



*The Grain and Oilseed Industry
of South Africa*

A JOURNEY THROUGH TIME

CHAPTER 5

5

The founding and establishment of **GRAIN SA**

From the beginning, NAMPO developed the establishment of co-operation between all the producer organisations in the grain and oilseed industries in South Africa as one of its objectives. In the course of time it took the initiative in starting discussions in this regard with the other producer organisations.

DISCUSSIONS ON THE ESTABLISHMENT OF THE GRAIN PRODUCERS ORGANISATION (GPO) – 1999/2000

Co-operation was regarded as important in order to address in an organised and co-ordinated manner the needs and challenges brought about by the continuous changes in the industry environment. The movement for co-operation was supported by the fact that the functions of the producer organisations overlapped to a great extent, which caused unnecessary duplication of expenditure. In addition, most agricultural producers cultivated more than one crop, but were represented by different organisations with respect to the different crops.

In general, the change in government in South Africa in 1994 and the accompanying new policy directions made it desirable to form a greater united front to protect the interests of agricultural producers. Changes in industrial requirements and the agricultural environment in general required greater specialisation and not enough experts were available for each industry to appoint its own specialists.

NAMPO realised the necessity for one organisation to be established to represent all commercial grain and oilseeds producers. The leaders in such a dispensation had to come from the ranks of the producer members and had to be empowered to act according to their mandate.

The first purposeful discussions on co-operation between NAMPO and NOPO were positive right from the start. Initially, the discussions with the WPO and the SPO were less positive. However, NAMPO persisted in its efforts and the message was conveyed that the many common factors that were dealt with separately by the different industries could be addressed more effectively jointly.

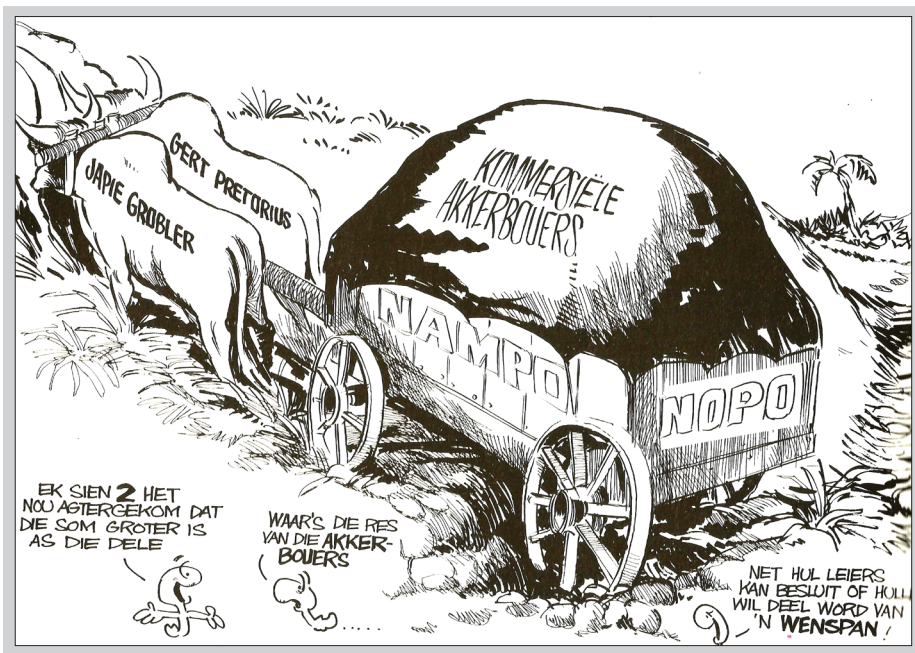
The discussions between the organisations initially concerned only co-operation, until Mr Andries Beyers, Chairperson of the WPO, expressed the opinion at a meeting in Kroonstad that they should not really be talking about co-operation, but about unification, or amalgamation. This made the role-players realise that unity was more important than mere co-operation. The subsequent approach then shifted from possible co-operation to possible amalgamation.

Discussions on co-operation between NAMPO and NOPO

Formal discussions at administrative as well as policy level between NAMPO and NOPO were held as far back as March 1997 with a view to developing models for future co-operation between the two organisations. From the start it was clear that NAMPO and NOPO had a lot in common, as they shared the vision of promoting the economic place in the sun of maize and oilseed producers.

The NOPO executive approved the co-operation in principle on 14 October 1997, while NAMPO's executive had in the meantime resolved to support the co-operation. The Chairpersons of both organisations, Messrs Gert Pretorius and Japie





A cartoon in SA Graan/Grain of December 1997 portraying the co-operation agreement that had just been reached between NAMPO and NOPO.

Grobler, announced the official co-operation between the two organisations by way of a media release on 24 November 1997.

The content of the media release, translated below, best summarises the reasons for and details of the co-operation.

'The realities of the operating environment in which oilseed and maize producers have to survive made this decision a logical step. Both oilseed and maize producers have to face high input costs, competitive international markets, a free and fluid domestic market and a restrictive political environment in which the legislator is changing legislation, which exercises increasing pressure on the agricultural community's living space and capacity.

This decision was further motivated by the fact that maize and oilseeds are often grown by the same producer on the same farm.

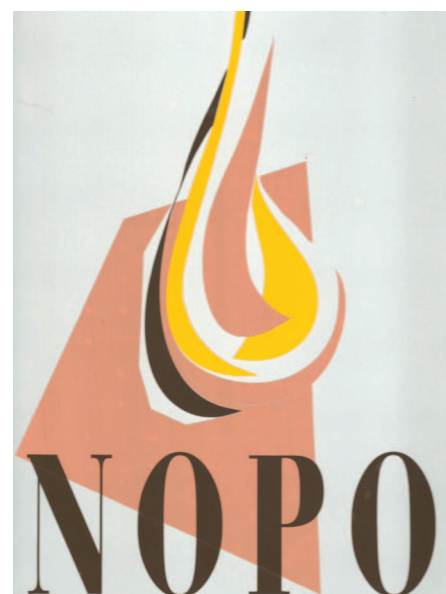
With the new Marketing Act, which to a great extent deprived the farming community of an effective mechanism to finance industry organisations and the general service sections of agriculture, it has also become essential to optimally utilise limited resources. NAMPO and NOPO have therefore decided to manage expertise, leadership, infrastructure and available finances in a manner that will ensure mutual benefit for maize as well as oilseed producers.

With due consideration to the common needs for service delivery and information among maize, soybean, groundnut and sunflower producers, the principle was accepted by the executives of NOPO and NAMPO and the activities of the two industry organisations will, while still maintaining their individual identities, be co-ordinated in the best interests of producers who are served by both organisations.

The following functions will be integrated as soon as possible: Production research, input research, market research, general administration, member administration and public relations.

However, the NOPO and NAMPO membership base will be managed separately, because maize and oilseed producers will still have to contribute a part of their membership fees towards funding the new service structures. Maize and oilseed producers will therefore contribute through their membership fees to the success of a new NAMPO and NOPO. The co-operation will, however, eliminate the duplication of services and these services will in future be able to focus on the real needs of maize and oilseed producers.

It was also decided to continue with the rationalisation of offices, equipment and staff in Pretoria, and that, with a view to using the boardroom facilities in the old



Maize Board building, preference will be given to the acquisition of offices in that building. The NOPO head office will therefore still be located in Pretoria.

A full business plan, with cost structures, will be submitted for approval to producers at the upcoming congresses of NOPO and NAMPO.'

Grobler and Pretorius both expressed their satisfaction with the decisions made by the respective executives, and said they were confident that the new dispensation would result in a more efficient and cost-effective service to producers.

Decision-making and mandates for merging

At the NOPO congress in February 1998, the NOPO executive was granted a mandate to continue with consultations with NAMPO and other industry organisations in order to establish a single service provision structure for grain producers. The management committees of NOPO and NAMPO convened at Bothaville on 19 August 1998 to reflect on key elements to ensure the success of the merger.

The NOPO management committee was represented by:

- Mr Gert Pretorius (Chairperson)
- Mr Lourie Bosman (Vice-chairperson)
- Mr Adriaan Ferreira (Chairperson: Groundnuts)
- Mr Jan Grobler (Chairperson: Sunflower)
- Mr Frans Potgieter (Chairperson: Soybeans)

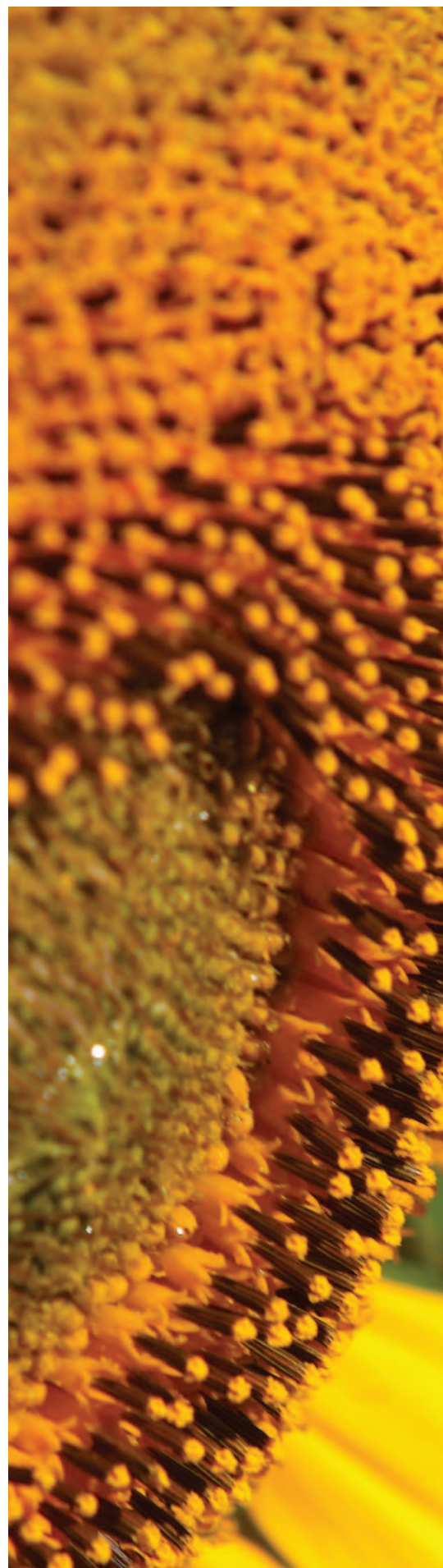
The NAMPO Chairperson's Committee was represented by:

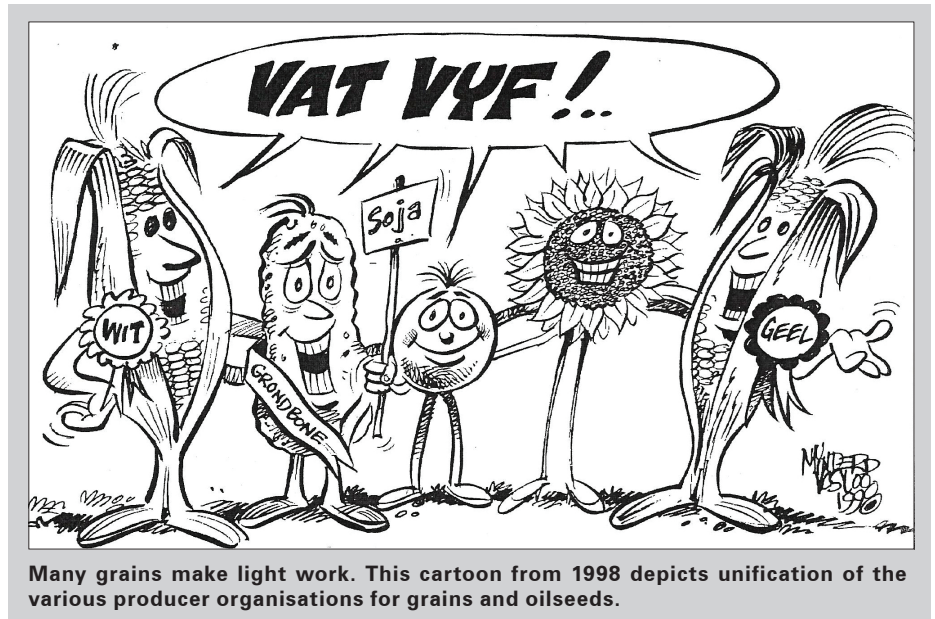
- Mr Japie Grobler (Chairperson: NAMPO)
- Mr Bully Botma (Vice-chairperson: NAMPO)
- Mr Neels Ferreira
- Mr Jub Jubelius
- Mr Kevin Starke
- Mr WH van Zyl
- Mr JA Barnard

It was confirmed that the NOPO and NAMPO congresses had granted a mandate to continue the discussions on merging. One of the first steps in this process of unification was the integration of the NAMPO and NOPO magazines from July 1998. From then onwards only *Mielies/Maize* appeared, with the inputs from *NOPO-nuus* included.



The NAMPO Chairperson's Committee photographed during the final congress. From the left: Messrs Japie Grobler, Jub Jubelius, Neels Ferreira, Kevin Starke, WH van Zyl, Apie Barnard and Bully Botma.





Servicing specialist interests

To the NOPO management committee it was essential that the principle of servicing specialist interests for the various grain crops be maintained within the model of co-operation. In the case of NAMPO, the focus was only on white and yellow maize. However, the NOPO frame of reference serviced three industries, namely sunflower, soybeans and groundnuts.

The NOPO executive decided that a balanced service to all three oilseeds had to be provided. The NOPO congress had also established the practice that separate breakaway groups for sunflower, soybeans and groundnuts be arranged at the annual congresses, so that industry-specific matters could be addressed with particular focus. NOPO therefore regarded the fact that oilseeds should still be serviced per crop as a core element of the discussions on amalgamation.

The constitution that was ultimately accepted by Grain SA also specifically made provision for specialist working groups within Grain SA and for expertise to be co-opted to the Executive should there not be sufficient expertise for a commodity sector among the elected Executive members.

Appointment of Steering Committee

At a meeting held on 19 August 1998 the management committees of NAMPO and NOPO decided to appoint a Steering Committee to plan and guide the merging of the two organisations and the subsequent establishment of a new grain producer organisation. The Steering Committee consisted of Messrs Japie Grobler, Gert Pretorius, Giel van Zyl and Nico Vermaak.

In addition to the appointment of the Steering Committee, it was decided to complete and announce the process of unification as quickly as possible. It was also decided to continue with the planning to integrate the NAMPO and NOPO business plans and to conduct a thorough investigation into the financing of the unification process.

Van Zyl, NAMPO's General Manager, would be appointed as acting General Manager of the organisation that was to be formed. He was requested to commence talks with the WPO and SPO again about their possible inclusion in the proposed new producer organisation.

Meeting between NAMPO and WPO

On 21 September 1998 the management committees of NAMPO and the WPO convened in Bothaville in order to discuss the co-operation between the different agricultural producer organisations. At the meeting, consensus was reached



that a process of amalgamation should be followed in order to ultimately establish only one producer organisation for agriculturalists in South Africa. Messrs Andries Beyers and Nico Hawkins were nominated by the WPO to serve on the Steering Committee.

At the meeting the request was also made that talks be started with the SPO with a view to possibly involve them in the process. As a result of the talks Van Zyl subsequently had with the SPO, representatives from that organisation participated in a planning meeting with the management committees on 17 November 1998. The Chairperson of the SPO, Mr Pieter Morkel, confirmed at this meeting that the SPO supported the unification process.

On 17 November 1998 the management committees of NAMPO, NOPO, the WPO and the SPO convened in the NAMPO Boardroom in Bothaville. This was the first opportunity at which the four organisations met jointly on the process of amalgamation.

At the meeting they decided among other things that the Steering Committee should get legal advice to prepare the final draft constitution for the new organisation. The final dates for the dissolution congresses of the respective organisations and the founding congress for the new organisation would be set in January 1999. In the meantime, the integration process for the various magazines had to continue.

Various recommendations for the name of the new organisation were considered, including Grain Producers Organisation of South Africa (GPO), National Grain Producers Organisation (NAGPO) and South African Grain Producers Organisation (SAGPO). However, it was decided to reconsider the name of the new organisation again in January 1999.

Van Zyl, nominated General Manager of the new organisation, was recovering at home after bypass surgery and could not attend the meeting.

Steering Committee expanded

The Steering Committee was expanded to include representatives from all four producer organisations, namely NOPO, NAMPO, the SPO and WPO, and met for the first time on 4 December 1998 with the brief to thresh out the details of the process to amalgamate the four organisations. Specific attention had to be given to matters like the name of the new organisation, the finalising of the constitution in collaboration with the attorneys Hofmeyr Herbstein, servicing of special interests, membership and the organising of the closing and founding congresses. It was resolved to hold the various dissolution congresses on 9 June 1999, with the founding congress of the new organisation to be held on 10 June 1999.

Initially it was recommended that the organisation be known as the Grain Producers Organisation of South Africa. The Steering Committee recommended the following names, in order of preference:

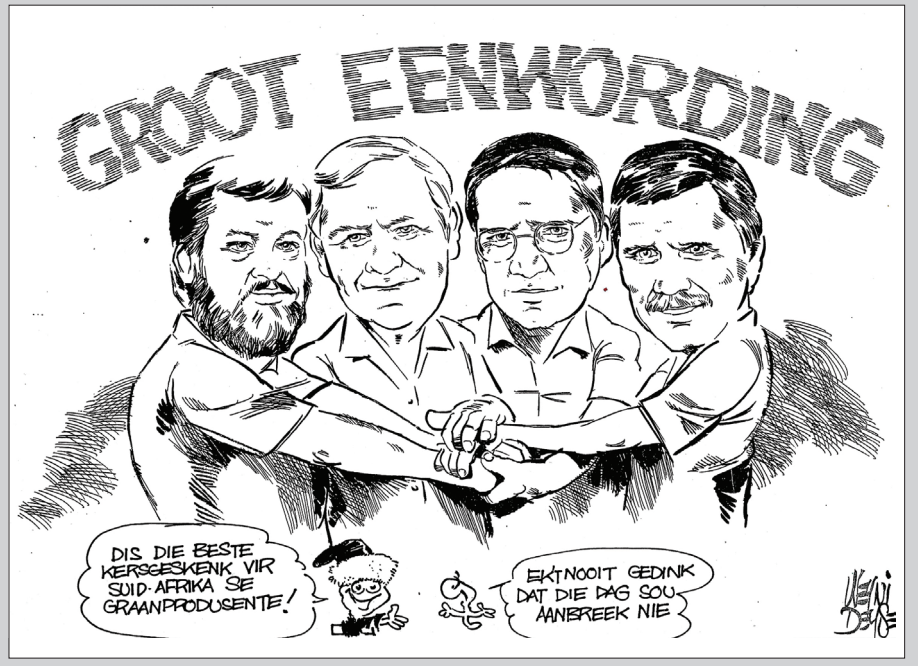
- Grain Producers Organisation (GPO)
- Grain SA (GSA).

The principle was accepted that servicing of special interests must be continued for each of the respective industries in the new organisation. This was already established at the first congress of the new organisation with the introduction of breakaway sessions for specialist working groups in order to discuss industry-specific matters.

Recommendations were also made by the Steering Committee about the legal status, objectives, profit objectives, powers and capacities, control structures and location of the offices of the new organisation. The principle was accepted that NAMPO would be the vehicle through which the new organisation would function and that the assets of other organisations would be sold and the proceeds employed in the new organisation.

During the period from January to April 1999 the decision-making structures of the respective organisations granted approval and final mandates in terms of their constitutional requirements that the amalgamation process could continue.

Mr Weyni Deysel, cartoonist for *Mielies/Maize* for more than 23 years, and later for *SA Graan/Grain*, portrayed the spirit of unification very accurately in this cartoon, which appeared in November 1999. Messrs Pieter Morkel (SPO), Gert Pretorius (NOPO), Andries Beyers (WPO) and Japie Grobler (NAMPO) take hands.



FOUNDING OF GRAIN SA

Founding Congress

It was decided that the founding congress of the new organisation would be held on 10 June 1999. This would be preceded by the dissolution congresses of NAMPO, NOPO, the WPO and the SPO on 9 June 1999.

Notice of the founding of the new organisation was sent to all the members of NAMPO, NOPO, the SPO and WPO by the end of March 1999. Notices of the final congresses of the four organisations were sent to the respective members of each organisation. NAMPO and NOPO held their final congresses at NAMPO Park near Bothaville, and those of the WPO and SPO were held in Pretoria.

All the delegates to the final congresses of the respective organisations were invited to attend the founding congress of the new organisation on 10 June 1999 as observers. Each of the organisations also had the opportunity to nominate a number of guests of honour and observers who were invited too.

The Congress consisted of delegates nominated on a regional basis on the grounds of the production base of the respective commodities. The principle was also accepted that an independent person would co-ordinate the proceedings during the founding congress on 10 June 1999. Mr Peet van Zyl of the firm of attorneys Hofmeyr Herbstein was then appointed to act as independent Chairperson of the Congress until the Congress had been duly constituted and a Chairperson and Vice-chairpersons for the new organisation had been elected.

As planned, the founding Congress took place at NAMPO Park on 10 June 1999.

The following office bearers were elected at the Congress:

- Mr Japie Grobler (unopposed) – Chairperson
- Mr Bully Botma (after election) – Vice-chairperson

Three nominations had been received for the office of Vice-chairperson, namely:

- Bully Botma (Previously NAMPO)
- Gert Pretorius (Previously NOPO)
- Andries Beyers (Previously WPO)



Mr Peet van Zyl, who acted as independent Chairperson of the GPO's first congress until it had been duly constituted and new leadership had been elected.

Botma was elected as Vice-chairperson of the organisation by a majority of votes. The newly elected Chairperson then continued to guide the Congress through the process of decision-making, which included:

- Confirmation of instructions to the Grain Producers Organisation
- Approval of the constitution
- Restructuring of the regions
- Membership
- Appointment of auditors

GRAIN BIRTH FULL OF PAIN AND JOY!

Soos ek dit sien column or "Manie" (Landbouweekblad, 26 June 1999)

A classic labour: Pain on the one hand, but also joy about the arrival of a stout baby on the other hand. This is more or less how one can describe the birth of the new National Grain Producers Organisation (NGPO) the other day.

Strangely enough, in between the goodbyes and hellos and the old and the new in the grain industry, Manie was thinking about one of Siener van Rensburg's predictions – that one about the black warrior who stands up and whose shadow ultimately falls across the entire country.

One should preferably refrain from predictions, but may this young giant who lifted his head this month on the Harvest Day farm also leave his footprints from north to south, and cast shadows that the South African agricultural industry has not yet seen. Footprints that I hope will stretch deeper into Africa and that can no longer be ignored in the highest boardrooms of the country.

The dissolution congresses of the WPO, NOPO, the SPO and NAMPO were thick with nostalgia and homesickness – particularly that of NAMPO. So thick that Japie Grobler, a man who can usually shoot from the hip with words, had to interrupt his final speech as NAMPO chair every now and then and bite his bottom lip hard to keep his emotions in check.

He summarised it nicely: It's like when your firstborn at the same time achieves something special, comes of age, wants to get married and leave the country – all at once. On the one hand you are bursting with pride as a parent, on the other hand the heartache of farewell is very raw and close to the surface.

The 'old stalwarts' of NAMPO were honoured: The Claassens, the Von Abos, the De Jagers. But the spotlight also shone on the people in the engine room, people like Giel van Zyl, these days apparently mnr Mielie oom Gielie, eccentric and cantankerous, in Bully Botma's words, and Kit le Clus, as complicated as can be, but one of a kind.

The guest list was almost a who's who of SA agriculture: Former Minister Greyling Wentzel told the amusing anecdote of the time he was sent to Bothaville by the Big Crocodile to tell the defiant NAMPO to stop their nonsense, only to bite the dust and ultimately walk away from there with NAMPO as his bosom friend. Kassier was there to receive his honours certificate, and virtually every researcher and input provider in the grain industry came and joined the party. Emerging agriculture too was there in their full glory, with a translation service and all for those who did not understand Afrikaans.

Old friends who were unable to come, sent their congratulations to the new bull. The last DG of agriculture, Dr Frans van der Merwe, sent a message from Kleinmond to say that he prayed that this government would come to its senses soon and realise that South Africa is a shining light in dark Africa because it has a wonderful agricultural sector.

The letter from Ernesto Chicucuma, Chairperson of NAMPO's counterpart in Angola, confirmed this: Please tell your congress out loud that we want to be your friends and co-operate with you. Without a healthy agriculture Africa cannot grow.



An outstanding buffet placed the seal on a wonderful event.



Five stars! NAMPO's final congress was concluded with a prestige function when dignitaries, including producers from across the spectrum and input providers, together tucked into the meal.



The leader producers who headed the amalgamation. From the left: Messrs Andries Beyers, Gert Pretorius, Peet le Roux van Zyl (NAMPO's legal adviser), Japie Grobler and Pieter Morkel.



The men who were elected to head the new Grain Producers Organisation of South Africa. From the left: Messrs Giel van Zyl (General Manager), Japie Grobler (Chairperson) and Bully Botma (Vice-chairperson).



The first Chairperson of Grain SA, Mr Japie Grobler, alongside the organisation's approved logo in April 2000.

Yes, that is how far the legend of South African agriculturists has already spread in Africa.

And then the big party of the evening – complete with South Africa's version of Vanessa Maye, a blonde from the City of Gold who stirred up the hand-picked guests in the Fanie Ferreira Hall so cheerfully that Bully Botma later instinctively started playing the piano on the table. Really an outstanding bash.

Now the great challenge lies ahead: To get the different horses to pull this grain wagon together.

While I'm on the topic: Manie knows that from the beginning NAMPO was the amalgamation vehicle for unification and Japie Grobler was the logical choice for Chairperson, but wouldn't it have been advisable to caucus a bit beforehand and make sure that, as a gesture of goodwill, one of the other grain leaders was at least second in command?

Please understand me clearly. It is not about Bully Botma as such at all. Manie has the greatest respect for him as a person and a leader. And he did not elect himself to be Vice-chairperson, after all. It was a democratic decision, and by an absolute majority too. But wouldn't a wheat man in the second position, for example, have sent out a much stronger message of unity and coalition?

In any event, Manie has no doubt that the new management will work their fingers to the bone to give every industry its moment in the sun and allow the team to push ahead in the interests of grain producers.

The expertise, enthusiasm and people material are there. The faith is there – the repeated references to producers' dependence on the Great Sower bear testimony to this.

The leadership to allow the NGPO to reach across southern Africa is there. With the ever positive Japie Grobler at the helm, it is hoped that this baby will walk before it can crawl, shout before it can talk.

All the best, friends! *Landbouweekblad* will join you in this scrum.

By the way, if Manie understands correctly, the name National Grain Producers Organisation (NGPO) will be temporary until the NGPO's first full Congress, after which a name will be discussed again. What about Grain SA – particularly if we want our influence to stretch across the country's borders too in future? Suggestions please!

ELECTION OF EXECUTIVE

The following persons were elected as members of the Executive by Congress:

- Region 1: KA Starke
- Region 2: JA du Plessis
- Region 3: JA Barnard
- Region 4: FJH Pretorius
- Region 5: DJN Mathews
- Region 6: PJA Meiring
- Region 7: H Otto
- Region 8: VD Mouton
- Region 9: AJ Cronje
- Region 10: GL Roos
- Region 11: CCC Arnoldi
- Region 12: PJ Schoeman
- Region 13: CK Ferreira



The first elected Executive of the GPO during the founding congress on 10 June 1999 at NAMPO Park.

- Region 14: JJ Blofield
- Region 15: JF Oosthuizen
- Region 16: DCK Serfontein
- Region 17: PJ Pretorius
- Region 18: H Claasen
- Region 19: PJ Scott
- Region 20: HP Ferreira
- Region 21: WH van Zyl
- Region 22: LL Jubelius
- Region 23: H Venter
- Region 24: AJ Hoffman
- Region 25: L Steytler

A Management Committee was appointed from the Executive, and was tasked with financial and personnel affairs, as well as other tasks as designated to them by the Executive.

Specialist service

The following persons were elected by Congress to serve on the Executive as specialists for a term of two years:

- Groundnuts: JH Theron
- Wheat: A Beyers
- Soybeans: FAS Potgieter
- Sorghum: PW Morkel
- Sunflower: GJ Pretorius
- Western Cape Wheat Producers: WT Myburg
- Southern Emerging Agriculture: Welcome Ngxekana
- Northern Emerging Agriculture: Basie Ntsimane

Breakaway sessions

The Congress also split into breakaway sessions for the various commodities.

On this occasion persons were nominated on a ranking list as experts for the respective industries by the respective breakaway groups. Where necessary, these persons were then co-opted into some of the specialist working groups.



Mr Jan Theron



Mr Andries Beyers



Mr Frans Potgieter



Mr Pieter Morkel



Mr Gert Pretorius



Mr WT Myburg



Mr Welcome Ngxekana



Mr Basie Nstimane

Unity

One of the many benefits that the founding of Grain SA held was that all die grain producers in South Africa were then represented by one organisation. This was particularly important in liaison and negotiations with the government, because it created a united front for all the grain and oilseed producers with the government.

Through the amalgamation, expertise that had been built up in the leadership and staff over many years was combined in one organisation, with obvious benefits. Different service structures were combined for the benefit of all the members, for example the magazines, NAMPO Harvest Day, brokerage service and the provision of market information.

At grassroots level amalgamation also contributed to the development of a feeling of unity among producers across the borders of the different grain types.

Identity

Request for name change by Executive

At the meeting of the new Executive on 19 August 1999 the name of the 'Grain Producers Organisation' was the subject of debate.

The relevant minutes indicate that Mr Kevin Starke had mentioned that the name GPO 'did not fall easy on the ears'. He requested alternatives to be considered.

At the suggestion of Mr Andries Beyers, seconded by Mr Starke, it was decided to accept the name 'Graan Suid-Afrika/Grain South Africa', with the abbreviation 'GSA', as the new name. The request was made that a proposal in this regard be submitted to Congress in 2000.

At a subsequent meeting of the Executive on 21 October 1999 Van Zyl reported that the name 'Graan Suid-Afrika/Grain South Africa', with the abbreviation 'GSA', was available and could be registered as trademark for the new organisation.

Feedback was also provided that the name 'SA Graan/Grain' had been registered as the name for the magazine and that a new masthead for the magazine was being developed. The new masthead for the magazine was introduced on 1 January 2000.

Congress decision: Acceptance of 'Graan Suid-Afrika/ Grain South Africa' as new name

On 8 March 2000 Congress was informed that the Executive had to make a decision on the name of the organisation.

Ms Milanie Vosloo, Managing Director of Ad-UPPE Advertising, introduced the new corporate identity and logo for 'Graan Suid-Afrika/Grain South Africa' to Congress.

The Congress minutes reveal that Congress decided to ratify the name 'Graan Suid-Afrika/Grain South Africa' and condone the steps already taken by the Executive to acquire trademarks to protect the name.

Congress also approved the corporate identity and logo for Grain SA.

This ended the process of transition and the establishment of the new grain industry organisation known as Grain SA. UPPE Marketing also developed a new logo for the SA Graan/Grain magazine in the early 2000s.

Administration

NAMPO's existing structures were used by the GPO, and NAMPO's offices in Bothaville served as head office, with an initial satellite office in Pretoria.

Messrs Nico Vermaak (former General Manager of NOPO) and Nico Hawkins (former General Manager of the WPO) were also absorbed into the structure of the GPO and moved to the head office in Bothaville, while Mr Johan Swarts, Manager of the SPO, took up a position in the satellite office in Pretoria.



Mr Giel van Zyl



Dr Kit le Clus



Mr Fanie Brink

GSA
 GRAAN SUID-AFRIKA
 GRAIN SOUTH AFRICA

GRAIN SA LOGO – CREATIVE EXPLANATION

The colours green, brown and yellow were used to depict the soil (brown), growth (green) and the sun (yellow). The logo is in the shape of a sheaf of wheat, but it also depicts fields with the sun shining on them – contributing to growth and survival. The two ‘husk leaves’ at the top represent the origin (seed) of the plant, which breaks open and produces a new plant (growth). The sun rising across the fields creates the illusion of hope, growth and progress.

The second level of symbolism depicts values on which Grain SA has been built. The different colours of the ‘fields’ confirm that these organisations are there to support the grain producer on different levels. The sun and free movement of the logo design indicate that Grain SA is focused on the sustainable survival of the grain producer and agriculture in South Africa.

Van Zyl was appointed as the first General Manager of the GPO. By April 2000 his management team included the following persons:

- Dr Kit le Clus (Research and Development)
- Mr Fanie Brink (Commodity Services)
- Mr Johan Loxton (Commercial Services)
- Mr Nico Vermaak (Manager Administration)
- Ms Rita de Swardt (Accountant)

By the time he retired on pension in 2001 the new grain industry organisation, Grain SA, was established as an organisation, with sound administrative and financial controls in position and ready to face the challenges of promoting producer interests in an uncertain future.



Mr Johan Loxton

Since 2000 Grain SA's General Manager position has been filled by the following persons:

Mr Steve Shone	2001 - 2005
Dr John Purchase	2005 - 2007
Dr Kobus Laubscher	2008 - 2011
Mr Jannie de Villiers	2011 - 2016

The Executive Management team under De Villiers in July 2016 was as follows:

Management member	Portfolio
Dr Dirk Strydom	Manager: Grain Economics and Marketing
Dr Marinda Visser	Manager: Grain Research and Policy Centre
Mr Nico Vermaak	Manager: Corporate Services
Ms Jane McPherson	Manager: Farmer Development Programme
Ms Christa Herbst	Manager: Financial Services



Mr Nico Vermaak

FUNDING

Grain SA's income for funding its activities initially came from subscription fees and the proceeds of the NAMPO Harvest Day, with a few other diverse sources, like advertising income from the magazine, *Mielies/Maize* (later *SA Graan/Grain*). The proceeds from an investment made in the time of NAMPO contributed to the total funding pool. The assets and reserves of NOPO, the WPO and SPO were also liquidated and paid over to the new organisation.

Funding for research projects was mainly obtained from the grain trusts that were created after the control boards had been abolished. This made a major contribution to the funding of Grain SA's activities, particularly with respect to farmer development. In time the grain trusts started scaling down the funding, to the extent that Grain SA's remaining income was no longer adequate for the organisation's needs.

The organisation was therefore forced to obtain other sources of financing, so that a voluntary levy on grain deliveries was introduced from October 2002. This involved that producers who were members of Grain SA paid a levy of R2,00/ton to Grain SA on grain delivered by them. This was a voluntary levy that was recovered by collection agents, being the companies where grain is delivered, and paid over to Grain SA. The members could also pay the levy directly to Grain SA, for instance in cases where grain was sold to a party who was not appointed as a collection agent.

From 2015 the standard voluntary levy was replaced by differentiated voluntary levies that vary from R2,50/ton for maize and sorghum to R10,00/ton for groundnuts.

The levy funds collected in this way are mainly used to fund commodity service actions, research and marketing. However, Grain SA is still in the process of attending to sustainable financing and increasing the percentage of levy payers. In the meantime, Grain SA retains its autonomy, as it is a voluntary organisation that funds itself. Currently the levy income ensures about a third of the total income – the rest is obtained from NAMPO Harvest Day, *SA Graan/Grain*, investments and trusts.

The employment of the levy funds is annually approved by the Grain SA Congress. Initially a portion was also allocated to the creation of a legal aid fund with a view to possible legal actions.

Full particulars of Grain SA's income and expenditure and the status of the organisation's financial position can be obtained from the annual reports published on Grain SA's website, www.grainsa.co.za.



Ms Rita de Swardt

GRAIN SA'S COLLECTION AGENTS OF VOLUNTARY LEVIES

Grain SA greatly appreciates the support of its collection agents. By 2015 the agents included the following companies (see opposite page).



Mr Pietman Lourens, the first Chairperson of Grain SA's Audit Committee after its establishment in 2004.



Mr Fanie van Zyl, Grain SA's Audit Committee Chairperson since 2006.

STAFF SNIPPETS

- **Ms Rita de Swardt** was employed by SAMPI, NAMPO and Grain SA, and retired as Accountant in 2002 after 28 years of employment as an officer in the grain industry.
- **Dr Kit le Clus** (who passed away in 2013) will be remembered for his diligence and expertise in establishing an agricultural derivatives market in South Africa after the marketing councils were abolished in 1997. In organised agriculture circles he is honoured for his vision that kept South Africa's grain industry afloat through drastic adjustments and helped to make it internationally competitive. After his retirement he continued to make valuable inputs into the grain industry and as lecturer at the University of the Free State he shared his knowledge of and passion for Economics with students.

CORPORATE GOVERNANCE

Since its inception Grain SA annually received funding from the Maize Trust and the Oil and Protein Seed Development Trust (OPDT) for the funding of specific projects. In terms of the trust deeds, funds from the Maize Trust had to be used only for the maize industry, and the contributions from the other trusts similarly had to be employed for the industry from which the funds came. Grain SA then had to submit certain prescribed reports setting out how the funds had been employed. Interim and annual reports were prepared and submitted to the Maize Trust and OPDT.

The Maize Trust established a practice of visiting the beneficiaries of trust funds in order to obtain first-hand information on progress with the projects. Grain SA was one of the beneficiaries visited in the process. During such a visit in 2005 the Maize Trust insisted on proof of the expenditure that had been included in the reports to the Maize Trust. They were concerned that not all project expenditure had been employed for maize-specific approved projects, and the trust then insisted on a forensic audit. The final forensic audit report was issued on 21 June 2005. Consequently, Grain SA repaid almost R10 million to the Maize Trust with respect to expenditure that had not been employed for maize specifically.

The records with respect to contributions by the OPDT were also examined and Deloitte released the report on 30 March 2006.

The audit report made no mention of fraud, but identified specific shortcomings with respect to reporting on certain financial years. To resolve the dispute, Grain SA recommended that an allocation method be used for the financial years 2002/2003, 2003/2004 and 2004/2005, with an analysis of projects that were in fact carried out in practice. These specific projects were supported with corroborative documentation.

The auditors (Deloitte) dealt with the recommendations in relative detail in their report, but did not make a finding on them. They did make the point in their report that the Grain SA proposal offered a possible solution.

On 12 May 2006 the Oilseed Advisory Committee made an offer of an amount of R500 000 to Grain SA – ex gratia as full and final settlement for services rendered by Grain SA for the financial years concerned. Further discussions between Grain SA and the Oilseed Advisory Committee followed, after which the offer was accepted to finalise the matter.

New projects were then approved by the advisory committee and the OPDT and subsequent reporting complied with the prescribed requirements of the advisory committee and the OPDT.

These events focused the attention in Grain SA on the revision of corporate governance in the organisation. The necessary procedure and policy had to be put in place for the management of Grain SA. PricewaterhouseCoopers supported Grain SA with this process. In compliance with the principles of the King reports on corporate governance, Grain SA appointed an Audit Committee in August 2004. The first Chairperson of the Audit Committee was Mr Pietman Lourens. In August 2006 he was succeeded by Mr Fanie van Zyl, who still occupied the position in 2016.

Steps were taken to establish good corporate governance practices and appropriate policies according to which Grain SA had to be managed. Transparent investment decisions and proper accounting records were established. The appointment process of the auditors was changed at the recommendation of the Audit Committee and different auditors were requested to make submissions to Grain SA. Arising from this, PwC was appointed as Grain SA's auditors from 2007.

GRAIN SA'S COLLECTION AGENTS FOR VOLUNTARY LEVIES

Amandel
Graan



F.S Peanuts

Frans Minnaar



KAAP AGRI



The forensic audit and the corrective steps subsequently instituted by Grain SA also had an important effect in the field of farmer development, as many of Grain SA's farmer development projects were financed by the Maize Trust. Because of the circumstances that led to the forensic audit, the Maize Trust considered stopping the financial assistance to Grain SA. This would have placed Grain SA's farmer development projects at risk.

The Maize Trust eventually decided to offer Grain SA the opportunity to put its house in order. Grain SA accomplished this with distinction, and the measures, programmes and policies that were introduced at that stage still form the basis of Grain SA's management practices.

As organisation Grain SA annually receives an unqualified audit and the factual findings of the Maize Trust and other trusts with respect to funding are in order. The participation of the Farmer Development Division in the government's recapitalisation programme since 2013 has testified to thorough credibility and expertise. This was confirmed by an unqualified audit issued by the Auditor-General with respect to the project.

RESEARCH

Grain SA regards needs-driven crop research aimed at keeping South African agriculture competitive compared to the rest of the world as of the utmost importance. That is why special attention is given to determining the needs of producers and to ensuring that the programmes of research institutions address these needs.

Grain SA supports the approach that research should be aimed at promoting the long-term sustainability of grain production. This involves all the facets of grain cultivation, from production research and research on inputs like seed, fertiliser, fuel, chemicals and mechanisation, to market research, the provision of grain market information, conservation agriculture and even data science.

Information obtained from research results is processed and made available to producers and other interest groups. This covers all aspects of grain production and the data is co-ordinated by specialist working groups to ensure that producers are duly informed of the most recent developments. Representatives from the Grain SA working groups also serve on the various advisory committees of the Grain and Oilseeds Trusts to support the research needs of producers. The Grain Crops Institute and Small Grain Institute of the Agricultural Research Council (ARC) made a valuable contribution to research for grain producers over the years.

The *SA Graan/Grain* magazine is used as medium to disseminate research results among producers.

Over a long period Grain SA has succeeded in building good relationships with researchers and government departments involved (Agriculture, Forestry and Fisheries; Science and Technology; and Trade and Industry). In this way Grain SA attempts to identify and develop joint research programmes, establish co-operation relationships and promote technology transfer. This approach is followed with respect to all the industries, which means that Grain SA is constantly involved in a large number of research activities. This creates opportunities for distributing and publishing the results and information so that the producer can also benefit.

Grain SA's core aim is to increase producers' productivity and provide objective, real-time information. The decision to take greater responsibility for the direction research is taking and for how research funds are employed links up with this and ensures the relevance of this at farm level. Grain-specific research is therefore diversified in order to integrate it across the spectrum of the industry.

As research expert, Dr Marinda Visser, Manager: Grain Research and Policy Centre of Grain SA, is guiding industry research into a new direction, and is even co-ordinating it at regional level by representing South Africa on the SADC research priority committee. The key points of Grain SA's research and development programme approved in 2016 are:

- Development of joint research programmes as identified.



Finansiering gebou vir jou
Finance built for you



Dr Marinda Visser (Manager: Grain Research and Policy Centre, Grain SA)

- Development of consortiums at various institutions that meet and work together virtually.
- Liaison with various technology-driven initiatives with appropriate technology transfer.

INVOLVEMENT IN CURRENT AFFAIRS SINCE ESTABLISHMENT

GMO crops

The Genetically Modified Organisms Act, 1997 (Act 15 of 1997) came into effect on 1 December 1999 and is aimed at ensuring that all activities with respect to genetically modified organisms (GMOs) are carried out in such a way that the possible harmful effects on the environment and human and animal health are limited. The Act makes provision for appointing a registrar and two regulatory bodies, namely an advisory committee and the executive council, as well as inspectors, in order to execute the objectives of the Act.

South Africa has been a party to the *Cartagena Biosafety Protocol*, an international, legally binding set of rules that applies to the transport and handling of live modified organisms, since 2003. The complete *Cartagena Biosafety Protocol* was included as an addendum to the GMO Act in 2006, but unfortunately without clear guidelines on how it should be interpreted in South African law.

In principle, Grain SA supports all technological development that can improve the efficiency and competitiveness of South Africa's grain industry, provided people, animals and the environment are not harmed. The use of GMOs can contribute considerably to a profitable and sustainable agricultural sector in South Africa that is internationally competitive. However, the potential risks that they hold for human as well as animal health should be considered carefully.

That is why the introduction of reliable and effective safety measures is vital to utilise the benefits of modern biotechnology to the maximum, but at the same time to limit the associated risks to the minimum. Grain SA is of the opinion that a statutory control system can only succeed if it can be effectively policed. As Grain SA has qualms about the latter issue, it is in favour of a non-statutory control system that is developed and managed by the industry.

As a matter of fact, the use of GMOs in South Africa is subject to measures in the Act and the regulations made in terms of the Act, by which the responsible development, production, use and employment of GMOs are promoted and regulated. In terms of the legislation, exemption for the use of GMOs must be obtained beforehand, failing which it is not permitted in South Africa.

There are two types of exemption, namely a general exemption and a commodity clearance.

When a general exemption is granted, it means in the grain industry that GMO seed may be imported, that seed companies may market it and that it may be planted. Most of the maize and soybeans grown in South Africa have been genetically modified in some way. Genetically modified crops in South Africa – maize, soybeans and cotton – are either resistant to insects or are tolerant of a wide variety of chemical herbicides, or both.

A commodity clearance, on the other hand, authorises the use of the relevant GMO product, for example as food or feed, but the product may not be planted. It is also the type of exemption that major role-players in overseas markets try to use to obtain approval for the distribution of their GMO products in South Africa. Those role-players have a certain advantage over South Africa in that they obtain access to the most recent technology first.

Grain SA's view is that the importing of GMO products that are not intended for planting in South Africa should be opposed, as this would place South African producers in an uncompetitive position. Consequently the organisation's view is that GMO products should be imported only in terms of the general exemption.

However, this is not always successful, as was proven in a recent case in December 2015 that involved the *Animal Feed Manufacturers Association (AFMA)*. AFMA





applied for commodity clearance in order to import GMO maize of the most recent technology released in America, because of the shortage of maize in South Africa, while they could have imported GMO-free maize from the Ukraine at that stage. AFMA's application for commodity clearance to import the maize from America was approved, despite Grain SA's opposition.

Subsequently, Grain SA again held discussions with the Department of Agriculture, Forestry and Fisheries to establish conditions with which an importer should comply before commodity clearance may be granted. Grain SA also liaised with the Department of Trade and Industry for support, as this Department's policy makes provision for import substitution and also wants to prevent undesirable imports.

The management of a GMO policy is a complex problem that can also have an impact on the management and safety of the environment. In its pursuit of the sustainability of agriculture Grain SA will remain involved in the debate through policy inputs.

Negotiating the diesel rebate

The diesel rebate scheme was originally introduced because most of the diesel is used by the agricultural sector and not on public roads. However, it was abolished in March 1997 because the system was abused, after which several failed attempts were made by organised agriculture to get it reintroduced.

On 19 May 2000 representatives of Agri SA and Grain SA convened with the Department of Finance again to discuss the matter. A memorandum that was discussed at the meeting identified several factors that justified the introduction of a rebate on the diesel for the agricultural sector in South Africa.

The government acknowledged the merits of the petitions and a diesel rebate on 80% of the diesel used by the agricultural sector was introduced from 4 July 2001. A producer must be VAT registered and the purpose for which the diesel is used, must qualify for the rebate. The diesel must be purchased in the name of the producer and the producer must keep proper record of the purchase, storage and use of the diesel, including a logbook per vehicle. The rebate may only be claimed on the quantity of diesel consumed and not on the total purchases.

It was to have been administered as part of the SARS VAT system and specific information was required before claims in this regard would be paid out. When it was announced, the total rebate amounted to 42,1 cents per litre. It meant a total saving of roughly R300 million for agriculture, of which about R80 million was just for grain producers.

In August 2001 Agri SA again petitioned the Minister of Finance to increase the diesel rebate for the agricultural sector. At that stage the rebate applied to only 80% of the diesel used by the agricultural sector. The petitions pointed out that the circumstances that had led to the reintroduction of the rebate had in fact worsened since then. The percentage increase in the price of diesel (100%) was also compared with the increase in producer prices ($\pm 23\%$) from 1995 to 2000.

In his reply to the petitions the Minister pointed out that the previous diesel rebate scheme had been abolished as a result of widespread abuse. He also pointed out that the changes in the administration of the system were being implemented by SARS. In view of this, the Minister decided that the rate of the diesel rebate would not be revised before the 2004 budget. Since then the diesel rebate has been adjusted from time to time.

In time problems with the diesel rebate system relating to audits, administration and fines occurred in the agricultural system. From audits by SARS it transpired that in several cases claimants did not fully comply with the guidelines and requirements of the system and relevant legislation. Among other things the requirement that logbooks should be kept for each vehicle using the so-called 'farm diesel' was not complied with in many cases. Producers were under the impression that they were complying with the requirements if they provided proof of the expenditure and applied the 80:20 principle. However, in terms of the prescriptions they were obliged to keep logbooks.

Grain SA and Agri SA became involved with the authorities with a view to developing a logbook that was practical and would comply with the SARS requirements. The discussions were furthermore aimed at finding an acceptable method for assisting producers who were held liable for non-compliance after SARS audits. Representations were addressed to SARS and the audit teams involved to accept alternative information like industry branch budgets and financial analyses by, for example, agribusinesses as sufficient substitute information for logbooks.

SARS was requested to permit producers during the 2012/2013 tax year to get the relevant administrative practices in place to support audits more effectively in future. SARS was also requested to consider workshops in this regard with the assistance of Agri SA and its affiliates. In order to assist its members with problems and uncertainties regarding the diesel rebate, Grain SA established a support desk with a firm of attorneys in 2011/2012 to answer producers' enquiries in this regard.

The biggest problem centred around the keeping of logbooks and the application of the 80:20 requirement in practice. As no guidelines existed, Grain SA submitted proposals for possible solutions to SARS. These included proposals on the content and composition of a logbook.

Eventually, SARS published guidelines for logbooks that did not accommodate Grain SA's recommendations. In the opinion of Grain SA these were unpractical, and led to unnecessary administration. Grain SA continues to liaise with SARS in this regard.

Competition in agriculture

Fertiliser industry

Grain SA keeps a record of, processes and interprets national as well as international prices of inputs like seed, fertiliser, chemicals and agricultural machinery on a daily, weekly and monthly basis. This is used to build data on the price, quality and availability of inputs.

The organisation's extensive database on international and domestic price movements makes it possible to compare the prices of production inputs. The information on fertiliser prices that was collected and analysed in the course of time indicated that competition in the fertiliser market was suspicious.

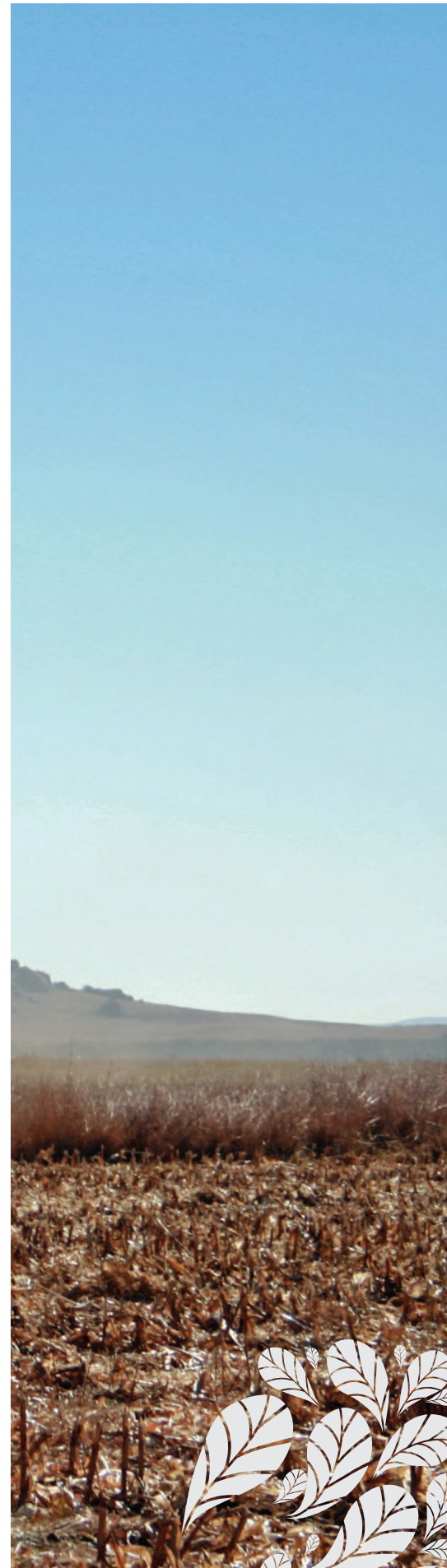
Grain SA consequently approached the Competition Commission on several occasions to investigate the matter and provided the commission with information indicating that local prices did not necessarily reflect international price levels.

Historically, fertiliser constituted about 30% - 35% of a grain and oil producer's running production costs and therefore had a major effect on the profitability of grain production. During 2008 sharp increases in fertiliser prices increased the figure to about 45%. As this increase in costs mainly had to be absorbed by the producers, it was important for Grain SA that the information on uncompetitive practices in the fertiliser market be reported to the Competition Commission.

In 2007 the Competition Commission started investigating various violations of the Competition Act in the fertiliser industry. Grain SA played a role in this by, among other things, providing information and statistics to the competition authorities.

The investigations revealed several violations of the Competition Act, including price fixing, market division and collusive tenders in the provision of a wide range of fertiliser products. Several fertiliser companies were involved in this. Ultimately it led to Sasol concluding a settlement with the competition authorities in terms of which Sasol paid a fine of more than R250 million.

The Chairperson of the Competition Tribunal encouraged affected groups to institute claims for damages against Sasol, given Sasol's admission of uncompetitive conduct. However, producers had a very difficult burden of proof with respect to the extent of the damage. Consequently, Grain SA negotiated with Sasol that a trust, the Sasol Nitro Research Trust, be founded, to which Sasol donated



R30 million over a period of three years, with the intention that the trust funds be employed for projects to the benefit of producers.

In addition to the above transgressions, the Competition Commission investigated a complaint of alleged abuse of their dominant position in the fertiliser industry against Sasol Nitro. With respect to that complaint Sasol Nitro concluded a settlement agreement with the Competition Commission on 5 July 2009, which involved a restructuring of Sasol's fertiliser industry, which eventually contributed to greater competition in the fertiliser industry.

Collusion in the baking and milling industry

During December 2006 the Competition Commission received information on an alleged bread cartel operating in the Western Cape. After a preliminary investigation the Commission lodged a complaint against Premier Foods (Blue Ribbon brand), Tiger Brands (Albany) and Pioneer Foods (Sasko).

During the subsequent investigation Premier Foods applied for indemnity and declared themselves willing to assist the Commission in its investigation. Premier Foods disclosed that it had in fact operated a bread cartel in the Western Cape together with Tiger Brands and Pioneer Foods by agreeing on the fixing of bread prices and other trading conditions.

Premier Foods further revealed that a bread cartel, of which it had been a member, existed in other parts of South Africa, and that Foodcorp (Sunbake Bakeries) was involved and that the cartel extended to the milling industry. The Competition Commission expanded its investigation to the inland cartel and the practices in the milling industry.

In the case of the complaint in the Western Cape the Competition Tribunal found Premier Foods, Pioneer (Sasko) and Tiger Brands guilty of violating sections 4 (1)(b)(i) and (ii) of the Competition Act. The tribunal found that the three firms had agreed in December 2006 on the implementation of increases in the bread price, both with respect to the price by which it would increase, and the dates on which it would be implemented.

They also agreed that none of them would supply new clients or previous employees with bread. Furthermore, none of the firms would deliver bread to any clients on 25 and 26 December 2006.

In the case of the other complaint (the national/interior complaint), the Competition Tribunal found that Pioneer Foods, Tiger Brands, Premier Foods and Foodcorp had been party to various violations of the Competition Act since 1999. This included agreements on the division of markets, the fixing of prices and the dates on which these prices would come into effect. During 2003 and 2004 they had also agreed not to allow clients to change suppliers during the implementation of price increases and not to steal each other's clients.

The cases against Premier Foods, Tiger Brands and Foodcorp were completed during 2009, but in the case of Pioneer Foods finality was reached only in February 2010.

In terms of its initial indemnity, Premier Foods did not receive any fine. Foodcorp eventually reached an agreement with the Competition Commission in terms of which Foodcorp paid an administrative fine of R45,4 million. Arising from the settlement agreement between Tiger Brands and the Competition Commission, in terms of which Tiger Brands agreed to assist the Commission in its investigation, Tiger Brands paid an administrative fine of R98,7 million.

Pioneer Foods was not prepared to admit its guilt to the violation of the Competition Act and tried to prove its innocence until the end. They did not succeed, however, and eventually the company was given a total fine of R195,7 million by the Competition Tribunal in 2010, of which R46 million was for the transgressions in the Western Cape and R149,7 million for the interior/national transgressions.

Through the extent of the fines and in the judgment the Competition Tribunal addressed a strong warning against uncompetitive practices in agriculture.





An important benefit of the above matters was greater competition in the value chain of the wheat industry. A disadvantage was that all the business statistics were lost in the process, because the competition authorities expressed qualms about them. The result was that the statistics process was scrapped, and since 2007 statistics on the amount of bread sold in South Africa, how much flour and what type of flour is sold and in which province growth is experienced, are no longer readily available.

SOCIAL RESPONSIBILITY

As a responsible corporate organisation Grain SA's strategic objectives are not only aimed at ensuring profitable and sustainable grain production for commercial and developing producers, but also at accomplishing social responsibility. Grain SA carries out this responsibility in various ways, of which the initiatives below are only a few examples.

1. Grain data

Processed supply and demand information for grain is readily available in the world market, but similar processed information for the African and South African market is incomplete. Grain SA provides the only formal source of processed information on the South African grain market. It involves the collection, sustained research and interpretation of information for the local industry. This market information, which is currently provided free by Grain SA, is recognised by local as well as international companies and organisations. The information is updated daily on the Grain SA website.

Objective information is essential for the effective functioning of the free market in South Africa and for producers to make informed business decisions.

The role-players using this data include:

- Financial institutions
- Public stakeholders
- Trade and grain-logistics-related stakeholders
- Production and input-related stakeholders
- Media
- Grain consumers
- Producers
- Consultants
- International stakeholders
- Politicians and political analysts
- Food security-related stakeholders

Other initiatives

2. The Schools Programme

Grain SA's Schools Programme was established in the NAMPO era and was initially sponsored by input providers (Omnia and Northmec). In time it became part of a partnership with the Maize Trust, the Winter Cereals Trust and the AgriSeta, which each funded the programme in different ways and in different areas.

Through the Schools Programme learners are made aware of the role of agriculture in a modern environment, as well as of the contribution of agriculture as source of food, fibre and energy.

Initially the programme was offered at NAMPO Park and the objective was to involve 50 high schools, 30 primary schools and 20 pre-primary schools/year from all the provinces in South Africa. The programme was a great success right from the start, and in time thousands of school children from a large number of schools were reached through the programme. It has grown to such an extent that a full-time staff member, Mr Heubert McGluwa, was appointed in 2004 to supervise the programme.

From 1 October 2008 the programme was transferred to the Farmer Development Division and it has expanded considerably, as contractors were sent to schools for submissions. Schools' visits to NAMPO Park were thus ended.

The following DVDs for the schools programme are currently available:

- *Food fibre and life* (The story of how agriculture developed.)
- *Dig in – what is agriculture all about?* (You need more than land to farm.)
- *The Economy – what's in it for me?* (How an economy works.)
- *Your lifeline – the story of bread* (The story of bread.)
- *Careers with plants* (This provides many options for all talents and tastes.)
- *Careers with animals* (This provides many options for all talents and tastes.)

The budget for the current schools programme (2015/2016), which reaches 300 schools and 50 000 learners/term, is R1,4 million. It works out at approximately R4 600/school, or R28/learner/year (for all three visits). It is customary for a facilitator to visit ten schools a week, which means that a contribution of R46 000/year allows the ten schools to be visited three times during the year.

The graphs alongside show the progress of this project since 2010. Each school facilitator reports on each visit, with comments from the teachers and learners at each school.

3. Maize meal donation to Rustenburg platinum belt

On 23 January 2014 almost 70 000 platinum workers in the Rustenburg area who were members of the Association of Mineworkers and Construction Union (AMCU) started striking. The strike affected all three South Africa's large platinum mines.

Many companies that were not directly affected by the strike also felt its negative effects. Companies that were suppliers to the mines incurred great losses, and in some cases workers were retrenched and companies even went bankrupt. The strike also had a major impact on the people of Rustenburg. The workers, who were already largely living in poverty, lost about R11 billion in total in salaries, and had to rely on the support of relatives and charity institutions.

Grain SA learnt of this and wanted to do something to alleviate the plight of these people. In July 2014 12 tons of maize meal were donated to the victims of the Rustenburg platinum belt. Grain SA, in collaboration with Pioneer Foods and Loubser Transport, launched a project that delivered and distributed the meal.

4. Participation in 67 Minutes Mandela Initiative

On 18 July 2014 and 2015, on Nelson Mandela's birthday, people across South Africa supported the Nelson Mandela Initiative for change. The aim of the campaign is to illustrate the importance of good deeds in the daily lives of South Africans.

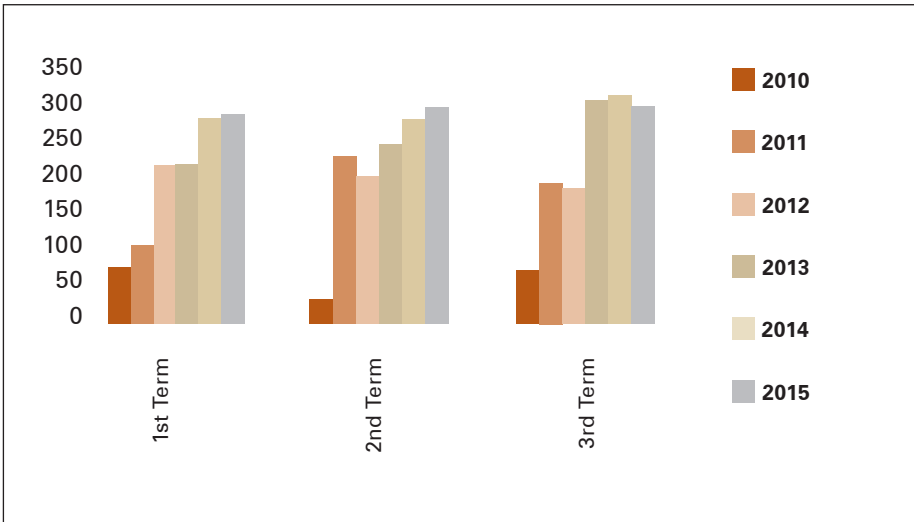
Bramley Children's Home is a residential care facility for traumatised and abused children. It offers a safe haven to 54 children who need care. With only 50% of the expenses being covered by the government and regular donations, the facility is very dependent on support and donations.



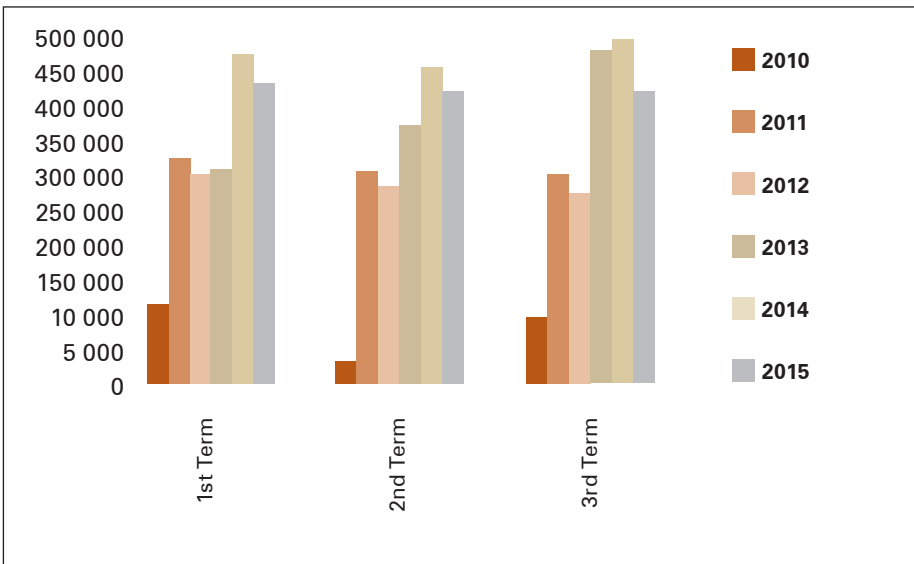
The Schools Programme currently reaches more than 50 schools and 50 000 learners per term.

SINCE THE INTRODUCTION OF THE SCHOOLS PROGRAMME IN 1993 UNTIL 2003, 21 080 LEARNERS AND 1 376 TEACHERS, REPRESENTING 351 SCHOOLS, HAVE TAKEN PART IN GRAIN SA'S SCHOOLS PROGRAMME.

SINCE THEN THE PROGRAMME HAS GROWN TO THE EXTENT THAT 145 274 LEARNERS FROM 863 SCHOOLS WERE REACHED JUST IN 2014.



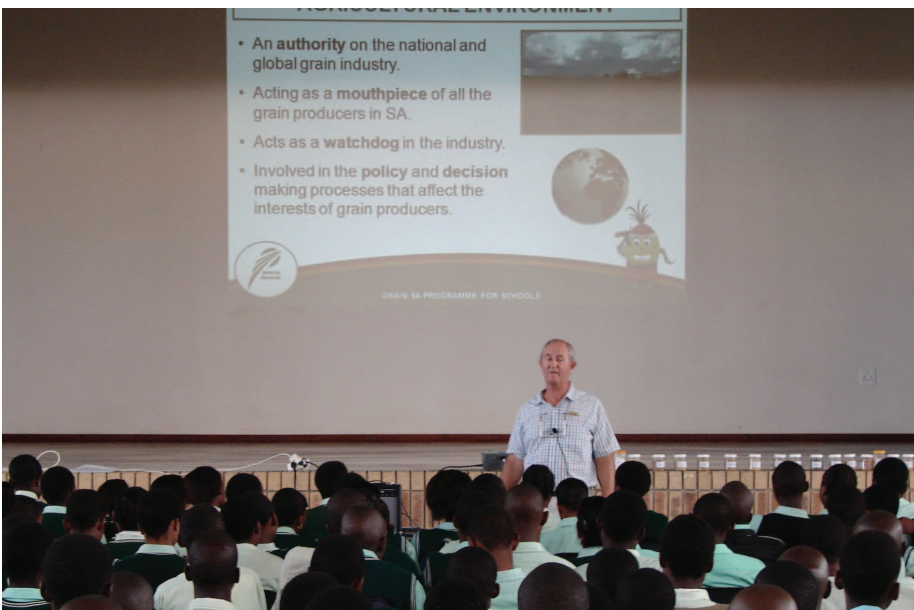
Schools visited between 2010 and 2015 with the financial support of the Maize Trust, Winter Cereal Trust and AgriSeta.



Learners who attended the Schools Programme between 2010 and 2015, thanks to the Maize Trust, Winter Cereal Trust and AgriSeta.



Awareness raising on agriculture in a modern environment among the school-going youth, as well as the contribution of agriculture as a source of food, fibre and energy, can be seen in action here.



Grain SA, with the aid of charity support services, became involved in the 67 minutes on Mandela Day 2014 to upgrade the facilities at the children's home.

In 2015 16 soccer sets were donated to the children's home with the aid of XCO Sport.

5. Grain SA's Momentum product – financial welfare programme

Profitability and sustainability versus the social upliftment of farmworkers remain important. Grain SA, in collaboration with Momentum, developed a financial welfare programme for members and their farmworkers. This solution supports employers in making provision for the key needs of farmworkers. The product was launched at the 2015 Congress.

STRATEGIC PLAN FOR THE GRAIN INDUSTRY

Early in its existence Grain SA became involved in the development of the state president's strategic plan for agriculture, led by Dr Johann Kirsten. The plan was aimed at offering agriculture its rightful place in the South African economy on the basis of the principles of growth, competition, co-operation and equal participation. The following were identified as the limiting factors in achieving growth in the agricultural industry:

- Low and intermittent rainfall and little arable land
- Poor extension and support services
- Legislation that hampers competition
- High production costs
- Low labour productivity and high cost of unskilled labourers
- Crime
- Deterioration in the research infrastructure and capacity
- Quality requirements for inputs, grain products and imported grain
- High cost of capital
- Poor access to timely, relevant and accurate market information
- Poor infrastructure and logistical limitations
- Difficult access to financing and restrictive legislation with respect to this
- International agricultural policy that distorts grain markets

After the development of the strategic plan it was clear that co-operation at all levels in the value chain was essential. To achieve this, strategic programmes were developed for the following:

- Black economic empowerment in the grain industry.
- International market access and trade policy.
- Information and communication.
- Technological development and transfer of new technology.
- Technical standards.
- Human resources development.

Each of the strategic programmes had an action plan for its implementation by the different role-players in the grain industry. Although the plan was accepted in theory, it was never actually carried out in practice.

Increasing participation by black producers in commercial agriculture since 1994 enjoyed specific attention in Grain SA and the organisation's special contribution to the development of those producers is recorded in Chapter 8. Grain SA accepted it to be part of its responsibilities to promote the integration of the new producers so that the objectives of food security and long-term sustainability of South African agriculture can be achieved.

UNITY IN AGRICULTURE (ASUF)

Producers in South Africa are represented mainly by four different agricultural unions, namely the African Farmers Association of South Africa (AFASA), the Transvaal Agricultural Union of South Africa (TLU SA), Agri SA and the National



67 Minute Mandela initiative.



African Farmers Union of South Africa (NAFU SA). Each of these organisations represents a specific group of members.

Grain SA and other role-players in the agricultural sector realised that the existence of the four representative organisations was not in the interests of the country's producers, because they divided their voice and negotiating power. After a request by the Minister of Agriculture, Forestry and Fisheries, Ms Tina Joemat-Pettersson, the realisation developed that something had to be done to get the different representative organisations around one table and to find a base from which they could co-operate in the interests of agriculture.

It was decided to obtain the involvement of Prof Mohammad Karaan, dean of the Faculty of Agriculture at the Stellenbosch University and former Chairperson of the National Agricultural Marketing Council, to facilitate talks between the different organisations. A delegation comprising representatives from Agri SA, Grain SA and the Free State Agricultural Union visited him and obtained his support. Through Karaan's mediation the four organisations started talks, which eventually in November 2012 culminated in the founding of the Agri-sector Unity Forum (ASUF), with AFASA, NAFU SA, TLU SA and Agri SA as its members. This created a forum where white and black producers could work together to address important agricultural issues.

Although Grain SA played an important role in the establishment of ASUF, it is not a member of ASUF. However, Grain SA is affiliated with Agri SA. ASUF's main objective is to obtain consensus among its members and speak with one voice about matters that affect agriculture.

In particular, ASUF focuses on competitiveness in South African agriculture, sustainability of the agricultural sector and the development of markets. ASUF is closely involved in the debate on land reform in South Africa and has formulated proposals and submitted them for consideration to the Minister of Rural Development and Land Reform, Mr Gugile Nkwinti. The fact that the members succeeded in reaching consensus on the submission to Minister Nkwinti on this extremely sensitive topic, despite differences on many of the issues, is very encouraging.

ASUF does not have its own secretariat or staff, and all the members work together to allow it to function. Since the founding of ASUF in 2012, Mr Japie Grobler has served as Vice-chairpersons. He took over the reins as Chairperson of ASUF in

2014 after Ms Ntombi Msimang, who had also been the Chairperson of the National Agricultural Marketing Council, suddenly passed away.

However, according to Grain SA's annual report of 2016, the agricultural sector has not yet succeeded in creating a unified voice for agriculture. Because Grain SA is in favour of one mouthpiece for organised agriculture, secretariat support was offered to ASUF as organisation for agricultural unity during 2015/2016.

BOTHAVILLE OFFICE: MOVE TO PRETORIA

When SAMPI was founded, the head office was established in Bothaville in facilities provided by Mr Crawford von Abo. After SAMPI and SAMSO merged, NAMPO continued to use the head office in Bothaville. Later, NAMPO acquired its own building in Bothaville, which served as the head office until the establishment of Grain SA.

This building was used as head office by Grain SA too for about twelve years. During that period investigations were launched on occasion regarding the possible move of the head office, but the findings were always that Bothaville was the most suitable site for Grain SA's head office.

During 2011 Jannie de Villiers was appointed as the new CEO of Grain SA. The re-establishment of Grain SA's head office in Pretoria in 2012 consequently formed part of a new strategic focus that was approved by the organisation's Executive. Grain SA's leadership accepted the reality that it would be in the best interest of the organisation and its members if the head office was established in Pretoria.

One of the main considerations for the move to Pretoria was liaison with the government and government organisations in the pursuit and execution of Grain SA's objectives. The distance between Bothaville and Pretoria (roughly 600 km there and back, with about 6 hours' travelling time), where most of the interaction with the government and role-players in the grain industry took place, made effective lobbying difficult.

The changed circumstances within which Grain SA functioned, together with objectives for transformation, constantly required new expertise to be established in the personnel corps. It was very difficult to achieve those objectives with the head office in Bothaville because it was not easily possible to attract BEE experts to Bothaville.

The moving of the head office was a challenging process. Not all Grain SA members agreed with the move. However, there was sufficient motivation for the decision and it was done successfully. Looking back it seems that the decision to move Grain SA's head office to Pretoria was the right one. Grain SA achieves positive results with influencing policy. Liaison with interest groups is more effective because it is easier to reach them.

In addition, it is easier to recruit and appoint expert and multilingual staff in an urban environment. The change in the composition of the personnel corps, executive members and office bearers has necessitated English being adopted as the official language of some Grain SA meetings. Grain SA has also progressed well with the transformation of its personnel corps.

The organisation started realising transformation in its leadership with the appointment of Mr Victor Mongoato – Chairperson of Grain SA's Farmer Development Programme Working Group – as Vice-chairpersons of Grain SA in March 2013. Since then Mongoato and Mr Andries Theron have served as Vice-chairpersons of the organisation. Although Ms Preline Swart took over as Vice-chairperson from Mongoato during Grain SA's 2016 Congress, he is still a co-opted member of the organisation's Executive Committee.

Progress with transformation in Grain SA has made a definite contribution to the creation of a relationship of trust with government institutions. Grain SA maintains a good relationship with the government and received both Messrs Thabo Mbeki and Jacob Zuma, the second and third state presidents of South Africa since 1994, at NAMPO Park. Grain SA had considerable interaction with Mbeki in particular when the agricultural plan was drafted. In March 2008 Zuma, at the time only the







elected president of the ANC, addressed the Grain SA Congress.

One of the many positive results of Grain SA's contribution to the community and its relationship with the government was that it managed to obtain considerable amounts for the funding of recapitalisation projects for developing producers from the government.

Co-operation with government institutions has increased because Grain SA can deliver. The Department of Science and Technology has since 2015 started supporting Grain SA as research funding partner for soybean and wheat research. In the meantime, new partnerships have been concluded with the government with respect to research and farmer development.

With the aid of the National Treasury's newly created fund for promoting job creation, the Jobs Fund, the Farmer Development Programme managed to launch a project in 2015 in terms of which 1 577 small producers gained access to inputs and mechanisation to cultivate 1 802 hectares. The opportunities enable Grain SA to make valuable contributions to transformation at farm level too, as will be shown in the following chapters.

LEADERSHIP DEVELOPMENT

During 2011 Grain SA's Executive accepted leadership development and training of younger producers as well as more established leaders and mentors as a specific strategic focus area.

In order to gain more knowledge on leadership training, Mr Jannie de Villiers, CEO of Grain SA, attended the first phase of the annual Leadership Academy programme of the National Corn Growers Association in the USA. This course focuses on the development of the leadership skills of young producers. He was the first foreigner to attend the course in 26 years.

On his return, De Villiers discussed the possibility of starting a similar programme for young leader producers in South Africa with Mr Antonie Delpont, Managing Director of Syngenta in South Africa. They believed that such a programme could contribute a lot to the empowerment of young producers in South Africa and to the development of a science-based approach to the future of agriculture.

The Syngenta Grain Academy was established in 2012 and a leadership development programme was developed in collaboration with the Business School of the University of the Free State. It comprises three study blocks of three days each that are presented over a period of three months at the university. The Grain Academy's first course, which was offered in 2013, was completed successfully by the following individuals:

- Bernhard Coetzer, Potchefstroom
- Casper Botha, Potchefstroom
- Chris Bender, Clocolan
- Cobus van Zyl, Bloemhof
- Cobus Grobbelaar, Bothaville
- Corné Louw, Grain SA, Pretoria
- Floyd Murray, Eastern Cape
- Frikkie Theron, Moorreesburg
- Gideon Anderson, Middelburg
- Graham Leslie, Harrismith
- Henk Prinsloo, Middelburg
- Herman Fouche, Potchefstroom
- Jean-Pieter Corver, Harrismith
- Joel Allem, Viljoenskroon
- Johan du Toit, Senwes
- Johan van Huyssteen, Virginia
- Ters Pretorius, Heilbron

- Theo Ferreira, Harrismith
- Tony da Costa, Nigel

Male and female candidates from diverse circumstances and cultural backgrounds can attend the course. The content of the programme addresses topical matters like land reform, the use of communal land, empowerment and the development of emerging farmers, labour issues, job security and employee benefits for farm-workers. However, the focus is on the development of the candidates' leadership and business skills.

The aim of the Grain Academy's programme is to develop candidates on a personal and professional level to the extent that they are not just able to make a difference at farm level, but can also add value to the broader agricultural community.

In addition to its contribution to the establishment of the Grain Academy, Grain SA, in collaboration with Santam Agri, established the Young Leaders Laboratory to create a platform where young agricultural leaders from different backgrounds meet under the guidance of experienced mentors. Young leaders from government departments and the private sector, as well as young producers, are invited to the annual event. Candidates are encouraged to network outside the formal sessions to get to know each other better and develop a better understanding of everybody's background and views. Candidates are allowed to communicate their views freely and the discussion leaders encourage open debate.

'The extremely positive feedback from the participants in this conversation emphasises the need of young leaders to build bridges that can take the grain industry into the future,' De Villiers said.



The programme facilitators of the Syngenta Grain Academy in 2013.



The Grain Academy group, facilitators and lecturers of Syngenta 2013.



Syngenta Grain Academy

Syngenta glo dat die toekoms van landbou gevorm moet word en hier aan ondersteuning oorgegee aan woorde toe. Vanuit hierdie agtergrond het Syngenta, in samewerking met die Galeskool van die Universiteit van die Vrystaat, 'n postnawe leierskapsontwikkelingsprogram ontwikkel en reeds vanaf 2013 suksesvol geïmplementeer vir jong kommersiële boere wat die argitekture van nuwe en landbou-erfgoed wil bewaar.

Die inisiatief word deur Grain SA ondersteun. In die woorde van Janis de Wit, uitvoerende hoof van Grain SA: "Die stigting van 'n Grain Academy is 'n lyn met Grain SA se strategiese doelwitte en ons is opgewonde om in samewerking met Syngenta ook hierop 'n bydrae te maak. Die toekoms van volhoubare produksie is 'n ons mededingendheid en of kan met spesifieke verbetering word."

Die Syngenta Grain Academy is 'n leierskapsontwikkelingsprogram en sal die volgende onderwerpe onder meer aanspreek:

- Die veranderende en uitdagende toekoms van landbou
- Die kare om mede te sien te sien op 'n pad van nuwe uitdagings
- Hoe om diversiteit tot jou voordeel te gebruik
- Hoe om om te maak uit 'n oopheid van stigting
- Hoe om leiding te neem en verskeidenheid te fasiliteer in 'n era van transformasie

Die Grain Academy sal die inisiatief op persoonlike en professionele vlak base en verskeie benodigde dienste landbou-gemeenskap. Die program bestaan uit drie blokke van drie dae elk en word by die Universiteit van die Vrystaat se Swakopkop op Bloemfontein aangebied.

"'n Het verag om van presiese te leer - toe word die grootste leierskapsontwikkelings - my destydse voorganger, Chris Bunker, uitvoerende hoof, 2013 Grain Academy alom."

Vir meer inligting en om te registreer, kontak asseblief:
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IMAGE BUILDING AND COMMUNICATION

The momentum of image building and communication actions that were driven effectively by NAMPO and NOPO in the past, was continued by Grain SA after 1999.

The support of the agricultural companies in the form of sponsorships, taking up advertising space and sustained participation in Grain SA's NAMPO Harvest Day should be mentioned, as they made a material contribution in this regard, and are still doing so. This partnership with sponsors is a major factor that has contributed in creating a platform through which the image of Grain SA as producer organisation – but mainly the cause of the grain producer – can be promoted effectively and timeously.

As far as image building and communication are concerned, it is clearly not just a farmer who can make a plan. The various producer organisations from which Grain SA was constituted had to make creative plans with limited funds for media exposure and mass communication to keep members informed constantly, convey grain market information and trends timeously, put agriculture's case and reach opinion formers and role-players in the government. The same challenges faced Grain SA, but the difference was that technology like the internet, cell phones and satellite TV was already in use by 1999.

Grain SA's public relations and communications function has been handled internally by a public relations manager and/or public relations officer since 1999. After it functioned as a separate division at times and was also part of the Commodity Levy Division, it was incorporated into the newly formed Marketing Division of Grain SA in 2015.

Personal communication

Communication with our members and producers at farm level is a priority. In addition to the series of regional meetings that are held in the run-up to Congress, special information meetings are held at central points in the grain-producing areas if necessary. Grain SA's Executive members play a major role in two-way communication and efforts are made to provide them with information that can be supplied by Grain SA's 29 regions and the branch structure.

The services of Tony Sanderson (a lobbyist) were obtained in 2013 to open doors for strategic discussions and functional interaction with government role-players. After certain objectives had been achieved, Grain SA decided not to continue this process after 2015.



Grain SA's logo that had been approved by Congress in 2000 was rejuvenated in 2009. The logo's colours and character remained unchanged, but for a more practical application on corporate clothing, for example, the organisation's name was moved to below the icon.

According to media monitoring statistics Grain SA succeeded in increasing the interest of the English press in the grain industry and food security in 2014, while the industry's media profile in the Afrikaans and agricultural media was successfully maintained.





Media liaison

Liaison with the media enjoys constant focus. Close contact is maintained in order to ensure access to a maximum amount of information and background on matters affecting the grain producer. Grain SA has an established media profile and a strong relationship with the agricultural media – particularly through the members of the Agricultural Writers’ Association – as well as the business and daily press and broadcasting media. Independent media monitoring in 2014/2015 indicated that the grain industry’s exposure to the English media increased over the past few years. Journalists from the local and even international media are received at Grain SA’s media centre during the NAMPO Harvest Day.



Management Committee members of Grain SA are regularly quoted in the media and the expertise of the organisation’s technical and economic specialists is highly regarded by the media.

Digital

After Grain SA’s television programme had ended in 2002, the Executive decided that a website should be established to contain most of the information from the programme and should be updated regularly. The website boasted 11 000 visitors a month. The introduction of the first SMS service enabled the organisation to communicate almost instantly with more than 2 000 members by cell phone.



Given the rapid rate at which technology develops, the website was upgraded in 2007 to make the information it contained more accessible and user-friendly. The number of website visits increased annually, while May was the most popular month due to the NAMPO Harvest Day.

In addition to a series of regional meetings that are held leading up to Congress, special information meetings are held at central locations in the grain producing regions if necessary.

The advent of interactive website technology and social media led to the website being upgraded again in 2013 to meet the new requirements. During 2014, Phase 2 of the project was completed with the upgrading of the NAMPO Harvest Day website and an extensive data-management system for the Farmer Development Division to support interactive management actions from the various regions. *SA Graan/Grain* was also released in e-book format on the website.

The high volume of daily visits to the market information on the website also indicates that the Grain SA website is user friendly and is managed on a needs-driven basis. By May 2015 the average monthly unique visits stood at 49 044. 2015 live news reports were integrated with the website.



In the 2014 annual report Mr Jannie de Villiers, CEO of Grain SA, mentioned that Grain SA's presence had been successfully announced on the social media platforms Facebook and Twitter. Social media are used within the organisation mainly to foster dialogue, optimise public relations and marketing initiatives and build brand awareness by exposing the brand to new people and increasing involvement.

During 2014/2015, activity on the @GrainSA Twitter account increased substantially from 253 followers in the previous reporting period to 1 682. In addition to tweeting during all major Grain SA events such as Congress and NAMPO, the account is used to disseminate daily market reports and fuel reports.

The Grain SA Facebook page's following more than doubled during the period, from 1 000 followers in December 2014 to 4 828 on 1 December 2015. This platform is more popular and members interact with the organisation and fellow community members on a daily basis. With the integration of the Grain SA YouTube channel, cross-sharing between the social media platforms was simplified. Grain SA also established an Instagram account, which has 942 followers.

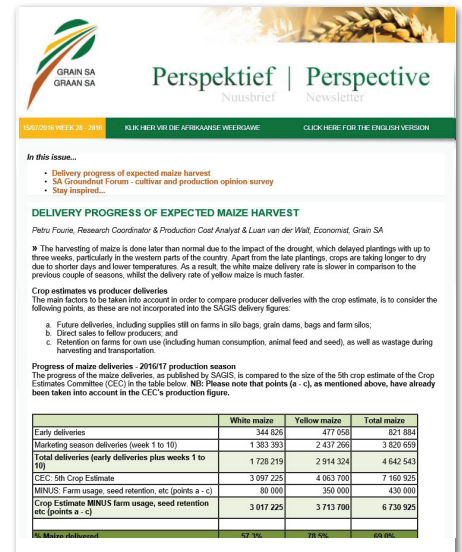
A fortnightly electronic newsletter, *Grain SA Perspective*, was started in 2008 and distributed to members via email. Topical information on the industry, as well as developments in the input, production and market environment, is communicated via the newsletter. The newsletter is also published on the website. The *Grain SA News Flash* is utilised to distribute urgent important and relevant information like agricultural production conditions to members.

Radio

A fortnightly RSG programme is managed by the public relations officer and assistance is provided in arranging interviews by members of the Grain SA Management Committee on various radio stations and broadcasting media. A radio campaign was implemented in 2015, focusing on English-speaking urban stakeholders. During an agricultural awareness campaign broadcasting slots were obtained on 702 Talk Radio.

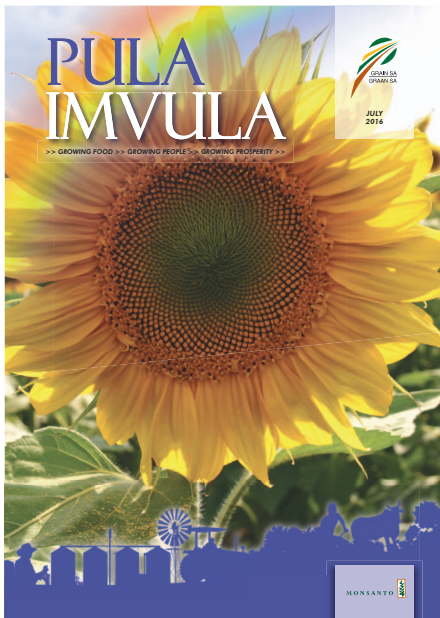
Printed publications

With a constant focus on the producer members of Grain SA as the primary target audience, the success of *Mielies/Maize* as mouthpiece of the organisation was continued with *SA Graan/Grain*, which is a respected journal in the grain and oilseeds industry. The Farmer Development Programme monthly publishes the *Pula Imvula* newsletter – a publication that is translated into seven languages and is aimed at developing producers. Grain SA also publishes the annual *Grain Guide*, which contains useful contacts and articles on seed, implements, fertilising, integrated pest





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control, livestock, money and financial services and – last but not least – information on Grain SA, important contacts and an updated calendar for the coming year.

Grain SA's annual report, which serves before Congress, contains full feedback on the activities of the elected leadership and personnel corps during the year under review and includes the audited financial results. A number of thematic flyers for specific target audiences are produced annually.

In support of Grain SA's public relations actions aimed at government role-players a publication agreement was reached with Cape Media in 2012 for the publication of the bimonthly *Harvest SA*. This contributed to creating a greater awareness of the grain industry and its challenges with the target market, after which the agreement ended in 2015.

Advertising campaigns

A TV advertising campaign aimed at government role-players was launched in 2013. The message of the campaign involved the role of agriculture in food security, as well as the impact on co-operation over a wide spectrum.



A TV advertising campaign was launched in 2013.



An 'Agriculture gives life' campaign and TV advertisement were launched in 2015.

