensing of water uses

Agri SA’s Natural Resources Centre of Excellence is increasingly becoming aware of irregularities in the issuing of agricultural water use licences by the DWS’s regional offices in certain parts of South Africa.

This matter is of deep concern to Agri SA. Agri SA’s Natural Resources Centre of Excellence has referred this matter to Agri SA’s legal committee for referral to a suitably experienced attorney.

Launch of dedicated Agri SA Water Desk

Agri SA appointed Gregory Smith permanently during 2018 with the task to establish and manage a dedicated water desk within Agri SA’s Natural Resources Centre of Excellence. The Agri SA Water Desk was accordingly launched on 2 May 2018.

The Agri SA Water Desk will, amongst other things, focus on water policy and legislative proposals such as the draft National Water and Sanitation Master Plan and the National Water Resource Strategy. The current amendments to the National Water Act, for example, will determine the cost of water for agricultural users, which is why it is necessary to engage with government and other key stakeholders from the start to work towards a fair outcome. The Agri SA Water Desk will also give inputs to the Water Research Commission (WRC) on research priorities and will act as a forum for top water experts to share their insights in a meaningful way.

In May 2018 Agri SA’s Natural Resource Centre of Excellence convened a specialist task team comprised of leading water and

regulatory affairs leaders who, together with Agri SA, are in the process of refining Agri SA’s key priorities for the Agri SA Water Desk.

ENVIRONMENTAL AFFAIRS

Shale-gas development

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

Agri SA brought four appeals against the granting of environmental authorisations for



exploration activities against Rhino Oil & Gas proposed to take place in North West, Free State, KwaZulu-Natal and the Eastern Cape provinces. A result on the appeal is expected towards mid-2018.

Agri SA has been informed that Shell intends to significantly reduce its efforts with respect to shale-gas development in South Africa. In the absence of Shell withdrawing its applications for exploration rights in the Karoo, Agri SA's Natural Resources Centre of Excellence will continue to exercise vigilance against Shell and other interested parties in this regard.

“Agri SA has been informed that Shell intends to significantly reduce its efforts with respect to shale-gas development in South Africa.”

Memorandum of Understanding – Chamber of Mines

Agri SA and the Chamber of Mines are parties to a Memorandum of Understanding which, amongst other things, aims to provide a communication platform on issues of mutual concern. In terms of the Memorandum of Understanding, Agri SA and the Chamber of Mines 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, which 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 will constantly evaluate and re-evaluate its relationship with organised mining. Should the current Memorandum of Understanding prove not to benefit the agricultural sector, Agri SA will reconsider its current relationship with the Chamber of Mines.

Preservation and Development of Agricultural Land Act

The draft Preservation and Development of Agricultural Land Bill (PDALB) has currently stalled.

The purpose of the PDALB is to retain and protect high-potential agricultural land for agricultural use. Such land is currently being threatened by competing demands such as those of the mining industry. Existing legislation does not offer an adequate legal base for agriculture in this regard.

The Chamber of Mines disagrees with agricultural stakeholders within Business Unity South Africa (Busa) regarding the constitutionality of PDALB. The difference of opinion relates largely to the veto rights of the relevant ministers and the powers of the respective levels of government. The Chamber of Mines has sought a legal opinion in this regard.

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

National Environmental Management: Biodiversity Act – Lists and Regulations of Alien and Invasive species

Agri SA's Natural Resources Centre of Excellence provided extensive comments on the proposed Alien and Invasive Species Lists and Alien and Invasive Species Regulations issued for comment by the DEA in February 2018.

Agri SA's Natural Resources Centre of Excellence is concerned with the propensity of the DEA to over-regulate issues where no apparent significant environmental degradation occurs.

Agri SA previously prepared a guideline document in this regard, which is available for affiliates' use.

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

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

There is also a legal dilemma in that the National Environmental Management: Biodiversity Act (NEMA) – EIA regulations and the Conservation of Agricultural Resources Act (CARA) place contradictory obligations on the land owner in respect of the eradication of bush invasion. These contradictions make it impossible for farmers to comply with both sets of legislation.

Agri SA's Natural Resources Centre of Excellence has approached the department of agriculture, forestry and fisheries for clarity around the interpretation of certain listed activities, subject to EIAs, in terms of NEMA, but which are contrary to the CARA legislation.

Agri SA's Natural Resources Centre of Excellence currently participates in two sub-working groups under the auspices of Daff to address the matter.

Migrating pests – black fly control

Agri SA has addressed representations to Daff to secure approval for a national control policy at ministerial level for black fly and quelea, similar to the locust control policy. Feedback received from Daff indicates that the department is in the process of reviewing all migrating pest control policies to align them with the Disaster Management Act, Act 57 of 2002. Stakeholders such as Agri SA's Natural Resources Centre of Excellence will be involved in the process.

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

Representations were addressed to Daff to include the fall army worm to the list of migrating pests.

Land care

Agri SA's Natural Resources Centre of Excellence has participated extensively with the department of agriculture, forestry and fisheries (Daff) on initiatives to combat land degradation. These include the formulation of a comprehensive strategy to combat bankrupt bush infestation throughout South Africa as well as assisting Daff in its formulation of a Conservation Agriculture Policy.

Agri SA's Natural Resources Centre of Excellence also provided extensive comments on, for example the Draft Alien and Invasive Species Lists and Regulations as published by the DEA in February 2018 and the DEA proposed National Environmental Laws Amendments Bill, which include significant proposed amendments to South Africa's National Environmental Management: Biodiversity Act, 10 of 2004.

In May 2018, Agri SA Head of Natural Resources participated in a study tour to Europe under the theme "Soil information for sustainable development,

agricultural, conservation and land use policies in South Africa", led by the Agricultural Research Council in collaboration with the University of Stellenbosch and the department of agriculture, forestry and fisheries. The project was fully funded by the EU-SA Dialogue Facility and will assist in the creation of a soil information management system for agriculture in South Africa.



AGRI SECURITAS TRUST FUND



Japie Grobler

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

Introduction

The Agri Securitas Trust Fund strives for a safer rural environment by supporting local security projects. Related projects are aimed at prevention as well as post-incident care.

The Trust Fund aims to make financial assistance available to farming communities to improve their safety.

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 operate within

the legal framework and abide by the institutional modus operandi. Since the Trust Fund does not have executive capacity, it executes its mandate via other organisations such as farming associations.

Inception of the Trust Fund

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

“The Trust Fund was established by Agri SA after the Rural Safety Summit held on 10 October 1998.”

Trust deed

The Trust Deed makes provision for a Board of Trustees, which may consist of no more than 12 members. As a general guideline for appointing trustees, the current professional status of candidates is taken into account.

During the report year Johannes Möller resigned as trustee. At the last meeting of the year, the Board decided to give consideration to filling the vacancies. Various individuals were identified and approached to enquire whether they would be interested in serving as trustees. The appointment of the new trustees will receive further attention during the new year.

The Board has amended the trust deed to make provision

for renewal and an adjusted modus operandi. The trust deed was approved unanimously and signed by the trustees and will be submitted to the Master of the High Court for approval.

Financial reporting

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

The Board is responsible for the content and integrity of the financial statements. The Audit Committee under chairmanship of Dr Chris Wentzel was assured that the Trust Fund could continue operating as a going concern. The Board, which is responsible for the approval of the statements, thanked the Audit Committee. After expiry of the current term, the Audit Committee was reconstituted for a period of two years. It consists of Kiewiet Ferreira (chair), Johannes Möller and Hans van der Merwe.

PROJECTS FUNDED BY THE TRUST FUND

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

During the report period the Trust Fund also provided financial support to the following projects:

NATIONAL

Reformanda Counselling Services:

Services have been actively involved in providing counselling services to farming communities countrywide. Individual counselling sessions also take place after workshops.

The Trust Fund has been thanked numerous times for the financial support it provides for this initiative, which had been launched to help the farming community to deal with trauma. The success of the trauma workshops lies in the fact that farming communities who do not have access to support services in their area can now make use of Reformanda’s assistance to come to terms with their emotional problems.

Agri SA’s Rural Safety Centre of Excellence: The centre’s policy actions are aimed at improving the security position of the people concerned and to promote the safety 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 Rural Safety Centre of Excellence focusses on a policy environment within which rural safety can be promoted. The Trust Fund makes a financial contribution towards the activities of the centre.

“The centre’s policy actions are aimed at improving the security position of the people concerned and to promote the safety of farming communities.”

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 perspective, but also because Agri SA’s affiliates – especially commodity organisations – have a significant number of black farmers in their memberships bases. The Board received elucidation from Agri SA regarding the work done with the Transformation Hub, as well as the successes achieved with farmer development and mentorship programmes of commodity organisations. The work also relates closely to the need for the Board to showcase the work done by commercial agriculture to promote rural safety.

In order to follow a more focussed approach to the project and to publicise the work of the Transformation Hub, Agri SA decided to appoint a communication manager for this purpose with the financial support of the Trust Fund.

The Trust Fund’s contributions towards transformation communication will therefore enable Agri SA, via the communication manager, to further publicise the good work done by commercial agriculture in terms of transformation.

PROVINCIAL PROJECTS SUPPORTED

During the past year the following projects were supported financially on request:

KWAZULU-NATAL

In this province the following projects were supported financially:

- **Underberg Farmers’ Association, camera system:** To address the crime problem, including farm attacks, theft of infrastructure and stock theft, the farmers’ association installed a camera network to monitor the area.
- **Boston Farmers’ Association, camera system:** Stock theft is a serious problem, as are general theft and housebreaking. The camera system will be used to monitor suspicious-looking vehicles and serve as deterrent.

FREE STATE

In this province the following projects were supported financially:

- **Bothaville District Agricultural Union, purchase of a drone:** Crime is escalating generally within the area,

specifically stock theft and cable, solar panels, diesel and vehicle theft. A drone was purchased, which is equipped with infrared cameras and will be used in rural protection operations to help combat crime.

- **Free State Agriculture Security Desk:** A security desk was established to gather critical security information, to determine crime trends, to monitor the implementation of the Rural Protection Strategy and to promote the personal safety of members.
- **Trompsburg Farmers' Association, camera system:** The area has already experienced farm attacks, while stock theft occurs regularly. The camera system is being installed to create a data network with the help of cameras, which will then be linked to a control room to track suspicious-looking vehicles.

EASTERN CAPE

In this province the following project received financial support:

- **Albany Bathurst League District Agricultural Union, camera system:** An analysis of crime patterns in the area, which involve mostly stock theft, pocking and housebreaking, has indicated that vehicles are used in the execution of crimes. The camera system will be monitored by a control room, while relevant information on

criminal activities obtained from the system will be shared with the police.

NORTH WEST

In this province the following projects received financial support:

- **Tosca Farmers' Association, camera and radio system:** The most general crimes in the area are housebreaking, stock theft and rhino poaching. Given an increase in traffic flow to and from Botswana, the equipment will be used to monitor access routes in the area.
- **Agri Soetdoring, purchase of rural protection equipment:** The area has been subject to unrest during which fields and homesteads were burnt. Theft of fencing material and livestock also occurs. With this equipment, the effectiveness of the community's security initiatives, as well as communication and response times, can be improved.

NORTHERN CAPE

In this province the following projects received financial support:

- **Van Zylsrus Farmers' Association, camera system:** The priority crimes that occur in the area are stock theft, illegal hunting, assault and smuggling. The installation of a camera system at strategic points should contribute towards safeguarding and protecting the area.

- **Richmond Farmers' Association, erection of relay:** By implementing a radio communication system an attempt is made to promote emergency communication in the area. A relay was erected to enhance the effectiveness thereof.

GAUTENG

In this province the following project received financial support:

- **Cullinan Farmers' Union, purchase of a drone:** General crimes in the area include farm attacks, housebreaking and theft of borehole equipment and vehicles. The area consists of dense bushveld. The drone will make it easier to track down criminals.

LIMPOPO

In this province the following project received financial support:

- **Potgietersrus District Agricultural Union, night vision equipment:** Crime has escalated dramatically due to an increase in unemployment and the influx of illegal immigrants. The night vision equipment will be used in crime prevention operations.

WESTERN CAPE

In this province the following projects received financial support:

- Hex Table Grape Producers' Association, cameras and rural protection equipment:**
Crime in the areas includes housebreaking, murder, theft of agricultural products as well as borehole equipment. The equipment will be used to curb crime such as product theft and to monitor access routes.
- Koue Bokkeveld Agricultural Association, camera system:**
Problems are experienced with suspicious-looking vehicles from the Ceres area, as well as smugglers who illegally sell alcohol and drugs. The camera system will be used in conjunction with the police to monitor the movement of vehicles.
- Agri Malmesbury, installation of relayers:**
Stock and scrap metal theft is becoming a serious problem. Problems are also experienced with shebeens and drugs in the area. To improve the effectiveness of the communication system, relayers are being installed to improve emergency communication.

Prestige sports evening

OFM and the respective sponsors (Afgri, Senwes and NWK) of the Prestige sports evening decided not to present the function in the next report year. The sponsors and OFM decided instead to

pay their sponsorship of the function directly to the Trust. The presentation of the cheque coincided with Agri SA's congress in October 2017.

Agricultural Journalist of the Year

The focus of the competition is on journalistic work that deals specifically with commercial farmers' support for the development of black emerging farmers. The competition is presented by Agricultural Writers SA and supported by the Agri Securitas Trust Fund. As in the past, Santam Agriculture served as sponsor of the competition.

The competition was held for the eighth time and Nan Smith, a freelance journalist was named the winner. The competition, which has been held since 2010, has produced the following winners:

- 2017: Nan Smith (Freelance journalist)
- 2016: Charl van Rooyen (Landbouweekblad)
- 2015: Nan Smith (Farmer's Weekly)
- 2014: Denene Erasmus (Farmer's Weekly)
- 2013: Martie Willemse (No-Line Productions)
- 2012: Denene Erasmus (Farmer's Weekly)
- 2011: Lindi van Rooyen (Farmer's Weekly)
- 2010: Lisa Bohlmann (Dairy Mail)

Fundraising events

The following fundraising initiatives were launched over the past year:

A successful golf day, with Senwes and NWK as main sponsors, was held in October 2017 in Parys. A surplus of approximately R160 000 was recorded.

During Agri SA's 2017 congress, Monsanto donated maize seed valued at R1 million to the Trust Fund. Negotiations with an agricultural company are currently underway to take over the seed.

Santam Agriculture donated R250 000 to the Fund.

Motor cycle enthusiasts Bikers against Farm Attacks of Gauteng arranged a rally in September 2017 at the Hartbeespoort Dam holiday resort, where an amount of R60 000 was raised to protect the farming community against farm attacks.

The Trust Fund's partners

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



STAFF

The staff complement currently consists of 30 permanent employees.

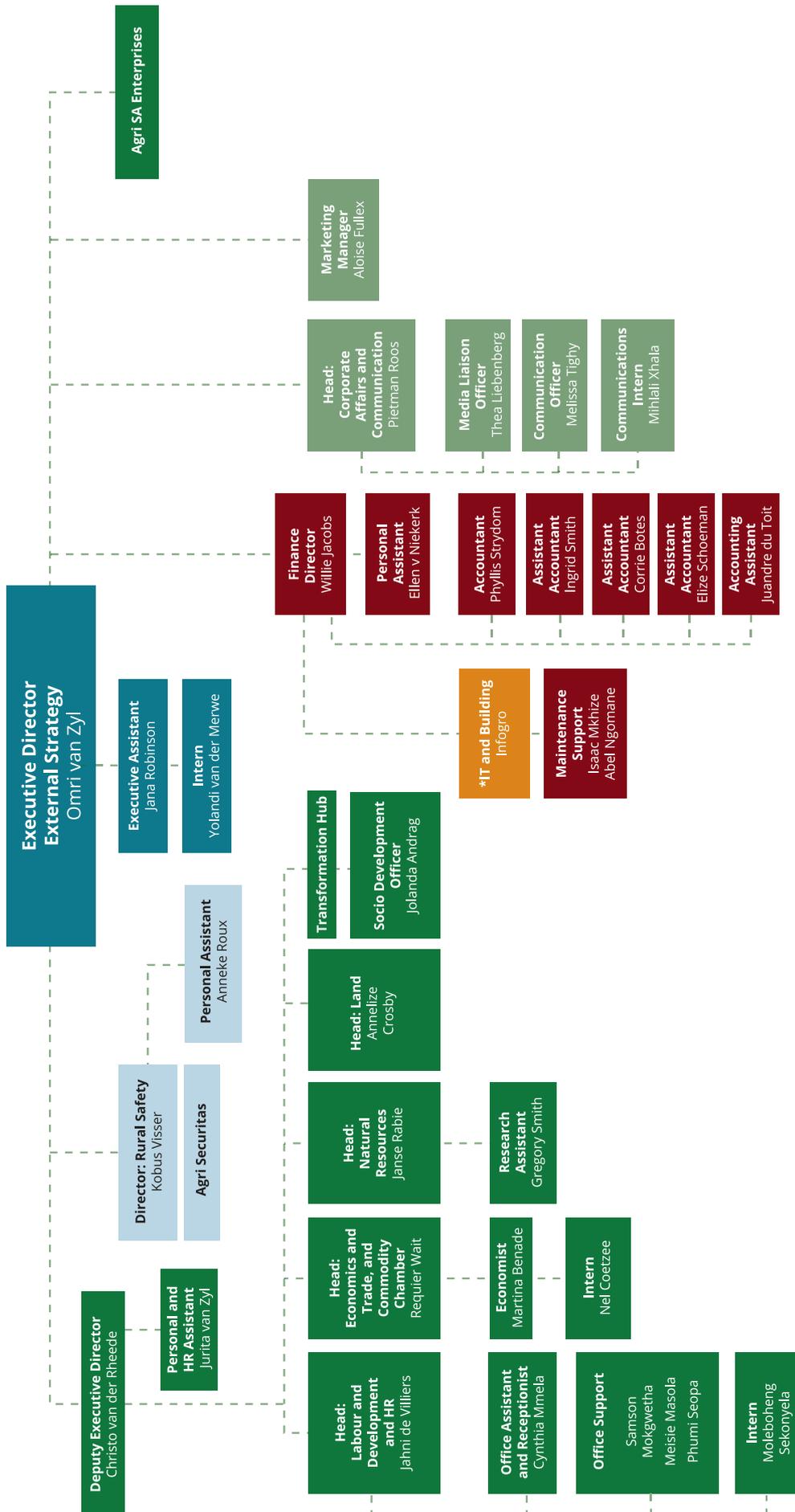
Leanne George joined Agri SA as communication officer on 1 September 2017 but left in December 2017 to continue her studies. She was succeeded by Melissa Tighy on 1 June 2018. Annemi Mennen left Agri SA at the end of May 2018 and was replaced as marketing manager by Aloise Fullex as from 1 July 2018. Yolisa Mfaise and Hamlet Hlomendlini left Agri SA's service at the end of July 2018. Jacob

Ledwaba retired at the end of 2017 and was replaced by Isaac Mkhize. Phumi Seopa was appointed permanently as cleaner.

Jolanda Andrag was appointed as socio development officer in the Transformation Hub after completing her internship. It was also decided to move the human resource management function to Jahni de Villiers, together with the management of the Labour and Development Centre of Excellence.

With financial support from the Sasol Trust, Agri SA was able to create four internships, one each at Labour and Development, in the office of the executive director and at Economics and Trade. Mhlali Xhala joined Agri SA's Corporate Affairs as intern and Nel Coetzee joined on 1 July as Economics and Trade intern.





SUPPORT FUNCTION	
Jana Robinson:	Anneke Roux
1. Dan Kriek	1. Kobus Visser
2. Phenas Gumedede	2. Janse Rabie
3. Pierre Vercueil	3. Annelize Crosby
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	
STAFF COUNT	
Permanent staff	30
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 mention those farmers, their families and farmworkers who died in the past year as a result of violent crime and extends its sincere condolences to their next of kin.



HONORARY AWARDS

Honorary Presidents

2009: Mr L L (Lourie) Bosman
 2005: Mr J E (Japie) Grobler
 2001: Mr C J (Chris) du Toit
 1996: Mr J J (Boet) Fourie
 1991: Mr 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

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 S (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 – Postuum
 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 (Kooos) Pienaar
 2011: Mnr 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 (Koot) Claassen
 Sanlam
 Vodacom
 2007: Mr P W (Pieter) Möller
 Mnr W (Willie) Auret – Postuum
 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 - Postuum
 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
 Vrystaat Landbou (Eeufeesjaar)
 T&E FinOps
 2003: Mr H (Bokkie) van der Merwe
 Mr B P (Pieter) Erasmus
 Mutual en 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
 Suid-Afrikaanse Droëvrugtekoöperasie (SAD)
 1997: Transvaalse Landbou-unie (Eeufees)
 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
 Natalse Landbou-unie (Eeufees)
 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

2017: 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 S (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 (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 (Kooos) Pienaar

COMPOSITION OF CONGRESS

Within the structure of Agri SA, the highest authority is vested in the congress, which was composed as follows during the report year:

OFFICE BEARERS

President
Deputy Presidents
Chairman of Agri SA's General Affairs Chamber
Chairman of Agri SA's Commodity Chamber

AGRI SA GENERAL AFFAIRS CHAMBER (69)

Free State Agriculture	13
Agri Western Cape	12
Agri Northern Cape	11
Agri Eastern Cape	10
Kwanalu	8
Agri North West	7
Mpumalanga Agriculture	3
Agri Gauteng	1
Agri Limpopo	2

AGRI SA COMMODITY CHAMBER (52)

Agromony

Grain South Africa	14
South African Sugar Association	4
Tobacco Institute of Southern Africa	1
Dry Bean Producers' Organisation	1
Cotton South Africa	1
Forestry South Africa	
Medium Grower's Group	1

Animal production

Milk Producers' Organisation	5
Red Meat Producers' Organisation	3
National Wool Growers' Association of South Africa	2
SA Pork Producers' Organisation	2
Wildlife Ranching SA	2
South African Mohair Growers' Association	1
South African Ostrich Business Chamber	1
Aquaculture SA	1

Horticulture

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

CORPORATE CHAMBER (34)

ABInBev	2
Agri Tourism Africa	2
BASF	2
BATSA	2
DuPont Pioneer	2
Ernest & Young	2
Intelichem	2
Laeveld Agrochem	2
Nedbank	2
Obaro	2
Pro Agri Forum	2
RSA	2
Sanlam	2
Santam	2
Syngenta	2
Sonfin	2
Woolworths	2

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	Christo van der Rheede Jahni de Villiers
AgriSETA	Neil Hamman Christo van der Rheede
Department in the Presidency <ul style="list-style-type: none"> Performance Monitoring and Evaluation – Work group on Rural Development (Outcome 6) 	Omri van Zyl
The department of agriculture, forestry and fisheries (Daff) <ul style="list-style-type: none"> National Agriculture Disaster Risk Management Committee (NADRMCO) National Drought Task Team Fire Working Group Forum for Chief Executive Officers in Agriculture (CEO Forum) Agricultural Trade Forum (ATF) National Agricultural Research Forum (NARF) National Animal Health Forum National Agricultural Education and Training Forum Minister’s Service Delivery Forum Agricultural Phakisa 	Hamlet Hlomendlini Hamlet Hlomendlini Janse Rabie Omri van Zyl Hamlet Hlomendlini Niël Joubert and Corné Louw Martina Benadé Dr Fanie Terblanche Christo van der Rheede Christo van der Rheede
National Economic, Development and Labour Council (Nedlac) <ul style="list-style-type: none"> Labour Market and Development Chamber Trade and Industry Chamber 	Jahni de Villiers Hamlet Hlomendlini
National Priority Committee on Rural Safety (JOINTS)	Kobus Visser
Department of co-operative governance and traditional affairs (CoGTA) <ul style="list-style-type: none"> National Disaster Management Advisory Forum (NDMAF) 	Hamlet Hlomendlini
Water Research Commission (WRC)	Janse Rabie Gregory Smith
National Minimum Wage Commission	Jahni de Villiers

Structures in which Agri SA is represented

PRIVATE STRUCTURES	REPRESENTATIVE(S)
Business Unity South Africa (Busa) <ul style="list-style-type: none"> Board – alternative director Economic and Trade Policy Social Policy Committee and Subsector Education and Training Committee Environmental Working Group 	Omri van Zyl Hamlet Hlomendlini Jahni de Villiers Janse Rabie
Eskom <ul style="list-style-type: none"> Agricultural Technical Working Group 	Hamlet Hlomendlini
Provident fund for the agricultural sector	Jahni de Villiers Pietman Roos
Agri-sector Unity Forum (ASUF)	Phenias Gumede
The South African Chamber of Commerce & Industry (SACCI) <ul style="list-style-type: none"> Copper Theft Working Group 	Kobus Visser
National Stock Theft Forum	Sarel Pretorius
South African National Committee for Irrigation and Drainage (SANCID)	Janse Rabie Gregory Smith
Environmental Lawyers Association	Janse Rabie
Strategic Water Partners Network (SWPN)	Janse Rabie Gregory Smith

INTERNATIONAL STRUCTURES	REPRESENTATIVE(S)
CAIRNS Group Farmer Leaders	Dan Kriek Omri van Zyl
South African branch of the International Chamber of Commerce & Industry	Omri van Zyl
Southern African Confederation of Agricultural Unions (SACAU)	Phenias Gumede
World Farmers' Organisation (WFO)	Dan Kriek Omri van Zyl



Abridged Financial Statements for the year 2017/2018

Statement of financial position on 30 April 2018

	Note	2017/2018	2016/2017
Equity and Liabilities			
CAPITAL AND RESERVES	1	216 406 613	220 679 247
		216 406 613	220 679 247
Employment of Capital			
NON - CURRENT ASSETS	2	45 787 392	42 097 625
INVESTMENTS AND LOANS	3	168 158 658	177 750 921
NETT CURRENT ASSETS		2 460 563	830 701
Current Assets	4	10 020 385	5 739 467
Current Liabilities	5	(7 559 822)	(4 908 766)
		216 406 613	220 679 247

Notes to the Financial Statements on 30 April 2018

1 Capital and Reserves	216 406 613	220 679 247
- Reserves	33 729 580	35 244 600
- Retained income	182 677 033	185 434 647
2 Non - Current Assets	45 787 392	42 097 625
Fixed property	44 870 900	41 102 270
Motor vehicles	64 078	64 078
Furniture and accessories	515 277	515 277
Office equipment	62 862	63 270
Computer equipment	162 121	205 875
Electronic equipment	101 894	136 595
Trademark	10 260	10 260
3 Investments and Loans	168 158 658	177 750 921
Sanlam	149 650	141 534
SA Reserve Bank	9 990	361
Sanlam Multi Management Int	167 999 018	177 609 026
4 Current Assets	10 020 385	5 739 467
Trade and other receivables	4 317 486	4 199 174
Cash and cash equivalents	5 688 899	1 512 293
Inventories	14 000	28 000
5 Current Liabilities	7 559 822	4 908 766
Trade and other payables	3 117 741	3 602 001
Provisions	1 555 112	1 194 284
Other liabilities	2 886 969	112 481

Detail Income Statement for the year ended 30 April 2018

	2017/2018	2016/2017
AGRI SA ADMINISTRATION		
Income	28 741 859	29 270 296
Less: Expenses	(32 870 179)	(35 363 124)
Operating surplus / (deficit)	(4 128 320)	(6 092 828)
AGRI MAGAZINE		
Income	5 012 331	4 731 971
Less: Expenses	(4 627 043)	(5 013 017)
Operating surplus / (deficit)	385 288	(281 046)
INKWAZI BUILDING		
Income	5 129 567	4 440 792
Less: Expenses	(4 144 150)	(3 790 703)
Operating surplus / (deficit)	985 417	650 089
Income Tax refund	-	676 413
Gains on investment property	3 768 630	-
Net surplus / (deficit)	4 754 047	1 326 502
TOTAL SURPLUS / (DEFICIT)	1 011 015	(5 047 372)

Cash Flow Statement for the year ended on 30 April 2018

Cash flows from operating activities	(2 908 590)	(5 316 006)
Cash receipts from customers	26 747 453	31 060 955
Cash paid to suppliers and employees	(37 416 517)	(43 893 783)
Cash used in operations	(10 669 064)	(12 832 828)
Interest and dividends income	7 760 474	7 516 822
Finance costs	-	-
Cash Flows from investing activities	4 310 708	6 102 623
Purchase of property, plant and equipment	-	(1 840)
Sale of property and equipment	2 099	2 799
Movement of financial assets	4 308 609	6 101 664
Cash flows from financing activities		
Movement in other liabilities	2 774 488	(1 185 439)
Total cash movement for the year	4 176 606	(398 822)
Cash at the beginning of the year	1 512 293	1 911 115
TOTAL CASH AT THE END OF THE YEAR	5 688 899	1 512 293

9 - 10 October 2018

Agri SA Congress 2018

VENUE

Maslow Time Square
209 Aramist Road, Menlyn



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SPONSORSHIP OPPORTUNITIES:

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BATSA's Emerging Farmers Initiative is changing lives by developing and empowering rural communities.



BATSA's Emerging Farmers Initiative is just one example of how this sector is changing lives, developing and empowering rural communities in a way that makes a real difference.

Since 2011, the programme has facilitated the planting of over 800ha of tobacco and more than 1000ha of vegetable crops, supporting 155 black emerging farmers and over 3 900 dependents, which has been made possible by investment of over R70 million by BATSA.



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TOBACCO**
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Locally and internationally.



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The future of agriculture is not in cultivating crops or livestock; it is in growing our farmers' businesses. We support every farming decision, whether it's made on the farm, while trading products or about the food on your plate.

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GWK

innovate agriculture



AgriSETA – your partner in agricultural training and development

At AgriSETA, the scope of our training and development programmes covers the **entire spectrum of agricultural activities**, from farming input services and actual farming activities through to farming-related handling and processing services.

Therefore, our programmes cater to the needs of the following agricultural sectors:

- All types of farming such as horticulture, animal husbandry, game, fish, crop and mixed farms
- Slaughtering and handling of meat and livestock products – red meat and poultry (including egg production)
- Processing of fibre, tea, coffee, macadamia nuts and tobacco
- Packing, drying, liquefying, exporting and importing fruit
- Milling, manufacturing, storage and handling of sugar, grain and starch products
- Animal feeds and pet foods
- Sale and distribution of agricultural raw materials and other farming inputs and requisites
- Agricultural research
- Pest control
- Seed production and marketing

In terms of the Skills Development Act, we are responsible for the **skills development** of learners, employed or unemployed, in the agricultural sector. We facilitate the implementation of learning through **learnerships, skills programmes, AET and tertiary studies** or **in-service training** through the allocation of grants. To ensure the quality provision of education and training, we are also responsible for **accrediting sector-specific training providers** and for monitoring the standard of training presented by them.

Contact AgriSETA today to discover how we can broaden your professional horizons:

☎ 012 301 5600

@ info@agriseta.co.za

☎ 012 325 1677

🌐 www.agriseta.co.za

✉ PO Box 26024, Arcadia, 0007



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