



# ***PROGRESS REPORT***

***Grain SA's growth strategy up to 2016***

***As at 1 August 2013***



## *Grain SA has made the following progress with the strategic focus areas set for 2013/2014:*

### **1. Market expansion**

- ▶ The first **monthly supply and demand report** was published by the National Agricultural Marketing Council on 28 June this year. Timeous and transparent market information with regard to grain and oilseed exports is important not only in terms of food security, but also for pricing purposes. Grain SA submitted the initial proposal which led to the establishment of the Supply and Demand Committee.
- ▶ Grain SA's proposal for an increase in the wheat tariff led to the announcement by the Minister of Trade and Industry, Dr Rob Davies, that a **wheat-tariff protection level** of \$294/ton FOB (free on board) had been approved. Although this was a bit lower than the proposal submitted by Grain SA, it implies a price support from a Safex price of roughly R3 300/ton.
- ▶ With the wheat tariff in place, it was decided to propose a reappraisal with regard to the maize tariff. We hope to have it in place by 31 August this year.
- ▶ Full inputs were provided to the newly formed **Presidential Infrastructure Coordinating Commission** to indicate what the needs of the grain industry are.
- ▶ Activities to accomplish the scrapping of the **location differential** and to obtain more transparency in the grain market are continuing. Good progress is however being made with regard to base trading.
- ▶ Attempts to have a **Commitment of Traders report** established locally have not yet succeeded, but the matter is still receiving attention.
- ▶ Grain SA has contacted the Treasury, the Financial Services Board and the JSE with regard to the impact that **high-frequency algorithm trading** could have on the futures exchange and hedging.
- ▶ In addition to the SMS morning market report after 12:00, Industry Services now publishes an **afternoon market report** as well.



- ▶ Enquiries with respect to market information can be handled in **Afrikaans, English, Tshivenda, Sesotho, IsiXhosa and IsiZulu**. Market information is also available through audio reports.

## 2. *Expansion of the demand side*

- ▶ After discussions with delegations from Japan, Taiwan and China in April this year, **significant yellow maize exports** were achieved. From the beginning of the 2013/2014 marketing year until the beginning of August, Japan has already imported approximately 497 306 tons and Taiwan about 147 219 tons of South African yellow maize.
- ▶ The finalisation of the outstanding aspects of the government's **biofuel policy** in the short term holds the promise that the first bio-ethanol plants could be in commission by the end of 2015.
- ▶ The construction and expansion of **soybean pressing plants** are progressing well and expectations are that South Africa's available exports of approximately 160 000 tons of soybeans can be absorbed locally by the new soybean pressing capacity.

## 3. *Leadership*

- ▶ Discussions between Grain SA and the Department of Land Affairs and Rural Development on the **Green Paper on Land Policy** are ongoing.
- ▶ The Minister of Agriculture, Forestry and Fisheries published proposed amendments to the **Agricultural Marketing Act** on 14 June this year. Grain SA is currently analysing all the proposed amendments and quantifying possible implications in order to comment on them.
- ▶ **The Agri-Sector Unity Forum (ASUF)** – of which Grain SA is part – plays a key role in finding solutions to problems in the agricultural sector and in collective discussions with the government.

- ▶ Grain SA joined the **African Farmers' Association of South Africa (AFASA)** as member. As the only commodity organisation on board, Grain SA provides valuable inputs on behalf of the grain industry.
- ▶ The **Sasol Research Trust** is on track and the funds for the first projects have been paid out.
- ▶ Positive feedback was received about the **Grain SA Congress** that took place in March this year. The format of Congress had been changed to include panel discussions by experts.
- ▶ Despite a challenging production year, 72 376 visitors attended the **Grain SA NAMPO Harvest Day** in May this year. Paid-up members of Grain SA enjoyed free access and an exclusive parking area.
- ▶ After a project to integrate and update Grain SA's website, the new website was introduced during Congress. Please visit us at [www.grainsa.co.za](http://www.grainsa.co.za).
- ▶ The Marketing Division is currently developing a strategy to communicate with interest groups via **social media networks** like *Facebook* and *Twitter*.

#### 4. Production productivity

- ▶ The change in the method used by the South African Revenue Service (SARS) to audit the **diesel rebate** is continuing, seeing as the law requires a **logbook** to be kept to support diesel usage. Grain SA is still involved in discussions with SARS on this issue. In the meantime, producers are recommended to keep the minimum information required by law.
- ▶ In terms of a resolution by the Groundnut Specialist Working Group, Grain SA will submit a request to SANSOR on behalf of producers to base the **quality requirements of groundnut** seed on the quality requirements of domestic grading.
- ▶ It was decided that sorghum seed companies would help emerging producers in the Eastern Cape with cultivar trials to **promote sorghum production** in this region. This is being done with the aim of erecting a 210 000 ton biofuel plant in Cradock.





- ▶ Grain SA provided inputs in favour of producers' right to withhold seed as part of the revision of the Plant Breeders' Rights Act. The Registrar of the Plant Breeders' Rights Act with the Department of Agriculture defined the clause that allows the producer to **withhold seed for personal use**.
- ▶ The National Crop Estimates Committee (CEC) was requested on various forums to release **additional information** on the provision of **crop estimate figures**. Consequently, the following additional information was provided and it is also available on Grain SA's website:
  - ◆ Division of maize between dryland and irrigation
  - ◆ Yields per magisterial district as obtained from producers
  - ◆ Data input providers that are taken into account every month
  - ◆ Objectives of the Crop Estimates Committee
- ▶ Grain SA collaborated that funds were made available for **fertiliser quality monitoring** and a protocol was introduced to handle this matter.
- ▶ Two research projects for the control of **gerbils** were submitted to the Maize Trust and Sasol Research Trust for consideration.
- ▶ The organisation's **Conservation Agriculture strategy** was approved, after which a Conservation Agriculture Committee was established on 31 May this year. The latter mainly consists of innovative conservation agriculture producers and represents all grain production regions. Strategic objectives for the short and medium term involve the following:
  - ◆ Providing a good description of conservation agriculture practices in different agro-ecological regions that can form the basis of the future technical guidelines for conservation agriculture.





- ◆ Raising general awareness of and offering access to information, innovation and research in which producers can participate actively, incentives and mechanisms, legislation, producer networks and organisations (like study groups) as well as relevant training for learners, students, producers and extension officers.

## 5. Transformation

- ▶ **Grain SA's producer-development programme** continues to serve the programme's members in the Free State, North West, Mpumalanga, KwaZulu-Natal, Eastern Cape and Western Cape.
- ▶ Developing producers who participated in the government's **recapitalisation programme** in the Free State, North West and Mpumalanga this year, planted more than 14 000 ha.
- ▶ There is a possibility that Grain SA will form part of the **integrated food security and nutrition initiative** (IFSNI). Grain SA is in the process of preparing business plans for more than 400 producers for the coming season.
- ▶ **Training courses for emerging producers** and for farm workers are continuing and since October 2012 Grain SA has presented 213 training courses. These courses are funded by the Maize Trust, the Winter Cereals Trust, the OPDT and the ARC.
- ▶ In conjunction with the JSE, Industry Services now offers **training** to developing producers with respect to the use of **futures market instruments**.





## 6. *New generation*

- ▶ A **Grain Academy** was presented in collaboration with Syngenta and the University of the Free State, and positive feedback was received from participants.
- ▶ In order to encourage leadership training for young leaders in the organisation, the next **Young Leader's Lab** was scheduled for September this year.
- ▶ Grain SA's facilities at Bothaville will be made available on a commercial basis to the proposed **Bothaville College of Agriculture**, seeing as the organisation is willing to support training initiatives.
- ▶ Good momentum has been retained with the **Grain SA Schools Programme** in collaboration with AgriSETA. Awareness of the important role of sustainable food production was created among 36 625 grade 9 learners this year through visits to 246 schools.

## 7. *Grain SA as preferred employer*

- ▶ Although Grain SA operates from the head office in Pretoria, the image of the organisation is also promoted by the office facilities in Bothaville, NAMPO Park, Bloemfontein, Paarl and the Developing Agriculture offices in various centres across the country. In accordance with a decision to promote Grain SA's image in a suitable manner through every office, proposals for **visibility and the renovation of offices**, where required, were drafted. The project is currently being planned.







[www.grainsa.co.za](http://www.grainsa.co.za)

Tel: 086 004 7246

Block C

Alenti Office Park

457 Witherite Street

The Willows

Pretoria

0041

PO Box 74087, Lynnwood Ridge, 0040

